

**Report by the ASCG on the
89th meeting of the IFRS Technical Committee
on 3rd and 4th September 2020**

The IFRS Technical Committee further discussed and concluded its discussions on its draft comment letter on the proposals of the exposure draft **IASB ED/2019/7 General Presentation and Disclosures**. In particular, the IFRS Technical Committee discussed its overall position on the exposure draft and the subject matters to be addressed in the cover letter. Overall, the IFRS Technical Committee rendered a critical view regarding the proposed changes in the exposure draft. In the IFRS Technical Committee's view, the IASB's proposals can improve the comparability of information provided in the statement of financial performance. Nevertheless, some of the proposals in the exposure draft represent fundamental changes and are therefore viewed critically by entities affected. Moreover, some conceptual weaknesses have been identified. Therefore, and notwithstanding the IFRS Technical Committee's support for the IASB's objective of increasing comparability across entities, further clarification is needed with respect to some of the proposals.

The IFRS Technical Committee was informed about the issues and results from the **IFRS Interpretations Committee's (IFRS IC) conference call** in June 2020. The IFRS Technical Committee made some comments on the tentative agenda decision as regards Reverse Factoring Programs, which shall be submitted to the IFRS IC via comment letter.

Finally, the IFRS Technical Committee deliberated further the contents of the IASB Discussion Paper **DP/2020/1 Business Combinations - Disclosures, Goodwill and Impairment**. The IFRS Technical Committee came to the conclusion that the initial core problem of the IASB research project, i.e. ensuring a robust impairment test and timely recognition of necessary impairments to address the 'too little, too late' issue have hardly been resolved, so that it continues to exist. In addition, the questions of the asset character of goodwill and how its proper subsequent accounting should be designed remain unanswered. In the opinion of the IFRS Technical Committee, the impairment-only approach also represents only an accounting convention, which is conceptually understandable, but leads to the known problems in lived practice. Therefore, the IFRS Technical Committee was convinced that the existing core problems could be solved better by reintroducing amortization, which would also reduce the significance of related topics (especially disclosures and intangible assets).

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