

Consistent application of IFRS Accounting Standards

Panel Discussion

#WSS2024

Panellists



**Bruce
Mackenzie**

IASB Member
Chair of the IFRS
Interpretations
Committee



**Brain
O'Donovan**

Member of the
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Interpretations
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Paul Munter

Observer from
IOSCO



**Riana
Wiesner**

IASB Technical
Director



**Dennis
Deyssel**

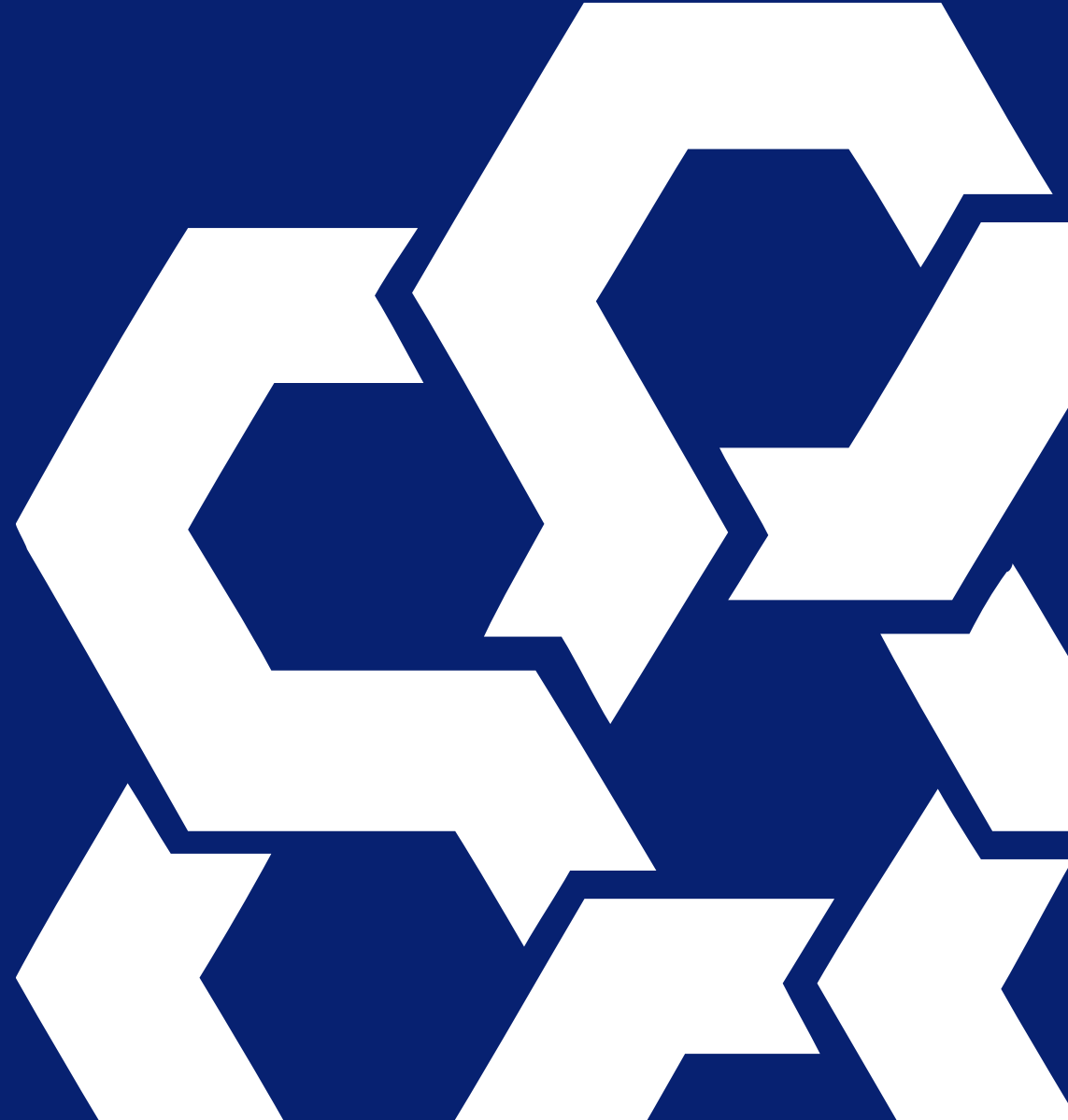
