# Meeting report

## Emerging Economies Group

Date **3–4 November 2025**

This document summarises a meeting of the Emerging Economies Group (EEG). The EEG was created in 2011 at the direction of the IFRS Foundation Trustees, with the aim of enhancing the participation of emerging economies in the development of IFRS Accounting Standards. The members of the EEG are nominated National Standard-Setters from emerging economies.

## Meeting report and attendance

1. This report summarises the 30$^{th}$ EEG meeting, held on 3–4 November 2025 in Seoul, South Korea.
2. The meeting provided a platform to discuss several topics in financial reporting from the perspective of emerging economies, supporting the IFRS Foundation's mission to develop IFRS Accounting Standards that bring transparency, accountability and efficiency to financial markets around the world.
3. Attendees included International Accounting Standards Board (IASB) members Tadeu Cendon and Hagit Keren, IASB technical staff, and delegates from Argentina, Brazil, China, India, Indonesia, Malaysia, Mexico, Saudi Arabia, South Africa and South Korea.
4. Tadeu Cendon chaired the meeting.
5. Tadeu Cendon welcomed EEG members and observers to the meeting and expressed appreciation for the efforts of:
   - the China Accounting Standards Committee in assisting in the operation of the EEG liaison office; and
   - the Korea Accounting Standards Board in hosting the EEG meeting.

## 30$^{th}$ EEG meeting agenda

6. The meeting agenda topics were:
   - an IASB technical update;
   - the implementation of IFRS 18 *Presentation and Disclosure in Financial Statements*;
   - the project on Intangible Assets;
   - the project on Equity Method;
   - an International Sustainability Standards Board (ISSB) technical update;
   - the Sustainability Disclosure Standards for SMEs in Mexico;
   - a neighbouring countries profile; and

- the project on Amortised Cost Measurement.

The agenda papers for the meeting are available on the IFRS Foundation's website: https://www.ifrs.org/news-and-events/calendar/2025/november/emerging-economies-group/.

## IASB technical update

7. Tadeu Cendon presented an update on the IASB's technical work and asked members whether they had questions about the IASB's activities or work plan.

8. A member shared observations about the post-implementation review (PIR) process and asked that the IASB provide more guidance on what feedback it is seeking from stakeholders.

9. Another member flagged that accounting for carbon credits is topical in their jurisdiction and encouraged the IASB to add a relevant project to its work plan as soon as possible.

10. A member asked how the IASB is planning to use the feedback that member shared at the previous EEG meeting about hyperinflationary accounting.

11. Another member shared that they are considering running a survey in their jurisdiction on whether stakeholders find it beneficial to use IFRS 19 *Subsidiaries without Public Accountability: Disclosures*. That member also raised a question on how many jurisdictions have already adopted IFRS 19.

12. A member asked the IASB to share more information about the approach it has taken to the Intangible Assets project's process and whether the IASB will apply that approach to other projects.

## Implementation of IFRS 18 *Presentation and Disclosure in Financial Statements*

13. The representative from South Africa presented an overview of the process of implementing IFRS 18 in their jurisdiction and shared the main implementation challenges for every key change introduced by the Standard. Other members asked clarifying questions and exchanged perspectives about implementation challenges in their jurisdictions.

## Intangible Assets

14. The purpose of this session was:

    (a) to provide an update on the project since December 2024;

    (b) to seek members' opinions on:

        (i) whether the IASB technical staff have accurately identified and described the principles and topics to explore further for two test cases: cloud computing and agile software development; and

        (ii) whether to include artificial intelligence-related data and solutions (AI) and data resources as test cases, and why; and

    (c) to ascertain what information users of financial statements in members' jurisdictions need about recognised and unrecognised intangible assets and associated expenditure, and whether those needs differ by sector or type of intangible asset.

### Summary of feedback

#### *Selected test cases*

15. Members generally agreed with the IASB including cloud computing arrangements and agile software development as test cases, and with the identified principles and topics to explore further.

16. One member highlighted the importance of clearly defining the scope of work and suggested the IASB maintain stability in reporting by avoiding making fundamental changes or adding unnecessary details to established accounting principles.

