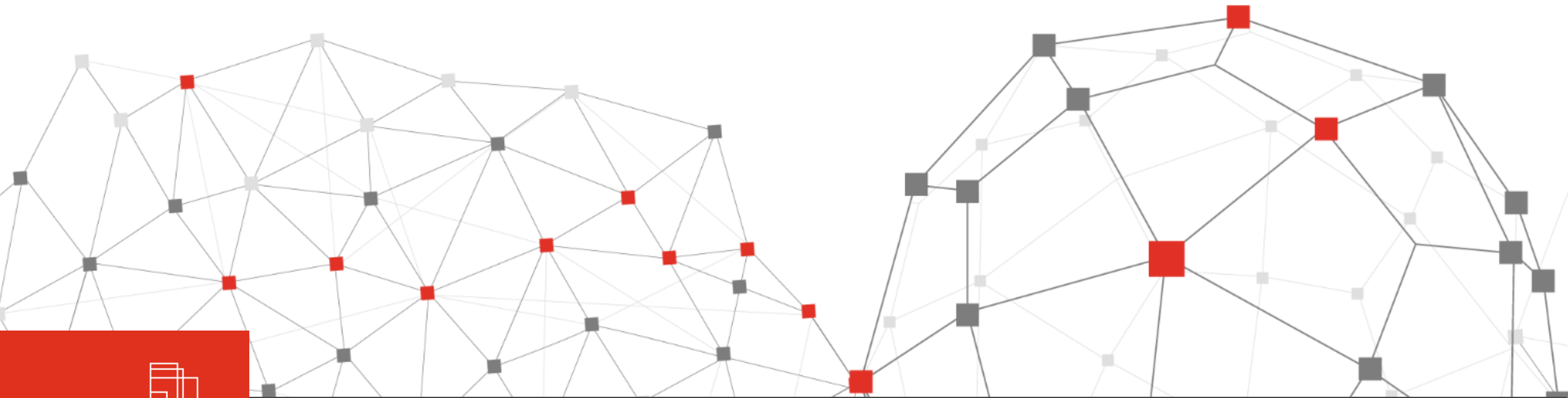


COVID-19

Accounting impacts on treasury activities - IFRS



Covid 19

Today's discussion

