EY’s Annual Financial Reporting Developments Series

Public companies – IFRS reporting

December 8, 2021

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Today's agenda

1. Perspectives on the current and future state of ESG reporting

   Kent Kaufield, Francis Claude

2. Regulatory updates and perspectives from the Ontario Securities Commission

   Ritika Rohailla, Alex Fisher

3. Recent IFRS financial reporting developments

   Guy Jones, Jeff Glassford, Juliana Mok

4. Reporting and other considerations for SPAC transactions

   Lara Iob

Perspectives on the current and future state of ESG reporting

1. Market factors driving ESG communication demands
2. Current state of ESG ecosystem

Presented by

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ESG Markets Leader

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Market factors driving ESG communication demands

Why is this topic important?

What is ESG and why does it matter?

ESG is a strategic business issue that is increasingly tied to business performance and integrated into core business strategy and governance processes. ESG can unlock innovation and transformation to realize long-term value for all stakeholders.

Investors

- 98% of investors surveyed by EY evaluate ESG performance based on corporate disclosures
- Investors filed at least 140 climate-related shareholder proposals at US companies during the 2020 proxy season

Customers

- 57% of consumers are willing to change their purchasing habits to help reduce negative environmental impact
- More than 150 organizations with $4 trillion of purchasing power are requesting ESG information from 15,000 suppliers via CDP[1]

Employees

- Millennials are three times more likely to seek employment with a company because of its stance on social and environmental issues
- Racial diversity, equity and inclusion is a renewed priority for companies looking to drive sustainability and overall performance

Regulators

- The Securities Exchange Commission (SEC) and Canadian Securities Administrators (CSA) actively considering new regulatory initiatives relating to climate and ESG reporting
- There is increasing pressure from regulators globally to strengthen and standardize non-financial reporting and disclosures

Defining ESG:

The term ESG is often used interchangeably with the terms “sustainability” and “corporate responsibility”. Priorities vary by company and often include these topics.

Environmental

- Climate risks
- Greenhouse gas emissions
- Energy efficiency
- Pollution and waste management
- Use of natural resources
- Clean energy and technologies
- Biodiversity

Social

- Human capital
- Diversity, equity and inclusion
- Employee health and safety
- Labor relations and working conditions
- Privacy and data security
- Product quality and safety
- Human rights and child labor

Governance

- Diversity of leadership
- Anti-bribery and anti-corruption
- Business ethics
- Corporate resiliency
- Compensation policies
- Lobbying and political contributions
- Escalation protocols

[1]Carbon Disclosure Project – global disclosure system for companies, cities, states and regions to provide data on their environmental performance through questionnaires including topics like climate change, water, supply chain, forests and cities

Why is this topic important?

What is ESG and why does it matter?

EY's 2021 Global Institutional Investor Survey[1] reinforces the fact that ESG performance plays a central role in investor's decision-making and long-term investment management.

A tipping point

1. The COVID-19 pandemic acts as a powerful ESG catalyst

90%

90% of investors attach greater importance to corporates' ESG performance in their investment strategy and decision-making, since the COVID-19 pandemic.

Future of ESG investing

2. Performance transparency and analysis capability

89%

89% of investors surveyed said they would like to see reporting of ESG performance measures against a set of globally consistent standards become a mandatory requirement.

The race to net-zero

3. Climate change at the heart of investment decision-making

86%

86% investors said that an important part of their strategy is investing in companies that have aggressive carbon-reduction initiatives.

[1] EY, 2021 Global Institutional Investor Survey: Is your ESG data unlocking long-term value?
The sixth edition of this survey included more than 320 institutional investors.

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COP26 goals

Call for action from governments, financial institutions and the private sector to keep the 1.5°C target alive

End deforestation by 2030

Over 100 leaders, including US, UK, China, Russia, Canada and Brazil, signed the Glasgow Leaders' Declaration on Forests and Land Use. The declaration endorses over 86% of the world's forests.

Deal on international carbon markets

Agreement between 200 governments that will avoid double counting of emissions reductions and ultimately clear a path to get private capital flowing to developing countries.

Sets to boost confidence in emissions markets unlocking billions of dollars of investment in carbon reduction projects globally.

Pledge to phase out coal

More than 40 countries committed to ending investment in new coal power generation and phase out coal by 2030 in richer economies and 2040 in poorer economies. However, China and the US did not sign up.

Green the financial system

Network for Greening the Financial System, now formed of 100 central banks, released a declaration establishing its readiness to meet Paris objectives, through adopting Task Force on Climate-related Financial Disclosures (TCFD) recommendations and assessing climate-related risks in the financial systems.

COP26 goals

Call for action from governments, financial institutions and the private sector to keep the 1.5°C target alive

New sustainability reporting standards board

The IFRS Foundation will launch a new International Sustainability Standards Board (ISSB), which will function as a sister board to the globally recognized setter International Accounting Standards Board (IASB), which sets financial accounting standards used in a majority of jurisdictions around the world.

The ISSB will first develop a specific standard regarding climate change disclosures, but the mandate is to develop a broad set of standards covering environmental, social and governance (ESG) issues.

Private and public climate funding

Climate Finance Delivery Plan developed in order to meet the goal of mobilizing $100b per year of climate aid for the developing world.

Japan committed extra $10b climate finance over five years.

The Glasgow Financial Alliance for Net Zero – a group of private-sector investors, launched in April with US$5 trillion committed to "achieving net zero emissions by 2050 at the latest" – has now secured over US$130 trillion of private capital committed for this purpose.

Canada and other country-specific commitment highlights

Canada commits to end new direct public support for the international unabated fossil fuel sector by the end of 2022; increase price on carbon from $40 per tonne to $170 per tonne by 2030; achieving net zero emissions in its electricity grid by 2035; and put a cap on oil and gas sector today to move towards net zero by 2050.

The US unveiled a plan to reduce methane emissions by about 75% with tighter regulations on the oil and gas sector.

China target net-zero by 2060 and India by 2070.

Current state of ESG ecosystem

Global ESG regulatory and industry environments are changing rapidly

2020

SEC Investor Advisory Committee
May 2020 – Recommended SEC begin to update reporting requirements to include ESG factors.

SEC – Human Capital
August 2020 – Issued revised Human Capital Disclosures guidelines.

IFAC
September 2020 – The International Federation of Accountants (IFAC) publicly called for the IFRS Foundation to set up a sustainability standards board alongside the IASB to set global sustainability/ESG "standards".

PCAF
November 2020 – Issued Global GHG Accounting and Reporting Standard for financed emissions.

Top Canada Pension Funds ask for better ESG disclosures
November 2020 – Heads of eight Canadian pension funds ask companies to improve their ESG disclosures to give investors consistent and complete data.

Bank of Canada and OSFI launch pilot project on climate risk scenarios
November 2020 – Use climate-change scenarios to better understand the risks to the financial system related to a transition to a low-carbon economy.

2021

US re-joins Paris Agreement
January 2021 – US re-joined the Paris Agreement and is expected to introduce ESG-related regulations.

SEC announces Enforcement Task Force to focus on Climate and ESG
March 4 – Task force will develop initiatives to proactively identify ESG-related misconducts. Call for public input on climate disclosures.

SEC issues comment letters on climate disclosures
September 2021 – SEC began issuing comment letters to listed companies on climate disclosure in annual reports, emphasizing direct and indirect impacts of climate regulatory developments, business trends and physical risks.

Mandatory climate reporting in the UK
By 2022 – UK government expects all listed companies and large asset owners to disclose in line with TCFD.

Canada Securities Administrators propose climate-related disclosure requirements
October 2021 –Proposed requirements, largely consistent with the TCFD recommendations, will address the need for more consistent and comparable information.

