

# Newsletter

The main functions of the **Financial Reporting Council** comprise amongst others



Licensing of auditors



Monitoring the truth and fairness of financial reporting through reviews of annual reports of PIEs



Monitoring the work of auditors, by conducting onsite/offsite practice reviews



Monitoring compliance with the requirements of the National Code of Corporate Governance

1.0	Message from the Chief executive Officer	2
2.0	Technical Updates	
-	IASB Updates	4
-	IFAC Updates	7
-	IPSAS Updates	8
3.0	Licensing	11
4.0	Implementation of IFRS 17 Insurance Contracts	12
5.0	Capacity building	13
6.0	Staff Welfare	15
7.0	Forthcoming IFIAR Inspection Workshop 2025	16

## Contents

VISION

To be a model organization ensuring quality in auditing, financial and non-financial reporting

MISSION

To bring corporate confidence in auditing, financial and non-financial reporting among users of financial statements



# 1.0 MESSAGE FROM THE CHIEF EXECUTIVE OFFICER



Mr Viswajithsing Tuhobol, Chief Executive Officer

## Introduction

In March 2024, I assumed office as the Chief Executive Officer of the Financial Reporting Council (FRC), taking on the responsibility of leading this organization into a new era of strategic growth. The key achievements, initiatives, and plans that underline our commitment to maintaining high standards in financial reporting, auditing, and sustainability are summarised below.

## Significant Achievements in 2024

The year brought substantial progress for the FRC, highlighted by:

- Hosting a Pan-African Regulatory Roundtable: Strengthening regional regulatory collaboration.
- Signing an MOU with FRC Bangladesh: Promoting international cooperation.
- Establishing the Permanent Secretariat for AFIAAR: Reinforcing our leadership in the African regulatory community.
- Office Renovation: Creating an improved working environment for staff.

Additionally, we conducted constructive stakeholder engagements, which enhanced collaboration and provided insights to strengthen the auditing profession. Our ongoing initiatives include Annual Report Reviews (ARR), Audit Practice Reviews (APR), and firm reviews aligned with the International Standards on Quality Management.

## Strategic Initiatives

The FRC is advancing compliance and reporting quality through:

- On-Site Reviews and Auditor Licensing: Ensuring adherence to standards and granting licenses to qualified individuals.
- Staff Training and Development: Enhancing technical expertise in IFRS and corporate governance.
- Oversight of Public Interest Entities (PIEs): Conducting thorough reviews to elevate reporting standards.
- Looking forward, we are implementing a risk-based review plan to expand the scope of ARR and APR and incorporate new standards like IFRS 16, IFRS 17, and ISQM 1.

## Hosting the 2025 IFIAR Workshop

Mauritius will host the International Forum of Independent Auditing Regulators (IFIAR) Inspection Workshop in March 2025, bringing together global regulators to share best practices and strengthen relationships. This event underscores Mauritius's growing reputation as a regulatory leader and its commitment to transparency and trust.

# 1.0 MESSAGE FROM THE CHIEF EXECUTIVE OFFICER (CONT'D)

## Adoption of Sustainability Standards

The adoption of Sustainability Standards S1 and S2 represents a significant step towards aligning our jurisdiction with global ESG frameworks. S1 emphasizes the disclosure of general sustainability-related financial information, enabling stakeholders to assess the sustainability risks and opportunities impacting a company's financial performance and long-term prospects. S2 focuses on climate-related risks, providing a framework for companies to report on their climate risk management and adaptation strategies.

To ensure effective adoption of these standards, the FRC is committed to a comprehensive implementation project. This includes conducting a gap analysis to identify areas where current practices may fall short of the new requirements. We will engage with key stakeholders—including companies, auditors, and investors—to develop practical guidance and facilitate capacity building. Tailored training programs will be delivered to equip preparers and auditors with the necessary skills for seamless compliance. A phased approach to implementation will allow entities to transition smoothly, while continuous monitoring and feedback mechanisms will ensure the standards' objectives are met effectively.

## Conclusion

Despite resource challenges, the FRC remains committed to innovating and strengthening the profession. I extend my gratitude to the Board, the stakeholders, and the staff for their dedication and support. Together, we are building a resilient foundation for the future of financial and sustainability reporting.