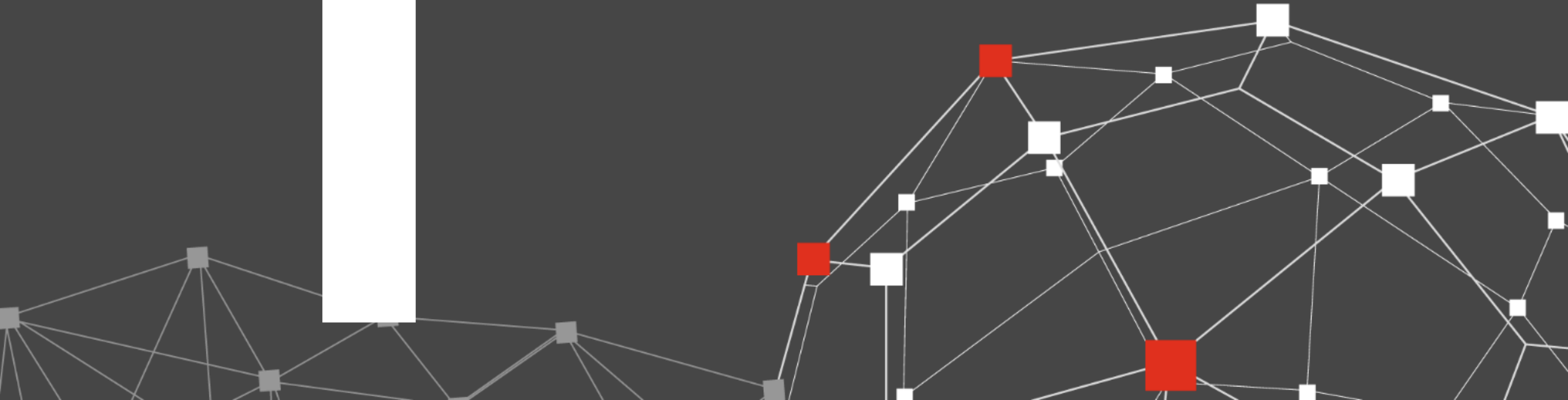
Impact on the agenda

Impact on the reporting

Lessons learned

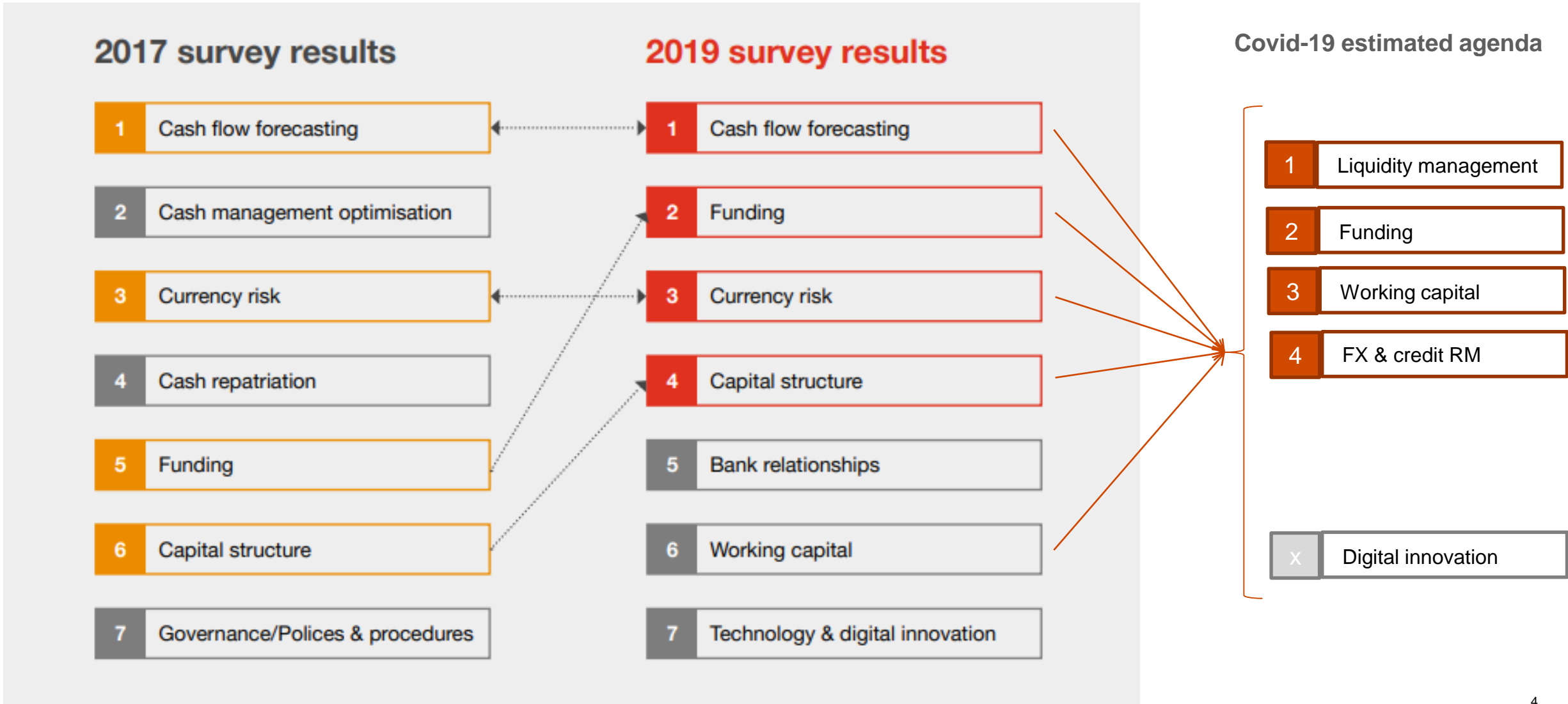


