IFRS Accounting Standards Quarterly Navigator:

Your Financial Reporting Roadmap

Quarter 3 2024

Introduction

IFRS Quarterly Navigator is your quarterly update on issues relating to International Financial Reporting Standards (IFRS) Accounting Standards. We'll bring you up to speed on topical issues and all recent developments, provide comments and give our perspective on relevant topics.

We are pleased to welcome you to this IFRS-related news edition by Grant Thornton Greece, your quarterly update on issues related to International Financial Reporting Standards (IFRS) Accounting Standards.

The main objective of this edition is to keep you informed about the recent news and advancements in the field of IFRS Accounting Standards.

Our aim is to provide you with relevant support, useful information, and an understanding of the potential impact these developments may have on your business, by bringing to you the most relevant and up-to-date information and keeping you at the forefront of the ever-evolving world of financial reporting.

From significant standard updates and IASB proposed amendments to thought-provoking articles, our team of experts has crafted this edition to address your informational needs. This edition includes:

- **Latest IFRS updates**
  - No amendments have been published in the period from July 2024 until September 2024
- **Technical insights from our experts**
  - IFRS 19 "Simplifying financial reporting for eligible subsidiaries"
- **IASB proposed amendments**
  - Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures
  - Translation to a Hyperinflationary presentation currency (IAS 21)
  - Climate-related and other uncertainties in the Financial Statements
  - IAS 28 Investments in Associates and Joint Ventures (revised 202x)

We also invite you to actively engage with us by sharing your thoughts, questions, or suggestions. Your input is invaluable in shaping the content of future editions.

We hope that you find our IFRS Accounting Standards Quarterly Navigator edition enlightening and a valuable resource for your professional journey, and should you wish to discuss any of the topics covered, please feel free to contact us.

©2024 Grant Thornton Greece. All rights reserved.

Contents

©2024 Grant Thornton Greece. All rights reserved.

01 Latest IFRS updates

This section presents IASB new amendments which have been published in the period from July 2024 until September 2024.

No amendments have been published in the period from July 2024 until September 2024.

02 Technical Insights

In this section of our IFRS Accounting Standards Quarterly Navigator edition, we bring you technical insights and viewpoints from experts in the field of financial reporting. We encourage you to dive into these articles and join us on this intellectual journey as we explore the frontiers of financial reporting and unlock new insights that will empower you to navigate the complexities of IFRS Accounting Standards.

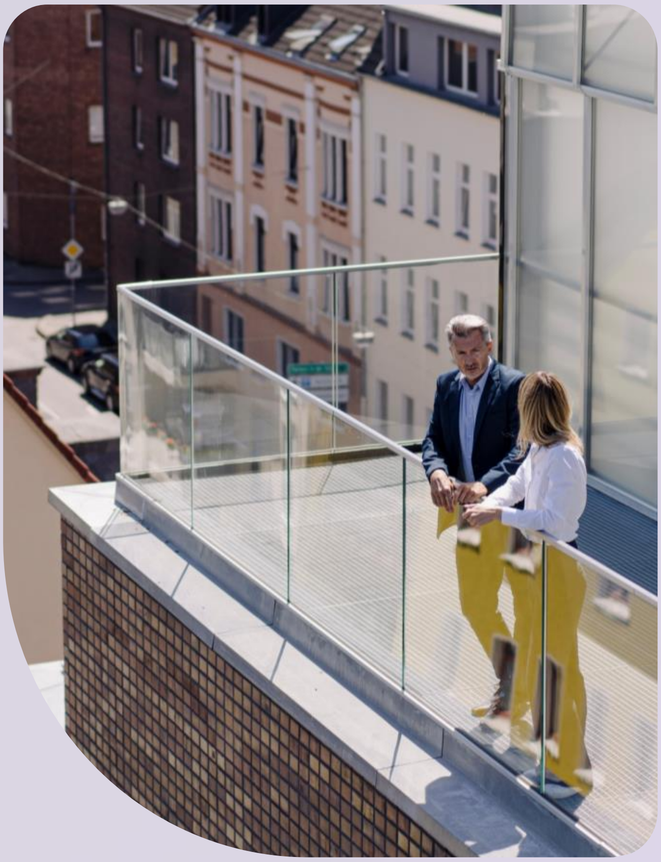
Technical Insights

IFRS 19 “Simplifying financial reporting for eligible subsidiaries”