Viswajithsing Tuhobol

Chief Executive Officer

Financial Reporting Council

## IASB Updates

For the quarter ended 31 December 2024, the International Accounting Standards Board ('IASB') discussed on the following areas of the International Financial Reporting Framework relating to research and standard setting and maintenance and consistent application.

### I. Projects Proposals

The IASB met to discuss about the following project proposals whereby tentative decisions were made:

- Dynamic Risk Management
- Second Comprehensive Review of the IFRS for SMEs Accounting Standard
- Management Commentary

### II. IASB proposes targeted improvements to requirements for provisions

The IASB had published a consultation aimed at improving the requirements for recognising and measuring provisions on company balance sheets.

The IASB's targeted improvements are designed to help companies applying the requirements more consistently and provide investors with more useful information.

Furthermore, the proposed amendments to IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* would clarify how these firms assess when to record provisions and how to measure them. The amendments would also require them to provide additional information regarding the measurement.

The proposals would most likely be relevant for companies that have large long-term asset decommissioning obligations or are subject to levies and similar government-imposed charges.

The IASB is inviting feedback on these proposals until 12 March 2025.



## IASB Updates (cont'd)

### III. IASB updates IFRS Accounting Standards for nature-dependent electricity contracts

The IASB had issued targeted amendments to help companies better report the financial effects of nature-dependent electricity contracts, which are often structured as power purchase agreements ('PPAs').

Nature-dependent electricity contracts help companies to secure their electricity supply from sources such as wind and solar power. The amount of electricity generated under these contracts can vary based on uncontrollable factors such as weather conditions. Current accounting requirements may not adequately capture how these contracts affect a company's performance.

To allow companies to better reflect these contracts in the financial statements, the IASB has made targeted amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures*. The amendments include:

- clarifying the application of the 'own-use' requirements;
- permitting hedge accounting if these contracts are used as hedging instruments; and
- adding new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

These amendments are required to be applied for annual reporting periods beginning on or after 1 January 2026. Companies can apply the amendments earlier.

### IV. IFRS launches guide to help companies identify sustainability-related risks

The International Sustainability Standards Board ('ISSB'), under the IFRS Foundation, had published a new detailed guide that is designed to help companies identify and disclose information about sustainability-related risks and opportunities.

Key aspects of the guide are as follows:

- Clarity on Sustainability-Related Risks and Opportunities

The guide builds on IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information*, offering companies a structured way to understand how sustainability-related risks and opportunities emerge.

- Integrated Thinking and Value Chain Perspective

A central theme of the guide is the concept of integrated thinking — an approach that emphasises the interconnected nature of a business, its stakeholders, and its external environment.

## IASB Updates (cont'd)

### IV. IFRS launches guide to help companies identify sustainability-related risks (cont'd)

- Alignment with IFRS Materiality Judgements

The guide sets out a process a company can follow which is closely aligned with the four-step process illustrated in the IASB's IFRS Practice Statement 2: *Making Materiality Judgements*. As a result, although the ISSB Standards can be used with any generally accepted accounting principles, those companies already applying IFRS Accounting Standards—in over 140 jurisdictions worldwide.

- Strengthening Connectivity Between Financial and Sustainability Reporting

The guide highlights some of the considerations a company might make to drive connectivity between sustainability-related financial disclosures and a company's financial statements.

- Interoperability with Other Frameworks

The guide provides considerations for those applying ISSB Standards alongside the European Sustainability Reporting Standards ('ESRS') or Global Reporting Initiative ('GRI') Standards.

For further details, refer to the website of the IASB.



## IFAC Updates

For the quarter ended 31 December 2024, the International Federation of Accountants (“IFAC”) had published the following updates on its website:

### I. IAASB publishes final standard on sustainability assurance engagements

The International Auditing and Assurance Standards Board (‘IAASB’) had published the final version of its International Standard on Sustainability Assurance (‘ISSA’) 5000, *General Requirements for Sustainability Assurance Engagements*.

This standard establishes a global baseline, which is also compatible with the EU Corporate Sustainability Reporting Directive (‘CSRD’). It addresses both limited and reasonable assurance engagements and incorporates traditional and double materiality concepts.