Agenda



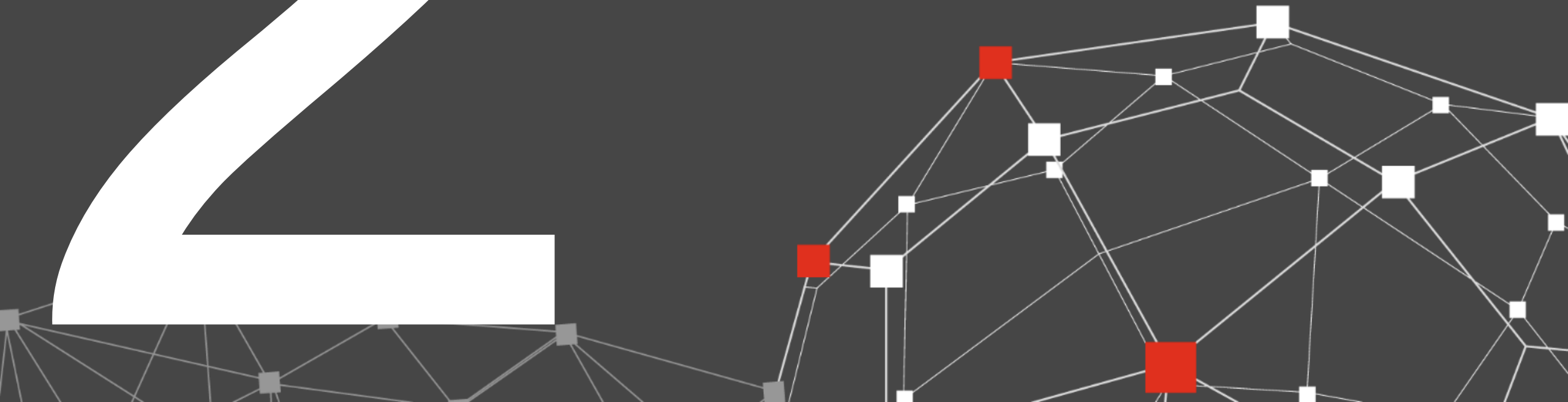
Top 7 of CFO / treasurer agenda

Pandemic has strengthen the trend