In May 2024, the International Accounting Standards Board (IASB) issued a new Standard, IFRS 19 “Subsidiaries without Public Accountability: Disclosures”.

The new Standard creates a reduced set of disclosures that certain in-scope entities can elect to apply instead of the disclosure requirements set out in other IFRS Accounting Standards. IFRS 19 will work alongside other IFRS Accounting Standards, with eligible subsidiaries applying the measurement, recognition and presentation requirements set out in other IFRS and the revised disclosures outlined in IFRS 19.

You can access the article **here.**



©2024 Grant Thornton Greece. All rights reserved.

03 IASB proposed amendments

This section presents IASB proposed amendments for which exposure drafts have been published in period from July 2024 until September 2024.

IASB proposed amendments

Exposure Draft: Amendments to IFRS 19 “Subsidiaries without Public Accountability: Disclosures”

In May 2024, the International Accounting Standards Board (IASB) issued IFRS 19 “Subsidiaries without Public Accountability: Disclosures”. An eligible subsidiary that chooses to apply IFRS 19 applies the requirements in other IFRS Accounting Standards except for the disclosure requirements, and instead applies the disclosure requirements in IFRS 19. The disclosure requirements in IFRS 19 come from other IFRS Accounting Standards. IFRS 19 includes reduced disclosure requirements from IFRS Accounting Standards issued before 28 February 2021. Disclosure requirements in new or amended IFRS Accounting Standards issued between 28 February 2021 and 1 May 2024 were included in IFRS 19 without reductions when IFRS 19 was issued in May 2024 because the IASB had not consulted on reducing those requirements.

In July 2024, the International Accounting Standards Board (IASB) published its Exposure Draft Amendments to IFRS 19 “Subsidiaries without Public Accountability: Disclosures” which covers disclosure requirements issued between 28 February 2021 and 1 May 2024 that are included in IFRS 19 without reduction. The IASB proposes to reduce these disclosure requirements so that the Standard will only include disclosure requirements that reflect its principles for reducing disclosure requirements. The IASB is also asking stakeholders whether it should reduce the disclosure requirements from the prospective IFRS Accounting Standard Regulatory Assets and Regulatory Liabilities.

The IASB is proposing amendments to IFRS 19 relating to:

a. IFRS 18 “Presentation and Disclosure in Financial Statements”, including amendments introduced by Non-current Liabilities with Covenants.

b. IAS 7 “Statement of Cash Flows”, as amended by Supplier Finance Arrangements.

c. IAS 12 “Income Taxes”, as amended by International Tax Reform—Pillar Two Model Rules and

d. IAS 21 “The Effects of Changes in Foreign Exchange Rates”, as amended by Lack of Exchangeability.

The IASB is not proposing any amendments to the requirements in IFRS 19 following the issue in May 2024 of Amendments to the Classification and Measurement of Financial Instruments, which amended IFRS 7 “Financial Instruments: Disclosures” and IFRS 9 “Financial Instruments”.

The Exposure Draft is open for comment until **27 November 2024**.

©2024 Grant Thornton Greece. All rights reserved.

