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IFRS-Update Q3-2024

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Below you will find an overview of the status of developments in new and amended standards, interpretations, and other statements within international and Austrian accounting regulation. As of 30 September 2024, we have prepared updates from the European Financial Reporting and Accounting Group (EFRAG), the International Accounting Standards Board (IASB), and the Austrian Financial Reporting Advisory Committee (AFRAC), so that you are informed about which updates are to be applied for the first time in 2024 and which updates will be coming your way in the near future.

On the [TPA Website](#) you will find various articles in German language containing detailed information on the new and amended standards.

EFRAG-Endorsement-Status

EFRAG is the body of the European Union responsible for the adoption of IFRS accounting standards into European law. EFRAG regularly publishes the Endorsement Status, which indicates which standards issued by the IASB have been adopted into European Law. You can view the current Endorsement Status on the [EFRAG website](#).

Standards to be applied for the first time in 2024

For financial years beginning on or after 1 January 2024, entities must apply the following amended standards for the first time:

First-time application of standards in 2024	Issued IASB	Endorsement EU	Application
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements	25.05.2023	15.04.2024	01.01.2024
Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current as well as Non-current Liabilities with Covenants	23.01.2020 15.07.2020 31.10.2022	19.12.2023	01.01.2024
Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback	22.09.2022	20.11.2023	01.01.2024

Standards to be applied in the future

Companies must apply the following new and amended standards in future periods, provided they are adopted by the European Union (Endorsement Status as of 11 October 2024):

Standards applicable in the future	Issued IASB	Endorsement EU	Application
IFRS 19 Subsidiaries without Public Accountability: Disclosures	09.05.2024	pending	01.01.2027
IFRS 18 Presentation and Disclosure in Financial Statements	09.04.2024	pending	01.01.2027
Annual Improvements to IFRS Accounting Standards – Volume 11	18.07.2024	pending	01.01.2026
Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	30.05.2024	pending	01.01.2026
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	15.08.2023	pending	01.01.2025

For further information on IFRS 18 please see our web article [IFRS 18 Presentation and Disclosure in Financial Statements](#).

The Annual Improvements to IFRS Accounting Standards – Volume 11 contain minor changes to accounting standards that have arisen due to inconsistencies and have been resolved by inserting references or deleting words.

The amendments to IAS 21 provide guidance on assessing when a currency is not exchangeable into another currency, how an exchange rate should be determined in such situations, and what information should be disclosed when a currency is not exchangeable.

IASB work plan

The IASB is the issuer of the International Financial Reporting Standards (IFRS). The IASB regularly adopts new or amended standards. To this end, the IASB has created an extensive work plan, which is established every five years with the help of a survey among stakeholders (Agenda Consultation) and is continuously supplemented based on requests.

The IASB work plan is divided into the projects of standard-setting, maintenance, application issues, research, and taxonomy. We have prepared a summary of all projects as of 29 October 2024 for you. You can view the current IASB work plan on the [IFRS Foundation website](#).

Standard-setting projects

After completing a research project, the IASB can initiate a standard-setting project, which means developing a new standard, such as for example IFRS 18 Presentation and Disclosure in Financial Statements. Narrow-scope amendments to existing standards can also be made.

The standard-setting projects are as follows (as of 29 October 2024):

Standard-setting project	Next milestone	Expected date	Related Standards
Business Combinations – Disclosures, Goodwill and Impairment	Exposure Draft Feedback	December 2024	IFRS 3 IAS 36
Second Comprehensive Review of the IFRS for SMEs Accounting Standard	IFRS for SMEs Accounting Standard	Q1 2025	IFRS for SMEs
Equity Method	Exposure Draft Feedback	Q2 2025	IAS 28
Dynamic Risk Management	Exposure Draft	H1 2025	IFRS 9
Management Commentary	Final Revised Practice Statement	H1 2025	Practice Statement 1
Rate-regulated Activities	IFRS Accounting Standard	H2 2025	IFRS 14
Financial Instruments with Characteristics of Equity	Final Amendments	2026	Conceptual Framework IAS 32 IFRS 9

On 19 September 2024, the IASB published an exposure draft on Accounting for Investments in Associates and Joint Ventures using the Equity Method. The aim is to address several application issues with the existing regulations. Comments on the exposure draft will be accepted until 20 January 2025. We will inform you about this in a future edition of our IFRS Update.