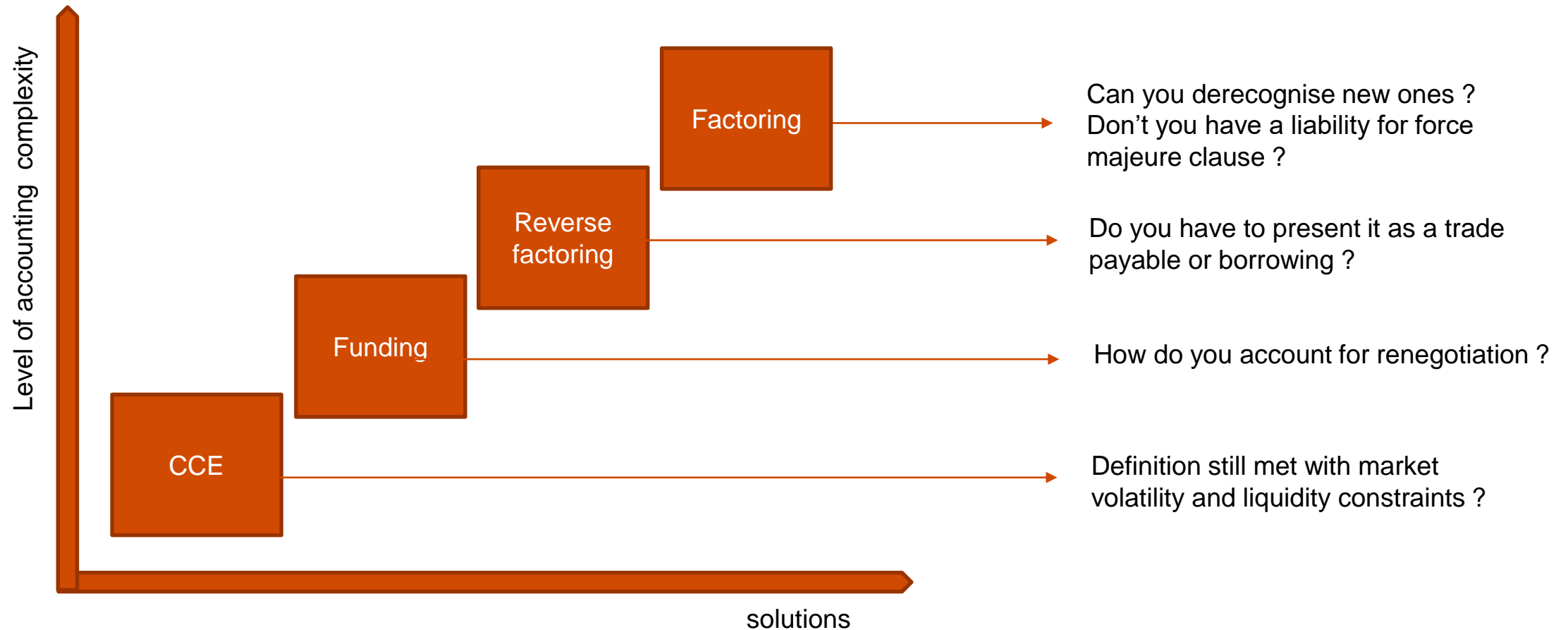
Reporting

2



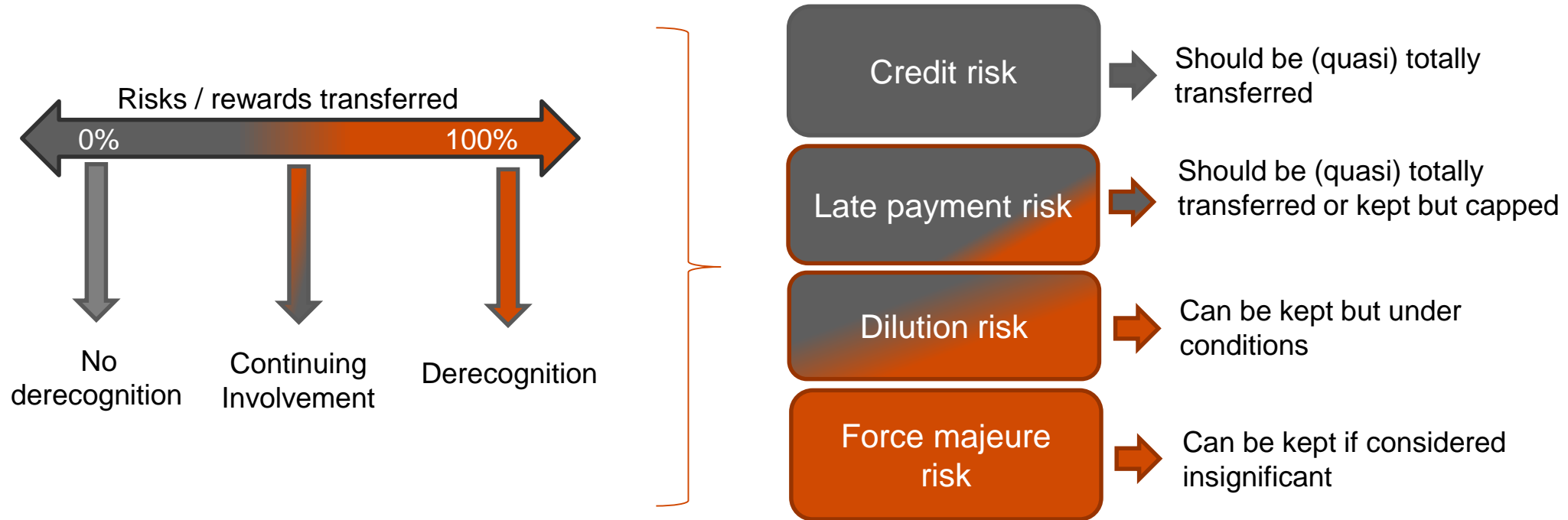
Accounting impacts in liquidity management

