

Marching Towards Better Reporting Structure

ICAI, in its endeavour to remain converged with the globally acceptable International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) at all times, continuously monitors the financial reporting developments globally and plays a critical role in the Nation's Standard-setting Framework by formulating, amending and implementing Ind ASs in line with IFRS Standards issued by IFRS Foundation. In this context, read on the following updates.

Indian Accounting Standards (Ind AS) Disclosure Checklist – Revised February 2020: The Accounting Standards Board of the ICAI had brought out the Publication in June 2018 to provide a ready reckoner of all the disclosures required by Ind AS. Subsequently, in May 2019, this Publication was updated to include the changes due to notification of Ind AS 115 and withdrawal of Ind AS 11 and Ind AS 18. Further, due to changes necessitated by notification of new standard, viz., Ind AS 116 and few other amendments in Ind AS, it has been decided to update the Publication again. While bringing out this updated Publication, it was decided to enhance the coverage of the Publication by including the presentation requirements, in addition to disclosure requirements, of the Ind AS. Accordingly, this Publication presents a checklist of presentation and disclosures requirements applicable to entities in preparing the financial statements in accordance with Ind AS applicable as on April 1, 2019. The Revised Publication has been released on 70th Annual Day of ICAI held on February 7, 2020. The said Publication has been hosted on the ICAI website at <https://resource.cdn.icai.org/58287asb47542ias.pdf>

Deferral of Implementation of Ind AS in Insurance Sector

The IRDAI on June 28, 2017, had issued a circular whereby the effective date of implementation of Ind AS in the Insurance Sector in India was deferred to financial year 2020-21. Recently, the IRDAI on January 21, 2020 has issued another Circular mentioning that IRDAI has decided to implement Ind AS 109 and Ind AS equivalent of IFRS 17 simultaneously along with all other applicable Ind AS. The effective date of implementation shall be decided after finalisation of IFRS 17 by IASB. Through this recent Circular, the old Circular dated June 28, 2017, stands withdrawn and the requirement of Proforma Ind AS financial statements being submitted on a quarterly basis stands dispensed.

Developments at IFRS Foundation & IASB

IASB consults on approach to updating its IFRS for SMEs Standard

The IASB is asking for views on its approach for updating the *IFRS for SMEs* Standard—the simplified Accounting Standard for Small and Medium-sized Entities. The objective of the consultation is to seek views on whether and how to

align the *IFRS for SMEs* Standard with full IFRS Standards, which are the Standards developed for publicly accountable entities and currently required in more than 140 jurisdictions. The Request for Information asks for views on different approaches to updating the *IFRS for SMEs* Standard, as well as views on how the Standard could be aligned with newer IFRS Standards, such as IFRS 9 *Financial Instruments*, IFRS 15 *Revenue from Contracts with Customers* and IFRS 16 *Leases*. Mr. Hans Hoogervorst, Chair, IASB has said that 'this review is about determining to what extent the *IFRS for SMEs* Standard should be updated for developments in IFRS Standards and ensuring it remains a high-quality Standard for the millions of companies that have begun using it since it was first issued 10 years ago'.

The Request for information can be assessed at <https://cdn.ifrs.org/-/media/project/2019-comprehensive-review-of-the-ifrs-for-smes-standard/request-for-information-comprehensive-review-of-the-ifrs-for-smes-standard.pdf?la=en>

Amendments to IAS 1, Presentation of Financial Statements: The IASB has issued *Classification of Liabilities as Current or Non-current*, which amends IAS 1. The amendments affect requirements in IAS 1 for the presentation of liabilities. Specifically, they clarify one of the criteria for classifying a liability as non-current. The amendments are effective for annual reporting periods beginning on or after 1st January 2022. Earlier application is permitted.

New member to join the IASB - The Trustees of the IFRS Foundation have appointed Mr. Bruce Mackenzie as a member of the IASB from 1st October 2020.

Comments on documents issued by IFRS Interpretations Committee

(i) IFRS Interpretations Committee (IFRS IC) in its November 2019 meeting discussed the following matters and tentatively decided not to add it to its standard-setting agenda. The IFRS IC invited comments on its tentative agenda decision for consideration at its future meeting. The ICAI had submitted its comments on these tentative agenda decision to IFRS IC.

- a) Player Transfer Payments (IAS 38, Intangible Assets)
- b) Multiple Tax Consequences of Recovering an Asset (IAS 12, Income Taxes) ■

Contributed by Accounting Standards Board of ICAI. Comments can be sent to asb@icai.in. Refer https://www.icai.org/post.html?post_id=14058 for Ind AS-IFRS Standards Convergence Status