Maintenance projects

Maintenance projects relate to narrowly defined application issues concerning IFRS accounting standards. As a result, the IASB usually develops clarifications on specific issues. A typical example of a maintenance project are the Annual Improvements to the IFRS Accounting Standards, which involve a series of minor changes to existing standards.

The maintenance projects are as follows (as of 29 October 2024):

Maintenance project	Next milestone	Expected date	Related Standards
Provisions – Targeted Improvements	Exposure Draft	November 2024	Conceptual Framework IAS 37 IFRIC 21
Power Purchase Agreements	Final Standard	December 2024	IFRS 9 IFRS 7
Addendum to the Exposure Draft Third edition of the IFRS for SMEs Accounting Standard	IFRS for SMEs Accounting Standard	Q1 2025	IFRS for SMEs
Climate-related and Other Uncertainties in the Financial Statements	Exposure Draft Feedback	Q1 2025	Conceptual Framework IAS 1, IAS 36 IAS 37, IFRS 9
Updating IFRS 19 Subsidiaries without Public Accountability: Disclosures	Exposure Draft Feedback	Q1 2025	IFRS 19
Translation to a Hyperinflationary Presentation Currency (IAS 21)	Exposure Draft Feedback	Q1 2025	IAS 21

On 18 July 2024, the IASB completed the Annual Improvements to IFRS Accounting Standards – Volume 11 and published the corresponding amendments to various standards (see above, EFRAG Endorsement Status, standards to be applied in the future). The first-time application of the Annual Improvements is on 1 January 2026.

Application questions

The IFRS Interpretations Committee (IFRS IC or the Committee) addresses questions from stakeholders regarding the application of IFRS. If standard setting is necessary, the Committee recommends adding a maintenance project to the work plan. Otherwise, the Committee publishes an agenda decision in which it explains why it does not recommend standard setting. Often, an agenda decision includes explanatory remarks that clarify how the applicable principles and requirements of IFRS should be applied to a specific case.

The application questions are as follows (as of 11 October 2024):

Application question	Next milestone	Expected date	Related Standards
Classification of Cash Flows related to Variation Margin Calls on 'Collateralised-to-Market' Contracts	Tentative Agenda Decision Feedback	November 2024	IAS 7
Guarantees Issued on Obligations of Other Entities	Tentative Agenda Decision Feedback	November 2024	
Recognition of Revenue from Tuition Fees	Tentative Agenda Decision Feedback	November 2024	IFRS 15

On 29 July 2024, the IASB confirmed the agenda decision finalised by the IFRS IC in June 2024 regarding the Disclosure of Revenues and Expenses for Reportable Segments. In the agenda decision, the IFRS IC addressed a query about which items should be included in the segment profit and loss statement.

Research projects

Before developing a new or amended standard, the IASB conducts a research project to gather evidence on issues and to determine whether an appropriate solution can be found. To identify topics, stakeholders are surveyed every five years in the Agenda Consultation. Additionally, the IASB conducts a Post-implementation Review (PIR) after the introduction of new standards to assess whether a standard has achieved its objectives.

The research projects are as follows (as of 29 October 2024):

Research project	Next milestone	Expected Date	Related Standards
Intangible Assets	Review research	Q1 2025	IAS 38
Statement of Cash Flows and Related Matters	Review research	Q1 2025	IAS 7
Amortised Cost Measurement	Review research	Q1 2025	IFRS 9
Post-implementation Review of IFRS 16 Leases	Request for Information	H1 2025	IFRS 16

Post-implementation Review of IFRS 15 Revenue from Contracts with Customers

On 30 September 2024, the IASB completed the post-implementation review of IFRS 15 Revenue from Contracts with Customers. The IASB concluded that the standard is generally working as intended. However, there are some application issues that will be addressed separately in the near future, including the application of IFRS 15 in conjunction with IFRS 10 Consolidated Financial Statements, particularly regarding transactions where a company sells an asset through the disposal of an interest in a subsidiary that contains only that asset (a so-called Corporate Wrapper). This issue is of importance to real estate developers. We will inform you about this in a future edition of our IFRS Update.

IAS 7 Statement of Cash Flows

On 16 September 2024, the IASB launched a new research project concerning IAS 7 Statement of Cash Flows. Stakeholders had already requested in the Third Agenda Consultation to revise the standard. In light of the revision of the income-statement structure by IFRS 18 Presentation and Disclosure in Financial Statements, a revision of the structure of the statement of cash flows appears sensible and important. We will provide you with detailed information in a future edition of our IFRS Update.

