

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**

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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 TECHNICAL UPDATES

IASB Updates

For the quarter ended 31 March 2025, 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:

- Business Combinations—Disclosures, Goodwill and Impairment
- Updating IFRS 19 Subsidiaries without Public Accountability: Disclosures
- Post-implementation Review of IFRS 16 Leases
- Rate-regulated Activities

II. IFRS Foundation publishes guide to help companies understand how to report only climate-related information when applicable in accordance with ISSB Standards

The IFRS Foundation had published a new guide, *Applying IFRS S1 when reporting only climate-related disclosures in accordance with IFRS S2*, which aims to help companies understand how to report only climate-related information when applicable using International Sustainability Standards Board (ISSB) Standards.

In response to concerns about data availability and preparers' readiness, the ISSB decided to provide transition reliefs in IFRS S1 and IFRS S2.

A company is required to apply IFRS S1 and IFRS S2 together but paragraph E5 of IFRS S1 allows a company, in its first year of applying ISSB Standards, to disclose information on only its climate-related risks and opportunities (in accordance with IFRS S2)—the so-called 'climate-first' approach.



IASB Updates (cont'd)

III. IASB issues major update to IFRS for SMEs

The IASB had issued a major update to the IFRS for SMEs accounting standard.

The aim of the standard is to balance the needs of lenders and other users of SMEs' financial statements with the resources available to SMEs.

The standard defines SMEs as entities without public accountability that prepare general purpose financial statements.

The update of this Standard is the outcome of a periodic comprehensive review of the Standard. Highlights include:

- A revised model for revenue recognition;
- Bringing together the requirements for fair value measurement in a single location; and
- Updating the requirements for business combinations, consolidations, and financial instruments.

The update to the IFRS for SMEs Accounting Standard will improve the information provided to users of SMEs' financial statements while maintaining the simplicity of the Standard.

The changes are effective for annual periods beginning on or after 1 January 2027, with early application permitted.

The IFRS for SMEs Accounting Standard was issued in 2009 to address the global demand for a simplified Accounting Standard for SMEs. This updated version is the third edition of the Standard.

IV. IFRS Foundation launches Jurisdictional Roadmap Development Tool

The IFRS Foundation had launched one key pillar of its Regulatory Implementation Programme—the *Jurisdictional Roadmap Development Tool* (Roadmap Tool).

This interactive tool develops the concepts set out in the *Inaugural Jurisdictional Guide for the adoption or other use of ISSB Standards* (Inaugural Jurisdictional Guide) into a practical application, to support jurisdictions and implementation partners as they navigate the policy considerations and key steps of planning and designing their roadmap for the adoption or other use of ISSB Standards.

By using the Roadmap Tool, jurisdictions can make informed decisions on four key decision areas:

- Regulatory process—how to adopt or otherwise use ISSB Standards;
- Reporting entities—who will be subject to the requirements;
- Requirements—what will be the specific content covered in the sustainability-related disclosure requirements; and
- Readiness—addressing when requirements will become effective, setting a suitable timeline and whether there is a case for scaling and phasing in.



IFAC Updates

For the quarter ended 31 March 2025, the International Federation of Accountants (“IFAC”) had published the following updates on its website:

I. IAASB issues post-exposure consultation & invitation to comment on its listed and public interest entities project

The International Auditing and Assurance Standards Board (“IAASB”) released the *Post-Exposure Consultation: Invitation to Comment Before the IAASB Finalizes the Narrow Scope Amendments to the ISQMs and ISAs as a Result of the Revisions to the Definitions of Listed Entity and Public Interest Entity in the IESBA Code*.

This consultation sets out the IAASB’s final position, rationale, and pathway to broader differential requirements relating to the definitions of listed and public interest entities in the International Standards on Quality Management (“ISQMs”) and International Standards on Auditing (“ISAs”). It includes an Invitation to Comment for stakeholders to share observations that might be relevant to the IAASB prior to finalizing the narrow scope amendments to the ISQMs and ISAs, and to answer a few specific questions about related forward-looking matters.

The IAASB invited all stakeholders to comment on this Post-Exposure Consultation by March 27, 2025.

II. IAASB releases Comprehensive Implementation Guide for the ISA for LCE

The IAASB released a new *first-time implementation guide for the ISA for LCE*—the standalone global auditing standard designed specifically for audits of financial statements of smaller and less complex entities (“LCE”).