IASB Technical
Staff

Agenda

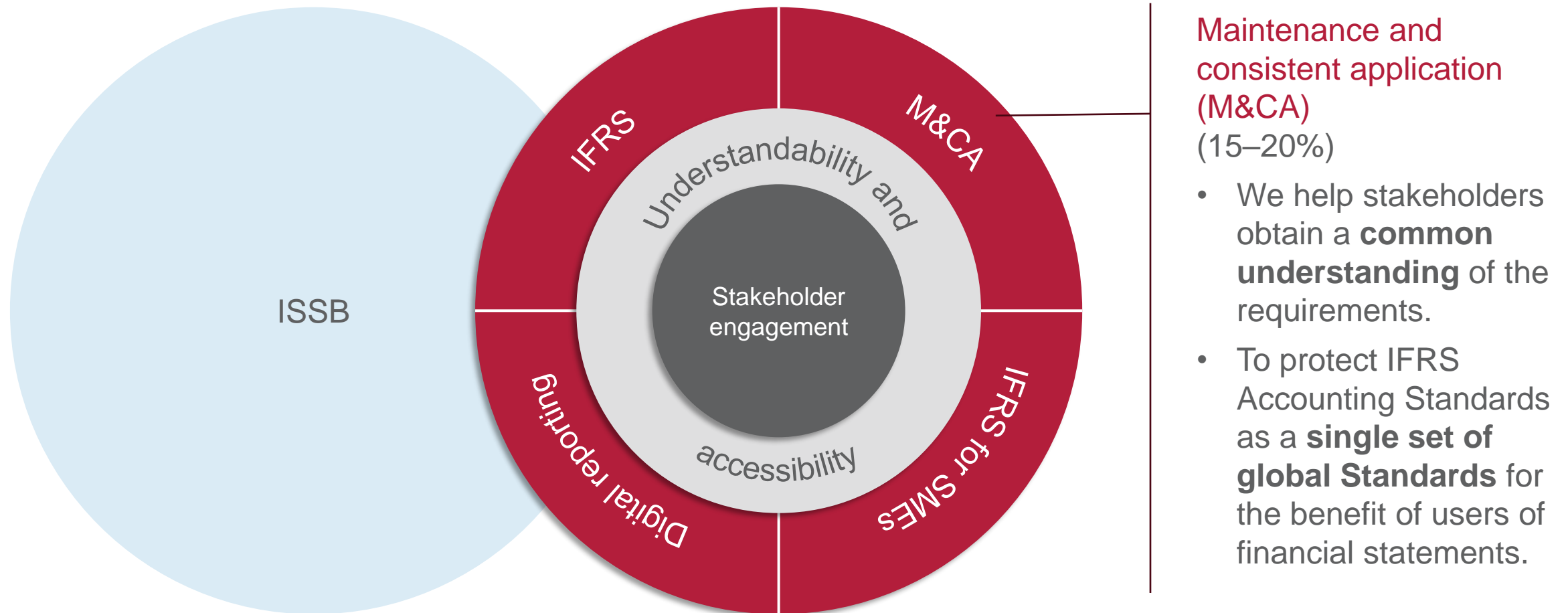
- 1 What is maintenance and consistent application?
- 2 How does the IFRS Interpretations Committee work?
- 3 Recently issued agenda decisions
- 4 Recently added narrow-scope standard-setting projects

Please use Slido to submit your questions to the panellists.

What is maintenance and
consistent application?



What is maintenance and consistent application?



