Agenda paper 4

Update on the IASB's activities

IFRS Advisory Council
November 2025

Update on the IASB's activities

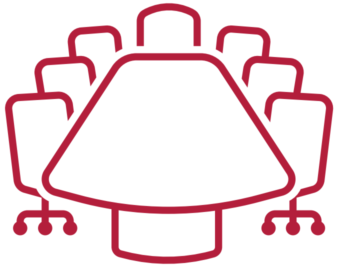
Contents

Adapting to a changing world—opportunities and uncertainty

Opportunities

Universal message

- Better information for better decisions



IASB technical work

- Continued momentum to deliver our commitments

Uncertainty

Geopolitical landscape

- Navigating with resilience through challenges in the global economy

IASB technical work

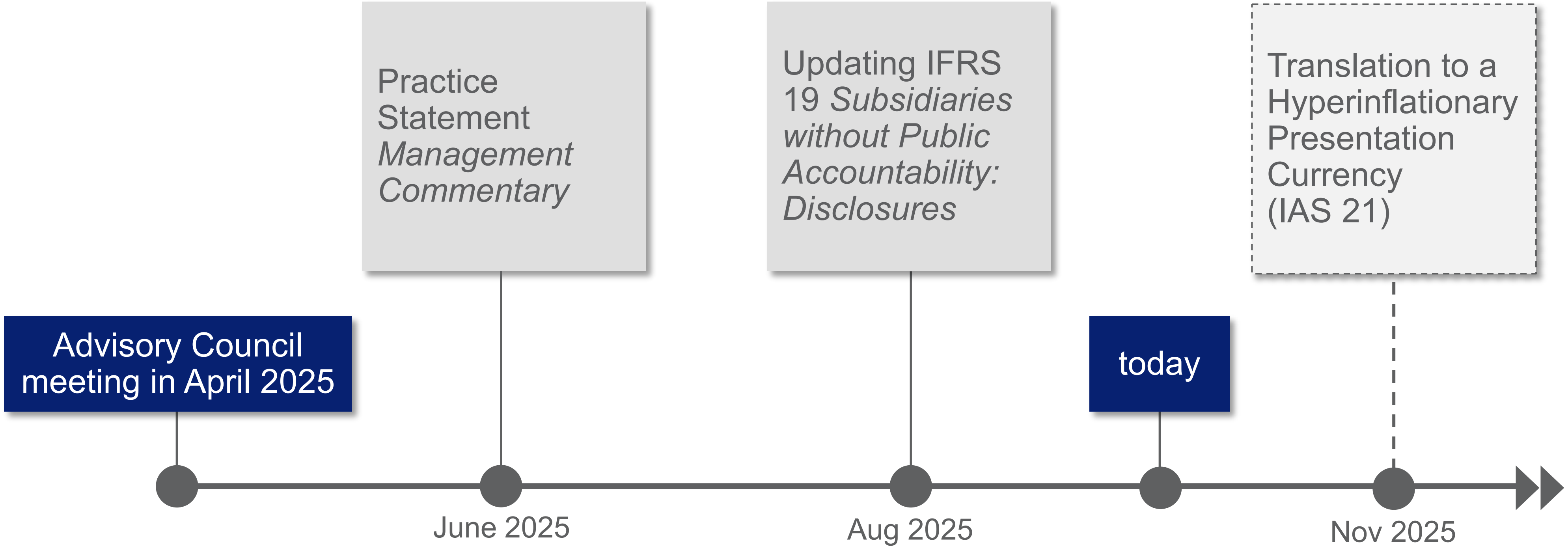
- Managing mixed stakeholder expectations and sensitivities

IASB work plan: overview

Type of project	As of 16/10/2025
Post-implementation reviews	1
Research projects	2
Standard-setting projects	6
Maintenance projects	3
Application questions (IFRS IC)	5
Total	**17**