The guide provides an overview of the standard’s concepts, structure, and format. It offers step-by-step insights into each Part of the standard with examples and comparisons to ISAs, equipping practitioners with the tools to effectively implement the ISA for LCE.

Available on the IAASB website, the guide complements previously released resources, including an adoption guide, supplementary guidance on the authority of the standard and on auditor reporting, videos, and webinars. Together, these materials form a comprehensive toolkit to support effective implementation.

This guidance does not amend or override the authoritative text of the ISA for LCE but serves as a valuable resource to facilitate understanding and application.



IFAC Updates (cont'd)

III. IESBA launches public consultation on auditor independence for audits of collective investment vehicles and pension funds

The International Ethics Standards Board for Accountants ('IESBA') issued a Consultation Paper seeking feedback on whether revisions to the *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the 'Code') are necessary to address the independence of auditors when they carry out audits of Collective Investment Vehicles ('CIVs') and Pension Funds (collectively referred to as 'Investment Schemes' or 'Schemes').

Investment Schemes enable investors to pool their funds and often rely on external parties ('Connected Parties') for functions typically managed internally in conventional corporate structures. This structure introduces specific relationships that are highlighted in the Consultation Paper and need to be carefully considered to ensure that any threats to auditor independence are identified and appropriately addressed.

As collective investment structures continue to evolve and the number of investors and assets under management increase globally, the IESBA recognizes the need for robust and clear independence standards and guidance to maintain public trust in the audits of these Schemes.

The IESBA's consultation paper highlights several important matters including:

- The definition of "related entity" in the Code and its applicability to audits of Investment Schemes;
- The Connected Parties that should be considered in relation to the assessment of auditor independence with respect to the audit of an Investment Scheme; and
- The application of the Code's conceptual framework when assessing threats to independence resulting from interests, relationships, or circumstances between the auditor of an Investment Scheme and Connected Parties.

Stakeholders are invited to submit their comments electronically through the IESBA website by June 30, 2025.

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



IPSAS Updates

During the quarter ended 31 March 2025, the International Public Sector Accounting Standards Board ('IPSASB') had published the following updates:

II. Project proposals

- **Strengthening Linkages Between IPSAS Standards and the GFSM**

The IPSASB approved the Project Brief, *Strengthening Linkages Between IPSAS Standards and the GFSM*, and had an initial discussion on the illustrative examples proposed for the Exposure Draft. The IPSASB will be updating the examples for our next meeting in June 2025. This project will help governments and public sector entities make the most of IPSAS-based information when preparing statistical data for decision-making and accountability.

- **Making Materiality Judgements – Limited Scope**

The IPSASB kicked off the project to enhance the clarity and consistent application of the definition of material with two approvals: It approved the Project Brief, *Making Materiality Judgements*, and a limited-scope Exposure Draft to enhance the consistency of materiality guidance across the IPSASB's literature.

The Exposure Draft is expected to be published in Q2 2025 with a 60-day consultation period.

I. Project proposals (cont'd)

- **Presentation of Financial Statements**

To continue developing the IPSASB's Consultation Paper and form its preliminary views, the IPSASB considered the results of additional analysis on two challenging topics. This work has helped the IPSASB refine its views on the presentation of revenue and expenses on the statement of financial performance and statement of changes in net assets/equity. The IPSASB intends to finalize those views on the different presentation approaches at the next meeting.

- **IPSAS 33 – Limited Scope Update**

The IPSASB reviewed the responses to ED 91, *Limited Scope Updates of First-time Adoption of Accrual Basis IPSAS* and believes a government that uses IPSAS Standards is better equipped to make sound financial decisions transparently. Constituents strongly supported the reorganized structure and streamlined guidance to make the journey to implementation as easy as possible. The IPSASB intends to approve a final pronouncement at our next meeting in June 2025.



IPSAS Updates(cont'd)

I. Project proposals (cont'd)

• Measurement – Application Phase

The IPSASB reviewed responses to ED 90, *Amendments to IPSAS as a Result of IPSAS 46, Measurement*. Respondents supported including the current operational value measurement basis in IPSAS 12, *Inventories*, and IPSAS 21, *Impairment of Non-Cash Generating Assets*, its applicability to right-of-used assets when measured under the current value model in IPSAS 45, *Property, Plant, and Equipment*, and enhancing the current value disclosures across the IPSAS Standards. The IPSASB will continue its discussion of issues in June 2025.

