KPMG

IFRS Breaking News

Latest insights on financial reporting in Canada

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Accounting

Impairment: Impact of climate-related matters | Digital guide

Connectivity between the assumptions used in the impairment test and the information provided in the front part of the annual report is key.

Investors and regulators want clarity on climate-related matters in financial reporting, including the impact they have on the judgements and estimates an organization makes in its impairment testing of non-current assets. Robust disclosures help them understand whether and how climate-related matters are reflected in the recoverable amount – e.g. in estimating future cash flows or the terminal value.

Our digital guide answers some of the key accounting questions, providing guidance on:

- Indicators of impairment;
- Cash flows and the discount rate;
- Terminal value; and
- Disclosures and connectivity.

Learn more

Areas of focus for 2024 year-ends | IFRS podcast

Our latest podcast offers clear and concise points for organizations to consider in preparing their year-end financial statements.

Hosted by Brian O'Donovan, this episode takes as its central theme the need to drive clarity in financial reporting. It delivers insights from KPMG specialists on a range of topics – including climate-related matters, valuation and impairment, changes to presentation and new disclosures, and finally the growing importance of connectivity between an organization's financial statements and all other publicly available information.

Listen now

Illustrative disclosures for insurers | Ready for year-end financial reporting?

Investors and regulators have been raising concerns about the clarity of financial reporting. Organizations need to be clear on climate in their financial reporting.

Our updated guide will help, illustrating one possible format for financial statements for a fictitious multinational insurer. In this 2024 edition, the insurer has already transitioned to IFRS 17 *Insurance Contracts* and is preparing financial statements in the 'post transition' state.

Our 2024 guide reflects standards in issue at August 31, 2024 that are required to be applied by an insurer with an annual reporting period beginning on January 1, 2024.

Get the insights

Regulators' enforcement priorities for 2024

To promote the consistent application of financial reporting and the newly effective sustainability reporting requirements, the European securities regulator, ESMA, has issued its priorities for 2024 annual reports.

This year, as organizations prepare their first set of sustainability reports under the newly effective European Sustainability Reporting Standards (ESRS), the focus is shifting. Regulators around the world will be watching how organizations report under ESRS, with many more jurisdictions having made arrangements or pledges to implement sustainability reporting requirements in the coming years.

ESMA also highlights the need for consistency in the annual report and the importance of similar governance over both sustainability reporting and financial reporting.

A number of financial reporting areas aimed at driving clarity on presentation and disclosures remain on the watch list; however, sustainability reporting is the main focus.

Find out more

IFRS compared to US GAAP | Handbook

Clarity of financial reporting continues to be an area of concern for stakeholders and organizations are striving to provide meaningful and relevant information. For those organizations reporting under both IFRS® Accounting Standards and US GAAP, our updated *IFRS compared to US GAAP* handbook highlights the key differences between the two frameworks based on 2024 calendar year ends.

Use our guide to help identify and understand the key differences between the two frameworks and deliver clarity in your financial reporting.

Read more

Provisions | Proposals to amend IAS 37

As the business world evolves, organizations may face additional challenges when accounting for more complex transactions and uncertainties. Accounting for provisions is one such area that has prompted the following long-standing questions.

- How do you determine if a present obligation exists and when do you recognize a provision?
- Which costs do you include in measuring a provision?
- Which discount rate do you use when discounting a long-term provision?

In response, the International Accounting Standards Board (IASB) is proposing to clarify the related requirements in IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* and withdraw related interpretations, including IFRIC 21 *Levies*. The proposals may result in larger provisions at an earlier date.

Read our guide to help you understand the potential changes to IAS 37 and their impact on your company's provisions.

Get involved and submit your comments to the IASB by March 12, 2025.

Read more

Round-up of recent responses to consultations

KPMG has submitted the following responses to exposure drafts issued by the IASB.

- *Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures*
- *Climate-related and Other Uncertainties in the Financial Statements – Proposed Illustrative Examples*
- *Translation to a Hyperinflationary Presentation Currency – Proposed amendments to IAS 21*

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Sustainability reporting

Making materiality judgements | ISSB issues guidance

Materiality judgements are fundamental to sustainability reporting – they determine the volume, type and precision of information to be reported. The International Sustainability Standards Board (ISSB) has issued guidance to help organizations make these judgements.

The guidance explains how organizations identify sustainability-related risks and opportunities that could reasonably be expected to affect their prospects, and how they determine whether information about them is material.

It includes a four-step process that organizations can use for making materiality judgements. This may be particularly helpful for those organizations that are new to sustainability reporting or currently report under frameworks that do not focus on investor needs.

Find out more

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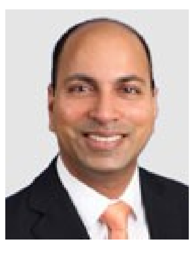
Contact our Canadian team

Elliot Marer
Partner – GTA
National Accounting
Advisory Leader
emarer@kpmg.ca
(416) 777-8745

Twan Bakker
Partner, Accounting
Advisory Services
twanbakker1@kpmg.ca
(416) 777-3854



Raghuvir Rajagopalan
Partner, Accounting
Advisory Services
rrajagopalan@kpmg.ca
(416) 777-3275

Terry Liu
Partner, Accounting
Advisory Services
terryliu2@kpmg.ca
(416) 777-3890