



CLASSIFICATION OF LIABILITIES AS CURRENT OR NON-CURRENT: DEFERRAL OF EFFECTIVE DATE

Issued 2 June 2020

ICAEW welcomes the opportunity to comment on the IASB's ED/2020/3 Classification of Liabilities as Current or Non-Current: Deferral of Effective Date (proposed amendments to IAS 1) published in May 2020, a copy of which is available from this [link](#).

We agree with the proposal to defer the effective date of the amendments to IAS 1 *Presentation of Financial Statements*, to annual reporting periods beginning on or after 1 January 2023.

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ANSWERS TO SPECIFIC QUESTION

Question 1

The Board proposes to defer the effective date of amendments to IAS 1, Classification of Liabilities as Current or Non-current, to annual reporting periods beginning on or after 1 January 2023. Do you agree with the proposal? Why or why not?

1. Yes. We agree with the proposal to defer the effective date of the amendments to IAS 1 *Presentation of Financial Statements*, to annual reporting periods beginning on or after 1 January 2023.
2. We have noted that when setting the original effective date, the IASB took into account stakeholder feedback that sufficient time would be needed for any affected entities to re-negotiate loan covenants. We agree that the coronavirus pandemic has created exceptional challenges for some stakeholders, which means that such renegotiations may not start as early as expected and may not, therefore, be completed by the current effective date. As such, we agree that an extension to the effective date is appropriate in light of these unprecedented circumstances.