
IFRS Foundation Trustees meeting – Due Process Oversight Committee

Date **June 2025**
Topic **IASB Technical Activities: Key Issues and Update**
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This document is prepared for discussion at a public meeting of the IFRS Foundation Trustees' Due Process Oversight Committee (DPOC). The Trustees are responsible for governance of the IFRS Foundation, oversight of the International Accounting Standards Board (IASB) and the International Sustainability Standards Board (ISSB), and for delivery of the IFRS Foundation's objectives as set out in the IFRS Foundation *Constitution*.

Purpose of the report

1. This report provides the Due Process Oversight Committee (DPOC) with an update on the activities of the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (Interpretations Committee) for the period 1 February 2025 to 30 April 2025.
2. The report sets out how the IASB and the Interpretations Committee have fulfilled their due process obligations as set out in the *Due Process Handbook*. The report aims to assist the DPOC in fulfilling its role of overseeing the due process activities of the IASB and the Interpretations Committee, as set out in paragraphs 2.1–2.15 of the *Due Process Handbook*. Paragraph 2.8(a) of the *Due Process Handbook* explains:

The DPOC is responsible for ... reviewing regularly, and in a timely manner, together with the [IASB] and the IFRS Foundation staff, the due process activities of the [IASB] and the Interpretations Committee, including standard-setting, the development of materials to support the consistent application of IFRS [Accounting] Standards, and the IFRS [Accounting] Taxonomy.

3. In this paper, there are no projects for which the DPOC is being asked to specifically confirm that due process has been followed. **Accordingly, all information in this report is for information only.**
4. The report is structured as follows:
 - (a) due process matters in the period for noting (paragraphs 6–8); and
 - (b) other matters occurring during the period for the attention of the DPOC (paragraphs 9–29).
5. The accompanying appendices are as follows:
[Appendix A](#)—Overview of projects on the work plan
[Appendix B](#)—Due process documents published in the period.

Due process matters in the period for noting

Due process documents published

6. The due process documents published in the period are listed in [Appendix B](#). The staff confirm that the required due process steps have been completed for each of the documents listed. When the IASB is required to review a summary of the due process steps undertaken for a due process document, the DPOC receives a copy of the supporting IASB paper in advance of the IASB's discussion.

Due process decisions

7. In March 2025, the IASB confirmed it was satisfied that it had complied with the applicable due process requirements and has undertaken sufficient consultation and analysis to begin the balloting process without re-exposure of the amendments to IFRS 19 *Subsidiaries without Public Accountability: Disclosures*.

Agenda paper compliance report¹

8. In the period 1 February 2025 to 30 April 2025, all agenda papers discussed by the IASB and the Interpretations Committee were made available on the public website unaltered.

Other matters occurring during the period for the attention of the DPOC

Work plan developments

Fourth Agenda Consultation

9. The IASB started its Fourth Agenda Consultation in March 2025. The DPOC will discuss this project in a separate session. See Agenda Paper DP4.

Post-implementation review of IFRS 16 Leases

10. The IASB began the post-implementation review (PIR) of IFRS 16 in June 2024. IFRS 16 was effective for annual reporting periods beginning on or after 1 January 2019. It eliminated the model in which a lessee classified leases as either operating leases or finance leases as required by the previous Standard (IAS 17 *Leases*) and introduced a single lessee accounting model that requires a lessee to recognise: (a) assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value; and (b) depreciation of lease assets separately from interest on lease liabilities in the income statement.
11. During the period, the IASB discussed research and feedback from stakeholders undertaken since the start of the project, including with consultative groups, to decide what questions should be included in the Request for Information. The IASB will be asked to approve the publication of the Request for Information in May, and it is expected to be published in June 2025 to seek stakeholder feedback to help the IASB assess whether the new requirements are working as intended.

Research and standard-setting updates

Amortised Cost Measurement

12. During the Post-implementation Review of IFRS 9 *Classification and Measurement* and the Post-implementation Review of IFRS 9 *Impairment*, stakeholders identified application questions and accounting challenges related to the amortised cost measurement requirements in IFRS 9.

¹ Paragraph 3.12 of the *Due Process Handbook* states 'The technical staff is required to report to the [IASB] and the DPOC at least annually on the extent to which material discussed by the [IASB] or the Interpretations Committee has not been made available to observers and the main reasons for doing so. In addition, the technical staff is required to include in that report the number of meeting papers that have been distributed less than five working days in advance and the main reasons for doing so.'