IASB proposed amendments

Exposure Draft: Translation to a Hyperinflationary Presentation Currency

The IFRS Interpretations Committee (Committee) discussed the application of the requirements in IAS 21 “The Effects of Changes in Foreign Exchange Rates” to translate amounts from a functional currency that is the currency of a non-hyperinflationary economy to a presentation currency that is the currency of a hyperinflationary economy. The Committee discussed these requirements in the context of:

a. an entity whose presentation currency is the currency of a hyperinflationary economy that translates the results and financial position of a foreign operation whose functional currency is the currency of a non-hyperinflationary economy; and

b. an entity whose functional currency is the currency of a non-hyperinflationary economy that presents financial statements in a currency that is the currency of a hyperinflationary economy.

The Committee’s research confirmed that the matter is pervasive in many (although not all) jurisdictions and could have a material effect on those entities affected. The Committee observed that the requirements, as they currently stand:

a. do not provide an adequate basis for determining the accounting for the first situation which results in diversity in the accounting treatment applied by entities in that situation; and

b. could, for both situations, result in information that is not useful to users of financial statements.

On 25 July 2024 the International Accounting Standards Board (IASB) published the Exposure Draft “Translation to a Hyperinflationary Presentation Currency”. The Exposure Draft proposes to improve information for investors in a cost-effective manner by requiring an entity to translate amounts from a functional currency that is the currency of a non-hyperinflationary economy to a presentation currency that is the currency of a hyperinflationary economy using the closing rate at the date of the most recent statement of financial position.

The Exposure Draft is open for comment until **22 November 2024**.

©2024 Grant Thornton Greece. All rights reserved.

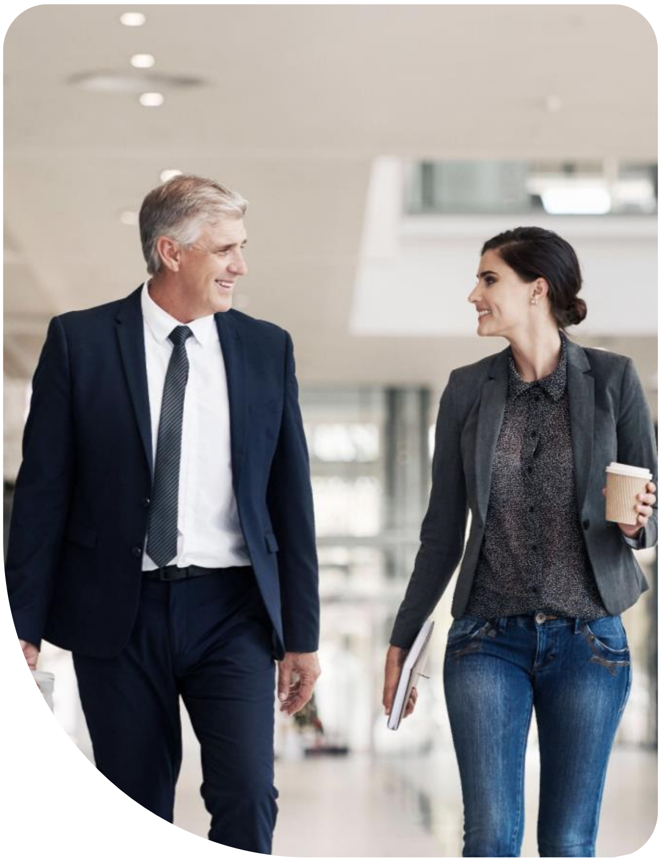
IASB proposed amendments

Exposure Draft: Climate-related and Other Uncertainties in the Financial Statements

In March 2023, the International Accounting Standards Board (IASB) added to its work plan a project to explore targeted actions to improve the reporting of the effects of climate-related risks in the financial statements. The IASB decided to work on this project because of concerns that information about the effects of climate-related risks in the financial statements was insufficient or appeared to be inconsistent with information entities provide outside the financial statements, particularly information reported in other general purpose financial reports.

In July 2024, the International Accounting Standards Board (IASB) published the Exposure Draft Climate-related and Other Uncertainties in the Financial Statements. The Exposure Draft proposes eight examples illustrating how an entity applies the requirements in IFRS Accounting Standards to report the effects of climate-related and other uncertainties in its financial statements. The examples mostly focus on climate-related uncertainties, but the principles and requirements illustrated apply equally to other types of uncertainties.

