2023
World Standard-setters Conference
#WSS2023

Better information
for better decisions

25–26 September 2023
IASB update—Q&A with IASB Chair and Executive Technical Director

Andreas Barckow
Nili Shah

#WSS2023
Presenters

Andreas Barckow  
IASB Chair

Nili Shah  
IASB Executive 
Technical Director

1. Changes at the IASB
2. Stakeholder engagement
3. Technical work
4. Connectivity with the ISSB
5. Digital financial reporting
6. What will affect you in the coming months
7. Questions and answers session
Changes to the composition of the IASB

<table>
<thead>
<tr>
<th>Appointed IASB Vice-Chair</th>
<th>Started their term</th>
<th>Reappointed to a second term</th>
</tr>
</thead>
<tbody>
<tr>
<td>Linda Mezon-Hutter</td>
<td>Patrina Buchanan</td>
<td>Tadeu Cendon</td>
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<tr>
<td></td>
<td>Florian Esterer</td>
<td>Rika Suzuki</td>
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<td>Hagit Keren</td>
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More details on the IFRS Foundation Website International Accounting Standards Board
Partnering with national standard-setters (NSS)

Why partnering is important?

- It improves the quality of financial information
- It enhances the international comparability

IFRS Foundation benefits from working with NSS through their:

- knowledge of local requirements;
- relationships with key stakeholders;
- standard-setting experience;
- technical accounting capabilities;
- role in the endorsement of new Standards

NSS benefit by:

- influencing the development of IFRS standards;
- representing their stakeholders in the international debate;
- sharing information and ideas with other NSS
How are we engaging with NSS?

1. Consultative groups, advisory bodies
2. Support of project-specific work
3. Supporting consistent application
4. NSS newsletters
5. World Standard-setters conference
6. Technical consultations
7. IFASS and meetings of regional bodies
8. Secondments of NSS staff

Point of contact:
Elena Kostina
IASB Stakeholder engagement team
elena.kostina@ifrs.org
To assess progress towards the global adoption of IFRS Accounting Standards, the IFRS Foundation monitors the adoption of those standards in each jurisdiction.

We have complete profiles for 168 jurisdictions.

We update profiles on an ongoing basis.

We welcome your input. Would like to update your profile? Contact us!
Standard-setting projects

Publish Exposure Draft

Decide project direction

IFRS Accounting Standard (new/amended)

Financial Instruments with Characteristics of Equity

Business Combinations—Disclosures, Goodwill and Impairment

Dynamic Risk Management

Equity Method

Breakout Session 1

Management Commentary

Rate-regulated Activities

Primary Financial Statements

Subsidiaries without Public Accountability: Disclosures

Optional drop-in – Day 2

Review of the IFRS for SMEs Accounting Standard

Technical work concluded

Further details in Plenaries – Day 2
## Dynamic Risk Management (DRM)

### Why started?
- Develop an accounting model to better reflect the effect of DRM in a company's financial statements

### What is DRM model?
- A DRM adjustment is recognised in the statement of financial position
- Represents the extent to which designated derivatives successfully mitigated the variability from the risk mitigation intention, and achieved entity’s target profile

### What next?
- Further discussions on the DRM model
- Publish Exposure Draft in 2025
Equity Method

Why started?
✓ Develop answers to application questions about the equity method, as set out in IAS 28 *Investments in Associates and Joint Ventures*

What application questions were resolved?
Those within the project’s scope for **investments in associates**:
✓ Ownership changes
✓ Recognition of losses
✓ Transactions with (and between) associates
✓ Deferred taxes
✓ Impairment
✓ Contingent consideration

What next?
✓ Discuss any implications of applying IASB tentative decisions about associates to investments other than those in associates
✓ Publish Exposure Draft in H2 2024
Management Commentary

Why started?
✓ Overhaul IFRS Practice Statement 1—building on innovations in narrative reporting and focusing on capital market needs

What happened recently?
✓ Strong investor support for the project
✓ Calls to work together with the ISSB
✓ IASB discussed staff comparison with *Integrated Reporting Framework* and feedback on comparison

What next?
✓ Decide project direction
Rate-regulated Activities

1. Why started?
   ✓ In response to questions from stakeholders whether rate regulation creates any rights and obligations that could qualify for recognition as assets and liabilities

2. What are main proposals?
   ✓ In some cases, rate regulation creates differences in timing that arise when compensation for goods or services supplied in one period is included in the regulated rate charged in a different period
   ✓ Reflect compensation for goods or services in the period goods or services are supplied and
   ✓ Recognise regulatory assets, regulatory liabilities, regulatory income and regulatory expense

3. What next?
   ✓ Finish redeliberations
   ✓ Publish new IFRS Accounting Standard in 2025, which will replace IFRS 14 Regulatory Deferral Accounts
Research projects and pipeline

- Pipeline
- Early stage of research phase
- Decide project direction

1. Intangible Assets
2. Statement of Cash Flows
3. Amortised Cost Measurement
4. Business Combinations under Common Control

