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**IASB<sup>®</sup> Meeting**

Date **June 2025**

Project **Translation to a Hyperinflationary Presentation Currency**

Topic **Effective date and due process requirement**

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This paper has been prepared for discussion at a public meeting of the International Accounting Standards Board (IASB). This paper does not represent the views of the IASB or any individual IASB member. Any comments in the paper do not purport to set out what would be an acceptable or unacceptable application of IFRS<sup>®</sup> Accounting Standards. The IASB's technical decisions are made in public and are reported in the IASB<sup>®</sup> *Update*.

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## Purpose of this paper

1. As we explain in Agenda Paper 12, in this paper we:
  - (a) ask the International Accounting Standards Board (IASB) whether it agrees with our recommendations with respect to the effective date for the amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates*;
  - (b) explain the steps in the [Due Process Handbook](#) (Handbook) the IASB has taken in developing the narrow-scope amendments;
  - (c) ask the IASB's permission to begin the process for balloting the amendments; and
  - (d) ask if any IASB member plans to dissent from the publication of the final amendments.
2. The paper is structured as follows:
  - (a) summary of staff recommendations (paragraph 3);
  - (b) effective date (paragraphs 4–10);
  - (c) due process steps and permission for balloting:
    - (i) considering re-exposure (paragraphs 11–14);

- (ii) intention to dissent (paragraph 15);
  - (iii) confirmation of due process steps (paragraphs 16–17); and
  - (iv) proposed timetable for balloting and publication (paragraph 18).
- (d) questions to the IASB (pages 4 and 5); and
- (e) appendix—due process steps.

## Summary of staff recommendations

3. We recommend:
- (a) requiring an entity to apply the amendments to IAS 21 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted; and
  - (b) finalising the amendments without re-exposure.

## Effective date

4. Paragraph 6.35 of the Handbook explains that the effective date of any amendments is set so that jurisdictions have sufficient time to incorporate the new requirements into their legal systems and those applying IFRS Accounting Standards have sufficient time to prepare for the new requirements.
5. The IASB generally allows at least 12–18 months between the issuance of a new IFRS Accounting Standard or amendment and its effective date. If the IASB agrees with our recommendations set out in Agenda paper 12A and this paper, we expect the IASB to issue the amendments in the fourth quarter of 2025.
6. We recommend an effective date of annual reporting periods beginning on or after 1 January 2027—that is, approximately 12–15 months after issuance of the amendments.

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7. In our view, setting this date as the effective date would allow an entity sufficient time to prepare for the amendments because:
- (a) the amendments are narrow in scope;
  - (b) the inputs needed to apply the amendments retrospectively are expected to be readily available to entities at minimal or no additional cost. Those inputs are:
    - (i) the applicable financial information, such as comparative amounts in the currency of a non-hyperinflationary economy which the entity would already have in order to apply existing requirements in IAS 21; and
    - (ii) the closing rate at the date of the most recent statement of financial position (which the entity already uses to apply existing requirements in IAS 21).
8. Further, such an effective date would allow jurisdictions sufficient time to incorporate the new requirements into their legal systems.
9. Limited feedback on the effective date (a few respondents) mentioned 2027 as the earliest effective date that stakeholders expected, which gives an indication that this is a reasonable date.
10. The IASB received no feedback on its proposal to permit earlier application. We therefore recommend finalising the proposal to permit earlier application, with a requirement to disclose the fact that the amendments have been applied early when that is the case.

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## Question to the IASB

### Question 1—Effective date

Does the IASB agree with our recommendation to require an entity to apply the amendments to IAS 21 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted?

## Due process steps and permission for balloting

### Re-exposure

11. Subject to decisions made in this meeting, we expect to finalise the amendments with changes made in response to feedback. Paragraph 3 of Agenda Paper 12 summarises those changes.
12. In the light of these changes, we considered the requirements in paragraphs 6.25–6.29 of the Handbook to assess whether the IASB should re-expose the amendments.
13. The changes respond to feedback do not, in our view, represent a significant change to the proposed amendments included in the Exposure Draft. These changes respond to concerns raised in the feedback and the exception (see paragraph 3(a) of Agenda Paper 12) was suggested by stakeholders responding to the proposed amendments. We also asked for input from about the exception from members of the IFRS Interpretations Committee at their meeting in March 2025 (see Appendix A of [Agenda Paper 12B](#) to the IASB's May 2025 meeting). It is unlikely that re-exposure would reveal new information or feedback not already considered.
14. Accordingly, we recommend finalising the amendments without re-exposure.

### Intention to dissent

15. In accordance with paragraph 6.23 of the Handbook, we would like to ask whether any IASB member intends to dissent from the amendments.

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**Confirmation of due process steps**

16. In the appendix to this paper, we summarise the due process steps taken in developing the amendments. The applicable due process steps to date for issuing the amendments have been completed.
17. We request permission to start the balloting process if the IASB is satisfied that (a) it has been provided with sufficient analysis, and (b) has undertaken appropriate consultation and due process, to support the issuance of the final amendments.