COP26
November 2021 – Convening of global governments to take action against climate change.

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What we expect from the SEC

Climate

- Proposal expected early 2022
- Range of disclosure options possible from Scope 1 and 2 as minimum, to Scope 3 inclusion as maximum
- Proposal likely to require disclosures in annual reports
- Outright reliance on any existing disclosure framework or standards appears less likely
- Assurance requirement is being considered and would be consistent with recent EU proposal for a Corporate Sustainability Reporting Directive (CSRD)
- SEC staff has started to issue comments asking for more consistency between sustainability and annual reports climate disclosures

Human capital

- Already required (since November 2020) in annual reports but the rules allow almost total discretion and do not require quantification of metrics
- Proposal may be issued before climate – expected to be less complex
- Topics expected to be considered by the SEC:
  - Workforce demographics, stability (turnover), skills and capabilities, culture, health and safety, productivity and compensation
  - Human rights commitments

EU proposes CSRD in April 2021 with far-reaching implications

The EU estimates it would increase the number of companies required to disclose sustainability information from 11,000 to approximately 50,000

Far-reaching scope, with EU companies and non-EU companies that are listed in the EU, or that are unlisted but large subsidiaries operating in the EU

Assurance would be required

If agreed to by Parliament, effective for years ending December 2023

Businesses will need to consider how they:

- Identify and gather sustainability-related information
- Set targets and KPIs (revising existing targets and KPIs if necessary)
- Draw up policies
- Manage social, environmental and governance risks

Other ways to prepare:

- Adapt internal quality control and risk management systems – and review their effectiveness
- Perform additional due diligence on supply chains
- Establish efficient procedures
- Ensure appropriate governance and monitoring is in place
- Review arrangements for external assurance of sustainability information

The IFRS Foundation and the CSA have recently made important announcement driving standardization of ESG disclosure requirements

IFRS:

- The IFRS Trustees announced a formation of a new International Sustainability Standards Board (ISSB) to develop a global baseline which will set recommendations for ESG reporting designed for an investor audience.
  - The ISSB will focus on climate change disclosures first, followed by broader ESG issues. The first set of standards are expected to be released for comment in the first quarter of 2022.
- The IFRS Trustees also established the Technical Readiness Working group (TRWG), made up of many of the standard setters in an effort to provide the ISSB with a running start.
  - TRWG Enhanced Prototype Climate Standard
  - TRWG Prototype General Requirements Standard
    - These two prototypes are a unified set of recommendations that consolidate key content aspects of several organizations, including: International Accounting Standards Board (IASB), Financial Stability Board's TFCD, the Value Reporting Foundation (VRF), the World Economic Forum and the International Organization of Securities (IOSCO).
- The VRF, which includes the Sustainability Accounting Standards Board (SASB) and the International Integrated Reporting Council (IIRC), announced their intention to merge into the ISSB by June 2022.
- The Climate Disclosure Standards Board (CDSB) announced their intention to merge some of their standard setting intellectual property into the ISSB by June 2022, while the Carbon Disclosure Project (CDP) will remain separate.

CSA:

- On October 18, 2021, the CSA launched a consultation on proposed mandatory climate-related disclosure requirements for Canadian reporting issuers in alignment with the TCFD's 4 core elements.
- These recommendations follow those set out by the Ontario Capital Markets Modernization Taskforce, as well as in the Ontario 2021 budget earlier this year.
- The CSA has provided a list of questions for stakeholders and is seeking written comments on the Proposed Instrument by January 17, 2022.

Closing thoughts – where to start?

1. Does your organization have a shareholder or a stakeholder-driven corporate strategy?
2. Do you have long-term value strategic outcomes identified and mechanisms in place to measure and report your performance against these outcomes?
3. Do you demonstrate, communicate and report your long-term value to stakeholders?

Have questions? We are here to help

Today’s presenters

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Regulatory updates and perspectives from the Ontario Securities Commission

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ONTARIO SECURITIES COMMISSION

Regulatory Update – Ontario Securities Commission

Alex Fisher
Ritika Rohailla
Office of the Chief Accountant

November 2021

ONTARIO SECURITIES COMMISSION

The views I am about to express are my own, and are not necessarily representative of the Ontario Securities Commission or its staff.

Agenda

COVID-19 Financial Reporting Considerations

National Instrument 52-112 Non-GAAP and Other Financial Measures

Climate Related Disclosures

COVID-19 Financial Reporting Considerations

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CSA Staff Notice 51-362: Some Key Areas of Financial Reporting Focus

- Significant judgements & measurement uncertainty
- Going concern assessments
- Impairment assessments of non-financial assets
- Government assistance
- Amendments to IFRS 16

- Include entity-specific disclosure for significant judgments or measurement uncertainties
- For close call disclosures, provide mitigating actions that impacted the determination that the issuer is a going concern
- Update disclosures and assumptions impacted by COVID-19 (e.g., goodwill and intangible impairment tests, ECL models)
- Identify specific reasons for impairment of non-financial assets
- Disclose the nature and extent of government assistance or the accounting policy adopted
- Disclose whether the practical expedient was applied

CSA Staff Notice 51-362: Non-GAAP Financial Measures (NGFMs)

Observation	• Some isolated instances of potentially misleading NGFMs in relation to COVID-19. For example: • adjusting for expenses attributable to COVID-19 without adjusting for government subsidies, or • 'normalizing' revenue or expenses for the year-to-date period based on more positive results for one quarter
Reminders	• A loss or expense should not be described as non-recurring, infrequent or unusual when a similar loss or gain is reasonably likely to occur within the next two years or occurred during the prior two years. • Uncertainty in the current environment, means there may be a limited basis for management to conclude that a loss or expense is non-recurring, infrequent or unusual. • Misleading to describe an adjustment as COVID-19 related, if management does not explain how the adjustment amount was specifically associated with COVID-19.

CSA Staff Notice 51-362: MD&A Disclosure Reminders

Operations	• Discuss issuer specific impacts of COVID-19 on the issuer's operations, including impacts on distribution channels, supply chains and planned developments or projects • Quantify impact of each material factor causing variance in financial performance metrics, where possible
Liquidity & Capital Resources	• Discuss ability to generate sufficient amounts of cash in the short-term and long-term to maintain capacity or meet planned growth • Discuss trends or expected fluctuations in liquidity • Discuss significant risk of defaults or arrears on debt covenants or debt payments
Forward-Looking Information	• Disclose forward-looking information (FLI) only if the issuer has a reasonable basis for the FLI • Updates to or notification that FLI is being withdrawn must be included in the MD&A or in a news release.

National Instrument 52-112 Non-GAAP and Other Financial Measures Disclosure

National Instrument 52-112: Non-GAAP and Other Financial Measures Disclosure

- New securities law
  - non-GAAP
  - other financial measures
- Replaces Staff Notice 52-306 Non-GAAP Financial Measures
- Disclosures outside financial statements (e.g., in MD&A, press release, social media, AIF etc.)

Non-GAAP		Other Financial		
Non-GAAP Financial Measure	Non-GAAP Ratio	Total of Segments Measure	Capital Mgmt. Measure	Supp. Financial Measure
Example	Example	Example	Example	Example
Adjusted Net Income	Adjusted Net Income per Share	Total of Segments Adjusted EBITDA	Normalized Debt	Same-Store Sales[1]

[1] Assuming "sales" is calculated in accordance with accounting policies used to prepare the sales line item presented in the primary financial statements.