• IPSASB Application Group

The IPSASB discussed the roll-out of the IPSASB Application Group and the group's work plan for the remainder of the year. In addition, the IPSASB approved amendments to the financial instruments IPSAS Standards, including guidance on supplier finance arrangements, the classification and measurement of financial instruments, contracts referencing nature-dependent electricity, and other editorial changes. These amendments, as well as other improvements to be discussed later in the year, will be exposed for comment in the second half of 2025.

II. IPSASB issues amendments related to specific IFRIC interpretations

The IPSASB had issued *Amendments to IPSAS Standards: Specific IFRIC Interpretations*.

The IPSASB concluded that four of the IFRIC Interpretations in the scope of this project were applicable to the public sector and has amended existing IPSAS Standards to incorporate new guidance:

- IFRIC 1 *Changes in Existing Decommissioning, Restoration and Similar Liabilities*;
- IFRIC 5 *Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds*;
- IFRIC 7 *Applying the Restatement Approach under IAS 29 'Financial Reporting in Hyperinflationary Economies'*; and
- IFRIC 14 *IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*.

This pronouncement adds authoritative guidance to IPSAS Standards, based on four IFRIC Interpretations, to help entities better understand and apply existing IPSAS principles.

The amendments are applicable for annual reporting periods beginning on or after 1 January 2026.



2.0 LICENSING

31 March 2025



Licensed Auditors: 225



Registered Audit Firms: 110



Foreign Auditors: 4



Auditor's License Granted: 2



Audit Firms Registered: 1



Removal from Register of Audit Firms: 5



Removal from Register of Licensed Auditors: 6



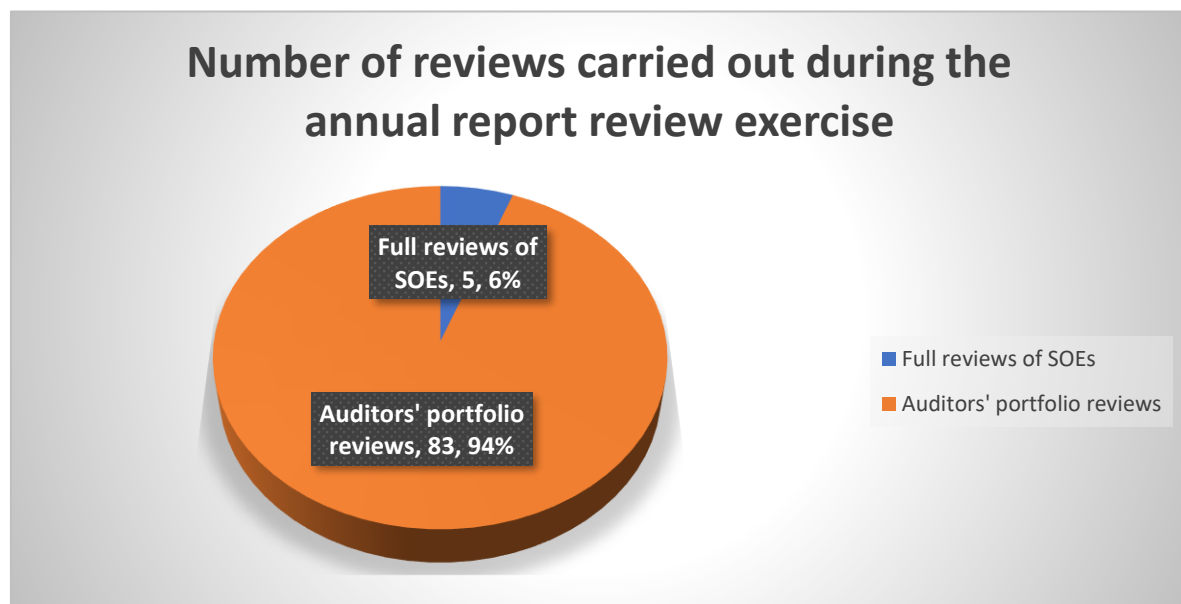
Removal from Register of Foreign Auditors: Nil

3.0 BULLETIN ON ANNUAL REPORT REVIEW FOR THE SIX-MONTH DECEMBER 2024

The Financial Reporting Council ('FRC') has issued the bulletin on annual report review for the six-month ended December 2024.