17. A few members commented on the principles and topics related to cloud computing arrangements, including:

    (a) one member, who suggested the IASB consider the assessment of economic benefit inflows based on the *Conceptual Framework for Financial Reporting* definition of an 'asset' and conduct further research on disclosure requirements; and

(b) another member, who said the project should explore capitalisation of configuration and customisation costs to address stakeholders' concerns about current accounting outcomes.

18. A few members commented on the principles and topics related to agile software development, including:

(a) one member, who suggested the IASB explore a practical solution for capitalising subsequent costs and methods for writing off capitalised development costs;

(b) another member, who suggested the IASB explore whether capitalisation requirements for agile development could be based on the functionality of the product instead of the distinction between research and development; and

(c) another member, who highlighted the challenge of determining impairment of capitalised development costs.

### *Potential test cases*

19. Members generally agreed with not including AI and data resources as initial test cases. However, one member suggested including AI and data resources as distinct test cases because:

(a) AI's unique characteristics, such as self-learning and autonomous optimisation capabilities, create challenges unlike those in cloud computing arrangements and agile software development; and

(b) the blurred boundary between public and private data when data partly originates from public domain and the lack of contractual rights create challenges related to control judgements for data resources.

20. A few members highlighted the importance of considering AI and data resources in exploring the two other test cases. These members suggested the IASB:

(a) monitor developments in AI and data resources;

(b) use AI and data resources and consider their unique aspects when testing the suitability of potential solutions; and

(c) communicate to stakeholders that AI and data resource-related considerations will be part of the IASB's future work, especially because AI is often integral in developing software solutions.

### *User information needs*

21. Two members said that users in their jurisdictions have reported that different sectors disclose varying levels of information in annual reports about intangible assets. In particular:

    (a) users are most dissatisfied with information provided by entities in sectors that rely on internally generated intangible assets (such as software and pharmaceuticals) and mostly satisfied with information provided by entities relying on intangible assets acquired through business combinations;

    (b) research-intensive entities (such as those in the information technology and pharmaceutical sectors) provide more information about intangible assets compared to entities in more traditional sectors (such as manufacturing and energy); and

    (c) entities provide more information about contractual intangible assets (such as patents).

22. One member said the IASB technical staff's initial findings on information about intangible assets provided by entities reflect users' experiences in the member's jurisdiction—the financial statements largely focus on acquired intangible assets and often provide limited information on internally generated intangible assets, and it is difficult to reconcile qualitative and quantitative information.

23. A few members offered suggestions of how to improve the usefulness of information for users, including:

    (a) introducing minimum disclosure anchors (such as disaggregation of research and development expenditure by project phase or segments) to enhance comparability and transparency of information;

    (b) requiring entities to explain how key intangible assets contribute to value creation, their risk profile, competitive advantage, protection mechanisms (such as patents) and management's assessment of useful life and impairment;

    (c) helping users to understand how intangible assets will affect the entity's future operations; and

    (d) exploring disclosures about data resources.

### Next step

24. The IASB will consider the feedback when selecting test cases, determining which principles and topics to explore further and analysing user information needs.

## Equity Method

25. In September 2024, the IASB published the Exposure Draft *Equity Method of Accounting—IAS 28* Investments in Associates and Joint Ventures *(revised 202x)* to answer application questions on the equity method.

26. The Exposure Draft proposed that an investor that buys an additional ownership interest and retains significant influence measure the additional ownership interest at the fair value of the consideration transferred. The investor would include in the carrying amount of that additional ownership interest its share of the fair value of the associate’s net assets at the date of purchase.

27. The purpose of the session was to ask members for their views on how the IASB might introduce reliefs from determining the fair value of the associate's net assets.

### Summary of feedback

28. All members agreed with providing reliefs but expressed mixed views on the possible reliefs.

29. Two members agreed with providing a relief that would allow an investor to use an alternative method to measure the additional share of the associate's identifiable assets and liabilities if the investor reasonably expects that the effects on the financial statements would not differ materially from using the fair value of the additional share of the associate's identifiable assets and liabilities. One of the members said this relief is preferable because it does not require setting a threshold and that a relief based on 'undue cost or effort' would not be enough to address the concerns about the cost and complexity of the proposal.