**Proposed timetable for balloting and publication**

18. The balloting process for the amendments will commence in the near term, with the amendments planned for issuance in the fourth quarter of 2025.

**Questions to the IASB****Questions 2–4—Re-exposure, dissent and permission to ballot**

1. Does the IASB agree with our recommendation to finalise the amendments without re-exposure?
2. Does any IASB member intend to dissent from the amendments?
3. Is the IASB satisfied it has complied with the applicable due process requirements and that it has undertaken sufficient consultation and analysis to begin the balloting process for the amendments?

## Appendix—Actions taken to meet due process requirements

Step	Required/Optional	Actions
<b>Consideration of information gathered during consultation</b>		
<b>The International Accounting Standards Board (IASB) posts all the comment letters that are received in relation to the Exposure Draft on the project pages.</b>	Required	The IASB received 32 comment letters to the Exposure Draft which can be accessed <a href="#">here</a> .
<b>IASB and IFRS Interpretations Committee meetings are held in public, with papers being available for observers. All decisions are made in public sessions.</b>	Required	<p>Since the end of the consultation period, the IASB has discussed the feedback and redeliberated the proposals in the Exposure Draft in two meetings (including this meeting). All decisions with regards to the amendments were taken during these meetings.</p> <p>The <a href="#">project page</a> contains a full description with up-to-date information and links to all IASB and IFRS Interpretations Committee meetings related to the project. Agenda papers for each meeting were posted on the website before the meeting and a summary of each meeting was included in IASB <i>Update</i> or <i>IFRIC Update</i> as applicable.</p>
<b>Analysis of likely effects of the forthcoming Standard or major amendment, for example, costs or on-going associated costs.</b>	Required	<p>The amendments are narrow-in-scope. Information relating to the likely effects of the amendments in the Exposure Draft were discussed by the IASB at its February 2024 meeting (<a href="#">Agenda Paper 12K</a>).</p> <p>The changes made to the proposals in the Exposure Draft are in response to feedback, and were made considering the cost-benefit analysis of a piece of the proposal. This was considered in the discussions held in May 2025 (Agenda Paper <a href="#">12A</a> and <a href="#">12B</a>).</p> <p>Consequently, this analysis of likely effects remains applicable. A discussion of the likely effects of the amendments will be incorporated in the Basis for Conclusions accompanying the final amendments.</p>
<b>Outreach meetings to promote debate and hear views on proposals that are published for public comment.</b>	Optional	During the development of the Exposure Draft, we held outreach meetings with four large accounting firms, an organisation representing a group of national standard-setters, a regulator, two users of financial statements (investors) and a preparer. (See

<b>Step</b>	<b>Required/Optional</b>	<b>Actions</b>
<b>Regional discussion forums are organised with national standard-setters and the IASB.</b>	Optional	<p>details in papers <a href="#">5A of June 2023 Committee meeting</a>).</p> <p>In addition to feedback from comment letters in response to the Exposure Draft, we met with four standard-setters to understand their comments and feedback they received from their stakeholders. We also observed a presentation by the FACPCE at the December 2024 meeting of the Emerging Economies Group (EEG) (See details in Agenda Paper <a href="#">12 of May 2025 IASB meeting</a>). In addition, we discussed the proposed exception with the Interpretations Committee (<a href="#">March 2025</a>).</p>
<b>Finalisation</b>		
<b>Due process steps are reviewed by the IASB.</b>	Required	This paper asks the IASB to review the due process steps taken and whether the IASB is satisfied that it has complied with all the requirements applicable to date. I
<b>Need for re-exposure of a Standard is considered.</b>	Required	See paragraphs 11–14 of this paper.
<b>The IASB sets an effective date for the Standard, considering the need for effective implementation.</b>	Required	See paragraphs 4–10 of this paper
<b>Drafting</b>		
<b>Drafting quality assurance steps are adequate.</b>	Required	<p>This step will be completed throughout the drafting and balloting process for issuing the final amendments.</p> <p>The Editorial team will review the amendments in different stages of the balloting process.</p> <p>We also intend to send a draft of the amendments to external parties for review. This process allows external parties to review and report back on the clarity and understandability of the draft</p>
<b>Publication</b>		
<b>Press release to announce final Standard.</b>	Required	This step will be completed in due course. A press release will be published with the amendments
<b>A Feedback Statement is provided, which provides high level executive summaries of the Standard and explains how the IASB has responded to the comments received.</b>	Required	Not considered necessary because these amendments are narrow in scope. According to paragraph 6.38 of the Handbook, a Feedback Statement is required for all new IFRS Accounting Standards and major amendments.

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<i>Step</i>	<i>Required/Optional</i>	<i>Actions</i>
<b>Standard is published.</b>	Required	The amendments will be made available on the IFRS Foundation website when published.