

## **ISAR Update – December 2019**

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### **UNCTAD-ISAR to hold its thirty-seventh session in Geneva**

UNCTAD's Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR) will hold its thirty-seventh session at the Palais des Nations in Geneva from 17 to 19 June 2020. The session will deal with two main agenda items:

- Practical implementation, including measurement, of core indicators for entity reporting on the contribution towards the attainment of the Sustainable Development Goals: Review of case studies; and
- Climate-related financial disclosures in mainstream entity reporting: good practices and key challenges

Further information will be forthcoming soon.

## Thirty-sixth session of ISAR held in Geneva

The thirty-sixth session of ISAR took place at the Palais des Nations in Geneva from 30 October to 1 November 2019. Close to 400 participants from about 95 countries registered for the session. In accordance with the agreement reached among member States at the thirty-fifth session, the thirty-sixth session of ISAR dealt with the following main agenda items:

- Practical implementation, including measurement, of core indicators for entity reporting on the contribution towards the attainment of the Sustainable Development Goals: Review of case studies; and
- Review of current developments in international standards of accounting and reporting in the public and private sectors.

Two issues notes ([ISAR 89](#) and [ISAR 90](#)) on the main agenda items prepared by the UNCTAD secretariat, company case studies, and surveys on implementation of the UNCTAD-ISAR Core Indicators on reporting on the Sustainable Development Goals, and a series of panel discussions facilitated delegates' consideration of the key issues.

With respect to the first main agenda item, the Group of Experts requested the UNCTAD secretariat to conduct further case studies, including in Francophone countries in Africa, among others, on the implementation of the *Guidance on core indicators for entity reporting on contribution towards implementation of the Sustainable Development Goals*, including for small and medium-sized enterprises, to facilitate wider use, raising awareness and dissemination of the Guidance, as well as training and capacity-building, including in cooperation with relevant training institutions.

Furthermore, the session requested the UNCTAD secretariat in coordination with other agencies of the United Nations addressing issues of measuring the private sector contribution to the implementation of the 2030 Agenda for Sustainable Development, to convene a meeting with a view to facilitating the standardization of companies' reporting on their contribution to the implementation of Sustainable Development Goals.

With respect to the second main agenda item, the Group of Experts requested the UNCTAD secretariat to continue monitoring issues that arise in the practical implementation of international standards of accounting and reporting in the public and private sectors and identifying good practices for addressing implementation challenges with a view to assisting developing countries and countries with economies in transition in their capacity-building efforts towards high-quality and internationally comparable financial reporting, including for small and medium-sized enterprises, in support of sustainable development.

Under other business, the session received a progress report on the implementation of the UNCTAD-ISAR Accounting Development Tool in Belarus and Colombia. In this respect, the session requested the UNCTAD secretariat to continue its efforts on the implementation of the Accounting Development Tool in interested countries with a view to assisting them in

strengthening their regulatory, institutional and human capacity in an integrated and comprehensive manner and with a view to achieving high-quality financial reporting, as well as reporting on environmental, social and governance issues by enterprises.

Additional information, including [photos](#) taken at the session can be accessed by clicking [here](#).

### **UNCTAD organized workshop on climate-related financial disclosures**

On 29 October 2019 the UNCTAD secretariat organized a workshop on practical implementation of climate-related financial disclosures and their relationship to the SDGs. This event was organized in cooperation with the Carbon Disclosure Standards Board (CDSB) and Sustainability Accounting Standards Board (SASB). 222 participants from 61 countries registered for the workshop. It featured representatives from the accountancy profession, standard setters, and the investors' community.

The workshop provided an opportunity for presenting complementary tools from UNCTAD-ISAR, the CDSB and SASB on promoting harmonized approaches for entities to report on their contributions towards the attainment of the Sustainable Development Goals.

Further information can be accessed by clicking [here](#).

### **2019 edition ISAR honours conducted**

The 2019 edition of *ISAR Honours* attracted a number of participants. 33 submissions were received for nomination for the *Honours*. A committee of experts selected the top 5 national and also 2 international initiatives, which received a special recognition. The ceremony took place on 30 October 2019 at the Palais des Nations in Geneva. The initiative aims to support efforts on enhancing the quality of companies' reporting on sustainability issues, and its usefulness for Member States for monitoring of the private sector's contribution towards the implementation of the SDGs.