IFRS
Accounting

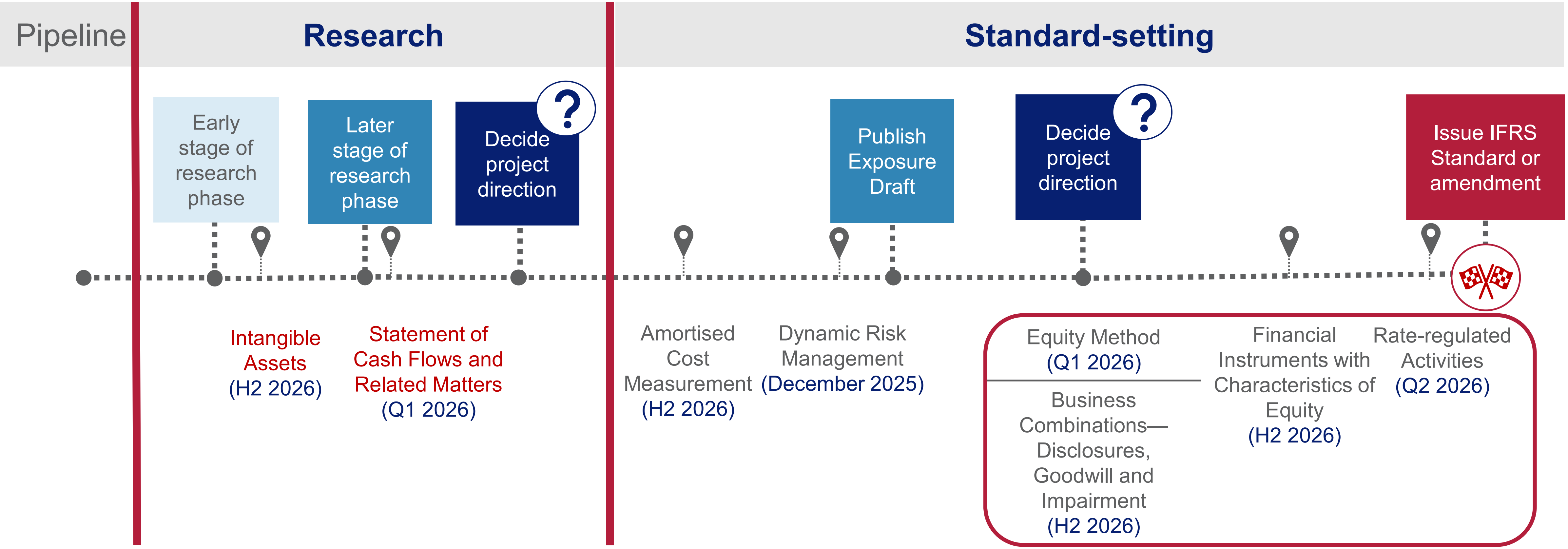
Projects completed



Dates represent expectation for next milestone

Technical work

Standard-setting and research projects



Intangible Assets

Objectives

- Improve the usefulness of information entities provide about intangible items in their financial statements
- Update IAS 38, in particular to make it more suitable for newer types of intangible items and new ways of using them

Approach

Starting a comprehensive review in a targeted way

Regular reflection points to assess additional evidence

Topics the project will explore

Initial streams

- ☑ User information needs
- ☑ Potential changes to the definition and some recognition criteria (using test cases)

Later streams (subject to change)

- ☑ Intangible assets held for investment
- ☑ Broader aspects of recognition
- ☑ Disclosure requirements
- ☑ Comparability of information about acquired and internally generated intangible assets

TBC

- ? Broader intangible items

Next milestone

Explore initial streams and decide project direction in H2 2026

Statement of Cash Flows and Related Matters

Objective

Assess potential ways to improve the requirements of IAS 7 *Statement of Cash Flows* in response to feedback on the Third Agenda Consultation and initial project research

Topics the project will explore

Investor priorities

- **Disaggregation** of cash flow information
- Reporting of information about **non-cash transactions**
- Transparency of information communicated about **cash flow measures not specified in IFRS Accounting Standards**

