



# IFRS UPDATE

## MOORE IFRS NEWS

Issue 019 – January 2025

Moore IFRS News provides you with technical updates and tips in relation to IFRS financial Reporting arising in the Fourth quarter of 2024.

## Moore IFRS Resources

### IFRS Resources

31 December year-end reporting resources are now available to assist you in the preparation of your financial statements:

- [MG Atlantis Inc – Illustrated financial statements](#)
- [Technical Update](#)

## IFRS Update

### IASB issues updates IFRS Accounting Standards in relation to nature-dependent electricity contracts

The IASB has issued **amendments** to *IFRS 9 Financial Instruments* and *IFRS 7 Financial Instruments: Disclosures* to allow entities to better reflect the impacts of nature-dependent electricity contracts. These nature dependent electricity contracts are often structured as power purchase agreements (PPAs) over solar or wind power, and the level of supply is therefore impacted by nature and outside the control of either party.

The amendments intend to:

- Clarify the application of the own-use exemption
- Permit hedging accounting where these types of instruments are hedging instruments
- Require additional disclosure requirements in relation to these instruments

The amendments are applicable for years beginning 1 January 2026.

## **IASB and ISSB release webcast on Connectivity between financial statements and sustainability-related financial disclosures**

This **webcast series** jointly released by the IASB and ISSB uses practical examples that illustrate how the application of the two suites of standards should work together. The first two webcasts in the series have been released and cover:

- IFRS Standards – Complementary and connected information
- Example – Climate-related risks and impairment of non-financial assets

## **IASB releases Exposure Draft with target improvements to requirements for Provisions**

The IASB has released an **Exposure Draft** of amendments to *IAS 37 Provisions, Contingent Liabilities and Contingent Assets*. The proposed amendments are designed to assist in greater consistency in the way IAS 37 is applied and also proposes additional disclosures about the measurement of the provision. Key proposals include:

- Clarifying the ‘present obligation’ requirement
- What costs entities should include in the measurement of the costs to settle the present obligation
- Clarify that that discount rate should be a risk-free discount rate.

The Exposure Draft is open for comment until 12 March 2025.

## **IASB Releases webcasts on Proposed amendments to Equity accounting in multiple languages.**

Last quarter the IASB released an **Exposure Draft** of proposed amendments to *IAS 28 Investments in Associates and Joint Ventures* to respond to questions that preparers had regarding how to apply the equity method of accounting. A number of **webinars** have now been released providing an overview of the requirements in the following languages:

- English
- Japanese
- Spanish
- French
- Chinese

The Exposure Draft is open for comment until 20 January 2025.

## **ISSB publishes guide on identifying sustainability-related risks and opportunities and determining what material information to disclose**

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The ISSB issued a [comprehensive guide](#) to assist companies in applying the requirements of IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information*. It illustrates how an entities dependencies and impacts on resources and relationships in its value chain, can give rise to sustainability-linked risks and opportunities. The Guide also explores how entities may apply materiality judgements in determining what risks and opportunities required disclosures.

## ISSB hosts webinar on Perspectives on sustainability disclosures

The ISSB has released three more [webcasts](#) in its series Perspectives on Sustainability disclosures focusing on:

- Implementing IFRS Sustainability Disclosure Standards – Pan-American Insights
- The state of assurance for Sustainability Disclosures
- Making the transition from TCFD recommendations to ISSB Standards

## SASB Standards are now available in Japanese

The ISSB has released [Japanese translations](#) of the SASB standards. The SASB Standards are a referenced source of guidance in IFRS S1 *General Disclosures of Sustainability-related Financial Information*.

## IFRS Foundation Meetings

All IASB Updates are also available in [Spanish](#) and [Chinese](#)

### IASB Meetings

The IASB have met three times this quarter:

- **October 2024**

At the July meeting the IASB made the following key decisions:

- Finalised its deliberations on the amendments to IFRS 7 *Financial Instruments* and IFRS 9 *Financial Instruments: Disclosures* in relation to *Power Purchase Agreements* and agreed to issue the amendments. See discussion of finalised amendments above.