ISSA 5000 is effective for assurance engagements on sustainability information reported for periods beginning on or after December 15, 2026, or as at a specific date on or after December 15, 2026. Early application is permitted.

### II. Guidance advances high-quality corporate sustainability reporting and assurance preparedness

The IFAC in collaboration with the We Mean Business Coalition (‘WMBC’) and Global Accounting Alliance (‘GAA’) had produced the guidance *Building Trust in Sustainability Reporting and Preparing for Assurance: Governance and Controls for Sustainability Information*.

The guidance provides a roadmap for organizing and enhancing governance and control systems. It outlines steps to align sustainability and financial reporting in terms of quality, timing, and connectivity, and addresses challenges in sustainability reporting.

The new guidance can be applied to the adoption of the IFRS Sustainability Disclosure Standards issued by the International Sustainability Standards Board (‘ISSB’) and jurisdictional requirements, including the European Sustainability Reporting Standards (‘ESRS’).

For further details, refer to the website of the IFAC.

## IPSAS Updates

During the quarter ended 31 December 2024, the International Public Sector Accounting Standards Board ('IPSASB') had published the following updates:

### I. Project proposals

- **IFRIC alignment – narrow scope amendments**

The IPSASB approved the Final Pronouncement, *Amendments to IPSAS Standards: Specific IFRIC Interpretations* which amends IPSAS Standards to clarify the application of existing principles to help public sector entities better understand and apply them consistently. These amendments are effective January 1, 2026.

- **Materiality**

The *Making Materiality Judgement* project discussions focused on research and scoping activities. The IPSASB agreed the project should take a phased approach: financial reporting will be the focus of the initial phase, followed by sustainability reporting after the completion of the Climate-related Disclosures pronouncement. A project brief is expected to be approved in March 2025.

### I. Project proposals (cont'd)

- **Strengthening linkages between IPSAS and GFSM 2014**

In first discussions on the *Strengthening Linkages Between IPSAS Standards and the Government Finance Statistics Manual ('GFSM') 2014* project, the IPSASB decided the project should have two phases: a phase highlighting the current alignment between IPSAS Standards and GFSM 2014, and a phase identifying opportunities to increase alignment between both reporting frameworks. The IPSASB expects to approve a project brief in March 2025.





## IPSAS Updates(cont'd)

### III. IPSASB releases exposure draft for inaugural sustainability reporting standard

The IPSASB released an exposure draft for its inaugural sustainability reporting standard ('SRS ED 1') which is aligned with ISSB standards.

The proposals in IPSASB SRS ED 1 *Climate-related Disclosures* aims to provide essential information for users of general-purpose financial reports, such as service recipients and resource providers. It focuses on:

- Climate-related risks and opportunities affecting an entity's operations, in line with public sector guidance.
- Climate-related public policy programs and their outcomes, addressing the dual role of governments.

The disclosure requirements are adapted from the four pillars of IFRS S2: governance, strategy, risk management, and metrics and targets, with additional proposed guidance for the public sector.

The draft also includes proposals for conceptual foundations and general requirements based on IFRS S1.

Comments on the exposure draft are requested by 28 February 2025.

### II. IPSASB issues exposure draft on tangible natural resources

The IPSASB had issued Exposure Draft ('ED') 92, *Tangible Natural Resources* for public comment.

ED 92 *Tangible Natural Resources* proposes to define tangible natural resources as resources with physical substance that are naturally occurring and that embody service potential or the capability to generate economic benefits (or both). However, no International Public Sector Accounting Standard ('IPSAS') guidance currently exists on the accounting for tangible natural resources.

ED 92 proposes recognition, measurement, presentation and disclosure guidance to address this gap.

Comments on the ED are requested by 28 February 2025.



## IPSAS Updates(cont'd)

### IV. IPSASB issues final pronouncement on concessionary leases and other arrangements conveying rights over assets

The IPSASB had issued 'Concessionary Leases and Other Arrangements Conveying Rights over Assets (Amendments to IPSAS 43, IPSAS 47, and IPSAS 48)'.

