Opening Remarks and Updates

Extract, IFRS® Accounting Standards Discussion Group Report on the Meeting – September 12, 2024

Translation to a Hyperinflationary Presentation Currency

In July 2024, the IASB issued the Exposure Draft, "Translation to a Hyperinflationary Presentation Currency." The Exposure Draft proposes to require an entity to translate amounts from a functional currency that is the currency of a non-hyperinflationary economy to a presentation currency that is the currency of a hyperinflationary economy using the closing rate at the date of the most recent statement of financial position. Canadians are encouraged to submit comment letters to the IASB by November 22, 2024.

Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures

In July 2024, the IASB issued the Exposure Draft, "Amendments to IFRS 19 *Subsidiaries without Public Accountability: Disclosures*." IFRS 19, which was issued in May 2024, permits eligible subsidiaries to apply IFRS Accounting Standards with reduced disclosure requirements. In developing the reduced disclosure requirements in IFRS 19, the IASB considered the disclosure requirements in other IFRS Accounting Standards as at February 28, 2021. In this Exposure Draft, the IASB is proposing to reduce or simplify the disclosure requirements of new or amended IFRS Accounting Standards issued between February 28, 2021 and May 1, 2024. The IASB is also asking for views on whether to reduce the disclosure requirements from the prospective IFRS Accounting Standard *Regulatory Assets and Regulatory Liabilities*. Canadians are encouraged to submit comment letters to the IASB by November 27, 2024.

Climate-related and Other Uncertainties in the Financial Statements

In July 2024, the IASB issued the Exposure Draft, "Climate-related and Other Uncertainties in the Financial Statements." The Exposure Draft proposes eight examples illustrating how an entity applies the requirements in IFRS Accounting Standards to report the effects of climate-related and other uncertainties in its financial statements. The examples aim to improve transparency of information in financial statements and strengthen the connection between financial statements and other parts of a company's reporting, such as sustainability disclosures. The principles and requirements illustrated in these examples mostly focus on climate-related uncertainties but apply equally to other types of uncertainties. Canadians are encouraged to submit comment letters to the IASB by November 28, 2024.

Recent IFRS Interpretations Committee Agenda Decisions

Disclosure of Revenues and Expenses for Reportable Segments (IFRS 8)

In July 2024, the IASB ratified the IFRS Interpretations Committee's agenda decision on Disclosure of Revenues and Expenses for Reportable Segments. The agenda decision clarifies:

a. the requirements of paragraph 23 of IFRS 8 to disclose, for each reportable segment, specified amounts included in segment profit or loss reviewed by the chief operating decision maker (CODM); and

b. the meaning of ‘material items of income and expense’ in the context of paragraph 97 of IAS 1 as referenced in paragraph 23(f) of IFRS 8.

Recent Amendments Made to IFRS Accounting Standards

Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

In May 2024, the IASB issued “Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7” in response to feedback received as part of the post-implementation review of the classification and measurement requirements in IFRS 9 and related requirements in IFRS 7. The IASB amended the requirements related to:

a. settling financial liabilities using an electronic payment system; and

b. assessing contractual cash flow characteristics of financial assets, including those with environmental, social, and governance (ESG)–linked features.

The IASB also amended disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and added disclosure requirements for financial instruments with contingent features that do not relate directly to basic lending risks and costs. The amendments are effective for annual reporting periods beginning on or after January 1, 2026.

Annual Improvements to IFRS Accounting Standards – Volume 11

In July 2024, the IASB issued, “Annual Improvements to IFRS Accounting Standards – Volume 11,” which contains narrow-scope amendments to various IFRS Accounting Standards and accompanying guidance as part of its periodic maintenance of the Accounting Standards. The amendments are effective for annual reporting periods beginning on or after January 1, 2026.