The IASB expects that these illustrative examples will help to improve the reporting of the effects of climate-related and other uncertainties in the financial statements, including by helping to strengthen connections between an entity's general purpose financial reports.



The Exposure Draft is open for comment until **28 November 2024**.

©2024 Grant Thornton Greece. All rights reserved.

IASB proposed amendments

Exposure Draft: IAS 28 Investments in Associates and Joint Ventures (revised 202x)

In September 2024, the International Accounting Standards Board (IASB) published the Exposure Draf Equity Method of Accounting-IAS 28 Investments in Associates and Joint Ventures (revised 202x). The Exposure Draft sets out:

- proposed amendments to IAS 28 to answer application questions about how to apply the equity method of accounting; and
- proposals to improve the disclosure requirements in IFRS 12 “Disclosure of Interests in Other Entities” and IAS 27 “Separate Financial Statements” to complement the proposed amendments to IAS 28.

A summary of the main proposals of the exposure draft is as follows:

How does an investor or joint venturer initially measure the cost of an associate or joint venture?

The IASB is proposing cost be the fair value of the consideration transferred, including the fair value of any previously held ownership interest and any contingent consideration.

Does an investor or joint venturer recognise separately its share of profit or loss and its share of other comprehensive income?

The IASB is proposing an investor or joint venturer recognise separately its share of profit or loss and its share of other comprehensive income (including when the investment has been reduced to nil).

How does an investor or joint venturer measure the purchase of an additional ownership interest or the disposal of a portion of its ownership interest?

The IASB is proposing an investor or joint venturer:

- add to the carrying amount of its investment the additional share of the fair value of the associate’s or joint venture’s identifiable assets and liabilities including any goodwill; and
- reduce the carrying amount of its investment by the percentage disposed of and recognises a gain or loss in profit or loss.

Other changes in net assets are accounted for as an addition or disposal of an ownership interest.

Does an investor or joint venturer recognise gains or losses from the sale of a subsidiary to its associates or joint ventures?

The IASB is proposing gains and losses be recognised in full on all transactions with associates or joint ventures.

What are the other proposals?

The IASB’s proposals would also apply to investments in subsidiaries in a parent’s separate financial statements accounted for using the equity method.

The Exposure Draft is open for comment until **20 January 2025**.

©2024 Grant Thornton Greece. All rights reserved.

04 Grant Thornton International Ltd's Thought Leadership

Grant Thornton International has published "IFRS Example Consolidated Financial Statements 2024"

04 Grant Thornton International Ltd’s Thought Leadership

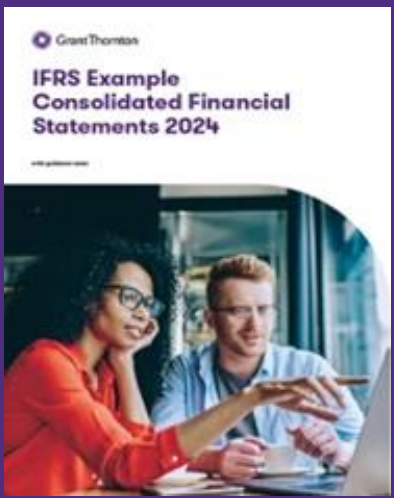
Grant Thornton International Ltd has released: (a) the 2024 version of “IFRS Example Consolidated Financial Statements 2024”.

IFRS Example Consolidated Financial Statements 2024

Grant Thornton International have published the 2024 version of “IFRS Example Consolidated Financial Statements 2024”.

The publication has been updated to reflect changes in IFRS that are effective for the year ending 31 December 2024. No account has been taken of any new developments after 31 August 2024.

