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## Global Preparers Forum meeting

14 November 2025

### IASB Update

Bertrand Perrin, IASB member

This paper has been prepared for discussion at a public meeting of the Global Preparers Forum. This paper does not represent the views of the International Accounting Standards Board (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® Accounting Standards. The IASB's technical decisions are made in public and are reported in the *IASB Update*.

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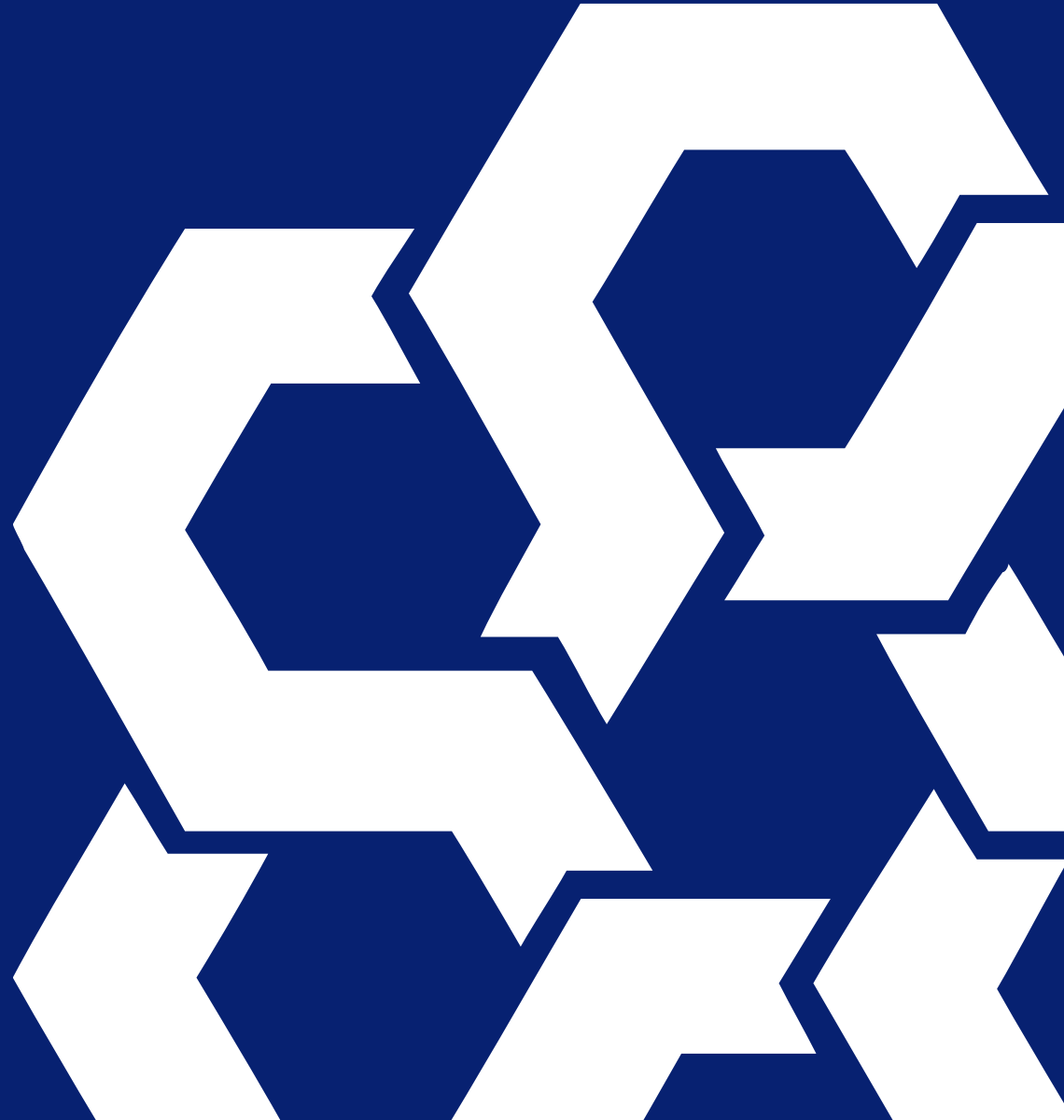
# Overview

This update is prepared as of 29 October 2025

- Update on current IASB work plan
- Post-implementation reviews
- Research projects
- Standard-setting projects
- Maintenance projects
- Update on Climate-related and Other Uncertainties in the Financial Statements
- Work of the IFRS Interpretations Committee
- New requirements