Specifically, they asked the IASB to clarify and provide additional application guidance about requirements related to:

- (a) the effective interest method; and
 - (b) the modification of financial instruments (including modifications that lead to derecognition) and write-off of financial assets.
13. In response to this feedback, the IASB has started a project to make targeted improvements to amortised cost measurement requirements in IFRS 9. The objective of this project is:
- (a) to resolve widespread application issues arising from these requirements in IFRS 9 by clarifying the underlying principles or developing new principles and adding guidance; and
 - (b) to improve information provided to users of financial statements about the effect of modifications, derecognition or write-offs on an entity's financial instruments.
14. With this project, the IASB ultimately aims:
- (a) to reduce diversity in practice by clarifying amortised cost measurement requirements; and
 - (b) to clarify intersections between amortised cost requirements and impairment requirements in IFRS 9.
15. During the period, the IASB discussed the scope and plan for this project, aiming to develop proposals by Q1 2026.

Business Combinations – Disclosures, Goodwill and Impairment

16. In March 2024, the IASB published its Exposure Draft *Business Combinations—Disclosures, Goodwill and Impairment*, with a 120-day comment period ending in July 2024. The Exposure Draft sets out a package of proposals with the objective of developing requirements for entities to provide more useful information to users about business combinations, at a reasonable cost.
17. Users of financial statements say they need better information to enable them to assess the price paid for an acquisition and whether the acquisition was successful. Users view acquisitions as a particularly large and risky form of capital deployment. The IASB has sought to balance user information needs with practical concerns about the commercial sensitivity, location and auditability (mainly whether the proposed disclosures in the audited financial statements would contribute to an expectations gap about the achievability of targets and synergies related to the combination) of disclosures.
18. During the period, the IASB began redeliberating its proposals. Among other decisions, it tentatively decided to retain the project's objective and the approach (topics on which to finalise requirements) to achieving that objective.

Supporting consistent application

IFRS 18 Presentation and Disclosure in Financial Statements

19. In April 2024, the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements*, replacing IAS 1 *Presentation of Financial Statements*. The Standard is effective for annual periods beginning on or after 1 January 2027. Subsequent to issuance, we participated in several webcasts, conferences and forums to support implementation. We understand that as stakeholders begin working through implementation, questions are arising in practice. We stand ready to support stakeholders, including through consideration of submissions to the Interpretations Committee.

20. In addition, in March 2025, the IASB discussed how to update explanatory material in agenda decisions when they explain how to apply the principles and requirements in IAS 1. These agenda decisions (or parts thereof) will still be relevant after IFRS 18 becomes effective for annual reporting period beginning on or after 1 January 2027. Although IFRS 18 carried forward some requirements from IAS 1 unchanged, other requirements have been replaced by new or amended requirements in IFRS 18. Depending on the requirements in the agenda decision and the effect of IFRS 18, the agenda decisions will either be withdrawn, updated with a new reference when IFRS 18 becomes effective or reconsidered by the Interpretations Committee.

Maintenance projects – Climate-related risks in the financial statements

21. IFRS Accounting Standards already require climate-related matters to be reflected in the financial statements when material. However, some stakeholders continue to express concerns that the information about the effects of climate-related risks in the financial statements is insufficient or appears inconsistent with information reported outside the financial statements. The IASB, therefore, decided to add a narrow-scope project to its work plan as part of its Third Agenda Consultation and bring about improvements in a timely manner.
22. The project team includes a member of the ISSB Technical Staff, with support from an ISSB member, to provide expertise on climate-related matters and connectivity with the ISSB's work.
23. In July 2024, the IASB published an exposure draft of proposed illustrative examples to help improve the application of existing IFRS Accounting Standards to the reporting of climate-related and other uncertainties in the financial statements, as well as strengthen connections between information a company provides in its financial statements and the information it provides in other parts of its general purpose financial reports. The proposed illustrative examples do not change the Standards; rather, they help stakeholders by providing additional insights into how to apply the existing Standards.
24. The IASB and ISSB met jointly in February 2025 to discuss feedback to the exposure draft. Overall, most respondents generally agreed that the examples will help improve financial statements. However, many expressed concerns with particular aspects of the examples illustrating the application of materiality. Many also say more should be done to improve connectivity in general purpose financial reports.
25. In April 2025, the IASB discussed ways to improve the examples to address concerns regarding the application of materiality.
26. In May 2025, the IASB will further discuss ways to improve the examples to address the comments received. The IASB will also discuss ways to respond to comments about further connectivity in general purpose financial reports.
27. Subject to the IASB's decision, the final examples are expected to be published in Q4 2025. If finalised as Illustrative Examples, they would not have an effective date or transition requirements, as they do not change the Standards. Rather, subject to the IASB's discussion, the IASB could re-iterate the expectations it set out in the exposure draft that it expects entities to be entitled to sufficient time to implement any changes to the information disclosed in their financial statements as a result of the issuance of the illustrative examples. Determining how much time is sufficient is a matter of judgement that depends on an entity's particular facts and circumstances. Nonetheless, an entity would be expected to implement any change on a timely basis.