What are the issues



Accounting impacts in liquidity management

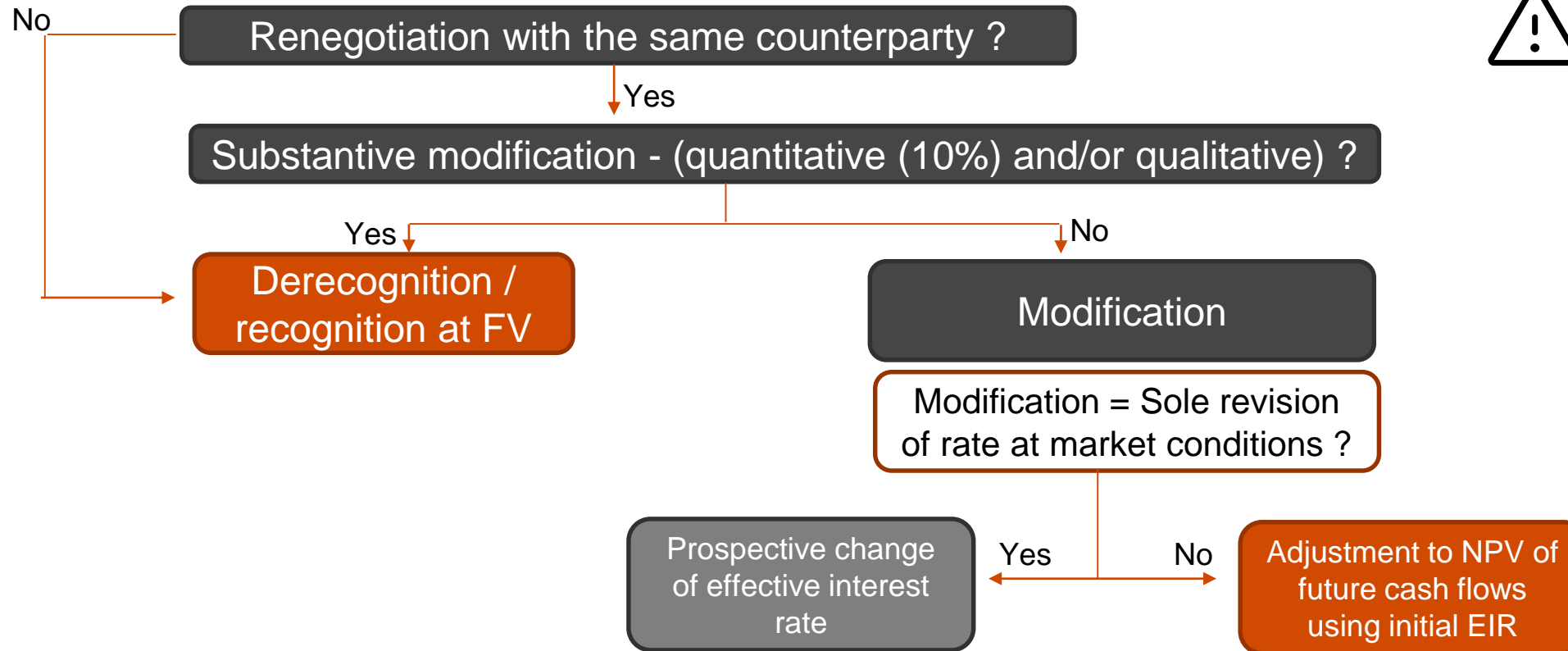
Analysis of factoring arrangements



Recourse clauses in existing contracts can lead to a new liability

Accounting for debt renegotiation

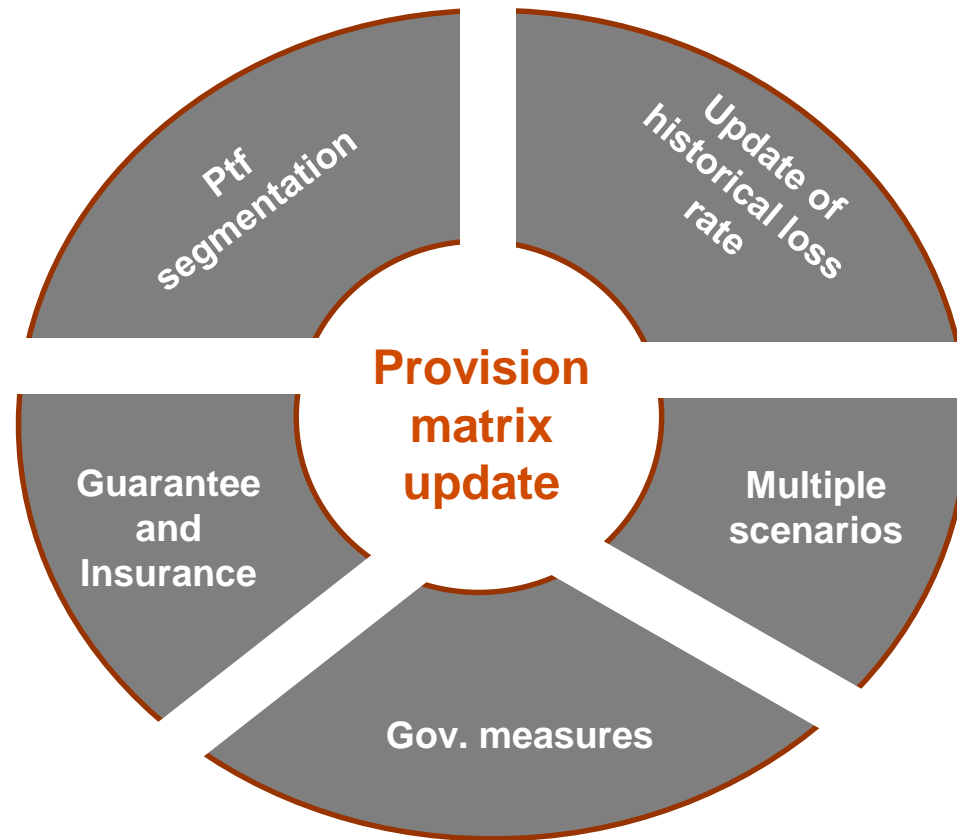
Debt renegotiation – Flowchart



- Moratorium ?
- Renegotiation of covenants?
- Breach of covenants ?

