What you need to know

- The IASB has proposed to defer the effective date of the amendments to IAS 1 by one year.
- Comment periods have also been extended by at least three months for three other documents – the ED, General Presentation and Disclosures, the Request for Information - Comprehensive Review of the IFRS for SMEs Standard and the DP, Business Combinations - Disclosures, Goodwill and Impairment.
- The IASB has proposed amendments to IFRS 16 for COVID-19 related rent concessions.

Summary

The International Accounting Standards Board (the IASB or the Board) held a supplementary meeting on 17 April 2020, to discuss the impact of the COVID-19 pandemic. The Board has amended its work plan to allow stakeholders enough time to consider their feedback on the proposals, and has proposed an amendment to IFRS 16 Leases. Details of the tentative decisions the Board made are discussed below.

Deferral of the effective date of amendments to IAS 1

On 23 January 2020, the IASB issued amendments to IAS 1 Presentation of Financial Statements, to clarify the requirements for classifying liabilities as current or non-current. That document stated that the new guidance would be effective for annual periods starting on or after 1 January 2022 (see our IFRS Developments Issue 159 – Amendments to classification of liabilities as current or non-current).

The Board has proposed extending the effective date of the amendments by one year, to 1 January 2023. The Board plans to publish an exposure draft (ED) in early May 2020, proposing the extension. The Board has suggested a 30 day comment period for this ED.
Extensions of consultation periods

ED - General Presentation and Disclosures

On 17 December 2019, the Board issued an ED in which it proposes to replace IAS 1 with a new standard (see our IFRS Developments Issue 158 - The IASB proposes major changes to primary financial statements). The comment deadline for this document was originally set at 30 June 2020, but the deadline has been extended to 30 September 2020.

Request for Information (RFI) - Comprehensive Review of the IFRS for SMEs Standard

In this RFI, the IASB is asking for views on its approach to updating the IFRS for SMEs Standard. The original comment deadline was 27 July 2020, but that has now been extended to 27 October 2020.

Discussion Paper (DP) - Business Combinations - Disclosures, Goodwill and Impairment

This DP proposes possible improvements to the information entities report about acquisitions of businesses to help investors assess the success of those acquisitions, and how the entity should account for any goodwill arising from those transactions (see our Applying IFRS - Business combinations: disclosures, goodwill and impairment). The comment deadline for this document has now been extended to 31 December 2020, from 15 September 2020.

Amendment to the Leases standard

The Board discussed amendments to IFRS 16 Leases (see our IFRS Developments Issue 166 - IASB proposes amendment to IFRS 16 for COVID-19 related rent concessions) to provide relief on the accounting for rent concessions. This will complement the educational materials published on 10 April 2020 to support companies applying IFRS 16 (see our IFRS Developments Issue 164 - IASB releases educational material on COVID-19 related rent concessions applying IFRS 16 Leases). The Board expects to publish the proposed amendment in an ED shortly, with a 14-day comment period.

How we see it

We welcome the Board’s response to the challenges that the COVID-19 pandemic is presenting to stakeholders, and we encourage entities to use the extended consultation periods for the various documents to respond to the relevant EDs/DP and provide useful feedback to the Board.