

Opening Remarks and Updates

Extract, IFRS® Discussion Group Report on the Meeting – September 21, 2022

UPDATE ON PREVIOUS ITEMS DISCUSSED BY THE GROUP

Special Purpose Acquisition Companies (SPACs): Accounting for Warrants at Acquisition

At its May 2022 meeting, the Group discussed the IFRS Interpretations Committee's (Interpretations Committee) tentative agenda decision on SPAC: Accounting for Warrants at Acquisition. The Group discussed the analysis included in this tentative agenda decision and any potential implications of the tentative agenda decision to other transactions and scenarios. Given the potential impact of this tentative agenda decision on Canadian entities, the Group recommended that the AcSB respond to the Interpretations Committee. The AcSB formally submitted [a response letter](#) to the Interpretations Committee on May 30, 2022.

The Interpretations Committee considered the feedback on the tentative agenda decision at its September 2022 meeting. The Interpretations Committee concluded its discussion on that agenda decision. The International Accounting Standards Board will consider this agenda decision at its October 2022 meeting.

IFRS 17: Matters for Non-insurance Entities

At its May 2022 meeting, the Group discussed accounting matters for non-insurance entities when adopting IFRS 17 *Insurance Contracts*. The Group recommended that the AcSB consider publishing a resource pointing to existing publications to help non-insurance entities understand the requirements in IFRS 17. The Board directed staff to prepare the resource the Group recommended. The [IFRS 17 resources](#) are now available on the AcSB's website.

IFRS 2: Share-based Payment Awards with Variable Vesting Periods

At its May 2022 meeting, the Group discussed the accounting for a share-based payment award with a variable vesting period based on a market condition where the market condition is met earlier than initially estimated. The Group recommended that the AcSB discuss this issue and determine what, if any, further actions was required. The AcSB directed staff to discuss this issue with the staff of the International Accounting Standards Board (IASB) to understand how the IASB intends for the guidance in IFRS 2 is to be interpreted. The AcSB will discuss the feedback at a subsequent meeting and decide what, if any further action is required.

OTHER MATTERS

Deferred tax related to assets and liabilities arising from a single transaction

The amendment to IAS 12 narrows the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments are effective January 1, 2023, with early application permitted.

Post-implementation Review of IFRS 9- Impairment

In November 2021, the IASB decided to begin the post implementation review of IFRS 9 impairment requirements in the second half of 2022. The objective of this post-implementation review is to assess the effect of IFRS 9 requirements for recognition of expected credit losses for all financial instruments that are subject to impairment accounting on users of financial statements, preparers, auditors and regulators. The IASB aims to publish a request for information in the first half of 2023. Stakeholders are encouraged to stay abreast of developments on this project.