The IASB also continued to deliberate on the following projects:

- Dynamic risk management
- Financial Instruments with the characteristics of equity
- Intangible assets
- Business combinations – Disclosures, Goodwill and Impairment
- Second comprehensive review of the IFRS for SMEs Accounting Standard
- IFRS Accounting Taxonomy – IFRS 18

For further information refer to the [IASB Update](#) or listen to the [IASB October 2024 Podcast](#).

- **November 2024**

At the November meeting the IASB continued to discuss the following projects:

- Management commentary
- Second comprehensive review of IFRS for SMEs Accounting Standard
- IFRS Accounting Taxonomy – IFRS 18

For further information refer to the [IASB Update](#) or listen to the [IASB November 2024 Podcast](#).

- **December 2024**

At the December meeting IASB made the following key decisions:

- Concluded its project on Management Commentary resulting in amendments to IFRS Practice Statement 1 *Management Commentary*. The amendments include amendments to support alignment with the IFRS Sustainability Standards and to

improve connectivity with financial reports. The final practice statement is expected to be issued in the first half of 2025.

The IASB also continued to discuss the following projects:

- Business combinations – Disclosures, Goodwill and Impairment
- IFRS accounting Taxonomy – IFRS 19 and Contracts for renewable energy amendments

For further information refer to the [IASB Update](#) or listen to [the IASB December 2024 Podcast](#).

## IFRS Interpretations Committee Meetings (IFRIC)

- **November 2024**

IFRIC met in November and discussed the following:

Final Agenda decision will be approved by the IASB at a future meeting (it was not discussed at the December IASB meeting).

- *Classification of Cash Flows related to Variation Margin Calls on 'Collateralised-to-market' Contracts (IAS 7 Statement of Cash flows)*  
The Committee concluded that this issue is not wide spread in practice and that no further action was required to be take,

Tentative Agenda decisions on:

- *Assessing Indicators of Hyperinflationary Economies (IAS 29 Financial Reporting in Hyperinflationary Economies)*  
The Committee's research indicated that there was little diversity in practice in the way entities assessed the indicators of hyperinflationary economies and the issue would not have a widespread effect, and considered that no further action was required.
- *Recognition of Intangible Assets Resulting from Climate-related Expenditure (IAS 38 Intangible Assets)*  
This question contained two components one of which related to the accounting for carbon tax credits, which the committee considers would be best dealt with as part of the IASB's pollutant pricing mechanism project, and a secondary question relating to the investment or research and development activities relating to making processes less carbon intensive. The committee's research indicated that it does not have widespread effect and considered therefore that no further action was required.

IFRIC also discussed a couple of other minor projects to provide feedback to the IASB

For further information refer to the [IFRIC Update](#) or listen to the [IFRIC Quarter 4 2024 Podcast](#).

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## ISSB Meetings

The ISSB have met three times this quarter.

- **October 2024**

The ISSB discussed the following:

- Feedback on a survey on jurisdictional requirements on Biodiversity, Ecosystems and ecosystem services, and human capital
- Interaction between IFRS S1 and IFRS Practice Statement 1 *Management Commentary*

For further information refer to the [ISSB Update](#) or listen to the [ISSB October 2024 Podcast](#).

- **November 2024**

The ISSB discussed the following:

- Staff update on the research projects on
  - Biodiversity, Ecosystems and Ecosystem services
  - Human Capital
- Implementation challenges from IFRS S1 and IFRS 2 including how they would consider any potential changes to the standards.

For further information refer to the [ISSB Update](#) or listen to the [ISSB November 2024 Podcast](#).

- **December 2024**

The ISSB discussed the following:

- Staff update on the research projects on
  - human capital research project
  - Enhancements to SASB standards

For further information refer to the [ISSB Update](#) or listen to the [ISSB December 2024 Podcast](#).