Consistent application

- Consistent application of requirements to **classify cash flows** as operating, investing, or financing
- Consistent application of the **definition of cash equivalents**

Other

- Applicability of the statement of cash flows and any possible improvements for **financial institutions**

Next milestone

Decide project direction in Q1 2026

Agenda Consultation

September 2025—the IASB decided on how to proceed with its Fourth Agenda Consultation:

- ☑ Concurrent agenda consultation—the IASB will undertake its next agenda consultation at the same time as the ISSB
- ☑ Work is expected to start in late 2026, with plans to consult with stakeholders in 2027
- ☑ The period of the Third Agenda Consultation is extended until the conclusion of the concurrent agenda consultation in 2028
- ☑ Any freed capacity will be used on existing and new projects

What's next? Possible projects*

Reserve list** from the Third Agenda Consultation

***High-priority projects that could be added to the work plan if additional capacity becomes available*

Pollutant Pricing Mechanisms

Operating Segments

?

Topics flagged for our attention during the current agenda cycle

Hyperinflation

Crypto Assets

* The IASB will consider adding new projects to work plan as capacity becomes available

Appendix: Description of projects on the IASB’s work plan

PIR of IFRS 16 *Leases*

Objective

Assess whether the effects of applying IFRS 16 on users of financial statements, preparers, auditors and regulators are as intended when the Standard was issued

Matters examined in the public consultation

- ☑ Overall assessment of IFRS 16
- ☑ Usefulness of information resulting from lessees' application of judgement in determining lease term, discount rates and which variable lease payments to include in (or exclude from) the measurement of the lease liability
- ☑ Usefulness of information about lessees' lease-related cash flows
- ☑ Ongoing costs of applying the requirements for discount rates and subsequent measurement of the lease liability
- ☑ Potential improvements to future transition requirements
- ☑ Other matters (including the effects of applying IFRS 16 with IFRS 9 and IFRS 15)

Next milestone

Request for information feedback in H1 2026

Amortised Cost Measurement

Objectives

- to **clarify principles** underlying the amortised cost measurement requirements in IFRS 9, addressing application issues that are widespread and have a material effect on entities' financial statements; and
- to **improve specific information** provided to **users** of financial statements about financial instruments

Approach

- ☑ **Targeted improvements** to amortised cost measurement requirements
- ☒ **Not a fundamental review** of those requirements

Targeted improvements for:

- Mechanics of effective interest method
- Modification, derecognition, write-off
- Interaction with impairment

Next milestone

Exposure Draft is expected in H2 2026

Dynamic Risk Management

Objectives

The DRM method:

- Better reflects the effects of dynamic interest rate risk management activities in an entity's financial statements
- Addresses challenges of current accounting models with respect to transparency, eligible items, dynamic nature and performance management

Proposals

The DRM method aims to:

- better reflect the **risk management** perspective
- enables **designation** of an interest rate **risk exposure**
- aligns to the risk management perspective through the **designation** of additional eligible items (ie a stable portion of demand deposits)
- Achieves transparency through **new accounting requirements**

Next milestone

Exposure Draft is expected in December 2025

Equity Method

Objectives

- **Reduce diversity** in practice by answering application questions
- **Improve understand-ability** by reordering requirements in IAS 28 *Investments in Associates and Joint Ventures*

Proposals in the Exposure Draft	Feedback
Measurement of cost at initial recognition	Support
Purchase of an additional ownership interest	Mixed feedback
Other changes in an investor's ownership interest	Mixed feedback
Transactions between an investor and its associates	Divergent views
Impairment indicators	Mixed feedback
Use of the equity method in separate FSs	Polarised views
Retrospective recognition of gains and losses from transactions with associates	Request to apply prospectively

NB: Objective was **not to clarify the nature** of the equity method!

