

Financial Reporting News

IASB publishes its review of impairment requirements relating to financial instruments

The International Accounting Standards Board (IASB) has concluded its Post-implementation

review (PIR) of the impairment requirements in IFRS 9 Financial Instruments – Impairment.

The objective of the PIR was to assess whether the effects of applying the impairment requirements are as the IASB intended when it developed these requirements.

Overall, feedback and research carried out during the PIR show that the impairment requirements in IFRS 9 are working as intended and provide useful information to users of financial instruments. Specifically, the requirements:

- Have led to more timely recognition of credit losses;
- Provide useful information to investors about expected

credit losses, although targeted improvements to credit risk disclosures were suggested; and

- Can generally be applied consistently with some areas requiring further clarification and guidance.

In response to the feedback, the IASB will explore whether requirements for modification, derecognition and write-off of financial instruments, and the consequential effects on recognition of expected credit losses, can be clarified as part of its project on Amortised Cost Measurement. Furthermore, the IASB has added a new project to its pipeline to investigate targeted improvements to the credit risk disclosure requirements in IFRS 7 Financial Instruments: Disclosures.

[Find out more](#)

IAASA welcomes signing into law of CSRD Statutory Instrument

On July 5th 2024, Minister for Enterprise, Trade and Employment, Peter Burke TD signed into law the Statutory Instrument giving effect to the provisions of the Corporate Sustainability Reporting Directive (CSRD). The SI provides for the following key elements:

- Power for IAASA to regulate the sustainability reporting of entities under IAASA's remit as accounting enforcer.
- Power for IAASA to adopt a sustainability assurance standard pending the adoption of an EU wide standard by the European Commission.
- Power for recognized accountancy bodies ('RAB's) to approve and register sustainability assurance service providers.
- Power to regulate the provision of sustainability assurance to companies in scope, which will be split between IAASA for PIE's and RABs for other companies.

The EU has already approved the European Sustainability Reporting Standards which will apply to companies in scope for reporting at the end of this year (2024).

While in Ireland this is a relatively small population, for the 2025 reporting year all large companies will come in scope for these extensive reporting requirements.

If they have not done so already, directors and audit committees of companies in scope need to start preparing immediately.

[Find out more](#)

ESG Governance: Six ways for Boards to lead the sustainability transition

Accountancy Europe in cooperation with Chapter Zero Brussels, ECIIA and ecoDA published ESG Governance: Six ways for boards to lead the sustainability transition (2024).

Board members and sustainability experts were interviewed to learn from their experience in implementing the sustainability transition in their organization.

The paper draws on these conversations and provides advice and examples to support and inspire other board members.

The six ways for Boards to lead the sustainability transition are:

1. Assert your leadership on sustainability
2. Break down silos
3. Make most of the executive and senior management
4. Consider stakeholders as strategic partners
5. Approach the materiality assessment as a strategic tool
6. Prepare for challenges, trade-offs, and difficult discussions

[Find out more](#)

IAASA publishes Feedback Paper on its Consultation on the Adoption of a Sustainability Assurance Standard in Ireland

Following public consultation to obtain stakeholders' views on the appropriate standard for sustainability assurance in Ireland, IAASA has published its Feedback Paper and Responses Received.

IAASA intends to adopt the International Standard on Assurance Engagements 3000 Revised (ISAE 3000), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. Adoption will take place when the European Corporate Sustainability Reporting Directive (CSRD) is transposed into Irish law giving IAASA the statutory power to adopt sustainability assurance standards in Ireland.

[Find out more](#)