

Bimonthly Newsletter of Accounting Standards Board Nepal January 2024

1. Recent Board Activities

1.1 Meeting with Insurance Authority of Nepal

On January 1, 2024, meeting was held between Accounting Standards Board (ASB) & Insurance Authority of Nepal (NIA). The discussion revolved around the present progress in implementing NFRS 17 Insurance Contracts and the strategies needed for its execution. The board & authority both affirmed their commitment to supporting the industry in ensuring the successful implementation of NFRS 17.



1.2 156th Board Meeting Held

On January 8, 2024, the board convened its 156th meeting, extending a warm welcome to the newly appointed company registrar, Mr. Deepak Kumar Pahadi. The board expressed the thanks to Mr. Mahesh Baral for his valuable contributions during his tenure as board member. During the meeting decisions were reached concerning primary areas of collaboration areas in accordance with Memorandum of Understanding (MoU) with the Australian Accounting Standards Board (AASB). Additionally, Board has made decision regarding facilitation of implementation of NFRS 17 through capacity building activities.

1.3 Interaction Program on NFRS 17

On January 9, 2024, a collaborative event was conducted by the Accounting Standards Board (ASB) and the Insurance Authority of Nepal (NIA). Participants included CEOs from both life and non-life insurance companies in Nepal. Mr. Manish Raj Upreti, a Board Member of ASB, presented the overall highlights and impact of NFRS 17. Additionally, Mr. Birod Wagle from NIA addressed the major challenges associated with the implementation of NFRS 17. During the event, CEOs shared their perspectives and outlined their strategies for the successful implementation of NFRS 17.

More details: [NIA Website](#)



3. International Updates

2.1 International Accounting Standards Board (IASB) Update

PIR of IFRS 15

The IASB discussed feedback on [IFRS 15's post-implementation review](#) and outlined the next project phase, aiming to finalize decisions by Q3 2024 and share findings with the FASB in June 2024, followed by a report and feedback statement.

Second Comprehensive Review of the IFRS for SMEs Accounting Standard

During its January 2024 meeting, the IASB discussed on the [Exposure Draft for the Third Edition of the IFRS for SMEs Accounting Standard](#), making tentative decisions to finalize proposals on disclosing reconciliation for liabilities from financing activities, clarifying the application of the Standard to bearer plants, and defining the use of the expected credit loss model for SMEs with significant credit risk exposure. The Board agreed to align Section 20 Leases with IFRS 16 Leases in the next review and will continue to explore the implications of the expected credit loss model for SMEs providing financing as a primary business, with unanimous and majority agreements on various decisions.

Disclosure Initiative—Subsidiaries without Public Accountability: Disclosures

The IASB, in its January 2024 meeting, discussed [disclosures for subsidiaries without public accountability](#) and tentatively decided to withdraw and modify certain proposed requirements from the Exposure Draft to better align with existing IFRS Standards, and to add a new disclosure requirement from IFRS 16 Leases, with unanimous agreement on these decisions. Further discussions will address any issues emerging during the drafting process.

Updating the Subsidiaries without Public Accountability: Disclosures Standard

On January 2024 meeting, the IASB decided to propose disclosure requirements in the upcoming 'catch-up' exposure draft related to the IFRS Accounting Standard "[Subsidiaries without Public Accountability: Disclosures](#)." These requirements include amendments from IAS 7 regarding Supplier Finance Arrangements, IAS 12 on International Tax Reform—Pillar Two Model Rules, and IAS 21 concerning Lack of Exchangeability. This unanimous decision by all 14 IASB members marks a step towards finalizing the disclosures for subsidiaries without public accountability, with further discussions planned for February 2024.

2.2 International Sustainability Standards Board (ISSB) Update

New resource on emissions reporting using GRI and ISSB Standards

IFRS Foundation and GRI publish summary of interoperability considerations for GHG emissions. The Global Reporting Initiative and the IFRS Foundation have today jointly published a new analysis and mapping resource: [Interoperability considerations for GHG emissions when applying GRI Standards and ISSB Standards](#).

Joint IASB–ISSB meeting

On January 25, 2024, the IASB and ISSB met to [review feedback on the ISSB's consultation regarding agenda priorities](#), particularly on a project focusing on integration in reporting. The discussion centered on assessing the project's importance relative to other sustainability initiatives, considering whether to pursue it as a joint project with the IASB or an ISSB-led initiative, and the potential to integrate concepts from existing frameworks like the IASB's Management Commentary. Despite no initial query on connectivity, it emerged as a feedback

theme. No decisions were made during this meeting. The IASB is set to evaluate the direction of its Management Commentary project, while the ISSB will further analyze the feedback to determine future actions.