Impact of COVID-19 on Expected Credit Losses

Update of impairment model



Disclosure

Impact of COVID-19 on Expected Credit Losses

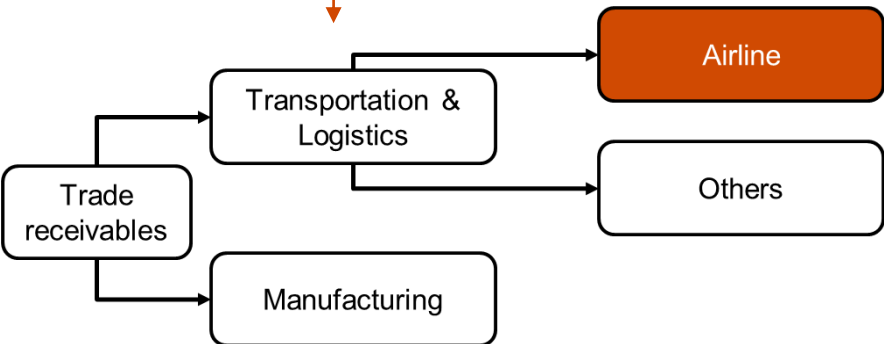
Trade receivables

Further stratification

	Time bucket 1	Time bucket 2	Time bucket 3
Category A			
Category B			
Category C			

Forward looking information to update

Additional scenario, change in weighting, modification of scenario or overlay approach