The purpose of this bulletin is to provide an overview of the findings identified by FRC from the annual report review exercise of PIEs. It highlights the non-compliances noted with respect to disclosure requirements of the applicable accounting standards¹, the Code and the Companies Act. This bulletin may be of assistance to the PIEs in the preparation of high-quality corporate reports.

FRC has carried out the review of annual reports of 88 PIEs [83 Auditors' portfolio reviews and 5 full reviews of SOEs] for the six months ended 31 December 2024, as portrayed in the diagram below:



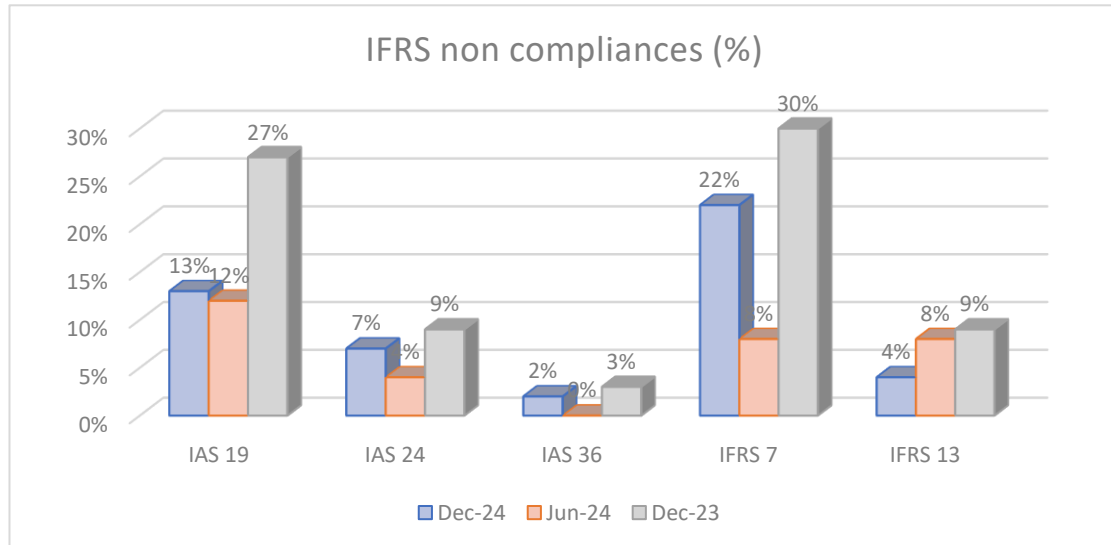
For the purpose of the annual report reviews, FRC has reviewed mostly PIEs falling under Category 4 of the First Schedule of the FRA, representing 60% of the number of PIEs reviewed during the six months period ended 31 December 2024. Most of these entities were either reviewed for the first time or had been reviewed several years back by FRC.

The FRC's review highlighted:

- (a) Key Findings with respect to the International Financial Reporting Standards ('IFRSs')

The most common IFRSs findings raised during the current period and over the last two periods (30 June 2024 and 31 December 2023) are IAS 19 Employee benefits and IFRS 7 Financial Instruments Disclosures.

The diagram below illustrates the percentage of non-compliances with IFRSs relating to the periods ended 31 December 2024, 30 June 2024 and 31 December 2023:



(b) Key findings with respect to the Code of Corporate Governance

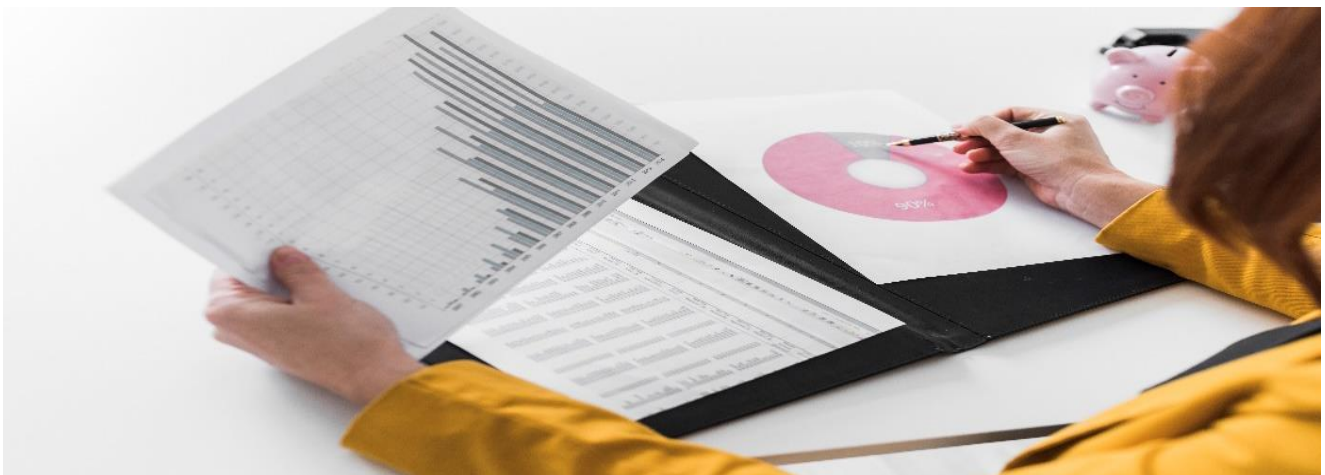
From the annual report review of 88 PIEs, the following were noted:

- 28 PIEs had fully complied with the Code of Corporate Governance ('Code');
- 37 provided explanations for not complying with the Code;
- 11 PIEs had partly complied with the Code; and
- 12 PIEs had not reported on the Code.

With respect to the PIEs that had partly complied with the Code, the common non-disclosures related to the following:

- The Structure of the Board and its Committees;
- Director Duties, Remuneration and Performance; and
- Reporting with Integrity.

The bulletin for the year ended 30 June 2024 is available on the website of FRC. (<http://frc.govmu.org>)



4.0 IFIAR INSPECTION WORKSHOP 2025

The Financial Reporting Council Mauritius ('FRC') hosted the 19th International Forum of Independent Audit Regulators ('IFIAR') Inspection Workshop which was held at Le Meridien, Mauritius on 5th to 7th of March 2025.

As an annual activity, the IFIAR Inspection workshop aims at fostering collaboration among audit regulators, sharing best practices, and discussing emerging challenges in enhancing global audit quality and integrity. Moreover, this workshop promotes greater consistency in inspecting global and other audit firms, by improving the effectiveness of inspection regimes.

This three-day workshop brought together about 100 delegates from 36 countries and local stakeholders who had exchanged insights and best practices in inspections-related matters.



The Minister of Financial Services and Economic Planning, Dr (Mrs) Jyoti Jeetun opened the workshop by giving a welcoming speech to the participants.



The Chairman of IFIAR (Mr Takashi Nagaoka), the Chairman of IFIAR's Inspection Workshop Working Group (Mr Askin Akbulut) and the CEO of FRC Mauritius (Mr Vishwajithsing Tuhobol) also addressed a welcoming message to the participants at the IFIAR's Inspection workshop.

As part of the agenda, 2 local guest speakers namely Mr Kevin Rangasami, Chairman of the Stock Exchange of Mauritius and Mrs Jessica Naga, CEO of Mindex Group each gave a presentation on trending topics. Mr Kevin Rangasami presented on sustainability and Mrs Jessica Naga talked about new technologies such as blockchains and AI technologies and their impact on financial reporting and audit. Both these presentations were followed by a fireside chat moderated by members of the Inspection Workshops Working Group.

There were also speakers from different jurisdictions who presented on the following topics:

Elective Session Topics

1. ISQM 1 - Inspection experiences and approaches
2. Inspection of industries affected by the real estate crisis
3. Inspection of Insurance audits
4. Risk based inspection approach
5. Inspection tactics – IT audits

Core Syllabus Session Topics

1. Soft skills to help when firms disagree with inspection findings
2. Initiatives to improve audit quality
3. A practical deep dive into Revenue inspections

Free Form Session Topics

1. Mastering inspection challenges: Uncovering financial statement fraud
2. ISQM 1 - Inspection of technological resources of audit firms
3. Sustainability assurance
4. Inspection of audit sampling (ISA 530)
5. ISA 600 revised – Impact on group audits and inspections
6. Strengthening audit oversight through initiatives focusing on the roles of audit committees

The workshop was highly appreciated by the participants. The IFIAR Secretariat issued its 2025 Newsletter on 11 March 2025 where the message of Mr Takashi Nagaoka, IFIAR Chair and Secretary-General of Japan CPAAOB stated *“Last week, the 2025 Inspection Workshop was held in Mauritius with yet another great success, attended by over 100 colleagues from 36 Member jurisdictions. I would like to thank the Inspection Workshop Working Group (IWWG) Chair and its members as well as the moderators and presenters for their contributions and Mauritius Financial Reporting Council (Mauritius-FRC) for the great hospitality.”*

FRC thanks all the stakeholders, participants and its staff for having contributed to the success of the IFIAR Workshop 2025.