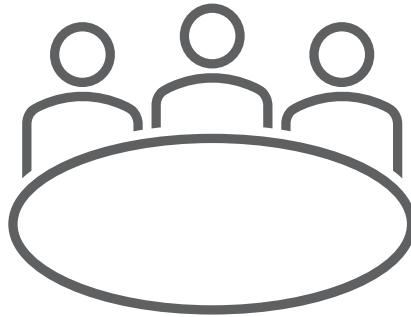
How does the IFRS Interpretations Committee work?



The IFRS Interpretations Committee



5 years



24 meetings



189 papers



5 years

Tools of the Committee



Standard-setting criteria:

- widespread and material?
- is a change needed?
- efficient and sufficiently narrow?

No standard-setting

Agenda decisions

47

Standard-setting

Narrow-scope amendments¹

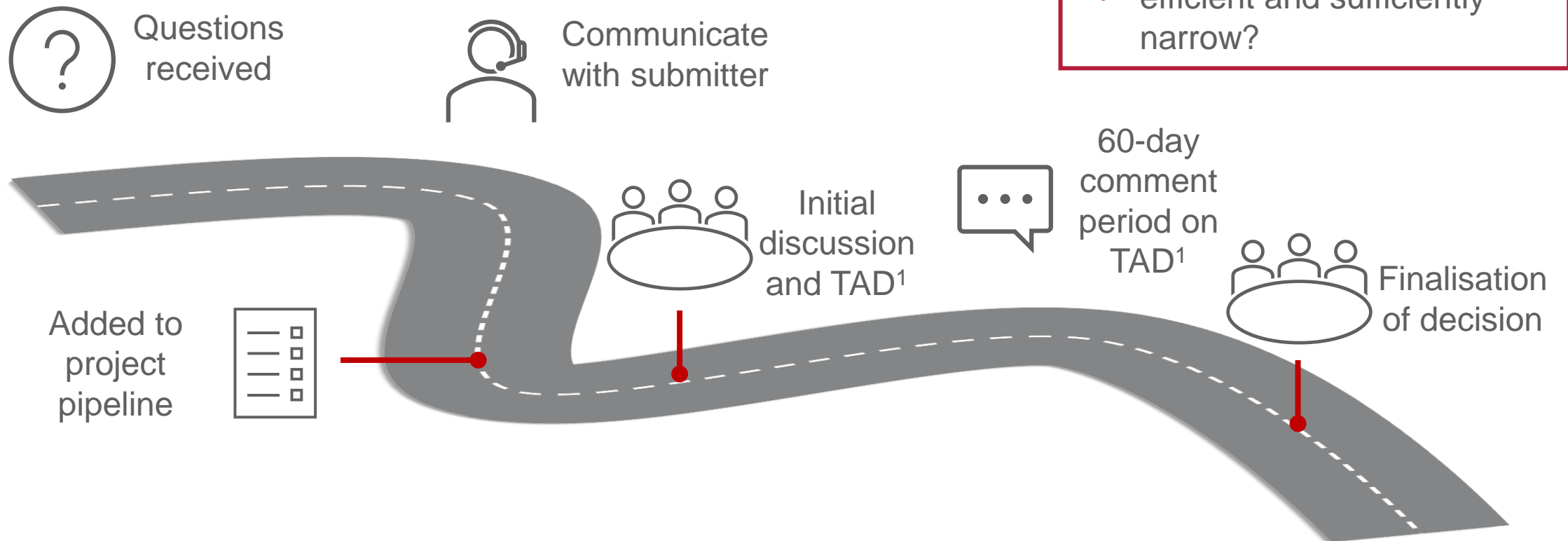
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Interpretations

