



IFRS Viewpoint Summary

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- Peter joined Davidson & Company LLP in 1996 and earned his CA in 1997.
- After a brief stint in industry, he returned to Davidson & Company LLP in 2001, and has been a driving force in the company's public audit business ever since.
- Peter believes fitness is a tool to enjoy life, so work hard and play hard.
- When not in the office, punching a heavy boxing bag or having a glass of wine, Peter enjoys coaching his daughter's soccer team.

IFRS Viewpoints

Standards Issued from November 2019 to October 2020:

- Oil & Gas Industry – 2
- Mining Industry – 2
- Cannabis Industry - 2
- Crypto-Asset Sector - 2

IFRS Viewpoints – Oil & Gas

1. IFRS 16 Leases – Key recognition considerations for the oil and gas industry (November 2019)

- Mineral leases and surface land use contracts
- Lateral pipeline use agreements
- Master lease agreements covering multiple asset
- Short-term leases and leases of low value items
- Identifying leases embedded in service contracts
- Lease and non-lease components of contracts
- Discount rate

IFRS Viewpoints – Oil & Gas

2. **Asset acquisition versus business combination (February 2020)**

- Optional concentration test in IFRS 3
- simplified assessment to conclude not a business

IFRS Viewpoints – Mining Industry

3. Underground development costs (February 2020)

- IFRIC 20 has guidance for surface mines
- Viewpoint has similar guidance for underground mining

IFRS Viewpoints – Mining Industry

4. **Asset acquisition vs business combination (June 2020)**

- Optional concentration test in IFRS 3
- Simplified assessment to conclude not a business

IFRS Viewpoints – Cannabis Industry

5. Cannabis stages of growth and post-harvest activities (February 2020)

- Overview of the cultivation process
- Examples of pre-harvest and post-harvest costs
- Common terms and definitions

IFRS Viewpoints – Cannabis Industry

6. Overview of fair value considerations for biological assets in the cannabis industry (March 2020)

- Identification of three different valuation techniques (Market, Cost and Income)
- Additional discussion on the Income Approach

IFRS Viewpoints – Crypto-Asset Sector

7. Auditing Crypto-assets: relevance and reliability of the information obtained from a blockchain to be used as audit evidence (January 2020)

- All public blockchains may not be created equal
- Consider the characteristics of the blockchain and the technology used to access
- Ask “what could go wrong?”

IFRS Viewpoints – Crypto-Asset Sector

8. Auditing crypto-assets: Do you need to test controls when obtaining audit evidence to support the rights (ownership) assertion? (January 2020)

- Explores factors an auditor considers when determining how to obtain sufficient and appropriate audit evidence to support ownership
- Complexity of environment, evidence outside the blockchain, volume of transactions, other risks