

**Report by the ASCG
on the 34th meeting of the Joint Technical Committees and
on the 20th meeting of the Financial Reporting Technical Committee
on the 20th meeting of the Sustainability Reporting Technical Committee**

11 and 12 September 2023

34th meeting of the Joint Technical (JT) Committee

The JT Committee was informed about the status of the IASB project **Climate-related Risks in Financial Statements** and the current discussion on this at EFRAG and ASAF, among others. The JT Committee discussed the question of the extent to which climate-related risks differ from other (transformation) risks and thus justify a separate discussion.

20th meeting of the Financial Reporting (FR) Technical Committee

At the beginning of the meeting, the FR Technical Committee received an overview of the topics and documents for the upcoming **Accounting Standards Advisory Forum (ASAF) meeting**. The Committee commented only on the following topics:

- With regard to the IASB's project on "Power Purchase Agreements", it was confirmed that both physical PPAs and virtual PPAs are under discussion, as well as that not only electricity as the underlying of such contracts should be included in any clarifications. The main challenge is ringfencing a scope of application for any proposed amendments to IFRS 9.
- With regard to the IASB's project on "Primary Financial Statements", the FR Technical Committee was informed about the IASB's tentative decisions on the effective date and transition. The FR Technical Committee did not express any concerns about the IASB's considerations not to require any adjustments for further comparative periods beyond the (retrospective) adjustment of the previous year's figures.

With regard to the IASB's response to the questions in its consultation document in the context of the **Post-Implementation Review of IFRS 15**, the FR Technical Committee reaffirmed its position that stability should be the primary objective and that major standard changes should be avoided.

In addition, the FR Technical Committee continued its deliberation on the **Post-Implementation Review of IFRS 9 – Impairment**. The Technical Committee was informed about the results from the discussion at the ASCG's "Financial Instruments" working group. The Technical Committee fully agreed with the working group. All earlier comments were confirmed by the FR Technical Committee, thereby completing its deliberation of the consultation document. The ASCG will draft the comment letter to the IASB and finalise it by written procedure.

The FR Technical Committee had received a draft paper on reporting obligations in connection with **Minimum Taxation Directive Implementation Act**. The draft was prepared by the ASCG's "Taxes" working group, approved by the FR Technical Committee and is intended to provide assistance for practitioners in the application of the IAS 12 amendments published in May 2023 and other IFRS requirements. Due to the topicality and urgency of the issue, the FR

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Technical Committee decided to include the content of the paper in the minutes of this meeting and to make it available to the public in this way.

20th meeting of the Sustainability Reporting (SR) Technical Committee

At the beginning of the meeting, the SR Technical Committee discussed the organisation and process of EFRAG's future support for the application of ESRS. Furthermore, the SR Technical Committee discussed and reviewed selected content of the EFRAG working paper on the **Implementation Guidance** on materiality assessment and consideration of the value chain in sustainability reporting according to ESRS.