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**IFRS<sup>®</sup> Interpretations Committee meeting**

Date **June 2025**  
Project **Consistent Application Activities**  
Topic **Updates to agenda decisions for IFRS 18**  
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**Introduction and objective**

1. At the [November 2024](#) meeting of the IFRS Interpretations Committee (Committee), we discussed with you how we planned to update the annotations of agenda decisions in the annotated versions of issued IFRS Accounting Standards (Issued Bound Volumes) following the issuance of IFRS 18 *Presentation and Disclosure in Financial Statements*.
2. At the [April 2025](#) meeting of the International Accounting Standards Board (IASB), the IASB considered whether and how to update references to IAS 1 *Presentation of Financial Statements* in some agenda decisions once IFRS 18 becomes effective (that is, from 1 January 2027) and IAS 1 *Presentation of Financial Statements* is withdrawn. At that meeting, the IASB decided to ask the Committee to consider updating ten agenda decisions that refer to, but do not focus only on, the requirements in IAS 1 that were not brought forward unchanged<sup>1</sup> to IFRS 18 or other IFRS Accounting Standards.<sup>2</sup>

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<sup>1</sup> In this agenda paper, we refer to requirements in IAS 1 *Presentation of Financial Statements* being brought forward unchanged if there are either no differences or only editorial differences in the wording in IAS 1 and the wording in IFRS 18 *Presentation and Disclosure in Financial Statements* (or other amended IFRS Accounting Standards).

<sup>2</sup> For example, some requirements in IAS 1 were brought forward unchanged to IAS 8 *Basis of Preparation of Financial Statements*.

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3. At this meeting, we want to ask the Committee whether it agrees with our recommendations of how to update the ten agenda decisions. We include our analysis and recommendations in Agenda Papers 5A–5B of this meeting.

## Structure of the paper

4. In this paper, we include background information and next steps. The other papers for this meeting include:
- (a) *Agenda Paper 5A*—our analysis and recommendations of how to update nine agenda decisions for references to IAS 1; and
  - (b) *Agenda Paper 5B*—our analysis and recommendations of how to update the agenda decision about reverse factoring.

## Background

5. After publication in IFRIC<sup>®</sup> *Update*, agenda decisions are made available on our website and are included, by way of staff annotations, in the annotated versions of IFRS Accounting Standards.
6. According to paragraph 8.5 of the IFRS Foundation's [Due Process Handbook](#) (Due Process Handbook), any explanatory material included in agenda decisions derives its authority from the relevant IFRS Accounting Standards.<sup>3</sup> Consequently, when new requirements become effective, the IASB typically take one of two approaches regarding agenda decisions:

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<sup>3</sup> Paragraph 8.5 of the Due Process Handbook states: 'Explanatory material derives its authority from the Standards themselves. Accordingly, an entity is required to apply the applicable IFRS Standard(s), reflecting the explanatory material in an agenda decision (subject to it having sufficient time to implement that accounting—see paragraph 8.6).'

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- (a) an agenda decision is withdrawn in its entirety if the explanatory material refers to requirements that have changed or are no longer effective; or
    - (b) the references included in the explanatory material are updated with those of the new or amended IFRS Accounting Standard if the requirements have been brought forward unchanged.
  - 7. To the extent there is diversity or expected diversity in applying the changed or new requirements to the accounting matter addressed by the agenda decision that has been withdrawn (paragraph 6(a)), stakeholders can resubmit the question to the Interpretations Committee following the process set out on our [website](#).
  - 8. As discussed by the IASB at its [April 2025](#) meeting, 31 agenda decisions were identified that reference IAS 1 to which the abovementioned two approaches will be applied:
    - (a) two agenda decisions ([Presentation requirements](#) and [Presentation of Liabilities or Assets Related to Uncertain Tax Treatments](#)) focus on questions about the requirements in IAS 1 for which the IASB developed new requirements in IFRS 18. These agenda decisions will, therefore, be withdrawn once IFRS 18 becomes effective (the approach in paragraph 6(a) above).
    - (b) three agenda decisions ([Disclosure requirements relating to assessment of going concern](#); [Going concern disclosure](#) and [Comparative information for prospectuses](#)) focus on questions about the requirements in IAS 1 that have been brought forward unchanged to IFRS 18 or other IFRS Accounting Standards. When IFRS 18 becomes effective, we will update the references included in the explanatory material of these agenda decisions with new references (the approach in paragraph 6(b) above).
    - (c) twenty-six agenda decisions include explanatory material that, in addition to referring to other Standards, reference requirements in IAS 1 that have been brought forward unchanged to IFRS 18 or other IFRS Accounting Standards.

When IFRS 18 becomes effective, we will update the references included in the explanatory material of these agenda decisions with references to IFRS 18 or other IFRS Accounting Standards (the approach in paragraph 6(b) above).