Next milestone

Decide project direction in Q1 2026

Business Combinations—Disclosures, Goodwill and Impairment

Objective

Improve information entities provide about their acquisitions at a reasonable cost

Package of proposals

- A package of improved disclosure requirements in IFRS 3 *Business Combinations*
- Targeted changes to the impairment test of cash-generating units containing goodwill in IAS 36 *Impairment of Assets*

Feb – Apr 25	Jun – Jul 25	Sep 25 – mid 26	Mid – late 26
✓ Decide objective and scope ✓ IFRS 3 disclosures—conceptual analysis ✓ Subset	✓ Exemption ✓ Decide on some IAS 36 topics (reportable segment, pre-tax)	✓ IFRS 3 redeliberations, consultation and decisions on some aspects ✓ Remaining IAS 36 decisions	✓ Remaining IFRS 3 decisions including overall package ✓ IFRS 19, Transition decisions

Next milestone

Decide project direction in H2 2026

Financial Instruments with Characteristics of Equity

Objectives

- Improve information entities provide in their financial statements about financial instruments they have issued
- Address challenges with applying IAS 32 *Financial Instruments: Presentation*

Approach

- Clarify IAS 32 classification principles to address practice issues
- Improve presentation and disclosure
- Provide application guidance and illustrative examples

Progress update

- In October 2024–September 2025 the IASB redeliberated and made decisions on presentation and some disclosures, effects of laws or regulations, shareholder discretion and reclassification
- The IASB will continue redeliberating classification and related disclosures:
  - → fixed-for-fixed condition
  - → obligations to purchase own equity instruments
  - → contingent settlement provisions

Next milestone

Final amendments are expected in Q4 2026

Rate-regulated Activities

Challenge

Rate regulation might create differences in timing that arise when compensation for regulatory goods or services supplied in one period is included in the regulated rate charged in a different period

When differences in timing arise, the information arising from IFRS 15 is not complete

Proposals

The forthcoming Accounting Standard:

- will require entities to account for differences in timing as regulatory assets, regulatory liabilities, regulatory income and regulatory expense. By doing so, entities will reflect compensation for regulatory goods or services in the period goods or services are supplied
- will include some recognition exceptions for when there is no direct relationship between an entity's regulatory capital base and its property, plant and equipment

Next milestone

IFRS Accounting Standard *Regulatory Assets and Regulatory Liabilities* is expected in Q2 2026

Disclosures about Uncertainties in the Financial Statements Illustrated using Climate-related Examples

Objectives

- Explore **targeted actions** to improve the reporting of the effects of **uncertainties** in the financial statements
- Stakeholders said reporting of such uncertainties was **insufficient** or appeared ***inconsistent*** with information disclosed elsewhere

Progress update

- Published a **near-final draft of the illustrative examples** in July to support timely and informed application
- Examples use **climate-related fact patterns** to illustrate principles that apply broadly to **all types of uncertainties**

IFRS Accounting

Provisions—Targeted Improvements

Objectives

- Clearer requirements on when to recognise a provision, with earlier recognition of some provisions
- More standardised measures of long-term provisions and greater transparency around inputs to the measures

Proposals in the Exposure Draft	Feedback
Recognition: alignment with *Conceptual Framework* • clearer requirements for 'soft' obligations • earlier recognition of some levies	General support Suggestions for refinements Concerns about outcomes for some levies
Measurement: requirement to include both incremental costs and an allocation of other directly-related costs	General support Requests for clarification of scope
Measurement: requirement to discount at a risk-free (not credit-adjusted) rate	General support

Next milestone

Discuss the next stage in December 2025

Amendments to IAS 21: Use of a Hyperinflationary Presentation Currency by a Non-hyperinflationary Entity

Objective

Improve the usefulness of the financial information reported by entities that present financial statements in a hyperinflationary currency

Proposals

Provide a relevant translation method applicable to entities:

- whose functional currency is the currency of a non-hyperinflationary currency, but
- whose financial statements are presented in a currency of a hyperinflationary economy

Next milestone

Final Amendment is expected in November 2025

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