



# IFRS News

## Southern Africa

February 2024

---

### [IFRS today Podcast | Area of focus for 2023 year ends](#)

#### **Addressing stakeholder expectations in uncertain times**



Our latest [IFRS Today podcast](#) offers clear and concise points for companies to consider in preparing their year-end financial statements.

Hosted by Brian O'Donovan, this episode addresses these uncertain times and delivers insights from KPMG specialists on a range of topics – including:

- climate-related risks and connectivity,
- valuation and impairment,
- implications of the new global top-up tax,
- disclosing material accounting policies and finally,
- how the new insurance contracts standard is playing out in practice.



---

## Banks | 2023 illustrative disclosures

### Our essential guide to disclosures for banks



Our [Guide to annual financial statements – Illustrative disclosures for banks](#) helps your clients to prepare and present their financial statements in accordance with IFRS® Accounting Standards, illustrating one possible format for financial statements based on a fictitious banking group.

The 2023 edition reflects IFRS Accounting Standards in issue at 30 November 2023 that apply for annual periods beginning on 1 January 2023. It includes an illustration of disclosures relating to:

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12);
- International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12); and

*Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2).*



## Your essential guide to disclosures for investment funds



Our [Guide to annual financial statements – Illustrative disclosures for investment funds](#) will help you prepare your financial statements in accordance with IFRS<sup>®</sup> Accounting Standards. It illustrates one possible format for financial statements based on a fictitious tax-exempt open-ended single-fund investment company.

The 2024 edition reflects IFRS Accounting Standards in issue at 30 November 2023 that are required to be applied for annual periods beginning on 1 January 2023.

This edition includes an illustration of disclosures relating to Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2).



---

## How should companies account for hyperinflationary economies?

### What's the issue?



Under IFRS<sup>®</sup> Accounting Standards, judgement is required to determine when to apply hyperinflationary accounting.

Hyperinflationary accounting under IAS 29 *Financial Reporting in Hyperinflationary Economies* is relevant for the:

- financial statements of companies reporting under the standards whose functional currencies are those of hyperinflationary economies; and
- consolidated financial statements of groups reporting under the Standards with foreign operations (e.g. a subsidiary, associate or joint arrangement) whose functional currencies are those of hyperinflationary economies.

Management need to keep track of all economies that are hyperinflationary and apply IAS 29 when necessary.

Read our updated [web article](#) for more information.



## Uncertain times

### Before adopting amendments on currency exchangeability



We have updated our [web article](#) on assessing and accounting for multiple exchange rates and lack of exchangeability to clarify that it only applies to companies that have not early-adopted the recent [amendments](#) to IAS 21 *The Effects of Changes in Foreign Exchange Rates*.



---

## Net zero commitments | IFRIC tentative agenda decision

### Assessing when to recognise a liability



Many companies have made 'net-zero' commitments and questions are emerging on how they impact financial reporting under IFRS<sup>®</sup> Accounting Standards – in particular on when they trigger a liability. The IFRS Interpretations Committee has discussed some of these issues and published a tentative agenda decision that addresses a specific fact pattern.

Read our updated [web article](#) and our [comment letter](#), in which we agree with the Committee's analysis and conclusion.



---

## Operating segments

### KPMG comments on tentative agenda decision



We've submitted our comment letter on the IFRS Interpretations Committee's tentative agenda decision *Disclosure of Revenues and Expenses for Reportable Segments (IFRS 8 Operating Segments)*. To find out more, read our [comment letter](#).



## Financial liability or equity?

### Potential changes to classification of financial instruments and more disclosures



Some companies could see changes in the classification of their financial instruments under new proposals from the International Accounting Standards Board (IASB).

Many would also need to disclose substantially more information about their equity instruments and certain types of financial liabilities.

The IASB® proposals would amend:

- IAS 32 *Financial Instruments: Presentation* to clarify some of the underlying principles on classification and add application guidance; and
- IAS 1 *Presentation of Financial Statements* and IFRS 7 *Financial Instruments: Disclosures* to improve the information companies provide on financial instruments they issue.

Find out more in our [web article](#).

[home.kpmg/socialmedia](https://home.kpmg/socialmedia)



[kpmg.com/app](https://kpmg.com/app)



[Unsubscribe IFRS News](#) | [Privacy](#) | [Legal](#)

You have received this message from KPMG South Africa.

© 2024 KPMG Services Proprietary Limited, a South African company with registration number 1999/012876/07 and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.