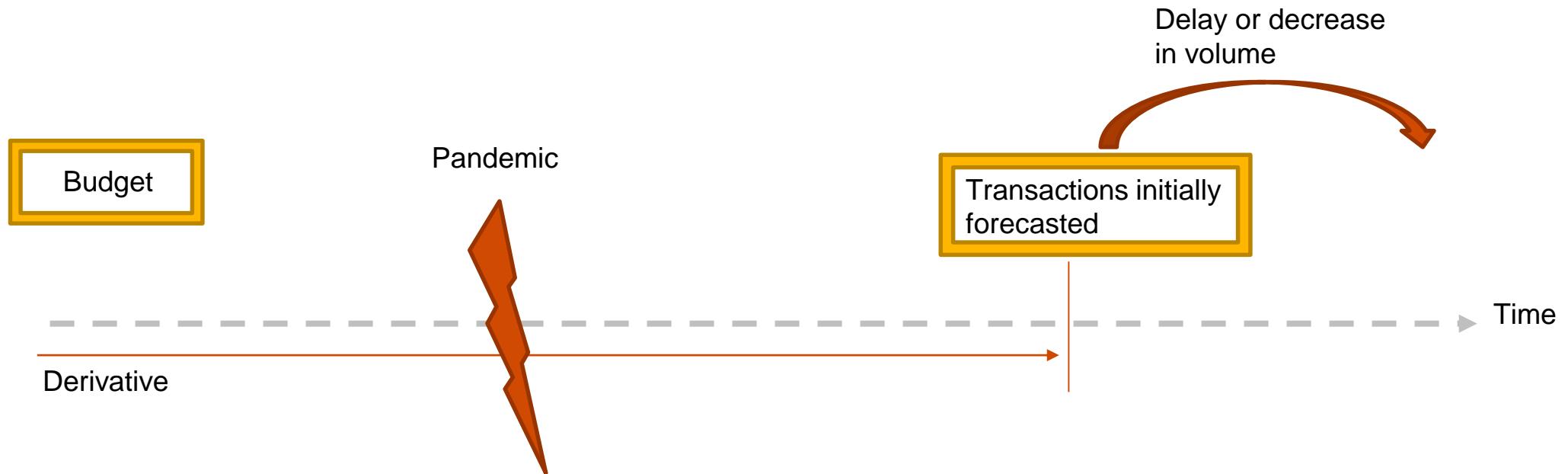
Definition of default could be reviewed / adapted. (3x : 30days past due)