National Instrument 52-112: Effective Date

Reporting Issuers	Non-Reporting Issuers
October 15, 2021	December 31, 2021

Year-end	Initially Applied
October 31	Annual Filings - October 31, 2021
December 31	Annual Filings - December 31, 2021
March 31	Annual Filings - March 31, 2022
August 31	Annual Filings - August 31, 2022
September 30	Annual Filings - September 30, 2022

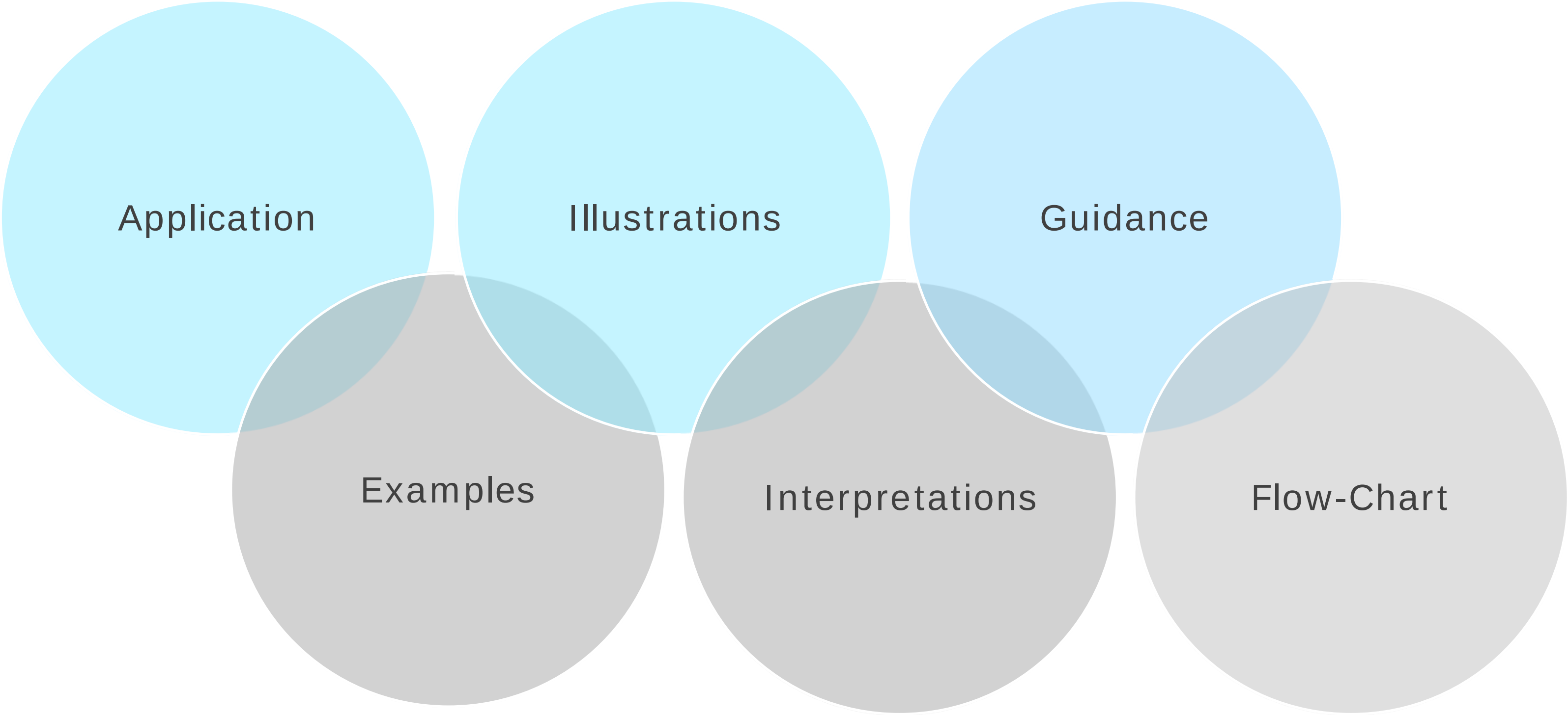
National Instrument 52-112: Disclosure Summary

	Attribute	Disclosures	Non-GAAP: Historical	Non-GAAP: Forward-looking	Non-GAAP: Ratio	Other Financial Measures: Total of Segments Measures	Other Financial Measures: Capital Management Measure	Other Financial Measures: Supp. Fin. Measure
1	Labelling	Label appropriately	X	X	X			X
2	Identification	Identify as such	X					
		Disclose non-GAAP financial measure		X D	X F		X F	
3	Relationship	Disclose most directly comparable primary financial statement measure	X			X		
4	Prominence	Present with no more prominence	X	X	X	X	X	
5	Cautionary	Explain does not have a standardized meaning and may not be comparable	X		X			
6	Comparative	Include comparative period	X C		X C	X C	X C	
7	Composition	Explain the composition	X A		X A		X A,G	X A
8	Usefulness	Explain how the measure is useful and the additional purposes, if any, for which management uses it	X A		X A		X A,G	
9	Reconciliation	Provide a reconciliation to the primary financial statement measure	X A,B	X A,B,E		X A,B	X A,B,G	
10	Changes	Explain reasons for changes	X A		X A			

Notes	
A	Ability to incorporate information by reference to the issuer's MD&A.
B	Cannot incorporate information by reference in an earnings release.
C	Comparative information required in MD&A or in an earnings release, subject to certain exceptions.
D	Disclose the equivalent historical non-GAAP financial measure and comply with disclosure requirements for historical non-GAAP financial measures (Section 6).
E	Disclose description of significant differences.
F	Disclose each non-GAAP financial measure used as a component in non-GAAP ratio or capital management measure and comply with requirements for historical non-GAAP financial measures (Section 6).
G	Disclosure not required if such disclosure already made in the notes to the financial statements of the entity to which the measure relates.

Disclaimer: The above is a very simplified summary of the disclosure requirements. To ensure compliance, reference to the specific National Instrument is required.

National Instrument 52-112: Companion Policy



Climate Related Disclosures

Existing Disclosure Requirements

- Issued various Staff Notices (guidance) over the past decade

2010: CSA Staff Notice 51-333 Environmental Reporting Guidance

2018: CSA Staff Notice 51-354 Report on Climate Change-related Disclosure Project

2019: CSA Staff Notice 51-358 Reporting of Climate Change-related Risks

- Based on existing securities legislation – requirements (MD&A, AIF) to:
  1. Disclose material commitments, events, risks or uncertainties that may affect future performance
  2. Disclose all material risk factors
  3. If a company has implemented environmental policies that are fundamental to operations, a company must describe those policies and steps taken to implement

ONTARIO SECURITIES COMMISSION

Background - Proposed NI 51-107 Disclosure of Climate Related Matters

Background

- Recommendations from the Capital Markets Task Force and ESG discussed in March 2021 Ontario Budget
- On-going concerns about climate-related disclosures
  - Completeness, consistency & comparability
  - Limited quantitative information
  - ‘Cherry pick’ voluntary standards or frameworks
- Increased focus on climate-related issues
  - Mainstream business issue
  - Investors are seeking improved disclosure on governance processes and the material risks, opportunities and financial impacts of climate change
- CSA Review (2021) of Climate Related Disclosures
  - 48 issuers from S&P/TSX Composite index across a wide range of industries
  - Issuers are providing more climate-related information in continuous disclosure filings and voluntary reports (compared to previous review in 2017)
  - However, 41% of the disclosures were limited and lacked specificity

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Proposed NI 51-107 Disclosure of Climate Related Matters

Key Elements

- Disclosures contemplated are largely consistent with the Task-Force on Climate Related Financial Disclosure (TCFD) recommendations:
  - Governance - board's oversight of and management's role in assessing and managing climate related risks and opportunities
  - Strategy - the short, medium, and long-term climate related risks and opportunities and the impact on business, strategy and financial planning, where such information is material
  - Risk Management – how climate related risks are identified, assessed and managed and how these processes are integrated into overall risk management
  - Metrics & Targets – the metrics and targets used to assess and manage climate related risks, opportunities, where information is material

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Proposed NI 51-107 Disclosure of Climate Related Matters

Modifications	• Proposed NI 51-107 modifies the TCFD recommendations in the following ways:
	  • Scenario Analysis (strategy)– proposals exclude the requirements to disclose 'scenario analysis', which is an issuer's description of the resilience of its strategy within different climate related scenarios, including a 2°C or lower scenario
	  • GHG Emission Disclosure (metrics & targets)
	    • Option 1 – Issuers would be required to disclose their Scope 1, Scope 2 and Scope 3 greenhouse gas (GHG) emissions and the related risks, or their reasons for not doing so
	    • Option 2 – Issuers would be required to disclose Scope 1 GHG emissions and would have to provide their reasons for not disclosing Scope 2 and Scope 3 GHG emissions if they choose not to disclose these emissions.