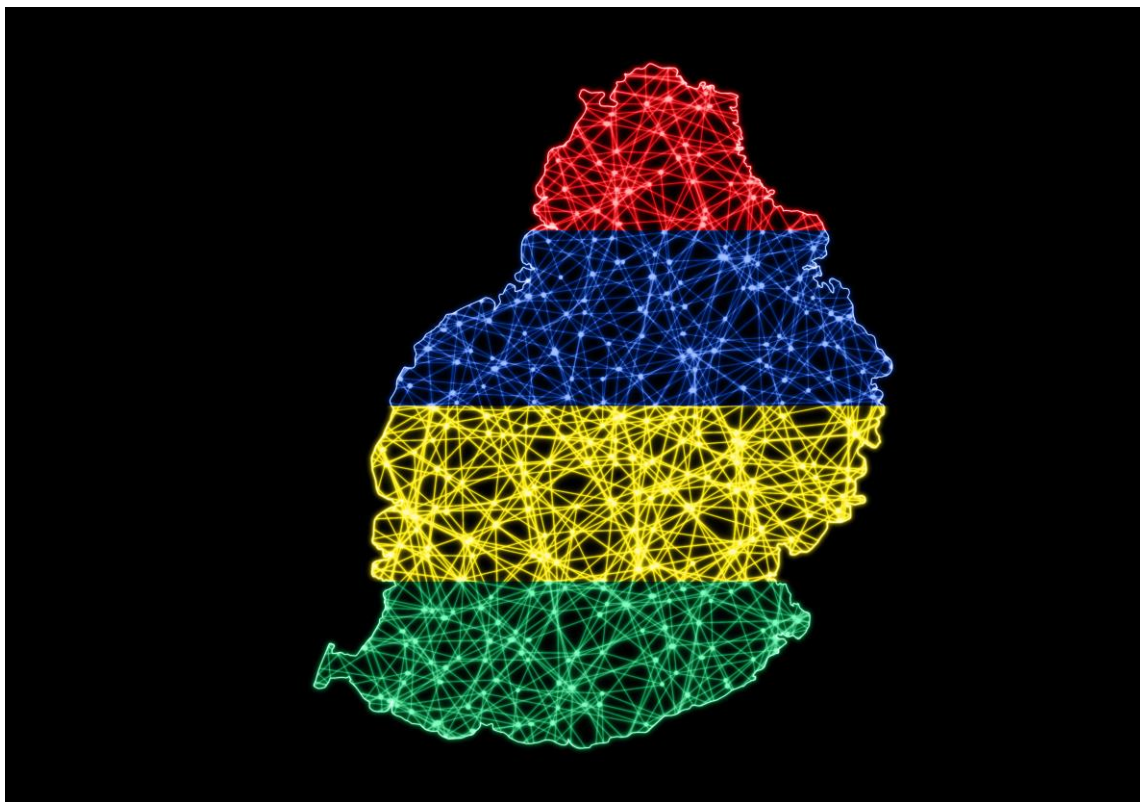
5.0 STAFF WELFARE

Independence Day

Mauritius Independence Day is a national holiday observed on 12 March in the Republic of Mauritius to mark the island's independence from Great Britain in 1968. The theme for this year, marking the 57th anniversary of independence and the 33rd anniversary of Mauritius becoming a republic, is "As One People, As One Nation." This resonant phrase draws inspiration from our national anthem, reinforcing our unity as a nation.

To ensure that all Mauritians can partake in this momentous occasion, FRC celebrated the independence day on 11th March 2025. An Anniversary cake was cut and the FRC's staff sang the National Anthem during the event.

Happy Independence Day!



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
- IASB – iasb.org
- IFAC – ifac.org
- IPSASB - 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.

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