Disclosure

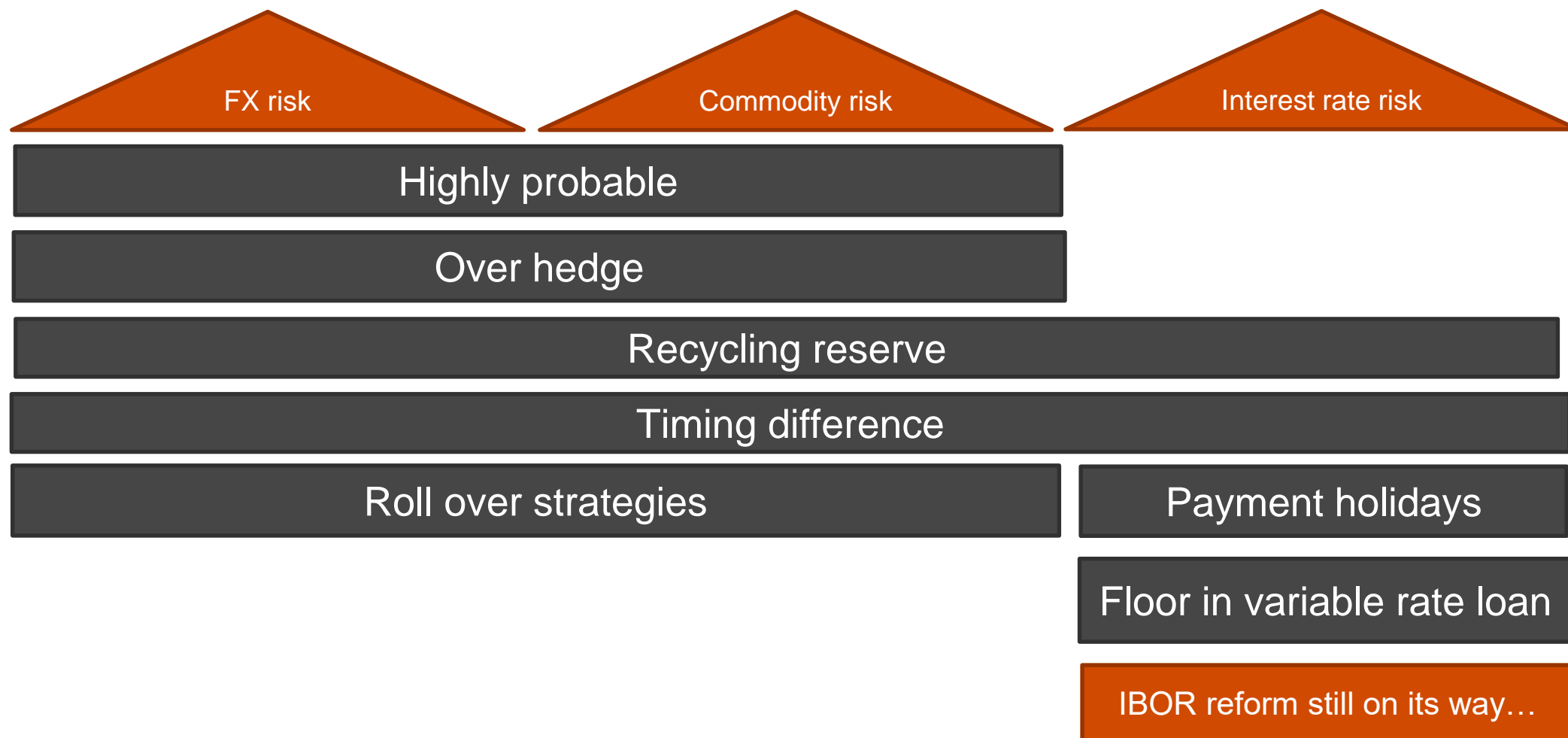
Impact of COVID-19 on hedge accounting

Impact on your hedge accounting



Impact of COVID-19 on hedge accounting

Common issues per risk hedged



Other impacts

Lease concession

Goodwill

Inventories

Government grant

Recoverability of deferred taxes

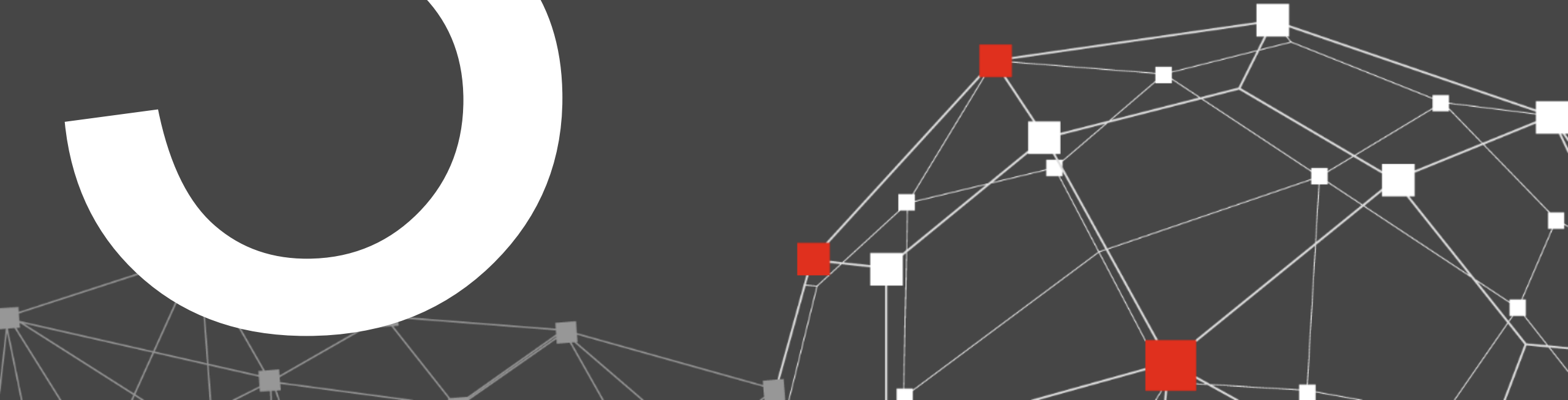
Going concern

Own use exception

...

3

Lessons learned



Lessons learned



Thank you

[pwc.com](https://www.pwc.com)

© 2020 PwC. All rights reserved. Not for further distribution without the permission of PwC. “PwC” refers to the network of member firms of PricewaterhouseCoopers International Limited (PwCIL), or, as the context requires, individual member firms of the PwC network. Each member firm is a separate legal entity and does not act as agent of PwCIL or any other member firm. PwCIL does not provide any services to clients. PwCIL is not responsible or liable for the acts or omissions of any of its member firms nor can it control the exercise of their professional judgment or bind them in any way. No member firm is responsible or liable for the acts or omissions of any other member firm nor can it control the exercise of another member firm’s professional judgment or bind another member firm or PwCIL in any way. 715220-2020