-

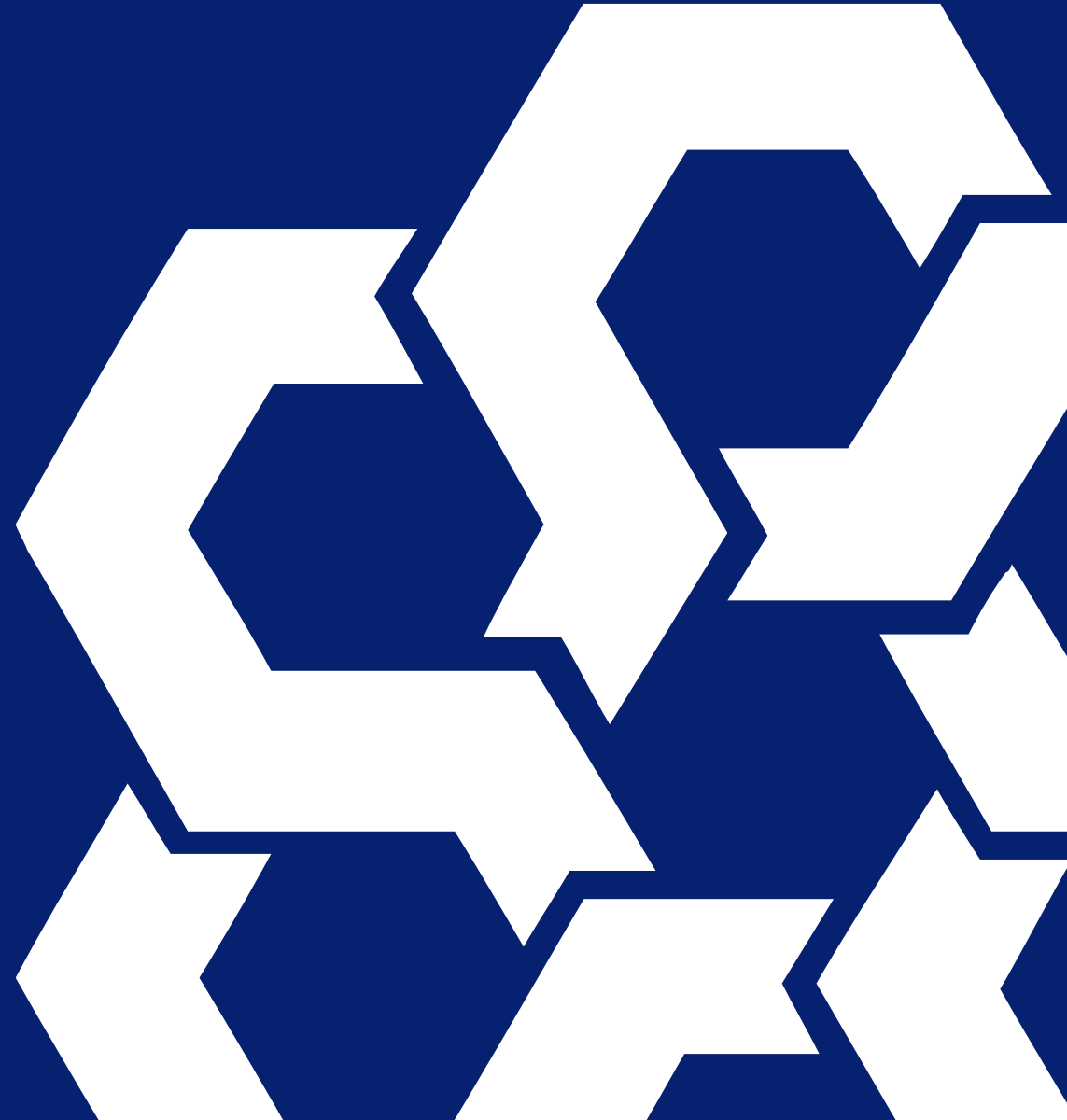
¹ This refers to amendments that arose from questions submitted to the Committee

The Committee's process



¹ Tentative Agenda Decision (TAD)