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## Update on current IASB work plan



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# Consultations

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## Forthcoming in 2025

**December 2025:** Exposure Draft proposing amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures* in relation to Dynamic Risk Management

# New Standards, Amendments and Other Publications

## Issued in 2025

Third edition of the *IFRS for SMEs Accounting Standard*

Revised Practice Statement *Management Commentary*

Near-final Illustrative Examples: *Disclosures about Uncertainties in the Financial Statements Illustrated using Climate-related Examples*

Amendments to IFRS 19 *Subsidiaries without Public Accountability: Disclosures*

## Expected

(subject to the Board's approval)

- ✓ **November 2025:** Translation to a Hyperinflationary presentation currency (IAS 21)
- ✓ **Q2 2026:** Accounting Standard *Regulatory Assets and Regulatory Liabilities*

## Update since the June CMAC GPF joint meeting (1/2)

- The IASB published near-final examples demonstrating how companies can improve the reporting of uncertainties in their financial statements using climate-related examples as practical illustrations
- The IASB expects to issue the final document in Q4 2025

Climate-related and  
Other Uncertainties in the  
Financial Statements

- The IASB issued amendments to IFRS 19, completing its planned catch-up work on the Standard
- The newly issued amendments to IFRS 19 help eligible subsidiaries by reducing disclosure requirements for Standards and amendments issued between February 2021 and May 2024

Amendments to IFRS 19  
*Subsidiaries without  
Public Accountability:  
Disclosures*

- The IASB will conduct a concurrent agenda consultation with the ISSB, with plans to publish a Request for Information in 2027
- The Fourth Agenda Consultation is suspended, and the period of the Third Agenda Consultation will be extended until the concurrent agenda consultation concludes in 2028

Agenda Consultation

## Update since the June CMAC GPF joint meeting (2/2)

The IASB tentatively decided:

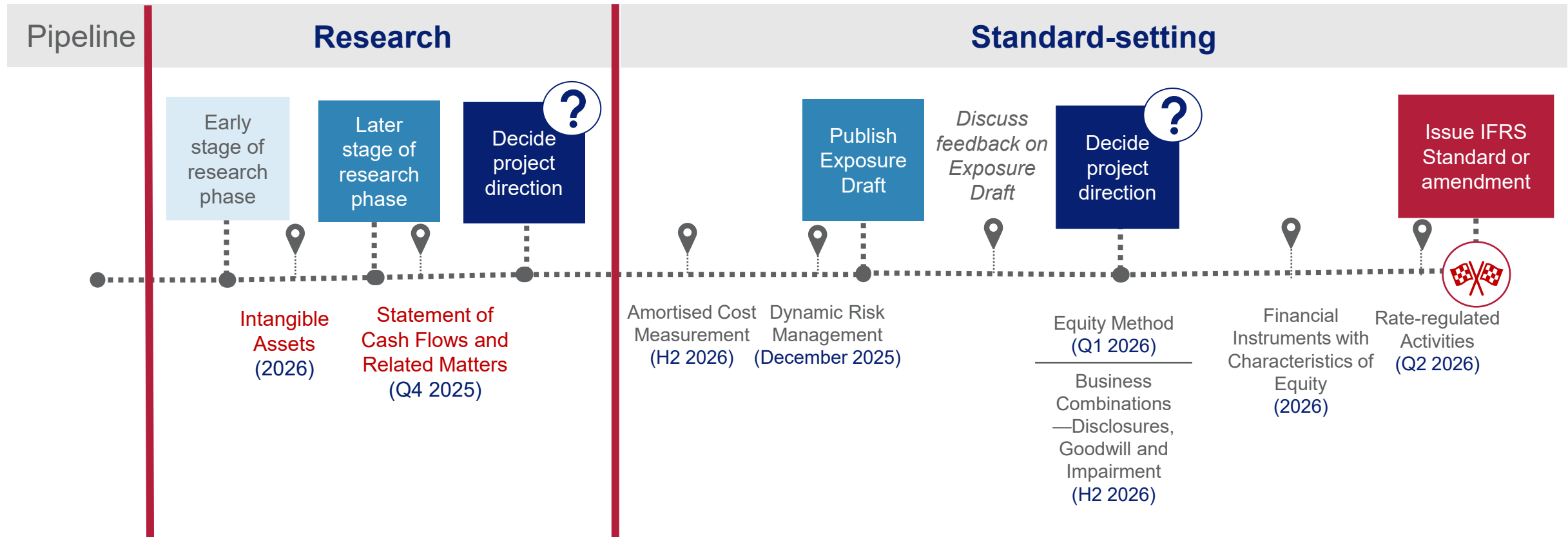
- to require entities to use a discount rate represented by a risk-free rate for discounting provisions, without adjustments for non-performance risk, and to provide no additional guidance on determining this rate.
- that the best estimate of settling obligations in IAS 37 should not account for non-performance risk.
- an exception will be added to IFRS 3, requiring acquirers to measure certain provisions at acquisition date per IAS 37 rather than fair value.
- that entities must disclose the discount rates used and the approach in IAS 37 but with no additional disclosure requirements.

