

Opening Remarks and Updates

Extract, IFRS® Discussion Group Report on the Meeting – May 20, 2021

UPDATE ON PREVIOUS ITEMS DISCUSSED BY THE GROUP

Amended IAS 1: Application of Paragraph 72A to Classify a Term Loan as Current or Non-current

At the [September 2020](#) meeting, the Group recommended the AcSB consider raising the issue of applying paragraph 72A of the amended IAS 1 *Presentation of Financial Statements* to classify a term loan as current or non-current with the International Accounting Standards Board (IASB).

The IFRS Interpretations Committee (the Interpretations Committee) discussed this issue at its December meeting and issued a tentative agenda decision. The Board formally [responded](#) to this tentative agenda decision in February 2021. The Interpretations Committee continued its discussion on this topic at its April 2021 meeting. The Interpretations Committee confirmed its agreement with the technical analysis and conclusions in the tentative agenda decision. Nonetheless, before finalizing the agenda decision, the Interpretations Committee decided to report to the IASB:

- its technical analysis and conclusions on the matter; and
- respondents' comments on the outcomes and practical consequences of applying the amendments, highlighting those that might provide information the IASB did not consider when developing the amendments (e.g. application to entities with seasonal businesses).

The IASB will discuss the matter at a future meeting.

OTHER MATTERS

Regulatory Assets and Regulatory Liabilities

The IASB issued an Exposure Draft, "[Regulatory Assets and Regulatory Liabilities](#)." This Exposure Draft includes proposals that aim to give investors a more complete picture of the financial performance of entities subject to rate regulation. Canadian stakeholders are encouraged to submit their comments on this document by July 30, 2021.

Business Combinations under Common Control

The IASB published the Discussion Paper, "[Business Combinations under Common Control](#)". This Discussion Paper includes proposals that aim to reduce the diversity in practice and improve the transparency and comparability of the reporting on such combinations by the receiving entity. Stakeholders are encouraged to submit their comments on this document by September 1, 2021.

Lack of Exchangeability

The IASB issued an Exposure Draft, "[Lack of Exchangeability](#)" to amend IAS 21 *The Effects of Changes in Foreign Exchange Rates*. The proposed amendments aim to help companies determine whether a currency can be exchanged into another currency, and what accounting to apply if the currency cannot be exchanged. Canadian stakeholders are encouraged to submit their comments to the IASB by September 1, 2021.

Third Agenda Consultation

The IASB recently published its Request for Information - "[Third Agenda Consultation](#)" to seek views on what its priorities should be over the next five years. Canadian stakeholders are encouraged to submit their comments to the IASB by September 27, 2021.

Disclosure Requirements in IFRS Standards, a Pilot Approach

The IASB issued an Exposure Draft, "[Disclosure Requirements in IFRS Standards, a Pilot Approach](#)" proposing new guidance for the IASB to use when developing and drafting disclosure requirements for IFRS Standards. The IASB also proposes to replace the disclosure requirements of IFRS 13 *Fair Value Measurement* and IAS 19 *Employee Benefits* with a new set of disclosure requirements developed applying the proposed guidance. Canadian stakeholders are encouraged to submit their comments to the IASB by October 21, 2021.

PRIVATE SESSION

The Group's mandate includes assisting the AcSB in influencing the development of IFRS Standards (e.g., providing advice on potential changes to IFRS Standards). The Group's discussion of these matters supports the Board in undertaking various activities to ensure Canadian perspectives are considered internationally. Since these discussions do not relate to assisting stakeholders in applying issued IFRS Standards, this portion of the Group's meeting is generally conducted in private (consistent with the Board's other advisory committees).

IASB – Documents for Comments

At its March 2021, the Group provided input on the following documents for comment to assist in the development of the AcSB's response letters:

- IASB Request for Information- "[Post-implementation Review of IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities](#)"
- [IASB Discussion Paper- "Business Combinations under Common Control"](#)
- [IASB Exposure Draft- "Regulatory Assets and Regulatory Liabilities"](#)