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Accounting

Net-zero commitments | KPMG comments on tentative agenda decision

Many organizations have made net-zero commitments and questions are emerging on how they impact financial reporting under IFRS[®] 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 article](#), in which we agree with the Committee's analysis and conclusion.

Uncertain times | Before adopting amendments on currency exchangeability

We have updated our 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*.

[See what's new](#)

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)*.

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Sustainability reporting

CSSB releases exposure draft for sustainability reporting standard

The Canadian Sustainability Standards Board (CSSB) has released proposals on its first two Canadian Sustainability Disclosure Standards (CSDS):

- Draft CSDS 1, *General Requirements for Disclosure of Sustainability-related Financial Information*
- Draft CSDS 2, *Climate-related Disclosures*

Draft CSDS 1 and draft CSDS 2 are aligned with the global baseline disclosure standards IFRS S1 and S2¹, with the exception of minimal Canadian-specific modifications. The proposed modifications include a Canadian-specific effective date and transitional relief to assist Canadian organizations with implementation.

This is an important step forward in the evolution of the Canadian sustainability reporting landscape.

As organizations prepare to report on the CSSB disclosures, they can refer to other reporting requirements as applicable, including:

- [The U.S. Securities Exchange Commission \(SEC\) Climate-related Disclosures](#)
- [Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act](#)
- The Office of the Superintendent of Financial Institutions (OSFI) Guideline B-15 – Climate Risk Management

Is your organization ready to report on the CSSB and other sustainability reporting requirements?

[Understand the impacts to your organization](#)

¹ IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures.

Equivalence | Achieving a cost-effective regime

Writing on global sustainability reporting in *Accountancy Today*, KPMG Global Head of Audit Larry Bradley cites equivalence as the next big opportunity.

Having led the way in driving global consistency of financial reporting by endorsing IFRS[®] Accounting Standards, the EU now has the opportunity to lead the way with equivalence for sustainability reporting. This would reduce the reporting burden for non-EU companies and remove barriers to trading and raising capital in Europe.

So the question is: what package of global sustainability reporting standards would be acceptable to the European Commission as equivalent to ESRs?

[Learn more](#)

Connected reporting | New content hub

An organization's annual report contains three key areas that provide insights into the business model and strategy: the financial statements; the sustainability disclosures; and management's discussion and analysis (MD&A). To achieve connectivity, it's important that organizations are both compliant with relevant standards and are connecting the dots between financial and non-financial information.

Climate-related matters and other uncertainties are under particular scrutiny. To help organizations meet the rising expectations of investors, regulators and other report users, we've set up a new *Connected reporting* content hub, which brings together our latest insight and practical guidance in this area. The page kicks off with a new article from KPMG Global Head of Audit Larry Bradley – [Connectivity matters](#) – that was also published recently in *ESG Today*.

[Learn more](#)

GRI consults on new proposals | KPMG comments

Global Reporting Initiative (GRI) Standards are already used by 78 percent of G250 companies globally. To respond to emerging needs, the GRI has invited comments on its climate change and energy proposals.

Given the current sustainability reporting landscape – and the opportunity for equivalence – we suggest the GRI consider whether GRI Standards remain unchanged at the current time and instead focus on collaborating with the ISSB and EFRAG as the GRI has an important role to play in bridging the gap between ISSB[™] Standards and ESRs.

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Is your company IFRS ready?

Additional insights from KPMG in Canada

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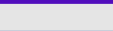


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