Interpretations Committee

28. The Interpretations Committee met in March 2025. At that meeting, the Interpretations Committee:
- (a) voted to finalise three agenda decisions (see table in [Appendix B](#)). The agenda decisions were published in April 2025 following the IASB's April 2025 meeting at which the IASB—in accordance with paragraph 8.7 of the *Due Process Handbook*—confirmed that it did not object to the agenda decisions.
 - (b) provided input on the IASB's project on Translation to a Hyperinflationary Presentation Currency.
29. At 30 April 2025, there was (were):
- (a) one tentative agenda decision—*Assessing Indicators of Hyperinflationary Economics* (IAS 29 *Financial Reporting in Hyperinflationary Economies*)—whose comment period has ended. The Interpretations Committee will consider feedback on the tentative agenda decision, expected at its June 2025 meeting.
 - (b) two submissions recently received that the Interpretations Committee has not yet considered.

Appendix A—Overview of projects on the Work Plan

[abbreviations: DP=Discussion Paper; ED=Exposure Draft; RFI=Request for Information; ASAF=Accounting Standards Advisory Forum; CMAC=Capital Markets Advisory Committee; GPF=Global Preparers Forum; EEG=Emerging Economies Group; SMEIG=SME Implementation Group; IFCG=Islamic Finance Consultative Group; IRCC=Integrated Reporting and Connectivity Council]

Project	Objective	Next due process step	Date	Timeline consistent with prior report	Current activity	Last due process document	Consultative group discussions ²
Governance projects							
Fourth Agenda Consultation	To consult on the strategic direction and balance of the IASB's work plan, the criteria for assessing projects that may be added to the IASB's work plan, and priority financial reporting matters.	Request for information	Q4 2025	N/A (new project)	• IASB met in March 2025 to discuss its approach to its Fourth Agenda Consultation, and its project plan.	N/A	EEG: May 2025 Advisory Council: Apr 2025
Research projects							
Amortised Cost Measurement	To make targeted improvements to the amortised cost measurement requirements in IFRS 9 <i>Financial Instruments</i> by clarifying their underlying principles and adding accompanying application guidance.	Decide Project Direction	H1 2026	✓	The IASB met in February 2025 to discuss the project plan.	N/A	ASAF: Dec 2024 EEG: Dec 2024 IC: Nov 2024
Intangible Assets	To review the accounting requirements for intangibles. Initial research will seek to define the project's scope and explore how best to stage work on this topic to produce timely improvements to IFRS Accounting Standards.	Decide Project Direction	May 2025	✓	• IASB met in March 2025 to discuss feedback and possible project objectives.	N/A	CMAC/GPF joint meeting: Jun 2024 ASAF: Mar 2025 IC: Jun 2024 EEG: Dec 2024 GPF: Mar 2025

² Most recent discussion with each group highlighted

Project	Objective	Next due process step	Date	Timeline consistent with prior report	Current activity	Last due process document	Consultative group discussions ²
PIR of IFRS 16	To assess the effects of the new requirements on entities, users, auditors and regulators.	Request for Information	Jun 2025	✓	• The IASB met in March 2025 to discuss feedback gathered in the first phase of the PIR and decide what questions should be included in the RFI.	N/A	ASAF: Mar 2025 IC: Sep 2024 CMAC: Nov 2024 GPF: Nov 2024 EEG: Dec 2024 ITCG: Dec 2024 IFCG: Dec 2024
Statement of Cash Flows and Related Matters	To review and improve the requirements for the statement of cash flows and related matters in IFRS Accounting Standards.	Decide Project Direction	May 2025	N/A (new milestone)	• The IASB met in March 2025 to discuss its initial research findings.	N/A	CMAC/GPF joint meeting: Jun 2024 CMAC: Mar 2025 GPF: Mar 2025 ASAF: Mar 2025 EEG: Dec 2024 IC: Nov 2024
Standard-setting projects							
Business Combinations—Disclosures, Goodwill and Impairment	To explore whether entities can, at a reasonable cost, provide users with more useful information about the acquisitions those entities make. The IASB is considering ways to meet the objective though improving the disclosure requirements about business combinations and the impairment test for groups of assets containing goodwill	Decide Project Direction	2026	✓	• The IASB is redeliberating the proposals in the ED.	ED published Mar 2024.	ASAF: Jul 2024 CMAC/GPF Joint meeting: Jun 2024 EEG: May 2024 IFCG: May 2024 IC: Jun 2024