Transition	• Proposed Instrument comes into Force December 31, 2022
	• Phased in Transition:
	  • Non-Venture: 1 year transition (disclosure included in annual filings due in 2024)
	  • Venture: 3 year transition (disclosure included in annual filings due in 2026)

ONTARIO SECURITIES COMMISSION

Overall Objectives of Proposed NI 51-107 Disclosure of Climate Related Matters

- Improve access to global capital markets by aligning Canadian disclosure standards with expectations of international investors

- Assist investors in making more informed investment decisions

- Facilitate an equal playing field for issuers through comparable and consistent disclosure

- Remove costs associated with navigating and reporting based on multiple disclosure frameworks as well as reducing market fragmentation

International Developments

International Developments	• IFRS Foundation's definitive proposal to establish the International Sustainability Standards Board (ISSB) • Montreal to host one of the central ISSB offices • International Organization of Securities Regulators (IOSCO) – Technical Experts Group formed to advise IFRS Foundation on prototype standards

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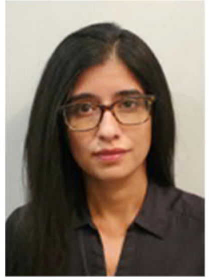

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Recent IFRS financial reporting developments

1. IFRS amendments
2. IFRS Interpretations Committee updates
3. IFRS Discussion Group meetings

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Amendments to IFRSs

IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Amendments to IAS 12

Deferred Tax related to Assets and Liabilities arising from a Single Transaction

- IASB issued amendments to IAS 12 Income Taxes to clarify the accounting for assets and liabilities arising from a single transaction, such as leases and decommissioning obligations

The amendments narrow the scope of the initial recognition exception (IRE) so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences

- The amendments apply to annual reporting periods beginning on or after January 1, 2023 (earlier adoption permitted)
  - Transition guidance also requires the recording of DTA/DTLs for all temporary differences associated with leases and decommissioning obligations as of the earliest comparative period presented

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Amendments to IAS 12

Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Example scenario:

- Five-year lease of a building with annual payments of $100; lessee makes an advance lease payment of $15 and pays initial direct costs of $5
- Assume 5% discount rate
- Assume tax rate of 20%, tax deductions allowed for lease payments (including advance payments) and initial direct costs, when paid

Lease liability

$435 = PV($100, 5 years, 5% interest)

ROU asset

$455 = (lease liability + advance payment + direct costs)

Judgment is required

On initial recognition, the lessee entity must determine the tax base of the lease asset and lease liability by determining whether tax deductions are attributable to the right-of-use asset or the lease liability

Tax deductions attributable to:	ROU asset (excluding advance payment + direct costs)	Lease liability
Asset	tax base = carrying value	tax base = carrying value
Liability	tax base = $0	tax base = $0

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Amendments to IAS 12

Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Example, continued:

- The entity concludes tax deductions relate to the lease liability

	Tax base	Carrying value	Temporary difference and deferred taxes @ 20%
Lease liability	$0 Tax base = CV of $435 – tax deductions of $435 (PV lease payments)	$435	Deductible TD = $435 DTA = $87
ROU asset – lease liability component	$0 Tax base = $nil tax deductions as lease payments associated to liability	$435	Taxable TD = $435 DTL = $87
ROU asset – advance lease payment and initial direct costs	$0 Tax base = $nil tax deductions, as deduction benefit already received upon payment	$20	Taxable TD = $20 DTL = $4

- For the advance payment and initial direct costs, the IRE does not apply because the initial transaction (upfront payment) resulted in a tax deduction – a temporary difference is calculated following IAS 12 requirements
- For the lease liability and associated component of the ROU asset, the IRE does not apply, because this transaction gives rise to equal taxable and deductible temporary differences

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Amendments to IAS 12

Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Illustration of annual impact on effective tax rate, post-amendment:

	Y1	Y2	Y3	Y4	Y5
Depreciation [1]	87	87	87	87	87
Interest expense [2]	22	18	14	9	5
Costs before tax	109	105	101	96	92
Current tax expense (benefit) [3]	(20)	(20)	(20)	(20)	(20)
Deferred tax expense (benefit) [4]					
Unwinding of DTA	15	16	17	18	19
Unwinding of DTL	(17)	(17)	(17)	(17)	(17)
Costs after tax	87	84	81	77	74
Effective tax rate	20%	20%	20%	20%	20%

1. For illustrative purposes, schedule ignores advance lease payment and initial direct cost components of the ROU asset. Depreciation based only on the component of the ROU asset related to the lease liability, assuming no residual value ($435 / 5 years).
2. Interest expense is based on accretion of lease liability at 5%.
3. Current tax benefit reflects the tax deduction available from the annual $100 lease payment at 20% tax rate.
4. The deferred tax expense (benefit) is calculated based on the uneven unwinding of the DTA and DTL. The top row represents the unwinding of the DTA, the bottom row represents the unwinding of the DTL.

Amendments to IAS 12

Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Illustration of annual impact on effective tax rate, with IRE applied (no longer appropriate post-amendment):

	Y1	Y2	Y3	Y4	Y5
Depreciation [1]	87	87	87	87	87
Interest expense [2]	22	18	14	9	5
Costs before tax	109	105	101	96	92
Current tax expense (benefit) [3]	(20)	(20)	(20)	(20)	(20)
Deferred tax expense (benefit) [4]	(4)	(4)	(3)	(2)	12
Costs after tax	85	81	77	74	84
Effective tax rate	**22%**	**23%**	**23%**	**23%**	**8%**

1. Illustration ignores advance lease payment and initial direct cost components of the ROU asset. Depreciation based only on the component of the ROU asset related to the lease liability, assuming no residual value ($435 / 5 years).
2. Interest expense is based on accretion of lease liability at 5%.
3. Current tax benefit reflects the tax deduction available from the annual $100 lease payment at 20% tax rate.
4. With no initial DTA or DTL on the lease liability or lease ROU, deferred tax arises only from the accretion of the lease liability due to interest expense.

Amendments to IAS 12

Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Illustration of annual impact on effective tax rate, post-amendment, if lease payments allocated to ROU asset:

	Y1	Y2	Y3	Y4	Y5
Depreciation [1]	87	87	87	87	87
Interest expense [2]	22	18	14	9	5
Costs before tax	109	105	101	96	92
Current tax expense (benefit) [3]	(20)	(20)	(20)	(20)	(20)
Deferred tax expense (benefit) [4]	(2)	(1)	0	1	2
Costs after tax	87	84	81	77	74
Effective tax rate	**20%**	**20%**	**20%**	**20%**	**20%**

1. Illustration ignores advance lease payment and initial direct cost components of the ROU asset. Depreciation based only on the component of the ROU asset related to the lease liability, assuming no residual value ($435 / 5 years).
2. Interest expense is based on accretion of lease liability at 5%.
3. Current tax benefit reflects the tax deduction available from the annual $100 lease payment at 20% tax rate.
4. The deferred tax expense (benefit) is calculated based on the movement of the DTA related to the ROU asset. With the lease payments allocated to the ROU asset, there is no initial temporary difference; however, as the carrying value of the ROU asset depreciates on a straight line basis while the tax basis unwinds following an effective interest rate method, new temporary differences are created. No temporary differences arise on initial recognition or subsequently, related to the lease liability.