The new guidance addresses public sector issues specific to concessionary leases (i.e. leases at below-market terms) and other arrangements conveying rights over assets that are not leases that are prevalent in the public sector.

IPSAS 48 is only amended to add an illustrative example. The amendments to IPSAS 43 and IPSAS 47 have an effective date of 1 January 2027 with earlier application permitted.

For further details, refer to the website of the IPSASB.



## 3.0 LICENSING

31 December 2024



Licensed Auditors: 229



Registered Audit Firms: 114



Foreign Auditors: 4



Auditor's License Granted: 7



Audit Firms Registered: 2



Removal from Register of Audit Firms: 2



Removal from Register of Licensed Auditors: 4



Removal from Register of Foreign Auditors: Nil

## 4.0 IMPLEMENTATION OF IFRS 17 INSURANCE CONTRACTS

IFRS 17 *Insurance Contracts* is a comprehensive new accounting standard for insurance contracts covering their recognition and measurement, presentation and disclosure. It is effective for annual reporting periods beginning on or after 1 January 2023.

As regards to the implementation of IFRS 17, FRC had conducted a survey on the challenges faced by the auditors and insurance companies. The findings of the survey revealed that insurance companies and auditors are facing challenges in the implementation of IFRS 17 and that there would be delays in the preparation of the financial statements and audit of insurance companies.

Insurance companies should take into consideration the additional time for filing reporting obligations granted by the Financial Services Commission ('FSC') via Communiqués 'Regulatory relief - Extension of time limit for filing of Returns due to IFRS 17' dated 01 March 2024, 25 June 2024, 27 August 2024 and 10 December 2024.

Following the FSC's Communiqué dated 10 December 2024, it is noted that the timeline for filing of reporting obligations for insurance companies has been extended as follows:

Type of Reports	Year End	New FSC Filing Deadline – (Extended date)
Audited Financial Statements/Annual Reports	31 Dec 2023 to 30 Sep 2024	31 May 2025
	31 Dec 2024 to 31 Mar 2025	30 Sep 2025

For further details, refer to the website of the FSC.



## 5.0 CAPACITY BUILDING

### Online training to FRC's officers

#### ✚ Webinar on International Standard on Quality Management 1

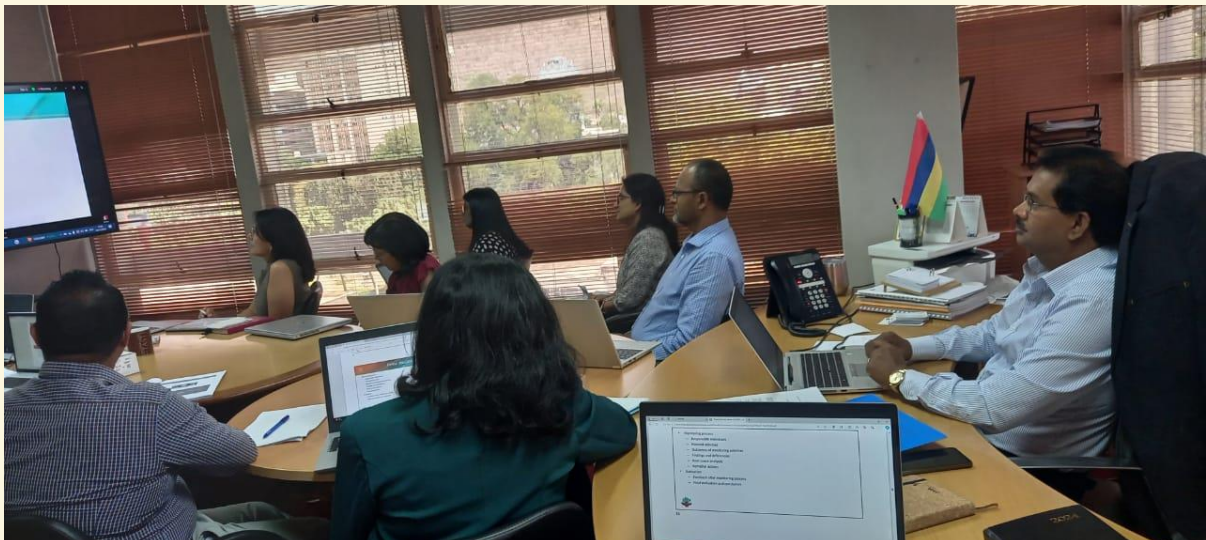
As a measure of continuous improvement in audit quality and in response to high profile audit failures, the International Auditing and Assurance Standards Board ('IAASB') issued International Standard on Quality Management 1 ('ISQM 1') (effective 15th December 2022). It is applicable for all firms performing audit and review of financial statements, assurance engagements other than audit or review of financial statements and related services engagements.