Further information can be accessed by clicking [here](#).

### **UN Development Account Project to support enterprise reporting on SDGs**

On the side of the thirty-sixth session of ISAR, the UNCTAD secretariat organized a briefing for beneficiary countries of the Development Account 11<sup>th</sup> Tranche Project entitled *Enabling Policy Frameworks for enterprise sustainability and SDG reporting in Africa and Latin America* on the scope and activities of the project. The main objective of this project is to strengthen the capacities of governments to measure and monitor the private sector contribution to the 2030 Agenda, in particular on indicator 12.6 *Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle*.

ISAR will again review progress on implementation of this project at its thirty-seventh session in 2020.

## **Kick-off meeting of UN Development Account Project took place in South Africa**

UNCTAD and the Department of Trade & Industry of South Africa jointly organized a kick-off meeting on the implementation of the Development Account 11th Tranche Project entitled *Enabling policy frameworks for enterprise sustainability and SDG reporting in Africa and Latin America*, which took place on 21 November in Pretoria, South Africa. The meeting was attended by around 40 participants from the key national entities including institutions in charge of the implementation of the SDGs, as well as those entities involved in financial and non-financial reporting at the national level.

The Development Account project is aimed at strengthening the capacities of Governments to measure and monitor the private sector contribution to the 2030 Agenda for Sustainable Development, in particular to provide data on target 12.6 “Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle” and indicator 12.6.1 on “Number of companies publishing sustainability reports”.

Further information on this Development Account project can be accessed by clicking [here](#).

## **News briefs**

### **ESMA publishes priorities for examining 2019 financial statements**

At the end of October 2019, the European Securities and Markets Authority (ESMA) published the priorities that European enforcers will particularly consider when examining 2019 financial statements of listed companies. The common enforcement priorities related to IFRS financial statements for the 2019 year-end, ESMA outlined are: specific issues related to the application of IFRS 16 *Leases*; follow-up of specific issues related to the application of IFRS 9 *Financial Instruments* for credit institutions and IFRS 15 *Revenue from Contracts with Customers* for corporate issuers; and specific issues related to application of IAS 12 *Income Taxes* (including application of IFRIC 23 *Uncertainty over Income Tax Treatments*).

Further information on this news item can be accessed by clicking [here](#).

### **IASB issues guide to selecting and applying accounting policies**

In November 2019, the International Accounting Standards Board issued a guide to selecting and applying accounting policies. The guide is a supplement to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. It is intended to help preparers in determining appropriate accounting policies in the absence of an IFRS Standard that applies to a transaction, other event or condition. It presents a three-step process beginning with identifying: (i) a Standard that specifically applies to the transaction, other event, or condition; or (ii) a Standard that deals with similar or related issues; and (iii) considering applicability of the *Conceptual Framework for Financial Reporting*.

Further information can be accessed by clicking [here](#).

### **IFAC publishes 2019 report on status of implementation of international standards**

In mid-October 2019, the International Federation of Accountants published 2019 status report on practical implementation of International Standards on Auditing (ISA), International Financial Reporting Standards (IFRS), International Code of Ethics for Professional Accountants (IESBA), Quality Assurance (QA), Investigation and Discipline (I&D), International Education Standards (IES) and International Public Sector Accounting Standards (IPSAS). The report notes that IFAC jurisdictions made direct reference to international standards: 80 per cent - ISA; 79 per cent - IFRS; 57 per cent - IESBA; 42 per cent - IPSAS. 90 per cent of jurisdictions adopted a convergence process towards IES. Further information can be accessed by clicking [here](#).

### **WBCSD and ICAEW publish guide on assurance on non-financial reporting**

In November 2019, the World Business Council for Sustainable Development (WBCSD) and the Institute of Chartered Accountants in England and Wales (IAEW) published *A buyer's guide to assurance on non-financial information*.

Further information on this news item can be accessed by clicking [here](#).

### **CFA Institute publishes review of ESG disclosures in Asia Pacific**

In July 2019, the CFA Institute published a study of environmental, social and governance disclosures in Asia Pacific countries. The report notes that regulators in the region are placing increased focus on ESG disclosures with a view to: adhering to international best practices; ensuring the competitiveness of their listed companies in the quest for international capital; and/or preparing the corporate sector for a global shift to sustainability. The study can be accessed by clicking [here](#).