Amendments to IFRSs

IAS 37: Onerous Contracts – Costs of Fulfilling a Contract

Amendments to IAS 37

Onerous Contracts – Costs of Fulfilling a Contract

In May 2020, the IASB issued amendments to IAS 37 to provide clarity and specify which costs an entity needs to include in assessing whether a contract is onerous.

Key requirements:

- Amendments apply a “directly related cost approach”. This includes both:
  - Incremental costs (e.g., costs of direct labour and materials); and
  - Allocation of costs directly related to contract activities (e.g., directly related depreciation, contract management and supervision costs)
- G&A costs do not relate directly to a contract and are excluded unless specifically chargeable to the counter-party to the contract

Transition:

- Effective for annual periods beginning on or after January 1, 2022
- Earlier application is permitted and must be disclosed
- Amendments must be applied prospectively to all contracts for which an entity has not yet fulfilled all of its obligations at the beginning of the annual period in which it first applies the amendments

Amendments to IAS 37

Onerous Contracts – Costs of Fulfilling a Contract

Impact:

- Entities that previously applied the incremental cost approach (e.g., costs of direct labour and materials) will see provisions increase to reflect the inclusion of costs directly related to contract activities
- Entities that previously recognized contract loss provisions using the guidance under the former standard IAS 11 Construction Contracts will be required to exclude the allocation of indirect overhead from their provisions
- Judgment will be required to determine which costs are directly related to contract activities, but we believe guidance in other standards such as IAS 2 Inventories, IAS 16 Property, Plant and Equipment, IAS 38 Intangible Assets and IFRS 15 Revenue from Contracts with Customers will be relevant

Amendments to IAS 37

Onerous Contracts – Costs of Fulfilling a Contract

Fact pattern:

- The economic benefits of the contract: $110,000 (e.g., transaction price remaining to be recognized under the contract). Revenue on the contract is recognized over time
- Direct labour costs to fulfil the contract: $60,000 (e.g., salaries and wages of employees directly involved with fulfilling the contract)
- Direct materials costs to fulfil the contract: $45,000
- Allocations of costs that relate directly to contract activities to fulfil this contract: $10,000 (e.g., costs of contract management and depreciation of tools, equipment and right-of-use assets)
- The cost of terminating the contract (contractual termination penalty): $120,000

	Incremental cost approach	Direct cost approach (as per the amendments to IAS 37)
Costs to terminate	$120,000	$120,000
Costs to fulfil	$105,000 ($60,000 + $45,000)	$115,000 ($60,000 + 45,000 + $10,000)
Onerous contract?	No	Yes

Amendments to IFRSs

IFRS 9: Fees in the “10 per cent” Test for Derecognition of Financial Liabilities

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Amendments to IFRS 9

Fees in the “10 per cent” Test for Derecognition of Financial Liabilities

- In May 2020, the IASB issued an amendment to IFRS 9 Financial Instruments as part of Annual Improvements to IFRS Standards 2018–2020
- The amendment to IFRS 9 clarifies the fees a company includes when assessing whether the terms of a modified financial liability are substantially different from the terms of the original financial liability (in performing the 10% test)
- When performing the 10% test, a borrower includes, in the present value of the new cash flows, only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf

The amendment to IFRS 9 is effective for annual periods beginning on or after January 1, 2022. Early application is permitted.

Amendments to IFRS 9

Fees in the "10 per cent" Test for Derecognition of Financial Liabilities

Example:

- Entity A modifies the terms of its term loan with the lender
- The present value of the cash flows of the original financial liability, discounted using the original effective interest rate (EIR), is $110,000
- The present value of the cash flows under the new terms, discounted using the original EIR, is $100,000 (excluding costs/fees)
- Entity A incurs $5,000 of fees paid to the lender and $2,000 of legal costs (paid by the borrower)

Analysis:

- Only the $5,000 of lender fees would be included in the 10% test

  10% test:

  - Old debt PV = $110,000
  - New debt PV = $5,000 + $100,000 = $105,000
  - Difference = $5,000 or 4.5%

<10%
not substantially
different

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IFRIC updates

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

Overview

Background:

- In January 2020, IASB issued amendments to IAS 1 Presentation of Financial Statements, to specify the requirements for classifying liabilities as current or non-current, clarifying:
  - What is meant by a right to defer settlement
  - That a right to defer must exist at the end of the reporting period
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right
  - That only if an embedded derivative in a convertible liability is itself an equity instrument, would the terms of a liability not impact its classification

- The amendments were initially made effective from annual reporting periods beginning on or after January 1, 2022, but have subsequently been deferred

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

IFRIC Tentative Agenda Decision (December 2020)

December 2020 update:

- Subsequent to the issuance of the amendments, the IFRS Interpretations Committee discussed how an entity would apply the amended guidance in IAS 1 for a series of fact patterns, summarized in a Tentative Agenda Decision (TAD)
- Comment letter responses raised concerns that the conclusions from the TAD produced outcomes that were not useful to financial statement users

	Case 1	Case 2	Case 3	
Required working capital ratio	Above 1.0	Above 1.0	Above 1.0	Above 1.1
Testing date	December 31, March 31, June 30, September 30	March 31	Dec. 31 20X1	June 30, 20X2 and each June 30 thereafter
Conditions at December 31, 20X1 (reporting date)	Ratio is 0.9	Ratio is 0.9	Ratio is 1.05	
	Entity obtains a 3-month waiver for the breach before December 31, 20X1. The entity expects the ratio to be above 1.0 at all testing dates in 20X2.	Entity expects the ratio to be above 1.0 at March 31, 20X2	Entity expects the ratio to be above 1.1 at June 30, 20X2	
Classification	Current	Current	Current	

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Amendments to IAS 1: Classification of Liabilities as Current or Non-current

IFRIC Tentative Agenda Decision (June/July 2021) & Exposure Draft (November 2021)

June/July 2021 update:

- The Board tentatively decided to propose several new amendments to the IAS 1 amendments originally made in January 2020:
  - To specify that if the right to defer settlement for at least 12 months is subject to a company complying with conditions after the reporting period, then such conditions would not affect whether the right to defer settlement exists at the end of the reporting period for the purposes of classifying a liability as current or non-current;
  - To include additional disclosure requirements for non-current liabilities subject to conditions; and
  - To require that the statement of financial position separately present non-current liabilities subject to conditions in the next 12 months.

- On November 19, the IASB issued Exposure Draft ED/2021/9 Non-current Liabilities with Covenants, Proposed Amendments to IAS 1 consistent with the above tentative proposals
  - The ED also requires additional disclosure for entities that do not, as at the end of the reporting period, comply with future covenants that must be met within the next 12 months
  - The proposals will become effective on or after January 1, 2024; the ED is available for public comment until March 21, 2022
- IASB Exposure Draft

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IFRIC updates

Agenda Decision: Costs Necessary to Sell Inventories

Costs Necessary to Sell Inventories

IFRIC Final Agenda Decision (June 2021)

Question posed to the IFRIC: Which costs does an entity include as part of the estimated costs necessary to make a sale when determining the net realizable value of inventories?