Provisions—Targeted  
Improvements  
(*redeliberations*)

## IASB work plan: overview

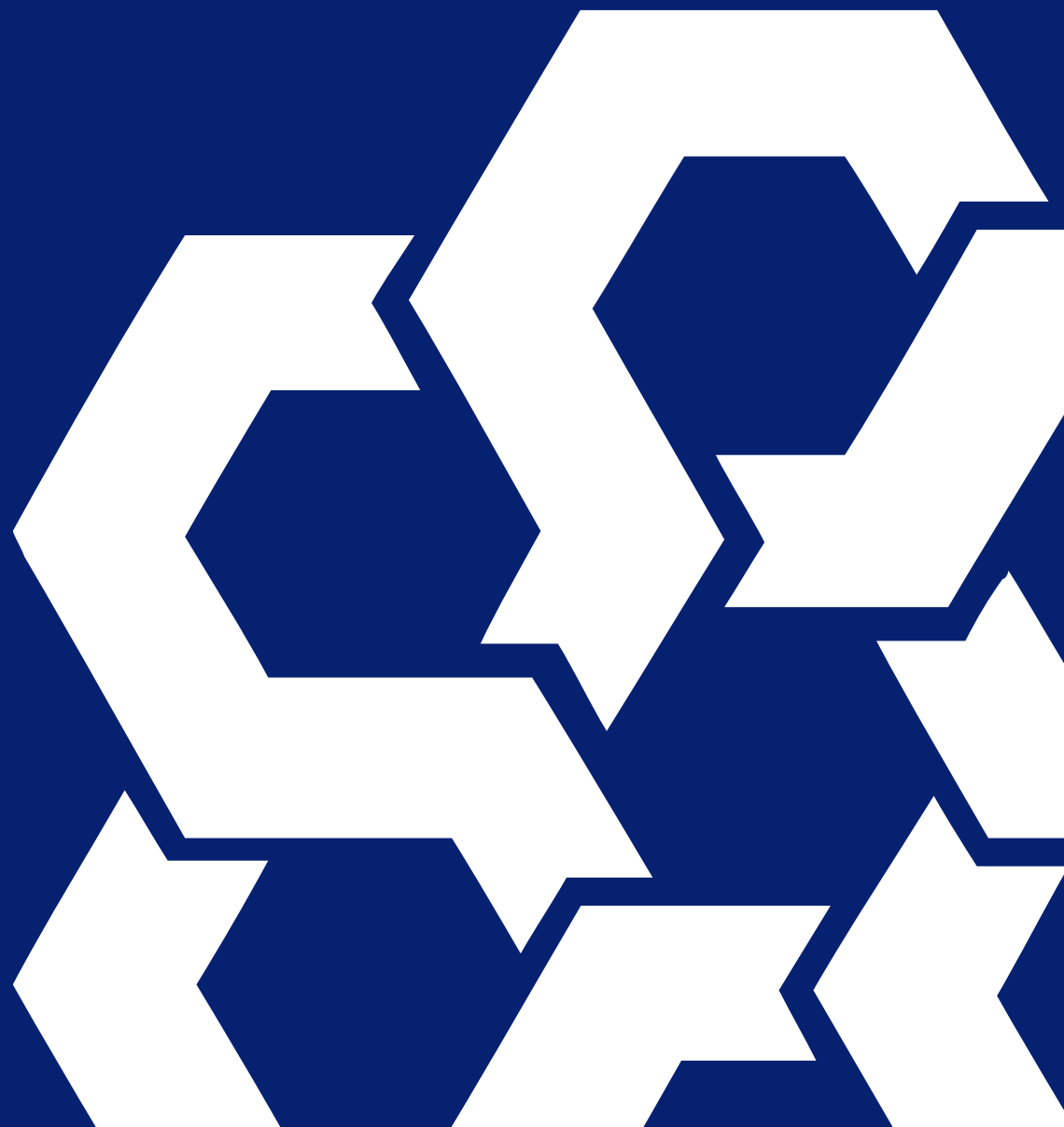
| Type of project                 |                                                                                      | As of 30.09.2025 |
|---------------------------------|--------------------------------------------------------------------------------------|------------------|
| Post-implementation reviews     |   | 1                |
| Research projects               |   | 2                |
| Standard-setting projects       |   | 6                |
| Maintenance projects            |   | 3                |
| Application questions (IFRS IC) |  | 5                |
| <b>Total</b>                    |                                                                                      | <b>17</b>        |

