



# IFRS News

February 2022

## Disclosure of supplier finance arrangements

### Proposals focus on disclosures only

In response to investors' calls for more transparency of the impact of supplier finance arrangements on the financial statements, the International Accounting Standards Board (the Board) is proposing additional disclosure requirements for companies that enter into these arrangements.

The Board proposes amending IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures* to complement the IFRS Interpretations Committee's agenda decision *Supply Chain Financing Arrangements – Reverse Factoring* published in December 2020.

Read our [web article](#) to find out more and share your comments on the proposals with the Board by 28 March 2022.



## A new transition option for IFRS 17

### Final amendment is out now

When insurers apply IFRS 17 *Insurance Contracts* for the first time, they could face operational complexities and one-time accounting mismatches between insurance contracts and financial assets in the comparative information they need to present.

The International Accounting Standards Board (the Board) has published a narrow-scope amendment that aims to provide insurers with an option to present comparative information about financial assets using a classification overlay approach on a basis that is more consistent with how IFRS 9 will be applied in future reporting periods.

Read our [web article](#) to find out more.



## Banks Illustrative disclosures

### Your essential guide to disclosure for banks

Our *Guide to annual financial statements – Illustrative disclosures for banks* helps you to prepare your financial statements in accordance with IFRS® Standards, illustrating one possible format for financial statements based on a fictitious banking group.

The [2021 edition](#) reflects standards in issue at 30 November 2021 that are required to be applied by an entity with an annual period beginning on 1 January 2021. As in the previous year, it includes disclosures relating to the IBOR reform Phase 2 amendments.



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## IFRS compared to US GAAP (Handbook)

### Bridging the expectations gap

The corporate world is changing. Today's businesses are expected to act with purpose and to report fully on that purpose. This is driving changes in expectations about what information businesses need to provide in their annual reports and financial statements.

The wheels have been set in motion to develop the global standards for sustainability reporting. But while enhanced reporting requirements are being developed, many companies choose to bridge the expectations gap by reporting their information using non-GAAP measures. The SEC has stricter rules on the use of non-GAAP measures, so differences are more likely.

The new edition of our comparison of [IFRS Standards and US GAAP](#) highlights the key differences between the two frameworks, based on 2021 calendar year ends.

If you're a preparer, it may help you to identify areas to emphasise in your financial statements; if you're a user, it may help you spot areas to focus on in your dialogue with preparers.



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## Investment funds illustrative disclosures

### 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® Standards. It illustrates one possible format for financial statements based on a fictitious tax-exempt open-ended single-fund investment company.

The [2021 edition](#) reflects standards in issue at 30 November 2021 that are required to be applied by an entity with an annual period beginning on 1 January 2021. As in the previous year, it includes disclosures relating to the IBOR reform

Phase 2 amendments. This edition also includes an appendix showing a new statement of cash flows prepared using the indirect method.

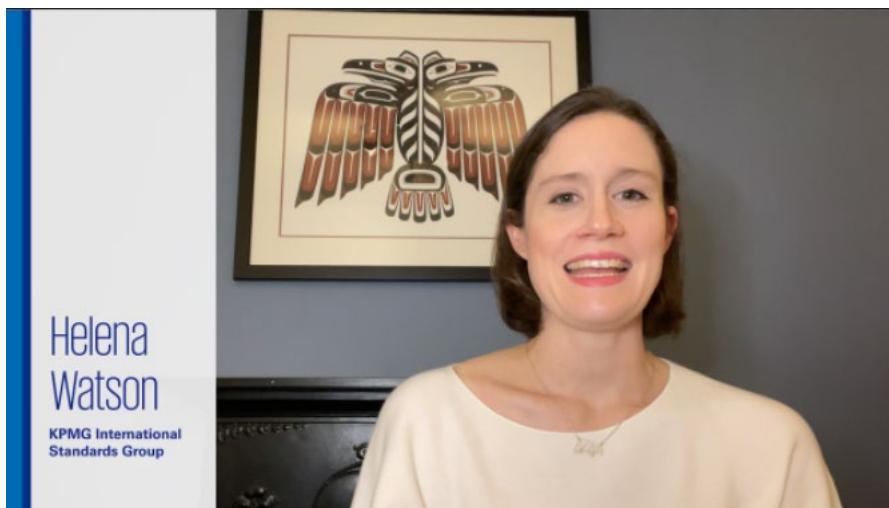


## IFRS Today video: Getting ready for sustainability reporting standards

### Three top tips to prepare for the new standards

The new International Sustainability Standards Board (ISSB) is taking shape with the announcement of Emmanuel Faber as its first chair and news of more appointments to follow shortly.

As the Board prepares to issue its first standards next year, Helena Watson looks at how companies can be preparing now for the major changes coming to their corporate reporting and offers three top tips.



Please watch – and share – our [video](#).



## Climate-related risk – Impact on disclosures

### It's time to enhance disclosures on climate-related matters

Investors are challenging the lack of sufficient disclosure of climate-related information in financial statements and are seeking transparency and clarity in disclosures.

The 2021 reporting season is an opportunity for companies to close this information gap by enhancing their disclosures of the impact of climate-related matters.

The latest [article](#) in our [Climate change resource centre](#) looks at how current requirements in IFRS® Standards facilitate disclosure of climate-related information in the financial statements, and highlights other matters companies

need to consider – for example, consistency between the front part of the annual report and the financial statements.



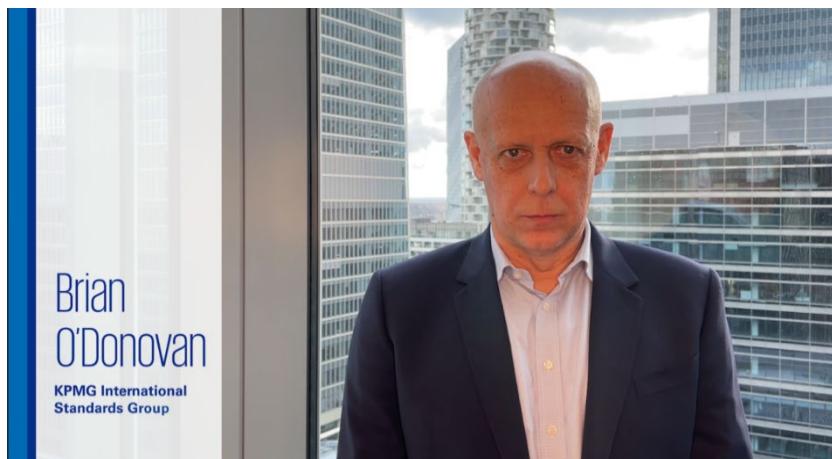
## IFRS Today video: IFRIC Agenda decisions | February's meeting

### Does an emissions scheme create an obligation?

At its February meeting, the IFRS Interpretations Committee considered whether a government emissions scheme that applies to automotive companies creates an obligation that meets the definition of a liability.

The Committee concluded that a company with negative credits does have an obligation, unless accepting government sanctions is a realistic alternative. It agreed to publish a tentative agenda decision.

In our latest *IFRS Today* [video](#), Brian O'Donovan examines the implications for any company facing new, climate-related laws or regulations – especially in determining whether an obligation exists.



Visit the [IFRS Foundation website](#) for the IFRIC Update covering this meeting.



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