30. Two members agreed with providing a relief that would allow an investor to use it carry-forward book values under specific conditions. One of the members suggested using a combination of time interval, size of the purchase, stability of fair values and balance between cost and benefit. The member said this relief is preferable because it involves less judgement and would be applied more consistently.

31. One member preferred the use of fair value and a relief based on 'undue cost or effort', especially if the investment in the associate is held indirectly by a subsidiary.

32. In addition, two members agreed with extending the 'measurement period' relief in IFRS 3 *Business Combinations* to associates.

### Next steps

33. The IASB technical staff will consider the members’ input in developing the recommendation to the IASB.

## ISSB technical update

34. An ISSB regulatory affairs team member presented an update on ISSB standard-setting projects and efforts to support implementation of IFRS Sustainability Disclosure Standards. She also provided an update on jurisdictional progress in adopting or otherwise using IFRS Sustainability Disclosure Standards. Finally, she summarised the IFRS Foundation’s work to support regulators in jurisdictions considering or deciding on adoption of IFRS Sustainability Disclosure Standards. Members asked questions about the topics in the presentation.

## Sustainability Disclosure Standards for SMEs in Mexico

35. A representative from Mexico presented the Mexican sustainability reporting strategy for non-public interest entities, including small and medium-sized entities. Disclosures made in accordance with the strategy are based on national standards for sustainability reporting published by the Mexican Financial Reporting and Sustainability Standards Board (CINIF), which draw on IFRS Sustainability Disclosure Standards.

36. The representative gave an overview of measures taken by CINIF to support implementation, which include providing educational material and tools and following a staged approach that begins with some disclosure requirements for fiscal years ending in 2025 and increased disclosure requirements beginning the following year. Members asked clarifying questions about the presentation.

## Neighbouring countries profile

37. Representatives of the Financial Reporting Council (FRC), Bangladesh, shared information about the FRC and its activities and the status of adopting and implementing IFRS Standards in their jurisdiction.

## Amortised Cost Measurement

38. The purpose of this session was to obtain members' opinions on potential solutions to application issues within the scope of this project. The discussion focused on:

    (a) subsequent changes in Effective Interest Rate (EIR); and

    (b) modification of financial instruments.

### Summary of feedback

#### *Subsequent changes in Effective Interest Rate*

39. Two members supported Alternative A, as discussed by the IASB in its September 2025 meeting, for clarifying paragraph B5.4.5 of IFRS 9 *Financial Instruments*. Under Alternative A, entities would apply paragraph B5.4.5—that is, update the original EIR—only for movements in general market-based variables such as interest rate benchmarks or inflation rates. These members found Alternative A more conceptually appropriate than the other alternatives discussed by the IASB.

40. Two other members tentatively supported Alternative B and Alternative C, respectively. They said these alternatives better align with the practices in their respective jurisdictions.

41. In addition, two members suggested that, as part of this project, the IASB clarify the meaning of the terms 'floating rate' and 'movement in the market rates of interest', which are used in paragraph B5.4.5.

#### *Modification of financial instruments*

42. Members generally agreed that a principle-based approach to assessing whether a modification is substantial and results in derecognition would be an optimal solution. They suggested that the 10% test be retained in IFRS 9, but not be the determining factor in assessing whether a modification results in derecognition.

43. A few members agreed that, to the extent possible, the assessment approach between financial assets and financial liabilities should be symmetrical to achieve consistent application.

44. A member noted that, although the reason for modifying a financial asset (such as worsening credit quality or commercial renegotiation) should be an important consideration, it should

not to be the determining factor when assessing whether a modification results in derecognition.

45. In contrast, another member said that the reason for modifying a financial asset should be a determining factor. If modification is due to worsening credit quality, the financial asset should not be derecognised, because expected credit losses would have already captured any resulting loss.

### Next step

46. The IASB will consider members’ and other stakeholders’ views in developing the proposed amendments to IFRS 9. The IASB expects to publish an exposure draft in the second half of 2026.

## Next EEG meetings

47. The 31st EEG meeting (for the first half of 2026) will be held on 8–9 June 2026 in Buenos Aires, Argentina. The 32nd EEG meeting (for the second half of 2026) will be held on 10–11 November 2026 by videoconference.