



# IFRS Breaking News

Latest insights on financial reporting in Canada

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## Accounting

### Nature-dependent electricity contracts | IASB amendments

Organizations face challenges in applying IFRS 9 *Financial Instruments* to contracts referencing nature-dependent electricity – sometimes referred to as renewable power purchase agreements (PPAs). The International Accounting Standards Board (IASB) has now amended IFRS 9 to address these challenges. The amendments include guidance on:

- The ‘own-use’ exemption for purchasers of electricity under such PPAs; and
- Hedge accounting requirements for organizations that hedge their purchases or sales of electricity using PPAs.

The IASB has also added new disclosure requirements for certain PPAs to IFRS 7 *Financial Instruments: Disclosures* and IFRS 19 *Subsidiaries without Public Accountability: Disclosures*.

The amendments apply for reporting periods beginning on or after January 1, 2026. Early application is permitted.

[Learn more](#)

### Preparing your year-end reports? | IFRS toolkit

The KPMG IFRS toolkit helps you prepare your organization’s reports in accordance with IFRS® Accounting Standards.

As well as our annual [Guides to financial statements](#), [Fair value measurement handbook](#) and [IFRS compared to US GAAP](#), this year’s toolkit includes supplements for banks, insurers and investment funds.

The toolkit also includes a [podcast](#) offering clear and concise points for organizations to consider in preparing their year-end financial statements, delivering insights from KPMG specialists on topics including climate-related matters, valuation and impairments, changes to presentation and new disclosures.

Find these and further year-end resources on our [IFRS toolkit](#) page.

### IFRS 19 | New disclosure tracker

A new disclosure tracker published by the IASB allows organizations to compare the disclosure requirements in IFRS 19 with those in IFRS Accounting Standards.

[Learn what's new](#)

### Updating how IFRS Standards are set

The Due Process Handbook (the Handbook) of the IFRS Foundation currently outlines the processes to follow when setting IFRS Accounting Standards.

The Trustees of the IFRS Foundation have proposed updates to the Handbook to:

- Specify formally the due process for setting IFRS Sustainability Disclosure Standards;
- Introduce a process to drive connectivity between financial and sustainability reporting; and
- Provide clarifications and enhancements in other areas.

Have your say on the proposals to amend the due process for setting high-quality IFRS Standards by March 28, 2025.

[Find out more](#)

### Applying the equity method | KPMG comments

We have submitted our comment letter on the exposure draft *Equity Method of Accounting – IAS 28 Investments in Associates and Joint Ventures*. Overall, we support the proposals to provide important clarifications that address some key aspects of the equity method of accounting. These amendments will contribute to a more consistent application of IAS 28 across different jurisdictions and help reduce diversity in practice.

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## Sustainability reporting

### Proposals to simplify IFRS S2

Stakeholders – including regulators, preparers and investors – have provided feedback about potential areas of clarification that would support implementation of IFRS S2 *Climate-related Disclosures*. In response, the International Sustainability Standards Board (ISSB) decided in its meeting on January 29 to propose a set of narrow-scope amendments to IFRS S2.

The proposed amendments are expected to cover the following:

- Disclosing Scope 3 Category 15 greenhouse gas (GHG) emissions (i.e. GHG emissions that arise from an organization’s financial investments);
- Using alternative global warming potential (GWP) values;
- Applying the jurisdictional relief to use a method other than the GHG Protocol Corporate Standard to measure GHG emissions; and
- Using the Global Industry Classification Standard (GICS) when disaggregating financed emissions by industry.

The proposed amendments would be particularly relevant for organizations with insurance or investment banking activities. They would also be of interest to organizations that are currently planning their implementation or have already conducted a gap assessment.

Be ready to have your say when the consultation opens.

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## Is your company IFRS ready?

Additional insights from KPMG in Canada

### Contact our Canadian team



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



**Twan Bakker**  
Partner, Accounting  
Advisory Services  
[twanbakker1@kpmg.ca](mailto:twanbakker1@kpmg.ca)  
(416) 777-3854



**Michael Ort**  
Partner, Accounting  
Advisory Services  
[mort@kpmg.ca](mailto:mort@kpmg.ca)  
(416) 224-4108



**Cathy Yuan**  
Partner, Accounting  
Advisory Services  
[cathy yuan@kpmg.ca](mailto:cathy yuan@kpmg.ca)  
(416) 476-2986

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