Recently issued agenda decisions



Agenda Decisions: June 2023-May 2024

Agenda Decisions	Issue date	Incl. explanatory material
• Premiums Receivable from an Intermediary (IFRS 17 and IFRS 9)	Oct 2023	✓
• Homes and Home Loans Provided to Employees	Oct 2023	
• Guarantee over a Derivative Contract (IFRS 9)	Oct 2023	
• Merger between a Parent and Its Subsidiary in Separate Financial Statements (IAS 27)	Jan 2024	
• Payments Contingent on Continued Employment during Handover Periods (IFRS 3)	Apr 2024	
• Climate-related Commitments (IAS 37)	Apr 2024	✓
• Disclosure of Revenues and Expenses for Reportable Segments (IFRS 8)	Jul 2024	✓

Agenda Decision: Climate-related Commitments

Questions

1. Does an entity's commitment create a constructive obligation?
2. If so, does it meet the definition of a provision?
3. If a provision is recognised, is the opposite entry an asset or an expense?

Conclusion

1. Depends on facts and circumstances.
 2. In the fact pattern there is no present obligation. The event that creates a present obligation is emitting greenhouse gasses in the future.
 3. Expense unless it forms part of the cost of an asset.
-

Agenda Decision: Disclosure of Revenues and Expenses for Reportable Segments

Questions

1. Is an entity required to disclose the amounts in paragraph 23(a)–(i) of IFRS 8 for each reportable segment if those amounts are not reviewed separately by the chief operating decision maker?
2. Is an entity required to disclose the amounts in paragraph 23(f) of IFRS 8 for each reportable segment if the entity presents or discloses those specified amounts applying other requirements?
3. How does an entity determine ‘material items’ in paragraph 23(f) of IFRS 8?

