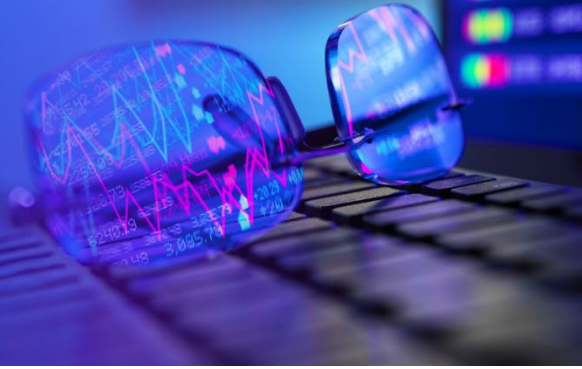




IFRS News



September 2023

Global minimum top-up tax | Further updates

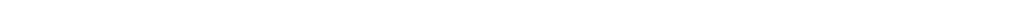


New guidance and updated guide to interim reporting

Many countries are changing their local tax laws to implement the new global minimum top-up tax under Pillar Two. These changes are complex and may require multiple pieces of legislation to be released over time.

The new guidance relates to how any entity determines whether such a tax law is enacted (or substantively enacted) for the purposes of IAS 12 *Income Taxes*. This guidance is effective immediately and will also be included in the 20th edition of *Insights into IFRS*[®] to be published in September 2023.

Find out more in our [article](#) and [talkbook](#).



Review of IFRS 15 requirements



Take this opportunity to provide feedback

To understand whether the standard is working as intended, the International Accounting Standards Board (IASB) is undertaking a post-implementation review (PIR) of IFRS 15 *Revenue from Contracts with Customers*.

The IASB asks:

- whether IFRS 15 is meeting its objective;
- for feedback on the understandability and accessibility of IFRS 15;
- about the ongoing costs and benefits of applying the standard; and
- about the importance of retaining convergence between IFRS 15 and Topic 606 *Revenue from Contracts with Customers* under US GAAP.

Read our [web article](#) here.



IFRS today podcast | Emission | Net-zero commitments



Telling your connected net-zero story

Many companies 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.

In this [podcast](#) – our latest on the transition to net zero – our experts explain how net-zero commitments impact financial reporting and why it's so important to tell a connected net-zero story in the front and the back of your annual report.

Find out more in our [web article](#), where we outline a three-step approach to help determine the accounting impacts and assess when to recognise a liability.



Carbon credits



What might a company that purchases carbon credits voluntarily need to consider?

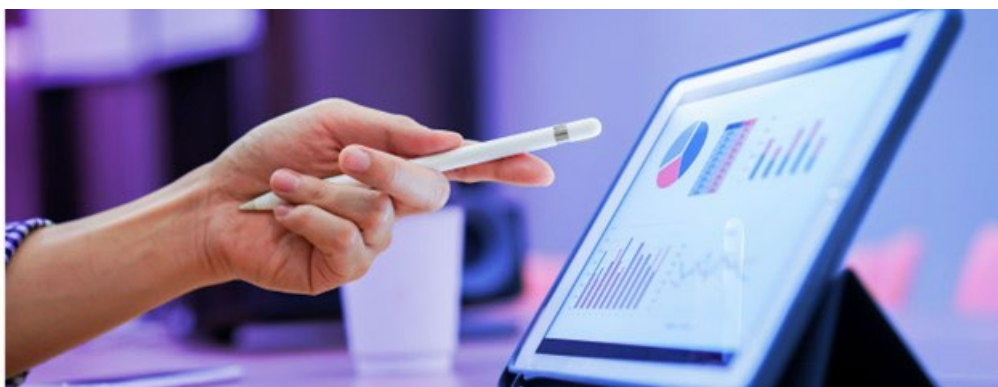
Around the world, companies are acting to reduce their carbon emissions. Some are subject to mandatory government schemes (e.g. 'cap and trade' schemes). However, many are now purchasing carbon credits or offsets voluntarily.

Companies that purchase carbon credits need to carefully consider the specific facts and circumstances when determining the appropriate accounting under IFRS® Accounting Standards.

Read our [article](#) to find out more.



Lack of exchangeability



Final amendments address when and how to estimate a spot rate

Under IAS 21 *The Effects of Changes in Foreign Exchange Rates*, a company uses a spot exchange rate when translating a foreign currency transaction.

In some jurisdictions, no spot rate is available because a currency cannot be exchanged into another currency. This can have a significant accounting impact for those companies affected.

The International Accounting Standards Board's amendments set out:

- when a currency is exchangeable into another currency; and
- how a company determines an estimated spot rate when a currency lacks exchangeability.

They apply for annual reporting periods beginning on or after 1 January 2025, with earlier application permitted.

Find out more in our [web article](#).



Insurance | Next episode in our Unpacking IFRS 17 podcast series



Unpacking IFRS 17 is an internal podcast series in which we discuss topical IFRS 17 *Insurance Contracts* matters with KPMG IFRS 17 specialists and audit quality leaders. Our aim is to bring a timely and informed coverage of relevant matters that both your clients and you face as they apply – or you audit – the application of IFRS 17.

[Episode 5 Navigating tax in an IFRS 17 world \(Part 2\)](#), examines a number of the challenges that come from the intersection of IAS 12 *Income Taxes* and IFRS 17.



Insights in to IFRS | Your practical guide to applying IFRS Accounting Standards



Telling your connected story

The world around us is rapidly changing. In recent years, that has meant responding to major changes such as inflation, natural disasters, a global pandemic, geopolitical events and of course climate-related matters. Companies are adapting their businesses to our changing world and their stakeholders are keen to hear each company's connected story.

The story of how these changes impact a company's affairs is told in the annual report – the primary tool for communicating with stakeholders. *Insights into IFRS* is here to help. Now in its 20th edition, it continues to provide helpful, up-to-date guidance on the key aspects of financial reporting, including all of the most recent developments.

To learn more, read our [web article](#) and for a summary of key changes since last year's edition.

How to get your copy of Insights

Insights into IFRS is available as an e-book on ProView™. To order your copy, click [here](#). And you can download a copy of [Insights into IFRS: An overview](#), which provides a high-level briefing for audit committees and boards.

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