



20 May 2020

Dear {Goes By},

Welcome to *In balance*, designed to provide you with the latest developments in financial reporting.

The impact of the coronavirus outbreak is evolving rapidly. Our publication "[Applying IFRS - Accounting considerations of the coronavirus outbreak \(Updated March 2020\)](#)" provides extensive guidance on accounting considerations when preparing financial statements in 2020.

The IASB released [an educational document on IFRS 16](#) when rent concessions are provided in light of the coronavirus pandemic. It highlights that both the contract and all relevant facts and circumstances, including statutory or other laws or regulations applicable to lease contracts, should be considered when determining whether concessions constitute a lease modification. The IASB is now proposing to amend IFRS 16 to allow lessees to not consider COVID-19 related concessions (for payments originally due in 2020) as lease modifications in certain circumstances. Our IFRS Developments issue 166 "[IASB proposes amendment to IFRS 16 for COVID-19 related rent concessions](#)" elaborates on this proposal.

In March 2020, the IASB completed its re-deliberations on the [Exposure Draft "Amendments to IFRS 17"](#) and tentatively agreed to defer the effective date of IFRS 17 to 1 January 2023. It also agreed to extend the temporary exemption from applying IFRS 9 by qualifying insurers to 1 January 2023. The AASB is expected to issue similar guidance in the near future. Our "[Insurance Accounting Alert - IASB meeting \(March 2020\)](#)" provides an overview of these decisions.

The AASB has released [AASB 2020-2](#) and [AASB 1060](#) to remove the ability to self-assess and prepare special purpose financial statements (SPFS), and to replace the Reduced Disclosure Requirements with Simplified Disclosures. Our publication "[The Time Has Come: Changes to Australian Financial Reporting \(April 2020\)](#)" summarises these changes.

Kind regards,
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Quick links

- [EY's IFRS website](#)
- [EY's Australian IFRS home page](#)
- [Illustrative Australian Company's financial report for 31 December 2019 \(and 30 June 2020\)](#)
- [EY International GAAP® 2020](#)

Hot topics



[EY Publication: Applying IFRS - Accounting considerations of the coronavirus outbreak \(Updated March 2020\)](#)

This publication provides accounting considerations for the financial effects of the coronavirus when preparing financial statements in 2020.



[Application of IFRS 16 in the light of the coronavirus uncertainty](#)

The IASB discusses the application of IFRS 16 to rent concessions granted as a result of the coronavirus pandemic.

Our [IFRS Developments issue 164](#) elaborates on this matter, and [IFRS Developments issue 166](#) summarises the IASB's proposals to amend IFRS 16 to provide accounting relief to lessees.



The IASB decides on new effective date for IFRS 17

The IASB tentatively decided to defer the effective date of IFRS 17 to 1 January 2023.

Our publication "[Insurance Accounting Alert - March 2020](#)" summarises the IASB discussions.



EY publication: Applying IFRS - Accounting considerations related to recent declines in oil and gas prices

Oil and gas entities need to consider whether recent price declines in oil and natural gas create accounting risks, in particular for counterparty credit, impairment or going concern. This publication addresses specific matters for consideration.

AASB news



Removal of SPFS for certain types of FP private sector entities & new simplified disclosure standard for tier 2 entities

Following the issue of [AASB 2020-2](#), certain types of for-profit private sector entities will no longer be able to prepare special purpose financial statements (SPFS) from 1 July 2021. Simplified Disclosure Standard ([AASB 1060](#)) has been developed to provide Tier 2 reporting requirements for those entities.

The AASB has published Key facts documents to explain the [removal of SPFS](#) and the [new simplified disclosure standard](#).

Our publication "[The Time Has Come: Changes to Australian Financial Reporting \(April 2020\)](#)" summarises these changes.



AUSB-AUASB joint FAQ (March 2020) - The impact of coronavirus on financial reporting and the auditor's considerations

This AASB-AUASB joint FAQ describes the key considerations and impacts on financial reporting and auditing arising from the Coronavirus (COVID-19) pandemic.



Amendments to Australian accounting standards - classification of liabilities as current or non-current (amendments to AASB 101)

The AASB has issued [AASB 2020-1](#) to amend AASB 101 to clarify requirements for classifying liabilities as current or non-current. This is effective from 1 January 2022.



IPSASB exposure drafts: revenue and transfer expenses for public sector entities

The International Public Sector Accounting Standards Board (IPSASB) has recently issued the following exposure drafts. You are invited to provide your comments by 15 September 2020 with a copy to the AASB.

- [IPSASB ED 70 Revenue with Performance Obligations](#)
- [IPSASB ED 71 Revenue without Performance Obligations](#)
- [IPSASB ED 72 Transfer Expenses](#)

IFRS news



March 2020 IASB update

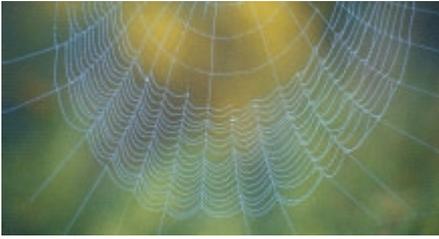
The summary of the March IASB meeting is now available. Podcasts for [IFRS 17](#) and [other matters](#) discussed are also available.



IASB consults on ways to help investors hold companies to account for acquisitions and on goodwill accounting

The IASB has published a [Discussion Paper on Business Combinations - Disclosures, Goodwill and Impairment](#). The IASB intends to improve disclosures for the subsequent performance of a business combination, to retain the impairment-only approach for goodwill, and to simplify the impairment test. Our publication "[Applying IFRS-Business combinations: disclosures, goodwill and impairment \(March 2020\)](#)" summarises the key proposals.

Submit your comments to the [AASB](#) by 24 July 2020.



IASB proposes further amendments to IFRS standards in response to interest rate benchmark reform

The IASB has issued ED "[Interest Rate Benchmark Reform - Phase 2](#)" with proposed amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. The proposed effective date is 1 January 2021. Submit your comments to the [AASB](#) by 15 May 2020.

Our [IFRS Developments issue 165](#) summarises these proposals.



March 2020 IFRS interpretations committee update

The March 2020 IFRS IC update is now available.



Compilation of agenda decisions - volume 2 published

The compilation of agenda decisions published by the IFRS IC from October 2019 to March 2020 is now available.

EY Publications



International GAAP® Disclosure Checklist

Our publication "[EY International GAAP® Disclosure Checklist](#)" with IFRS disclosure requirements for entities with a year end of 30 June 2020 is now available.



IFRS update of standards and interpretations in issue at 31 March 2020

Our publication "[IFRS update of standards and interpretations in issue at 31 March 2020](#)" includes those on issue at 31 March 2020.

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