Taxonomy projects

The IFRS taxonomy is an electronic cataloguing system for the contents of IFRS financial reports. The IFRS taxonomy is available to IFRS users to present their financial reports in electronic form. This allows financial reports to be quickly read, analysed, or compared with other reports. Naturally, the taxonomy follows the standard-setting process. The taxonomy projects thus reflect the progress of the IFRS accounting standards.

The taxonomy projects are as follows (as of 29 October 2024):

Taxonomy Project	Next milestone	Expected Date	Related Standards
Primary Financial Statements	Proposed IFRS Taxonomy Update Feedback	November 2024	IAS 1 IFRS 18
Subsidiaries without Public Accountability: Disclosures, Amendments to IFRS 7 and IFRS 9 and Annual Improvements	Proposed IFRS Taxonomy Update Feedback	December 2024	IFRS 7, IFRS 9, IFRS 10, IFRS 19, IAS 7
Contracts for Renewable Electricity	Proposed IFRS Taxonomy Update Feedback	December 2024	IFRS 7 IFRS 9

AFRAC work plan

The Austrian Financial Reporting Advisory Committee (AFRAC) serves the research and development of accounting in Austria. AFRAC regularly issues statements (Stellungnahmen) on accounting issues, primarily according to the Austrian Commercial Code (Unternehmensgesetzbuch – UGB), but also according to IFRS or other legal frameworks. Below, we present AFRAC’s work plan regarding its statements on UGB. Other activities of AFRAC, such as commenting on IFRS accounting standards or IFRS sustainability standards, are not discussed here. A complete overview of AFRAC’s activities can be found on [AFRAC’s website](#).

AFRAC has recently adopted the following new or revised statements, which will be applicable in the future (as of 11 September 2024):

STATEMENTS APPLICABLE IN THE FUTURE (2025)				
Type	Document	Project	Resolution	Application
Initial version	AFRAC 40	Accounting for Hybrid Financial Instruments by the Issuer (UGB)	09.11.2024	01.01.2025
Initial version	AFRAC 41	Subsequent Measurement of Derivative Goodwill (UGB)	13.03.2024	01.01.2025
Revision	AFRAC 15	Derivatives and Hedging Transactions (UGB)	06.12.2023	01.01.2025
Update	AFRAC 7	AOff Balance Sheet Transactions (UGB)	06.12.2023	01.01.2025

AFRAC 40 Accounting for Hybrid Financial Instruments by the Issuer (UGB) was adopted on 11 September 2024. The new statement sets out criteria for assessing whether hybrid financial instruments (such as profit participation rights, silent partner capital, participating loans, or perpetual bonds) should be classified as equity or debt by the issuer, as well as the valuation basis for initial recognition within the scope of UGB.

AFRAC 41 Subsequent Measurement of Derivative Goodwill (new statement) addresses specific issues for determining amortisation and impairment of goodwill in annual and consolidated financial statements according to UGB.

AFRAC 15 Derivatives and Hedging Transactions (revised statement from December 2023) replaces the statement from December 2020. The revised statement addresses, among other things, the topics of effectiveness, rebalancing, and partial termination. The chapter structure has been fundamentally revised.

Work plan

The AFRAC work plan is as follows (as of 11 September 2024):

WORK PLAN				
Type	Document	Project	Next milestone	Date
Revision	AFRAC 9	Management Reporting (UGB)	Exposure Draft	Q4 2024
Revision	AFRAC 6	Grants in the Public Sector (UGB)	Exposure Draft	Q1 2025

The revision of AFRAC 9 Management Reporting (UGB) is significant as the implementation of the EU Directive on Sustainability Reporting (CSRD) into Austrian Law is expected in the near future. It is planned that the implementation of the Directive will be incorporated into Austrian Law as part of the Management Report according to UGB.

Size classes

The EU Accounting Directive 2013/34/EU has been amended to adjust the size criteria for classifying micro, small, medium-sized, and large undertakings. The changes were introduced through the Commission Delegated Directive (EU) 2023/2775, which was published on 21 December 2023.

The implementation of the Directive into Austrian Law is expected in the near future and will amend paragraphs 221 and 246 of the UGB. The expected increase in the criteria for total assets and turnover will be around 25 percent.

For example, the thresholds whose exceedance results in the classification of an undertaking as “large” were previously EUR 20 million for total assets and EUR 40 million for turnover. In the future, these thresholds will be raised to EUR 25 million and EUR 50 million, respectively, or to EUR 30 million and EUR 60 million for determining an undertaking’s obligation to prepare consolidated financial statements.

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