- Background:
  - IAS 2.9 requires an entity to measure inventories "at the lower of cost and net realisable value"
  - IAS 2.6 defines net realizable value as: "the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale"
- View 1: An entity includes all costs needed to make the sale (e.g., ordinary sales staff and advertising costs that are attributable to the inventory)
- View 2: An entity includes only additional costs required by the particular conditions of the inventories to make the sale (e.g., special promotion campaigns)

Costs Necessary to Sell Inventories

IFRIC Final Agenda Decision (June 2021)

- The Committee observed that:
  - IAS 2.28 sets out the objective of writing down inventories to their NRV – to avoid inventories being carried "in excess of amounts expected to be realised from their sale"
  - IAS 2 requires an entity to estimate the costs necessary to make the sale in determining NRV. The costs are not limited to only those that are incremental
  - Including only incremental costs could fail to achieve the objective in paragraph 28
- The Committee concluded that:
  - View 1 is appropriate
  - When determining the net realizable value of inventories, an entity estimates the costs necessary to make the sale in the ordinary course of business
  - Judgment is used to determine which costs are necessary to make the sale considering specific facts and circumstances, including the nature of the inventories
  - The principles and requirements in IFRS provide an adequate basis for an entity to determine if costs are incremental
- IFRIC Update: June 2021

Costs Necessary to Sell Inventories

IDG Meeting (September 2021)

Question posed to the IDG: What additional costs, other than incremental costs, should be considered when determining the “costs necessary to make the sale”?

- Direct costs incurred only at point of sale
- Direct costs leading up to point of sale
- Directly attributable costs necessary for inventory to be sold
- Allocation of indirect costs only at point of sale
- Allocation of indirect costs leading up to and including point of sale

- IDG members concluded:
  - The inclusion of costs will be facts and circumstances-specific
  - Disclosure of policy and significant judgment applied will be necessary
- IDG Meeting Report: September 2021

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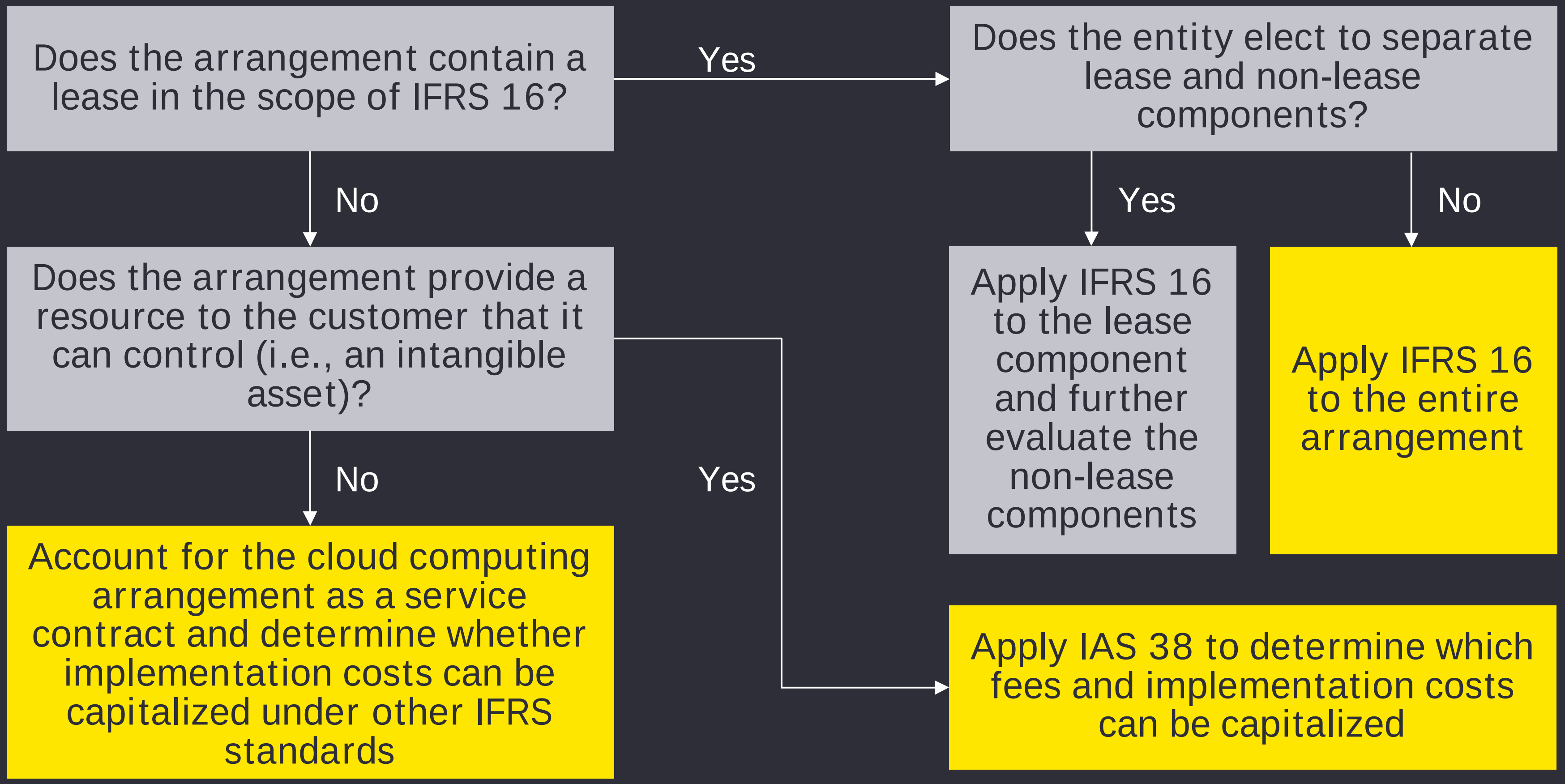
IFRIC updates

Agenda Decision: Configuration or Customization Costs in a Cloud Computing Arrangement

Accounting for cloud computing costs

Overview

- There is no explicit guidance in IFRS on customer accounting for cloud arrangements or related implementation costs; therefore, an entity will need to apply judgment
- The following diagram summarizes the accounting considerations:



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Accounting for cloud computing costs
Implementation costs

- A customer may incur implementation and other up-front costs to get the cloud computing arrangement ready for use
- Accounting for those costs will depend on whether the arrangement includes an intangible asset or is a service contract, and on the type of cost

Accounting for implementation costs in a cloud arrangement

Types of costs	Includes an intangible	Service contract
Research	Expense as incurred	Expense as incurred
Hardware costs	Capitalize – IAS 16	Capitalize – IAS 16
Costs to configure or customize underlying software	Generally capitalize – IAS 38	Supplier – determine if services are distinct 3rd party – expense as incurred
Changes to other entity systems	It depends	It depends
Training costs	Expense as incurred	Expense as incurred
Data conversion	Expense as incurred	Expense as incurred
Testing	Accounting linked to what is being tested	

Accounting for cloud computing costs

Costs to configure or customize underlying software

- In its March 2021 meeting, the IFRIC finalized an agenda decision related to treatment of costs to configure or customize a cloud computing solution that is a service contract, which presented a two-step framework to consider.
- IFRIC Update: March 2021

Key considerations

- Who provides the configuration or customization services?
  - Cloud arrangement service provider (or subcontractor):
    - If the configuration or customization services are distinct from the cloud arrangement, expense when the supplier configures or customizes the application software
    - If the configuration or customization services are not distinct from the cloud arrangement, expense as the supplier provides access to the application software over the contract term
  - Third-party supplier:
    - Expense as services when the third-party supplier configures or customizes the application software

IDG meetings

Impairment test for right-of-use assets

Impairment test for right-of-use assets

Change in the use of an ROU asset

- An entity's decision to change the use of an ROU asset (or an entity's conclusion that it has no realistic alternative but to do so) would indicate that an asset, a group of assets or cash-generating units (CGUs) may be impaired

- An impairment test is performed at the individual asset level if any of the below conditions are met. Otherwise, it is performed at the CGU level, which is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets:
  a) The asset generates cash inflows that are largely independent of those generated from other assets or groups of assets in the entity;
  b) The asset's individual fair value less costs of disposal (FVLCD) exceeds its carrying amount; or
  c) The asset's value in use can be estimated to be close to its FVLCD and the FVLCD can be measured.