This webinar 'inspection and review of firms' System of Quality Management in terms of ISQM 1' would allow FRC's officers involved in the review exercise to develop a deeper understanding of ISQM 1 and its implementation.

- Date of Training: 06 November 2024
- Attendees: 13 Officers
- The resource person: Mrs Yvonne Rossouw from Probeta South Africa.

The topics covered under the webinar were as follows:

- Overview of ISQM 1
- Practical implementation by Firms
- Design of the system of quality management ('SoQM')
- Process of inspection and review



## 5.0 CAPACITY BUILDING (CONT'D)

### Webinar on Sustainability

In recent years, the sustainability and climate-related reporting landscape has significantly shifted, creating new obligations and reporting. Also, a wide range of stakeholders are increasingly calling for high-quality, transparent, reliable and comparable reporting from entities on sustainability and other non-financial reporting subject matters.

The FRC's officers had participated to a webinar on the theme 'Sustainability: The Big Picture' which was organised by the Independent Regulatory Board for Auditors (Regulatory Body in South Africa) on 21 November 2024. This workshop aims to provide FRC officers to keep update with developments in reporting, regulation, ethics and assurance with respect to sustainability.

The topics covered under the webinar were as follows:

- o Developments in the regulation of sustainability reporting
- o Preparation of sustainability reports
- o Greenwashing and greenhushing
- o Global assurance response to the developments in sustainability
- o Forward-looking views on sustainability
- o Globally relevant definition for sustainability



## 6.0 STAFF WELFARE

### End of year celebrations

End of year functions are important events to celebrate and to recognise the year's efforts and achievements. They are festive events which bring teams together and foster deeper team cohesion.

In December 2024, the FRC invited its team to celebrate the End of Year Party at Le Domaine Anna and hosted an end of year office lunch.

The Chief Executive reflected on the accomplishments and challenges that came during the year and seized the opportunity to thank the employees for their hard work and collaboration showed during the year 2024.



## 7.0 FORTHCOMING IFIAR INSPECTION WORKSHOP

The Financial Reporting Council Mauritius is delighted to host the 19<sup>th</sup> International Forum of Independent Audit Regulators ('IFIAR') Inspection Workshop which will be held on 5<sup>th</sup> to 7<sup>th</sup> of March 2025 at Le Meridien, Mauritius.

This event will bring together about 100 delegates from 56 countries who will exchange insights and best practices in inspections-related matters.

Consistent with the key objectives of IFIAR, this Inspection Workshop will enhance investors' protection by improving audit quality and will provide a forum for independent audit regulators to meet and discuss inspections processes, learn and leverage from each other. Moreover, this workshop will promote greater consistency in inspecting global and other audit firms, by improving the effectiveness of inspection regimes.





## Resources

The FRC on a monthly basis publishes on its website updates from the International Accounting Standards Board ('IASB'), International Federation of Accountants ('IFAC') and International Public Sector Accounting Standards Board ('IPSASB'). For more information on these updates, you may refer to the following websites:

- FRC – [frc.govmu.org](http://frc.govmu.org)
- IASB – [iasb.org](http://iasb.org)
- IFAC – [ifac.org](http://ifac.org)
- IPSASB - [ipsasb.org](http://ipsasb.org)



For more details on the topics referred in this issue, the reader may visit the website of FRC (<http://frc.govmu.org>) or contact the FRC.

Contact us



(+230) 213-6800



[Secretariat@frcmauriti.us.org](mailto:Secretariat@frcmauriti.us.org)

This newsletter is for information purpose only, you should not interpret any information for decision-making.

The FRC cannot be held liable for any error or omission.