Our objective is to illustrate one possible approach to reporting by an entity engaging in transactions that are 'typical' across a range of non-specialist sectors. However, as with any example, this illustration does not envisage every possible transaction and therefore cannot be regarded as comprehensive. Other approaches may be more appropriate in specific circumstances.



You can access the publication at [IFRS Example Financial Statements 2024 | Grant Thornton insights]

©2024 Grant Thornton Greece. All rights reserved.

05 Appendixes

IFRS 19: Simplifying financial reporting for eligible subsidiaries

Executive Summary

In May 2024, the International Accounting Standards Board (IASB) issued a new standard, IFRS 19 "Subsidiaries without Public Accountability: Disclosures" ("IFRS 19").

IFRS 19 is a disclosure-only Standard that can be applied voluntarily. An eligible entity that applies this Standard applies the requirements in other IFRS Accounting Standards except for disclosure requirements and, instead, applies the reduced disclosure requirements in IFRS 19.

The objective of the Standard is to alleviate the reporting burden for subsidiaries without public accountability. IFRS 19 offers companies an opportunity to achieve cost savings and simplify reporting, while maintaining the relevance of eligible subsidiaries' financial statements for stakeholders. These cost savings will extend from subsidiaries to their group and ultimately benefit their owners.

When a parent company prepares consolidated financial statements that comply with IFRS Accounting Standards, its subsidiaries are required to report to the parent using IFRS Accounting Standards. However, for their own financial statements, subsidiaries are permitted to use IFRS Accounting Standards, the IFRS for SMEs Accounting Standard or national accounting standards. Subsidiaries using the IFRS for SMEs Accounting Standard or national accounting standards for their own financial statements often keep two sets of accounting records because the requirements in these Standards differ from those in IFRS Accounting Standards.

Subsidiaries using IFRS Accounting Standards for their own financial statements provide disclosures that maybe disproportionate to the information needs of their users. IFRS 19 will resolve these challenges by:

- enabling subsidiaries to keep only one set of accounting records - to meet the needs of both their parent company and the users of their financial statements; and
- reducing disclosure requirements - IFRS 19 permits reduced disclosures better suited to the needs of the users of their financial statements.

Background

When reporting to a parent company that uses full IFRS, subsidiaries are required to apply IFRS recognition and measurement principles. The IASB received feedback that some subsidiaries would prefer to prepare their financial statements using IFRS Accounting Standards with reduced disclosure requirements. The IASB acknowledged that the IFRS for SMEs accounting standard is unappealing for these subsidiaries because its recognition and measurement requirements differ from those in IFRS Accounting Standards. As a result, some subsidiaries select not to use IFRS for SMEs' reduced disclosures, as doing so would require additional accounting work to align their reporting with the parent entity's full IFRS standards.

To address this issue, the IASB published IFRS 19 "Subsidiaries without Public Accountability: Disclosures". This new Standard aims to create a more attractive option for subsidiaries without public accountability. Eligible entities will now be able to elect to apply IFRS 19, which has the same recognition, measurement, and presentation principles as full IFRS, but allows for specific reduced disclosures in most topic areas.

©2024 Grant Thornton Greece. All rights reserved.

IFRS 19: Simplifying financial reporting for eligible subsidiaries

Scope

An entity may elect to apply IFRS 19 Standard in its consolidated, separate or individual financial statements if, and only if, at the end of the reporting period:

a) it is a subsidiary as defined in IFRS 10 ‘Consolidated Financial Statements’

b) it does not have public accountability and

c) it has parent (either ultimate or intermediate) that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

What public accountability means? For purposes of applying IFRS 19, an entity has public accountability if:

- it has debt or equity instruments that are traded on a public market or is in the process of issuing such instruments (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets), or
- holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary business activities (for example, banks, credit unions, insurance companies, securities brokers/dealers, mutual funds and investment banks often meet this second criterion)

Electing or revoking an election to apply the Standard

The application of IFRS 19 is voluntary for eligible subsidiaries. Accordingly, a subsidiary might elect to apply IFRS 19 and later revoke that election. IFRS 19 allows an entity to apply the Standard more than once, enabling the entity to re-apply IFRS 19 in a future period, if remains eligible.