IDG Meeting Report: May 2021

Impairment test for right-of-use assets

Change in the use of an ROU asset

- The condition in IAS 36.22(b) that VIU can be estimated to be close to FVLCD for an ROU asset for real estate may be judged to be fulfilled where an ROU asset is to be used within its current CGU for only a short period of time before the abandonment or sublease occurs. In such circumstances, the ROU asset will have to be tested for impairment on a stand-alone basis
- When the ROU asset is to be used within the original CGU for only a short period of time before the abandonment or sublease occurs, one might, depending on facts and circumstances, also judge that the ROU asset and the CGU generate largely independent cash inflows. This would also mean that the ROU should be tested for impairment on a stand-alone basis
- The longer the time between the decision to abandon or sublease the ROU asset and the actual change in use occurring, the less likely it is that the decision will immediately impact the level at which any impairment assessment should be performed

Impairment test for right-of-use assets

Change in the use of an ROU asset

- Factors to consider when determining whether the ROU asset should be tested for impairment separately from a CGU include, but are not limited to whether:

  a) Plans for ceasing use of the ROU asset have been finalized and the entity is committed to vacating the property versus expecting to vacate, but not yet committed to vacate the property. When making this assessment, an entity might consider the guidance in paragraph 72 of IAS 37 Provisions, Contingent Liabilities and Contingent Assets on assessing when a constructive obligation to restructure arises;

  b) The period of use by the CGU is a more extended period of use versus a relatively short period of use for the ROU asset;

  c) The ROU asset is significant to the cash inflow generation of the CGU;

  d) The ROU asset can be subleased after it is vacated and the period of sublease relative to the period of use by the entity before the property is vacated;

  e) The space is expected to be subleased, considering the level of management and board support and the likelihood of being able to sublease the space (e.g., a signed sublease versus general expectations of market interest in the property);

  f) The entity has engaged real estate brokers to market the ROU asset for sublease;

  g) The entity has communicated to the landlord its decision to cease own use and to sublease;

  h) The entity has told employees about ceasing the use of the office space.

Impairment test for right-of-use assets

Other considerations

When an entity plans to change the use of an ROU asset, what other impacts may that have?

- Reassessment of useful life and residual value
- Restrictions of the use of the ROU asset
- Lease reassessment or modification
- Timing of adjustments
- Sublease considerations

Reporting and other considerations for SPAC transactions

Presented by

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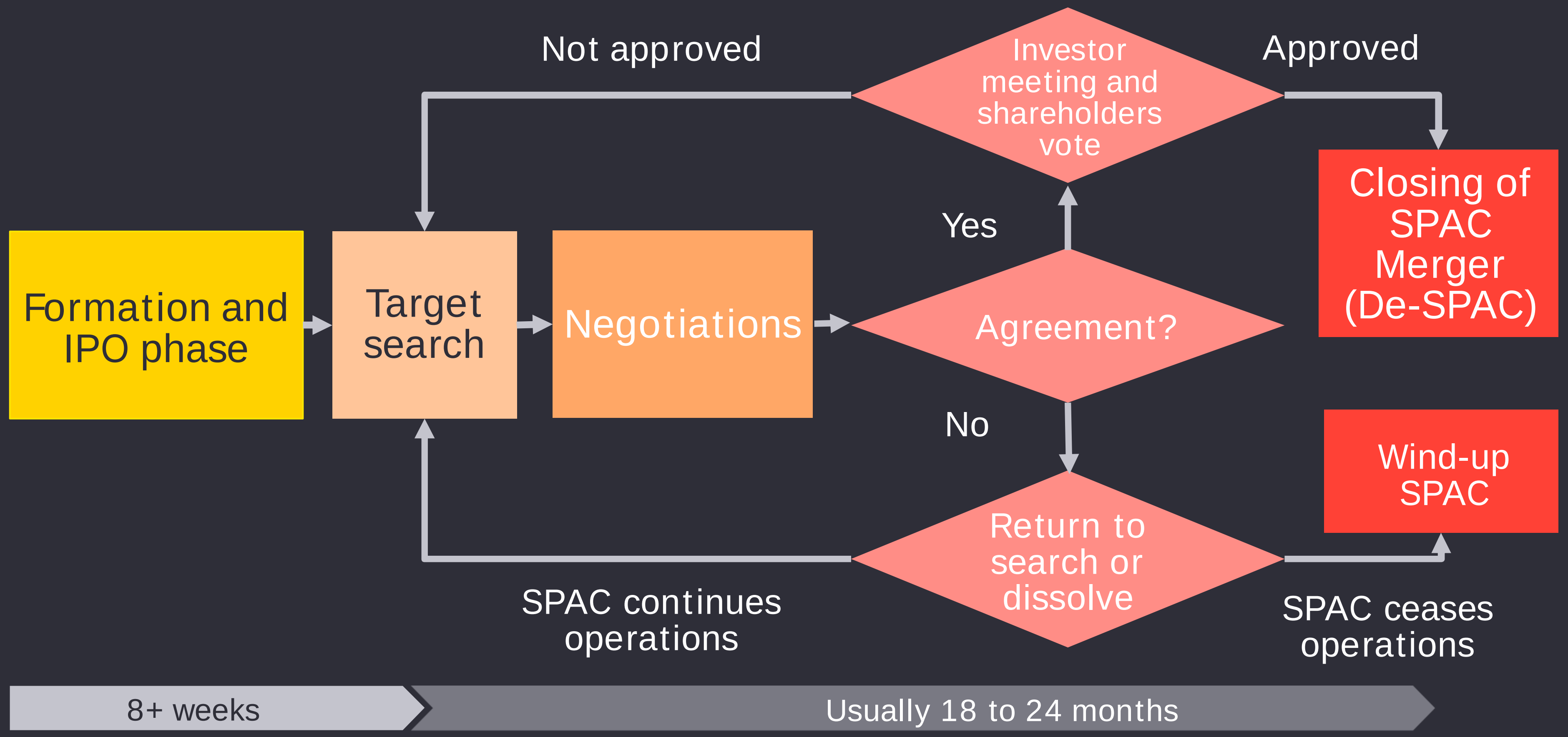
Building a better working world

What is a SPAC?

- A special purpose acquisition company (SPAC) is a shell corporation that is formed strictly to raise capital through an IPO for the purpose of acquiring an existing operating company, generally through a reverse merger with the existing operating company (target)
- Since 2020, there has been a significant increase in SPAC IPOs as well as SPAC mergers
- Attractive strategic option for private companies
- Some challenges do exist, such as complex accounting considerations and financial reporting requirements

EY's publication on Accounting for SPACs: Applying IFRS – Accounting for SPACs

Overview of SPAC lifecycle



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Accounting for the SPAC transaction

Identification of the accounting acquirer:

- Determining the “accounting acquirer” may require careful analysis and significant judgment of the following:
  - Relative voting rights in the combined entity after the business combination
  - The existence of a large minority voting interest in the combined entity in absence of owners with a significant voting interest
  - The composition of the governing body of the combined entity
  - The composition of the senior management of the combined entity
  - The terms of the exchange of equity interests – who is paying a premium?

