

**International Sustainability Standard Board (ISSB) and  
International Financial Reporting Standards (IFRS)**

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### New report sets out global progress towards both mandated and voluntary corporate climate-related disclosures

[Announcement dated 12<sup>th</sup> November 2024](#)

Over 1,000 companies have referenced the ISSB in their reports and 30 jurisdictions are making progress towards introducing ISSB Standards in their legal or regulatory frameworks.

Some of the key findings of a [detailed progress report](#) are presented to the Financial Stability Board (FSB) by the IFRS Foundation. The report also sets out alignment of disclosures with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations.

The report shares information about the status of the 30 jurisdictions that are progressing towards introducing ISSB Standards in their regulatory frameworks, as well as insights into how companies are transitioning from disclosures prepared using the TCFD recommendations to disclosures prepared using ISSB Standards.

### IFRS Foundation publishes a guide to help companies identify sustainability-related risks and opportunities and material information to provide

[Announcement dated 19<sup>th</sup> November 2024](#)

The IFRS Foundation has published a [new comprehensive guide](#) designed to help companies with the fundamental task of identifying and disclosing material information about sustainability-related risks and opportunities that could reasonably be expected to affect their cash flows, their access to finance or cost of capital over the short, medium or long term.

A key focus of the guide is helping companies understand how the concept of sustainability-related risks and opportunities is described in IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information*, including how these can arise from a company's dependencies and impacts.

In addition, the guide highlights how companies applying ISSB Standards can benefit from the process they might already follow in making materiality judgements when preparing financial statements (FSs), particularly when applying IFRS Accounting Standards. The guide sets out a process a company can follow which is closely aligned with the four-step process illustrated in IFRS Practice Statement 2: Making Materiality Judgements.

The guide also sets out some of the considerations a company might make to drive connectivity between sustainability-related financial disclosures and a company's FSs. It also provides considerations for those applying ISSB Standards alongside the European Sustainability Reporting Standards (ESRS) or Global Reporting Initiative (GRI) Standards for those looking to meet the information needs of a broader set of stakeholders.

### IOSCO's GEM Committee launches a dedicated Network to support its members in the adoption or other use of ISSB Standards

[Announcement dated 18<sup>th</sup> December 2024](#)

The ISSB supports the International Organization of Securities Commission's (IOSCO) launch of its Growth and Emerging Markets (GEM) Committee Network for Adoption or Other Use of ISSB Standards.

The announcement marks a significant step towards supporting the adoption or other use of the IFRS Sustainability Disclosure Standards (otherwise known as ISSB Standards) in jurisdictions represented in IOSCO's GEM Committee.

## IASB proposes targeted improvements to requirements for provisions

[Announcement dated 12<sup>th</sup> November 2024](#)

The International Accounting Standards Board (**IASB**) has published a consultation aimed at improving the requirements for recognising and measuring provisions on company Balance Sheets. Provisions are liabilities of uncertain timing or amount.

The IASB's targeted improvements would help companies apply the requirements more consistently and provide investors with more useful information.

The [proposed amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets](#) would clarify how companies assess when to record provisions and how to measure them. The amendments would also require companies to provide more information about the measurement. The proposals would most likely be relevant for companies that have large long-term asset decommissioning obligations or are subject to levies and similar government-imposed charges.

In the exposure draft, the IASB is proposing to make targeted improvements to three aspects of IAS 37:

- one of the criteria for recognising a provision—the requirement for the entity to have a present obligation as a result of a past event (the present obligation recognition criterion); and
- two aspects of the requirements for measuring a provision—those relating to:
  - ▲ the costs an entity includes in estimating the future expenditure required to settle its present obligation; and
  - ▲ the rate an entity uses to discount that future expenditure to its present value.

The IASB has also proposed amendments to the [Guidance on implementing IAS 37](#). These amendments would update the guidance on applying the present obligation recognition criterion to reflect the proposed amendments to the requirements.

## IASB updates IFRS Accounting Standards for nature-dependent electricity contracts

[Announcement dated 18<sup>th</sup> December 2024](#)

The IASB has issued targeted amendments to help companies better report the financial effects of nature-dependent electricity contracts, which are often structured as power purchase agreements (PPAs).

Nature-dependent electricity contracts help companies to secure their electricity supply from sources such as wind and solar power. The amount of electricity generated under these contracts can vary based on uncontrollable factors such as weather conditions. Current accounting requirements may not adequately capture how these contracts affect a company's performance.

To allow companies to better reflect these contracts in the FSs, the IASB has made targeted amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures*. The amendments include:

- clarifying the application of the 'own-use' requirements;
- permitting hedge accounting if these contracts are used as hedging instruments; and
- adding new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

These amendments are required to be applied for annual reporting periods beginning on or after 1<sup>st</sup> January 2026. Companies can apply the amendments earlier.

## New and revised pronouncements as on 31<sup>st</sup> December 2024 (applicable for reporting period ending on 31<sup>st</sup> December 2024)

Table providing pronouncements which will be mandatorily applied by entities for the first time on 31<sup>st</sup> December 2024

| Pronouncement  | Effective Date               | Corresponding Ind AS       |
|--|------------------------------|----------------------------|
| <b>Standards</b>   |                              |                            |
| IFRS S1 <i>General Requirements for Disclosure of Sustainability-related Financial Information</i> | 1 <sup>st</sup> January 2024 | -                          |
| IFRS S2 <i>Climate-related Disclosures</i>   |                              | -                          |
| <b>Amendments</b>  |                              |                            |
| Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)                      | 1 <sup>st</sup> January 2024 | Ind AS 1                   |
| Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)                                    |                              | Ind AS 116                 |
| Non-current Liabilities with Covenants (Amendments to IAS 1)                                       |                              | Ind AS 1                   |
| Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)                                     |                              | Ind AS 7 and<br>Ind AS 107 |
|  |                              |                            |

Table showing the effective dates of IFRS identifying amendments made to those standards

| Standards  | Pronouncement  | Issued     | Effective Date  | Corresponding Ind AS |
|--|--|------------|---|----------------------|
| IFRS 7 <i>Financial Instruments: Disclosures</i>                       | Amendments regarding the classification and measurement of financial instruments | May 2024   | Annual periods beginning on or after 1 <sup>st</sup> January 2026 | Ind AS 107           |
| IFRS 9 <i>Financial Instruments</i>                                    | Amendments regarding the classification and measurement of financial instruments | May 2024   | Annual periods beginning on or after 1 <sup>st</sup> January 2026 | Ind AS 109           |
| IFRS 18 <i>Presentation and Disclosures in Financial Statements</i>    | Original issue   | April 2024 | Annual periods beginning on or after 1 January 2027               | -                    |
| IFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i> | Original issue   | May 2024   | Annual periods beginning on or after 1 January 2027               | -                    |



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