
IASB[®] meeting

Date **July 2025**
Project **Assessing Indicators of Hyperinflationary Economies (IAS 29)**
Topic **Finalisation of agenda decision**
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Purpose of the meeting

1. At its June 2025 meeting, the IFRS Interpretations Committee (Committee) decided not to add a standard-setting project to the work plan in response to a submission about applying IAS 29 *Financial Reporting in Hyperinflationary Economies* to identify when an economy becomes hyperinflationary. The Committee instead decided to finalise an agenda decision that explained its reasons for not adding a standard-setting project.
2. The purpose of this meeting is to ask the International Accounting Standards Board (IASB) members whether they object to the agenda decision, as required by paragraph 8.7 of the IFRS Foundation [Due Process Handbook](#).

Background

3. The submission asked:
 - (a) whether all indicators in paragraph 3 of IAS 29 should be considered in assessing when an economy becomes hyperinflationary, including whether to continue to consider all indicators even when one indicator in paragraph 3 has been met;

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- (b) whether IAS 29 requires the consideration of indicators other than those listed in paragraph 3 of IAS 29 when relevant; and
 - (c) whether IAS 29 requires both a subsidiary (in its financial statements) and a parent (in its consolidated financial statements) to conclude consistently on when an economy becomes hyperinflationary.
4. Evidence gathered by the Committee indicated little, if any, diversity in understanding the requirements for assessing when an economy becomes hyperinflationary.
5. Based on its findings, in November 2024, the Committee tentatively concluded that the matter described in the request does not meet the criteria for adding a standard-setting project to the work plan set out in paragraph 5.16 of the [Due Process Handbook](#). In particular, the matter did not meet the criterion in sub-paragraph 5.16(a) that ‘the matter has widespread effect...’. Consequently, the Committee decided to publish a [tentative agenda decision](#) explaining its reasons for not adding a standard-setting project. The tentative agenda decision outlined the Committee’s findings regarding the accounting applied by entities in respect of the question asked in the submission.

Feedback on the tentative agenda decision

6. The Committee received 10 comment letters by the comment letter deadline.¹ All comment letters received are available on our [website](#). [Agenda Paper 4](#) for the Committee’s June 2025 meeting summarised the comments and set out our analysis of those comments.
7. Most respondents agreed with the Committee’s conclusion that the accounting matters in paragraph 3 do not have widespread effect and to not add a standard-setting project to the work plan.

¹ We received no late comment letters.

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8. In response to the questions in paragraph 3(a)–3(b), three respondents said that even though stakeholders consider all indicators listed in paragraph 3 of IAS 29 and other indicators in assessing whether an economy is hyperinflationary, different stakeholders (for example, international accounting and auditing firms and local standard-setters or local accounting bodies) might have different views on the weight to be given to the different indicators which, in their view, results in inconsistent application and consequently, inconsistent conclusions on whether an economy is hyperinflationary.
 9. For the question in paragraph 3(c), two respondents disagreed with the Committee's findings and said stakeholders reach different conclusions at different levels within a group when applying IFRS Accounting Standards. Both respondents listed examples of local bodies issuing laws or regulations on whether the economy is hyperinflationary in accordance with IAS 29 and international accounting and auditing firms issuing publications that reflected a different conclusion.

The Committee's discussion and feedback

10. The Committee considered the feedback at its June 2025 meeting. The Committee confirmed its conclusion that the matter described in the request does not have widespread effect and its decision not to add a standard-setting project to the work plan.
11. The Committee observed that feedback on all three accounting matters in paragraph 3 confirmed that stakeholders, in applying paragraph 3 of IAS 29, use judgement and in doing so might give different weightings to the indicators they consider relevant to a particular economy—both listed and unlisted in IAS 29. This application of judgement might lead stakeholders to reach different conclusions about whether an economy is hyperinflationary.

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12. The Committee added its observation in paragraph 11 of this paper to the wording of the tentative agenda decision. The [appendix](#) to this paper includes the wording of the agenda decision approved by the Committee.
13. Twelve of 14 Committee members voted to finalise the agenda decision.

Questions for the IASB

Do you object to the Committee's:

- a. decision not to add a standard-setting project to the work plan?
- b. conclusion that the agenda decision does not add or change requirements in IFRS Accounting Standards?

Report to the IASB

14. Feedback from Committee members at the June meeting and responses to the tentative agenda decision highlighted challenges in applying the requirements in paragraphs 3–4 of IAS 29 to assess when an economy becomes hyperinflationary. The Committee suggested the IASB consider this feedback in assessing whether to add a project on hyperinflation to its workplan.

Appendix—the agenda decision

A1. The agenda decision below was approved by the Committee at its June 2025 meeting.

Assessing Indicators of Hyperinflationary Economies (IAS 29 *Financial Reporting in Hyperinflationary Economies*)

The Committee received a request about applying IAS 29 to identify when an economy becomes hyperinflationary.

The request asked:

- a. whether all indicators in paragraph 3 of IAS 29 should be considered in assessing when an economy becomes hyperinflationary, including whether to continue to consider all indicators even when one indicator in paragraph 3 has been met;
- b. whether IAS 29 requires the consideration of indicators other than those listed in paragraph 3 of IAS 29 when relevant; and
- c. whether IAS 29 requires both a subsidiary (in its financial statements) and a parent (in its consolidated financial statements) to conclude consistently on when an economy becomes hyperinflationary.

Findings

Evidence gathered by the Committee indicates little, if any, diversity in understanding the requirements for assessing when an economy becomes hyperinflationary. According to the evidence, stakeholders:

- a. do not conclude that an economy becomes hyperinflationary based solely on one of the indicators listed in paragraph 3 of IAS 29;
- b. consider indicators other than those listed in paragraph 3 of IAS 29 when relevant; and
- c. do not reach different conclusions at different levels within a group when preparing financial statements using the same basis of preparation.

Evidence gathered by the Committee indicates stakeholders use judgement in assessing the indicators in paragraph 3 of IAS 29 and might assign different weights to those, or other, indicators.

Conclusion

Based on its findings, the Committee concluded that the matter described in the submission does not have widespread effect. Consequently, the Committee decided not to add a standard-setting project to the work plan.