

Opening Remarks and Updates

Extract, IFRS® Discussion Group Report on the Meeting – May 14, 2024

Business Combinations – Disclosures, Goodwill and Impairment

In March 2024, the IASB issued the Exposure Draft, “[Business Combinations – Disclosures, Goodwill and Impairment](#).” The Exposure Draft proposes amendments aimed to improve financial reporting, with a significant focus on enhancing the disclosure requirements for business combinations, and proposing targeted improvements to the impairment test in [IAS 36](#), including simplifying the computation of value in use and clarifying the allocation of goodwill to CGUs.

Canadians are encouraged to submit their comments to the IASB by July 15, 2024.

Contracts for Renewable Electricity

In May 2024, the IASB issued the Exposure Draft, “[Contracts for Renewable Electricity](#).” The Exposure Draft proposes narrow-scope amendments to ensure that financial statements more faithfully reflect the effects that renewable electricity contracts have on a company. The proposals would amend [IFRS 9, Financial Instruments](#) and [IFRS 7, Financial Instruments: Disclosures](#).

Canadians are encouraged to submit their comments to the IASB by August 7, 2024.

Recent IFRS Interpretations Committee (the Interpretations Committee) Agenda Decisions

Between January and April 2024, the IASB ratified the following Interpretations Committee Agenda Decisions:

- [Climate-related Commitments \(IAS 37 Provisions, Contingent Liabilities and Contingent Assets\)](#)
- [Payments Contingent on Continued Employment during Handover Periods \(IFRS 3 Business Combinations\)](#)
- [Merger between a Parent and Its Subsidiary in Separate Financial Statements \(IAS 27 Separate Financial Statements\)](#)

Recent Amendments Made to IFRS Accounting Standards

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, *Presentation and Disclosure in Financial Statements*. This standard replaces [IAS 1, Presentation of Financial Statements](#), and includes three key new requirements:

- New required subtotals in the statement of profit or loss, including “operating profit;”
- Disclosures about management-defined performance measures; and

- Enhanced guidance on grouping of information (aggregation and disaggregation).

IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted.

IFRS 19 Subsidiaries Without Public Accountability: Disclosures

In May 2024, the IASB issued IFRS 19, *Subsidiaries Without Public Accountability: Disclosures*, which permits eligible subsidiaries to prepare their financial statements with reduced disclosures. Subsidiaries are eligible to apply IFRS 19 if they do not have public accountability and their ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards. This standard reduces costs for subsidiaries, without removing information needed by the users of the subsidiaries' financial statements.

IFRS 19 is effective for reporting periods beginning on or after January 1, 2027, with earlier application permitted.

Business Combinations under Common Control (BCUCC)

In November 2023, the IASB discontinued its project on [Business Combinations under Common Control](#) and issued a [project summary](#) of its research findings and decisions. The IASB decided not to develop requirements for reporting BCUCCs because they noted that any improvements to financial reporting that might result from developing requirements for reporting BCUCCs are likely to be outweighed by the costs of developing and implementing such changes.

Supplier Finance Arrangements

In May 2023, the IASB issued [Supplier Finance Arrangements](#), which amended [IAS 7, Statement of Cash Flows](#) and [IFRS 7, Financial Instruments: Disclosures](#) by requiring companies to disclose information about their supplier finance arrangements and their exposure to liquidity risk from such arrangements. These amendments were effective for annual reporting periods beginning on or after January 1, 2024. To assist Canadian entities in identifying whether they have entered into an arrangement subject to the new disclosure requirements, the AcSB published a resource entitled [Update – The International Accounting Standards Board \(IASB\) issues new disclosure requirements for supplier finance arrangements](#).