

August 2020

Dear {Goes By},

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

The AASB has issued [AASB 2020-5](#) to defer the effective date of AASB 17 *Insurance Contracts* to 1 January 2023 along with changes to other areas of the standard. The main changes are summarised in our [Insurance Accounting Alert - IASB meeting \(June 2020\)](#).

The AASB has released Staff FAQs to remind entities of various matters that may be applicable in this reporting period (e.g., [accounting for concessionary loans by NFP entities](#) and [remuneration underpayments](#)).

The August 2020 version of our publication "[Accounting considerations of the coronavirus pandemic](#)" has been issued to include updates on share-based payments, financial statement presentation matters and accounting for rent concessions that are not lease modifications. We have also released "[Applying IFRS - Accounting for cloud computing costs](#)" which discusses accounting for cloud computing arrangements, in the absence of explicit IFRS guidance.

Kind regards,
Frank

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Quick links

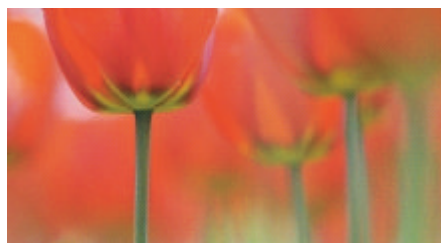
- ▶ [EY's IFRS website](#)
- ▶ [EY's Australian IFRS home page](#)
- ▶ [Illustrative Australian Company's financial report for 31 December 2019 \(and 30 June 2020\)](#)
- ▶ [Illustrative Australian SDS financial report for 30 June 2020](#)
- ▶ [EY International GAAP® 2020](#)

Hot topics



[Amendments to Australian Accounting Standards - Insurance Contracts](#)

The AASB has issued [AASB 2020-5](#) to amend AASB 17 *Insurance Contracts*. The standard is now effective from 1 January 2023.



[AASB Staff FAQs on remuneration underpayments and accounting for concessionary loans by NFP entities](#)

The AASB Staff FAQs provide reminders of various matters that may be applicable in this reporting period (e.g., [when accounting for concessionary loans by NFP entities](#) and [remuneration underpayments](#)).



[EY Publication: Accounting considerations of the coronavirus pandemic \(updated August 2020\)](#)

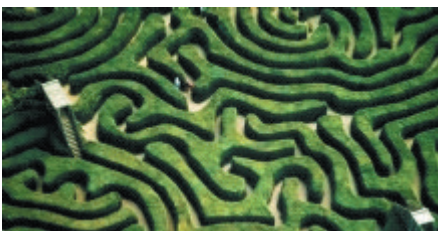
We have released the August 2020 version of our publication "[Accounting considerations of the coronavirus pandemic](#)". This includes updates on share-based payments, financial statement presentation matters and accounting for rent concessions that are not lease modifications.



Applying IFRS - Accounting for cloud computing costs

This publication discusses accounting for cloud computing arrangements, in the absence of explicit IFRS guidance.

AASB news



Tier 2 Disclosures for Covid-19-Related Rent Concessions

The AASB has issued [AASB 2020-7](#) to amend AASB 1060 to clarify that Tier 2 - SDS preparers applying the practical expedient on COVID-19 related rent concessions should disclose the same information required by AASB 16 (i.e. whether the practical expedient is applied for all qualified rent concessions or nature of the contracts for which the practical expedient is applied, and the amount recognised in profit or loss).

Tier 2 entities reporting under RDR are required to comply with the rent concession disclosures in AASB 16.



Deferral of Liability Classification Amendments

The AASB has issued [AASB 2020-6](#) to help preparers during the COVID-19 pandemic by deferring the effective date of the amendments to AASB 101 on classifying non-current liabilities as current or non-current.

EY [IFRS Developments issue 159](#) which discusses the amendment to IAS 1 on classification of liabilities as current or non-current has been updated in July 2020.

IFRS news



July 2020 IASB Update

The summary of the July IASB meeting and the [Podcast](#) are now available.

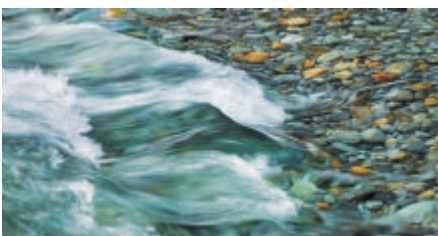


IASB webinar & webcast recordings

Recordings of the following webinars/webcasts are now available:

- [Amendments to IFRS 17 Insurance Contracts](#)
 - [Part 1 - amendments to the requirements other than transition](#)
 - [Part 2 - amendments to the transition requirements](#)
- [Webinar on Exposure Draft General Presentation and Disclosures](#)

EY Publications



Applying IFRS - The revenue recognition standard - Automotive Industry

Our publication "[Applying IFRS - The revenue recognition standard - Automotive Industry](#)" is based on frequently discussed topics and observed practice developed by automotive entities in applying IFRS 15.



IFRS update of standards and interpretations in issue at 30 June 2020

Our publication "[IFRS update of standards and interpretations in issue at 30 June 2020](#)" includes a summary of all IFRSs and IFRICs effective for annual reporting periods ending on or after 30 June 2020.

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