Extractive activities
- Stopping work on the project
- Remove IFRS 6 temporary status in next Annual Improvements volume
- Publish project summary

Post-implementation reviews

- Recently completed
  - IFRS 9—Classification and Measurement

- Out for comment
  - IFRS 9—Impairment
    - Comments due 27.09.2023
  - IFRS 15 Revenue from Contracts with Customers
    - Comments due 27.10.2023

- Forthcoming
  - IFRS 16 Leases
  - IFRS 9—Hedge Accounting
Maintenance projects

1. Publish Exposure Draft
   - Provisions—Targeted Improvements
   - Climate-related and Other Uncertainties in the Financial Statements

2. Discuss feedback on Exposure Draft
   - Annual Improvements to IFRS Accounting Standards

3. Breakout Session 5 (PM)

4. Breakout Session 1

5. Amendments to IFRS 9: Classification and Measurement
6. International Tax Reform—Pillar Two Model Rules (IFRS for SMEs)

New +

14
Power Purchase Agreements (PPAs)

Why started?
✓ Explore whether narrow-scope amendments could be made to better reflect PPAs in financial statements

Project scope
✓ Own-use requirements for physical PPAs
✓ Hedge accounting requirements for Virtual PPAs

What next?
✓ Decide on project direction in H1 2024
Climate-related and Other Uncertainties in the Financial Statements

Why started?
✓ In response to stakeholder feedback shared in the Third Agenda Consultation about:
  ▪ insufficient information about climate-related risks in the financial statements and
  ▪ inconsistency in information between financial statements and other reports

What is it about?
✓ Explore whether and how financial statements can better communicate information about climate-related risks
✓ Consider the work of the ISSB

What next?
✓ Decide project direction in Q1 2024
Connections between financial statements and sustainability-related financial disclosures

<table>
<thead>
<tr>
<th>Connections in our processes</th>
<th>International Accounting Standards Board</th>
<th>International Sustainability Standards Board</th>
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<tbody>
<tr>
<td>Connections in our products</td>
<td>IFRS Accounting Standards</td>
<td>IFRS Sustainability Disclosure Standards</td>
</tr>
<tr>
<td>Connections in general purpose financial reports</td>
<td>Information about a company’s financial performance and financial position in financial statements</td>
<td>Information about a company’s sustainability-related risks and opportunities in sustainability-related financial disclosures</td>
</tr>
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Webcast: Connections between accounting and sustainability disclosures
Article: Connectivity—what is it and what does it deliver?
IASB’s focus on digital financial reporting

1. Investors are increasingly consuming information through digital means to make investment decisions.
2. As part of its Third Agenda Consultation the IASB agreed a slight increase in its focus on digital financial reporting.

To help improve the usefulness, quality, accessibility and comparability of digital financial information the IASB is:

- continuing to improve the IFRS Accounting Taxonomy
- considering implications for IFRS Accounting Standards from the digital consumption of financial reports
- working with partners in the digital ecosystem to facilitate the digital consumption of financial reports
## New Standards and amendments

<table>
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<tr>
<th>Amendments since September 2022</th>
<th>Effective date</th>
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<tr>
<td>Lease Liability in a Sale and Leaseback [IFRS 16]</td>
<td>1 January 2024</td>
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<tr>
<td>Non-current Liabilities with Covenants [IAS 1]</td>
<td>1 January 2024</td>
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<tr>
<td>International Tax Reform—Pillar Two Model Rules [IAS 12]</td>
<td>1 January 2023*</td>
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<tr>
<td>Supplier Finance Arrangements [IAS 7; IFRS 7]</td>
<td>1 January 2024</td>
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<tr>
<td>Lack of Exchangeability [IAS 21]</td>
<td>1 January 2025</td>
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### New IFRS Standards

**Expected in 1H 2024:**

- Primary Financial Statements
- Subsidiaries without Public Accountability: Disclosures

Effective date - for annual reporting periods beginning on or after **1 January 2027**

* and immediately upon issuance for paras 4A and 88A

Further details in Plenaries – Day 2
## Consultations

**Open for comments**

<table>
<thead>
<tr>
<th>Request for information on PIR of IFRS 9—<em>Impairment</em></th>
<th>Comments due 27.09.2023</th>
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<td>Request for information on PIR of IFRS 15—<em>Revenue from Contracts with Customers</em></td>
<td>Comments due 27.10.2023</td>
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<tr>
<td>Exposure draft proposing Annual Improvements to IFRS Accounting Standards: ✓ IAS 7, IFRS 1, IFRS 7, IFRS 9, IFRS 10</td>
<td>Comments due 11.12.2023</td>
</tr>
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**Forthcoming**

**Expected in Q4 2023:**

Exposure draft proposing amendments to IAS 32 *Financial Instruments with Characteristics of Equity*
Q&A session
Join our team

- a mission that matters
- working with global accounting experts
- access to network of influential people
- small organization with a big impact
- unique development opportunities
- intellectually stimulating
- international environment

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