Accounting for the SPAC transaction
(continued)

Identification of the accounting acquirer (continued):

- If SPAC is the accounting acquirer:
  - The transaction is accounted for as a business combination in accordance with IFRS 3 (i.e., applying the acquisition method)
- If Target is the accounting acquirer (most common):
  - The transaction is not accounted for as a business combination as the SPAC is not considered to be a business, as defined in IFRS 3
  - Accounted for in the consolidated financial statements of the SPAC (legal acquirer) as a continuation of the financial statements of the target (legal subsidiary), together with a deemed issue of shares by the target and a re-capitalization of the equity of the target
  - The deemed issue of shares is, in effect, a share-based payment transaction (IFRS 2) whereby the target has received net assets of the SPAC together with the listing status of the SPAC
  - The listing expense does not qualify as an intangible and is expensed in the profit/loss of the combined entity

Accounting for the SPAC transaction
(continued)

Accounting for financial instruments:

- If SPAC is the accounting acquirer:
  - Re-assessment of any conditional features under IAS 32 is required
- If Target is the accounting acquirer:
  - A key question that arises – how to account for outstanding warrants issued by the SPAC? Does IAS 32 or IFRS 2 apply?
  - Lack of guidance under IFRS, and diversity in practice exists; therefore, significant judgment required
  - If considered to be part of deemed consideration for the acquisition of the SPAC, they would be instruments issued to acquire goods and services (i.e., listing service), similar to the deemed shares issued, under IFRS 2 (this view may not be accepted by all regulators)
  - If considered to part of the net assets acquired, then other standards used by the SPAC (for example, IAS 32) may continue to apply

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Have questions? We are here to help

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Questions?

Appendix: IASB Workplan

IASB work plan

Completed projects

Topic	Related standard	Effective date
Interest Rate Benchmark Reform and its Effects on Financial Reporting – Phase 2	IFRS 9, IAS 39, IFRS 7, IFRS 4, IFRS 16	January 1, 2021
IFRS 16 and COVID-19*	IFRS 16	April 1, 2021
Updating References to the Conceptual Framework	IFRS 3, IAS 37 Conceptual Framework for Financial Reporting	January 1, 2022
Property, Plant and Equipment: Proceeds before Intended Use	IAS 16	January 1, 2022
Onerous Contracts – Cost of Fulfilling a Contract	IAS 37	January 1, 2022
Subsidiary as a First-time Adopter	IFRS 1	January 1, 2022
Fees in the “10 per cent” Test for Derecognition of Financial Liabilities	IFRS 9	January 1, 2022
Taxation in Fair Value Measurements	IAS 41	January 1, 2022
IFRS 17 Insurance Contracts	IFRS 17	January 1, 2023
Classification of Liabilities as Current or Non-current	IAS 1	January 1, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)*	IAS 12	January 1, 2023
Definition of Accounting Estimates (Amendments to IAS 8)*	IAS 8	January 1, 2023
Disclosure Initiative – Accounting Policies*	IAS 1	January 1, 2023

*Completed in 2021

IASB work plan

Standard-setting projects

Topic	Next milestone	Expected date
Disclosure Initiative – Subsidiaries without Public Accountability Disclosures	Exposure draft feedback	H1 2022
Disclosure Initiative – Targeted Standards-level Review of Disclosures	Exposure draft feedback	Q1 2022
Financial Instruments with Characteristics of Equity	Exposure draft	TBD
Management Commentary	Exposure draft feedback	TBD
Primary Financial Statements	IFRS Standard	TBD
Rate-regulated Activities	Exposure draft feedback	October 2021
Second Comprehensive Review of the IFRS for SMEs (Small and Medium-sized Enterprises) Standard	Exposure draft	TBD

IASB work plan

Maintenance projects and research projects

Maintenance project	Next milestone	Expected date
Lease liability in a sale and leaseback	Exposure draft feedback	Q1 2022
Lack of exchangeability (amendments to IAS 21)	Exposure draft	-
Availability of a refund (amendments to IFRIC 14)	Decide project direction	-
Provisions – targeted improvements	Decide project direction	-

Research project	Next milestone	Expected date
Business combinations under common control	Discussion paper feedback	Q4 2021
Dynamic risk management	Core model feedback	TBD
Equity method	Decide project direction	TBD
Extractive activities	Decide project direction	TBD
Goodwill and impairment	Discussion paper feedback	TBD
Pension benefits that depend on asset returns	Review research	TBD
Post-implementation review of IFRS 10, IFRS 11 and IFRS 12	Request for information feedback	TBD
Post-implementation review of IFRS 9 Classification and Measurement	Request for information	H2 2021

Appendix: Recent IDG topics

Recent IDG topics

September 2020 to September 2021

Topic	Meeting date
IAS 2: Costs Necessary to Sell Inventories Discuss the application of the IFRS Interpretations Committee's Agenda Decision on the accounting for costs necessary to sell inventories.	September 2021
Accounting for Crypto-assets Held on Behalf of Others Consider a scenario where an entity holds crypto-assets on behalf of others. Discuss factors the entity should consider in assessing whether it has control over the crypto-assets and the presentation of these assets on the entity's balance sheet.	September 2021
IFRS 9: Issuer's Accounting for Green Bonds Discuss the issuer's accounting for green or sustainability-linked bonds under IFRS 9 Financial Instruments.	September 2021
Equity Method Accounting on an Investment in Common and Preferred Shares Discuss to which instrument the equity method applies when an investor entity holds both voting common and preferred shares in the associate.	May 2021
IAS 38: Configuration and Customization Costs in a Cloud Computing Arrangement Discuss the application of the IFRS Interpretations Committee's Agenda Decision on the accounting for configuration or customization costs in a cloud computing arrangement.	May 2021

Recent IDG topics

September 2020 to September 2021

Topic	Meeting date
Issuer's Accounting for Subscription Receipts Consider a scenario where an entity offers subscription receipts where it receives cash for the promise for a future delivery of common shares subject to the occurrence of certain events. Discuss the issuer's accounting for these subscription receipts.	May 2021
Accounting for Standby Costs and Penalties Incurred under a Force Majeure Clause Consider a scenario where a company that owns an asset under construction incurs certain standby costs and other penalties charged back to it by the builder under a force majeure clause. Discuss the company's accounting for these additional costs	May 2021
Classification of Debt with Covenant as Current or Non-current Continue discussions on the application of paragraph 72A of IAS 1 Presentation of Financial Statements when assessing an entity's compliance with covenants that affect the classification of debt as current or non-current considering the December 2020 IFRIC discussion.	December 2020
Disclosures of COVID-19 Impacts Discuss various disclosure requirements related to COVID-19 that may impact an entity's year-end financial reporting in 2020.	December 2020
Classification of Limited Recourse Capital Notes by the Holder Discuss the classification of Limited Recourse Capital Notes by the holder.	December 2020

Recent IDG Topics

September 2020 to September 2021

Topic	Meeting date
Impairment Test on Right-of-Use Assets Discuss impairment considerations for right-of-use assets when an entity has decided to vacate the property shortly after the decision date.	December 2020
IAS 1: Application of paragraph 72A to classify a term loan as current or non-current Discuss the application of the new paragraph 72A of IAS 1 Presentation of Financial Statements to assess an entity’s compliance with covenants that affect the classification of a term loan as current or non-current.	September 2020
Change to discount rate method Consider changes made to the discount rate method prescribed by Canadian Institute of Actuaries to calculate the defined benefit obligation in IAS 19 Employee Benefits and discuss accounting implications for such changes.	September 2020
Income statement presentation of COVID-19 impacts Discuss the income statement presentation for various COVID-19 impacts.	September 2020