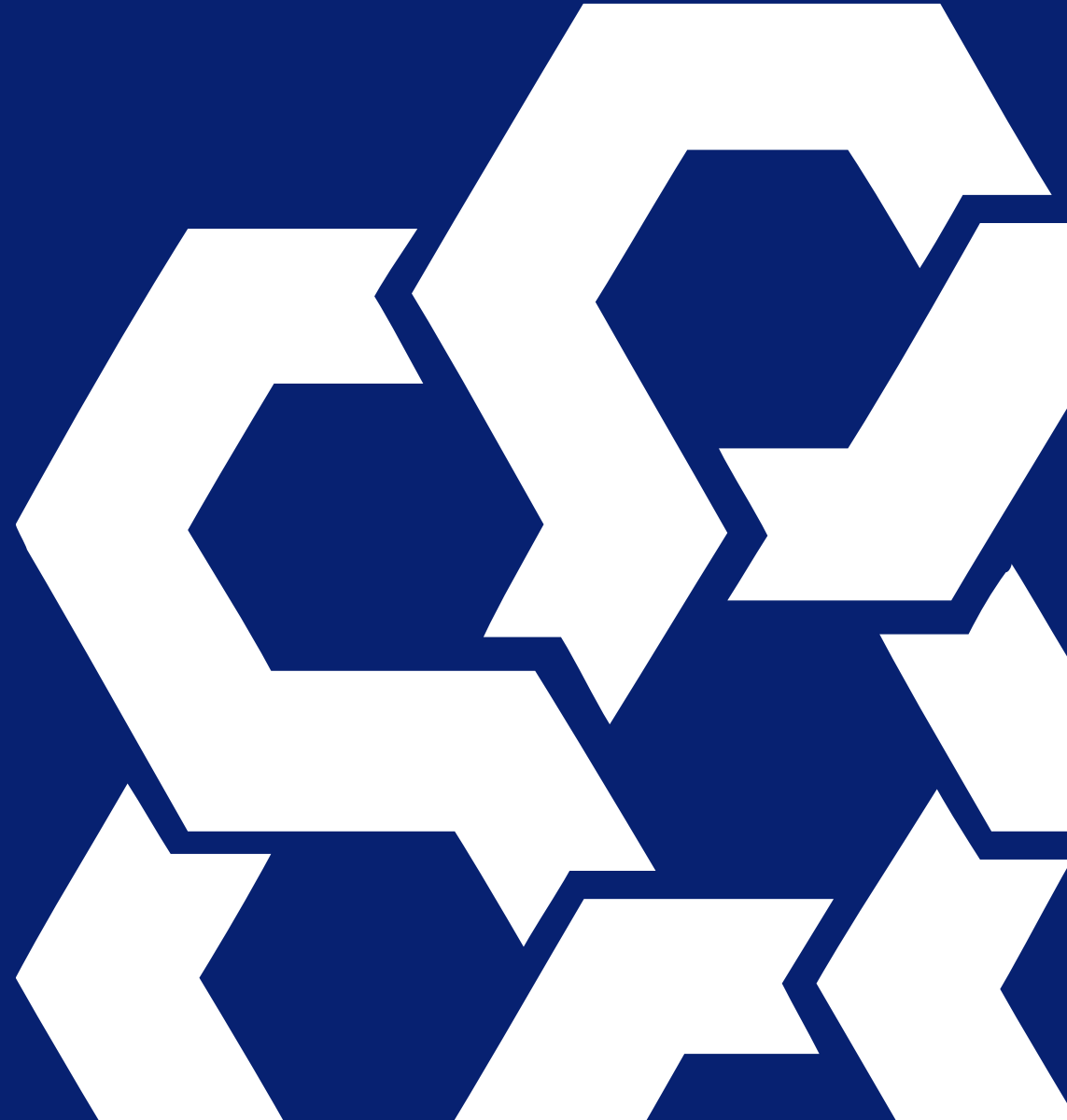
Conclusion

1. Disclose specified amounts if either the amounts are separately reviewed or are included in the measure of segment profit or loss.
 2. Consider the definition of ‘material’ and aggregation of information.
-

Agenda Decisions: June 2023-May 2024

Agenda Decisions	Issue date	Incl. explanatory material
• Premiums Receivable from an Intermediary (IFRS 17 and IFRS 9)	Oct 2023	✓
• Homes and Home Loans Provided to Employees	Oct 2023	Not widespread
• Guarantee over a Derivative Contract (IFRS 9)	Oct 2023	Not widespread
• Merger between a Parent and Its Subsidiary in Separate Financial Statements (IAS 27)	Jan 2024	Little diversity
• Payments Contingent on Continued Employment during Handover Periods (IFRS 3)	Apr 2024	Little diversity
• Climate-related Commitments (IAS 37)	Apr 2024	✓
• Disclosure of Revenues and Expenses for Reportable Segments (IFRS 8)	Jul 2024	✓

Recently added narrow- scope standard-setting projects



Narrow-scope projects

Maintenance projects that arose from the Committee's work

Covered in this
session

- Amendments to the Classification and Measurement of Financial Instruments (IFRS 9) (Settling financial liabilities using an electronic payment system)
- Power Purchase Agreements (IFRS 9 and IFRS 7)
- Translating to a Hyperinflationary Presentation Currency (IAS 21)



Amendments to IAS 21: Use of a Hyperinflationary Presentation Currency by a Non-hyperinflationary Entity

Objective

- Narrow-scope amendments to IAS 21 to improve the usefulness of the financial information reported by entities that present financial statements in a hyperinflationary currency.

Areas of focus

- To provide a relevant translation method applicable to entities whose functional currency is the currency of a non-hyperinflationary currency but whose financial statements are presented in a currency of a hyperinflationary economy.

Next milestone

- Comment period for the Exposure Draft [Translation to a Hyperinflationary Presentation Currency](#) closes on 22 November 2024

Committee input to other IASB projects



5 years



11 projects

For example, June 2023–June 2024

- Intangibles (June 2024)
- Business Combinations—Disclosures, Goodwill and Impairment (June 2024)
- IFRS 9—Impairment Post-implementation Review (March 2024)
- Provisions—Targeted Improvements (November 2023)
- Climate-related and Other Uncertainties in the Financial Statements:
 - Impairment—measurement of value in use (November 2023)
 - Project Scope (June 2023)
- Business Combinations under Common Control (June 2023)

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