MONTHLY UPDATES (January 2021) – What’s new from the International Accounting Standards Board (IASB)

The topics discussed at the IASB’s January 2021 meetings were on the following:

1. Disclosure Initiative—Subsidiaries that are SMEs
2. Primary Financial Statements
1. Disclosure Initiative—Subsidiaries that are SMEs

The Board met to discuss:

a) Disclosure about cash-generating units containing goodwill and intangible assets with indefinite useful lives

The Board tentatively decided that the proposed reduced-disclosure IFRS Standard for subsidiaries that are SMEs should include the disclosure requirements set out in paragraphs 134(a)–(c), 134(d)(i), 134(e)(i), 134(e)(iiA), 135(a)–(c) and 136 of IAS 36 Impairment of Assets.

b) Scope of the reduced-disclosure IFRS Standard

The Board discussed whether the scope of the proposed reduced-disclosure IFRS Standard should be wider than subsidiaries that are SMEs. The Board tentatively decided that only subsidiaries that are SMEs should be eligible to apply the Standard, and that the Board would invite comments on the proposed scope of the Standard.

The Board also tentatively decided a subsidiary that is an SME would only be eligible if, at its reporting date, it is a subsidiary of a parent that applies IFRS Standards in its consolidated financial statements; and that the scope should not be limited to single-entity financial statements.

c) Consultation document—discussion paper or exposure draft

The Board decided to proceed directly to an exposure draft.

Next step

In February 2021 the Board will be asked for permission to start the balloting process and, in particular, to set a comment period for the exposure draft.

2. Primary Financial Statements

The Board met to continue discussing feedback on its Exposure Draft General Presentation and Disclosures and to discuss plans for redeliberating the project proposals. (The Exposure Draft sets out proposals for a new IFRS Standard on presentation and disclosures in financial statements that, when finalised, will replace IAS 1 Presentation of Financial Statements. It also sets out proposed amendments to other IFRS Standards.)

The Board agreed a plan to redeliberate the project proposals.

Next step

The Board will start to redeliberate the project proposals at a future meeting.

For further information: http://www.ifrs.org

Financial Reporting Council
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