9. 10 agenda decisions were identified that refer to, but do not focus only on, requirements in IAS 1 that were not brought forward unchanged to IFRS 18 or other IFRS Accounting Standards. These include:
- (a) one agenda decision (Current or non-current asset classification—normal operating cycle (June 2005)) that references both requirements in IAS 1 that have been brought forward unchanged and requirements in IAS 1 that have not.
  - (b) nine agenda decisions that include explanatory material that, in addition to referring to other Standards, reference requirements in IAS 1 that have not been brought forward unchanged.
10. The nine agenda decisions referred to in paragraph 9(b) are:
- (a) Disclosure of Revenues and Expenses for Reportable Segments (July 2024)
  - (b) Demand Deposits with Restrictions on Use arising from a Contract with a Third Party (April 2022);
  - (c) Supply Chain Financing Arrangements—Reverse Factoring (December 2020);
  - (d) Subsequent Expenditure on Biological Assets (September 2019);
  - (e) Disclosure of Changes in Liabilities Arising from Financing Activities (September 2019);
  - (f) Physical settlement of contracts to buy or sell a non-financial item (March 2019);
  - (g) Presentation of income and expenses arising on financial instruments with a negative yield (January 2015);

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- (h) [Presentation of payments on non-income taxes](#) (July 2012); and
  - (i) [Classification of tonnage taxes](#) (May 2009).
11. Applying the approach discussed in paragraph 6 would result in withdrawing the 10 agenda decisions. This is because the requirements in IAS 1 that these agenda decisions refer to were not brought forward unchanged.
12. However, the IASB was of the view that withdrawing the 10 agenda decisions in their entirety would not support consistent application. The explanatory material that references IFRS Accounting Standards other than IAS 1 in these agenda decisions remains relevant, and therefore the agenda decisions would continue to be useful to support consistent application, even after IFRS 18 becomes effective.
13. The IASB at its April 2025 meeting therefore considered whether and how to update these 10 agenda decisions.

### ***Updating the ten agenda decisions***

14. As paragraph 5.13 of the Due Process Handbook notes, the IASB and the Committee work together in supporting the consistent application of IFRS Accounting Standards. They do so by, among other things, publishing agenda decisions to address application questions.
15. In accordance with paragraph 8.4 of the Due Process Handbook, explanatory material in an agenda decision explains how the applicable principles and requirements in IFRS Accounting Standards apply to the transaction or fact pattern described in the agenda decision. Therefore, we as staff cannot:
- (a) update the references to the requirements in IAS 1 in these 10 agenda decisions with references to IFRS 18 or other IFRS Accounting Standards because the Committee did not discuss how the new or amended requirements apply to the submitted fact pattern.

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- (b) delete only the reference to the requirements in IAS 1 in these 10 agenda decisions. The references in IAS 1 are an embedded part of the agenda decision that was published and removing only that part could have unintended consequences with respect to the remaining parts of the agenda decision.
16. In the past, and in accordance with the [IFRS Foundation's Constitution](#)<sup>4</sup> and its due process, the IASB has, in some situations, asked the Committee to consider how an entity might walk through the requirements in IFRS Accounting Standards in determining the required accounting treatment for transactions, events or circumstances brought to the IASB's attention. For example, in [July 2018](#) the IASB asked the Committee to consider how an entity might apply IFRS Accounting Standards in determining its accounting for holdings of cryptocurrencies and Initial Coin Offerings. This request resulted in the Committee publishing the agenda decision [Holdings of cryptocurrencies](#).
17. At its [April 2025](#) meeting, the IASB decided to ask the Committee:
- (a) to consider replacing the references to IAS 1 with references to the new or amended requirements in IFRS 18 in nine out of the 10 agenda decisions identified in paragraphs 9–10. These nine agenda decisions reference general requirements about presentation, materiality and aggregation. See Agenda paper 5A.
  - (b) to consider how an entity applies the requirements in IFRS 18 to the fact pattern addressed by the agenda decision *Supply Chain Financing Arrangements—Reverse Factoring*. See Agenda Paper 5B.

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<sup>4</sup> Paragraph 43(a) of the [IFRS Foundation's Constitution](#) notes, the IFRS Interpretations Committee shall 'interpret the application of IFRS Accounting Standards...and undertake other tasks at the request of the IASB'.

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## Next steps

18. If the Committee agrees with our recommendations in the agenda papers for this meeting, we plan to publish the proposed updates to the wording of the 10 agenda decisions as one package as part of IFRIC *Update* for this meeting.
19. Consistent with the process for any tentative agenda decision, stakeholders will have 60 days to comment on the proposed updates. It will be important to emphasise that the Committee is asking for feedback only about the proposed updates. This is to ensure that stakeholders do not consider this an opportunity to comment again on other aspects of the Committee's technical analysis included in the agenda decisions.
20. We will consider stakeholder feedback and present our analysis of that feedback to the Committee at a future meeting. If, after considering that feedback, the Committee decides to finalise the proposed updates to the wording of the ten agenda decisions and the IASB does not object to finalising the proposed updates, we will reflect these updates in the individual agenda decisions once IFRS 18 becomes effective (that is, from 1 January 2027) and IAS 1 *Presentation of Financial Statements* is withdrawn.