Project	Objective	Next due process step	Date	Timeline consistent with prior report	Current activity	Last due process document	Consultative group discussions ²
Dynamic Risk Management	To develop an accounting model to better reflect how an entity's interest rate risk management strategy may affect the amount, timing and uncertainty of future cash flows and the effect of risk management activities on its financial statements.	Exposure Draft	H2 2025	Deferred from mid-2025 to ensure clear and understandable drafting and due to resource constraints	<ul style="list-style-type: none"> The IASB finalised its deliberations on the technical aspects in October 2024 and gave the staff permission to draft the Exposure Draft. 	DP published in 2014	ASAF: Sep 2024 IFCG: May 2024
Equity method	To develop answers to application questions about the equity method, as set out in IAS 28 <i>Investments in Associates and Joint Ventures</i> , using the principles derived from IAS 28 where possible.	Exposure Draft Feedback	May 2025	Deferred by one month due to resource constraints	<ul style="list-style-type: none"> The staff is analysing comment letters. 	ED published Sep 2024	ASAF: Mar 2025 GPF: Nov 2024 CMAC: Nov 2024 EEG: Dec 2024
Financial Instruments with Characteristics of Equity	To improve the information that entities provide in their financial statements about the financial instruments they have issued and address challenges with applying IAS 32 <i>Financial Instruments: Presentation</i>	Final Amendments	2026	✓	<ul style="list-style-type: none"> The IASB continued to discuss feedback on the ED during the period. 	ED published Nov 2023	ASAF: Mar 2025 CMAC: Mar 2025 GPF: Mar 2025 EEG: May 2025 IFCG: May 2024

Project	Objective	Next due process step	Date	Timeline consistent with prior report	Current activity	Last due process document	Consultative group discussions ²
Management Commentary	To revise and update Practice Statement 1 <i>Management Commentary</i> issued in 2010	Final Revised Practice Statement	June 2025	✓	• IASB is balloting the final Revised Practice Statement.	ED published May 2021	Management Commentary Consultative Group: May 2024 Advisory Council: Apr 2023 ASAF: Dec 2024 CMAC: Jun 2021 EEG: Dec 2024 GPF: Jun 2021 IRCC: Jun 2024 IFRS Taxonomy Consultative Group: Nov 2021
Rate-regulated Activities	To develop a new accounting model to give users of financial statements better information about an entity's incremental rights and obligations arising from its rate-regulated activities	IFRS Accounting Standard	H2 2025	✓	• Staff is drafting the final Standard and conducting outreach.	ED published Jan 2021	Consultative Group for Rate Regulation: Nov 2023 ASAF: Dec 2024 CMAC: Mar 2021 GPF: Mar 2021 EEG: Dec 2024

Project	Objective	Next due process step	Date	Timeline consistent with prior report	Current activity	Last due process document
Maintenance projects						
Climate-related and Other Uncertainties in the financial statements	To explore whether and how financial statements can better communicate information about climate-related and other uncertainties.	Decide Project Direction	May 2025	✓	<ul style="list-style-type: none"> The IASB and ISSB met jointly in Feb 2025 to discuss feedback on the exposure draft. The IASB met in April 2025 to discuss a plan for completing the project. 	ED published Jul 2024
Provisions—Targeted Improvements	To develop proposals for three targeted improvements to IAS 37: (i) aligning the IAS 37 liability definition and requirements for identifying liabilities with the <i>Conceptual Framework</i> ; and (ii) clarifying two aspects of the measurement requirements	Exposure Draft Feedback	June 2025	✓	<ul style="list-style-type: none"> Comment period on the Exposure Draft closed on 12 March 2025. Staff are currently analysing feedback on the Exposure Draft 	ED published Nov 2024
Updating IFRS 19 Subsidiaries without Public Accountability: Disclosures Standard	To update IFRS 19 for IFRS Accounting Standards that have been issued or amended since the IASB published the Exposure Draft relating to IFRS 19 in July 2021	Final Amendment	Q3 2025	✓	<ul style="list-style-type: none"> The comment period on the Exposure Draft closed 27 November 2024. During the period the IASB met to redeliberate proposals in the Exposure Draft. The IASB is in the balloting process. 	ED published Jul 2024
Translation to a Hyperinflationary Presentation Currency (IAS 21)	To make targeted amendments about the use of a hyperinflationary presentation currency by an entity whose functional currency is not hyperinflationary.	Exposure Draft Feedback	May 2025	✓	<ul style="list-style-type: none"> Comment period ended 22 November 2024. Staff are currently analysing feedback on the Exposure Draft. 	ED published Jul 2024