Disclosure requirements

IFRS 19 includes reduced disclosures for almost all existing IFRS, the details of which are specific to each impacted standard. To apply IFRS 19, entities will first apply the recognition, measurement, and presentation requirements in each applicable IFRS. The entity will then not apply the disclosure requirements in the applicable IFRS but will instead refer to IFRS 19 for required disclosures.

The disclosure requirements in IFRS 19 are organised into subsections relating to each IFRS Accounting Standard. For example, the disclosure requirements for inventories are set out under the subheading ‘IAS 2 Inventories’. Some disclosure requirements in other IFRS Accounting Standards remain applicable and these are specified under each subheading of the related standard. For example, an eligible entity to apply IFRS 19 as follows:

©2024 Grant Thornton Greece. All rights reserved.

IFRS 19: Simplifying financial reporting for eligible subsidiaries

Figure 1 - Example of how to apply IFRS 19

Recognition, measurement and presentation requirements	Apply the relevant IFRS Accounting Standard; in this instance, an eligible subsidiary applies IAS 2 "Inventories".
Disclosure requirements	Do not apply the disclosure requirements in IAS 2. Instead, an eligible subsidiary applies the disclosure requirements in IFRS 19, under the subheading IAS 2 "Inventories".

Effect analysis: IFRS 19 "Subsidiaries without Public Accountability: Disclosures"

IAS 33 "Earnings per Share", IFRS 8 "Operating Segments", IFRS 17 "Insurance Contracts" do not have reduced disclosure requirements under IFRS 19 and the disclosures set out in each standard still apply.

Maintenance of IFRS 19

Due to the nature of IFRS 19, it will need to be amended whenever there are any new or amended disclosure requirements in other IFRS. To ensure that IFRS 19 is always up to date, any proposed amendments to IFRS 19 will be included in an exposure draft for the corresponding new or amended IFRS.

Effective date of IFRS 19

The Standard is effective from annual reporting periods beginning on or after 1 January 2027, allowing eligible reporting entities and their auditors time to assess whether electing to apply IFRS 19 would benefit them. Early adoption of the Standard is permitted.

It is important to note that if an entity applies IFRS 19 in the current period but not in the period immediately preceding, comparative prior period information is required to be provided for amounts reported in the current period financial statements.

©2024 Grant Thornton Greece. All rights reserved.

What defines our unparalleled edge

Grant Thornton works to support dynamic organizations to address financial reporting issues in today's complex word.

In making this changes, one thing does not change. Financial reporting is a regulated activity and compliance with the requirements is a must. Getting it right requires professional expertise, care and attention to detail, proper planning and project management and fit-for-purpose systems and controls.

We can help you get up to date with current trends in financial reporting by providing:

- thought leadership insights
- examples of best practice disclosures
- support you through the enhancing of your annual reports

Whatever stage you are at in making improvements to the content and presentation of your annual reports, our specialists offer pragmatic solutions, whilst still complying with IFRS Standards.

The Standards are detailed and technical. To the untrained eye, they can appear hard to navigate.

But at Grant Thornton,
we have people who are well versed in their intricacies and can translate them into language that you can understand and apply to your financial statements.

A dedicated team of experts

For further help on IFRS technical issues, contact:

Manolis Michalios
Partner, Assurance Leader

E manolis.michalios@gr.gt.com

Dimitra Pagoni
Partner, Head of National Technical Office, Assurance

E dimitra.pagoni@gr.gt.com

Stathis Koutoulogenis
Senior Manager, National Technical Office, Assurance

E stathis.koutoulogenis@gr.gt.com

©2024 Grant Thornton Greece. All rights reserved.

Grant Thornton

grant-thornton.gr

© 2024 Grant Thornton. All rights reserved.

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Greece is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.