Project	Objective	Next due process step	Date	Timeline consistent with prior report	Current activity	Last due process document
IFRS Accounting Taxonomy projects						
IFRS Accounting Taxonomy Update – Primary Financial Statements	To consider changes to the IFRS Accounting Taxonomy resulting from the Primary Financial Statements project, which is proposing requirements for presentation and disclosure in financial statements, with a focus on the statement of profit or loss.	N/A – project completed	N/A – project completed	✓	TU published March 2025. This project will now be removed from future reports.	IFRS Accounting Taxonomy 2024—Proposed Update 1 IFRS 18 <i>Presentation and Disclosure in Financial Statements</i>
IFRS Accounting Taxonomy Update—Subsidiaries without Public Accountability: Disclosures and Amendments to IFRS 7 and IFRS 9 and Annual Improvements	To consider changes to the IFRS Accounting Taxonomy resulting from: <ul style="list-style-type: none"> IFRS 19 Subsidiaries without Public Accountability: Disclosures; and Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7). Annual Improvements to IFRS Accounting Standards—Volume 11 	N/A – project completed	N/A – project completed	✓	TU published March 2025. This project will now be removed from future reports.	IFRS Accounting Taxonomy 2024—Proposed Update 3 IFRS 19 <i>Subsidiaries without Public Accountability: Disclosures, Amendments to the Classification and Measurement of Financial Instruments and Annual Improvements</i>
IFRS Accounting Taxonomy Update—Contracts for Renewable Electricity	To consider changes to the IFRS Accounting Taxonomy resulting from the project on Power Purchase Agreements.	N/A – project completed	N/A – project completed	✓	TU published March 2025. This project will now be removed from future reports.	IFRS Accounting Taxonomy 2024—Proposed Update 2 <i>Contracts for Renewable Energy</i>

Appendix B—Due process documents published in the period

Standard-setting due process documents

Due process document	Due process stage	Date published	Due process reviewed by IASB ³	All applicable due process steps completed
<i>Third edition of the IFRS for SMEs Accounting Standard</i>	<i>IFRS for SMEs Accounting Standard (includes finalisation of Addendum Exposure Draft)</i>	March 2025	July 2024 <i>(Third edition of the IFRS for SMEs Accounting Standard)</i> September 2024 (Addendum Exposure Draft)	✓

³ Paragraph 4.16, 6.6 and 6.22–6.24 of the *Due Process Handbook* set out the due process requirements for the IASB when publishing a Discussion Paper, an Exposure Draft, and a new or amended Standard respectively. Before publishing these documents, the staff presents a summary of the due process steps to the IASB and asks the IASB to confirm that it is satisfied that all necessary steps have been completed. The DPOC receives a copy of this summary in advance of the Board discussion.

IFRS Accounting Taxonomy due process documents

Due process document	Due process stage	Date published	All applicable due process steps completed
IFRS Accounting Taxonomy 2024—Proposed Update 1 IFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	Taxonomy Update	March 2025	✓
IFRS Accounting Taxonomy 2024—Proposed Update 3 IFRS 19 <i>Subsidiaries without Public Accountability: Disclosures, Amendments to the Classification and Measurement of Financial Instruments and Annual Improvements</i>	Taxonomy Update	March 2025	✓
IFRS Accounting Taxonomy 2024—Proposed Update 2 <i>Contracts for Renewable Energy</i>	Taxonomy Update	March 2025	✓

Submissions discussed by the IFRS Interpretations Committee progressing towards an agenda decision

Topic	Current due process stage	Date published	Approved by Interpretations Committee	IASB not object ⁴	All applicable due process steps completed	Next step	Remarks
Assessing Indicators of Hyperinflationary Economies (IAS 29)	Tentative agenda decision	4 December 2024	26 November 2024	N/A	✓	Tentative agenda decision feedback	The Interpretations Committee will consider feedback on the tentative agenda decision, expected in June 2025.
Recognition of Intangible Assets Resulting from Climate-related Expenditure (IAS 38)	Agenda decision	11 April 2025	11 March 2025	9 April 2025	✓	N/A	N/A
Guarantees Issued on Obligations of Other Entities	Agenda decision	11 April 2025	11 March 2025	9 April 2025	✓	N/A	N/A
Recognition of Revenue from Tuition Fees (IFRS 15)	Agenda decision	11 April 2025	11 March 2025	9 April 2025	✓	N/A	N/A

⁴ Paragraph 8.7 of the *Due Process Handbook* requires the IASB to be asked whether it objects to a (final) agenda decision approved by the Interpretations Committee before that agenda decision is published.