# Research and standard-setting projects - status

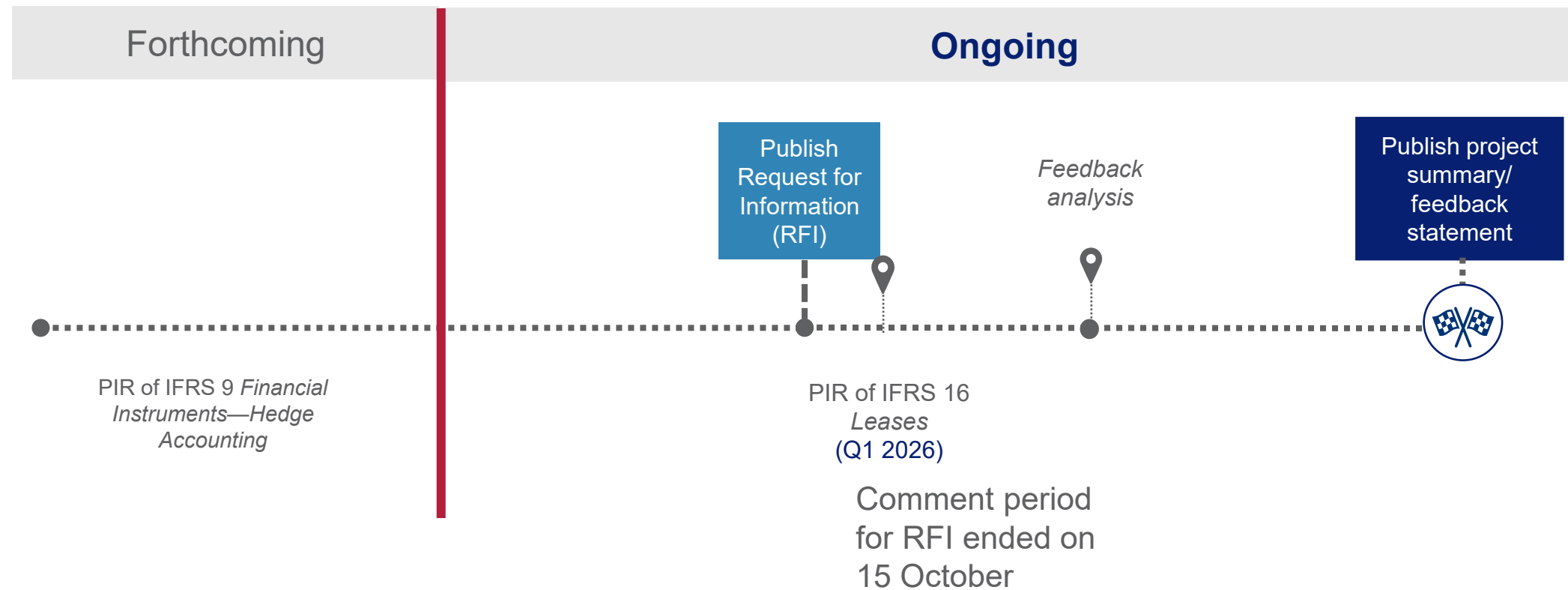


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# Post-implementation reviews



# Post-implementation review projects



## 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 to examine 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)

Comment period  
for RFI ended on  
15 October

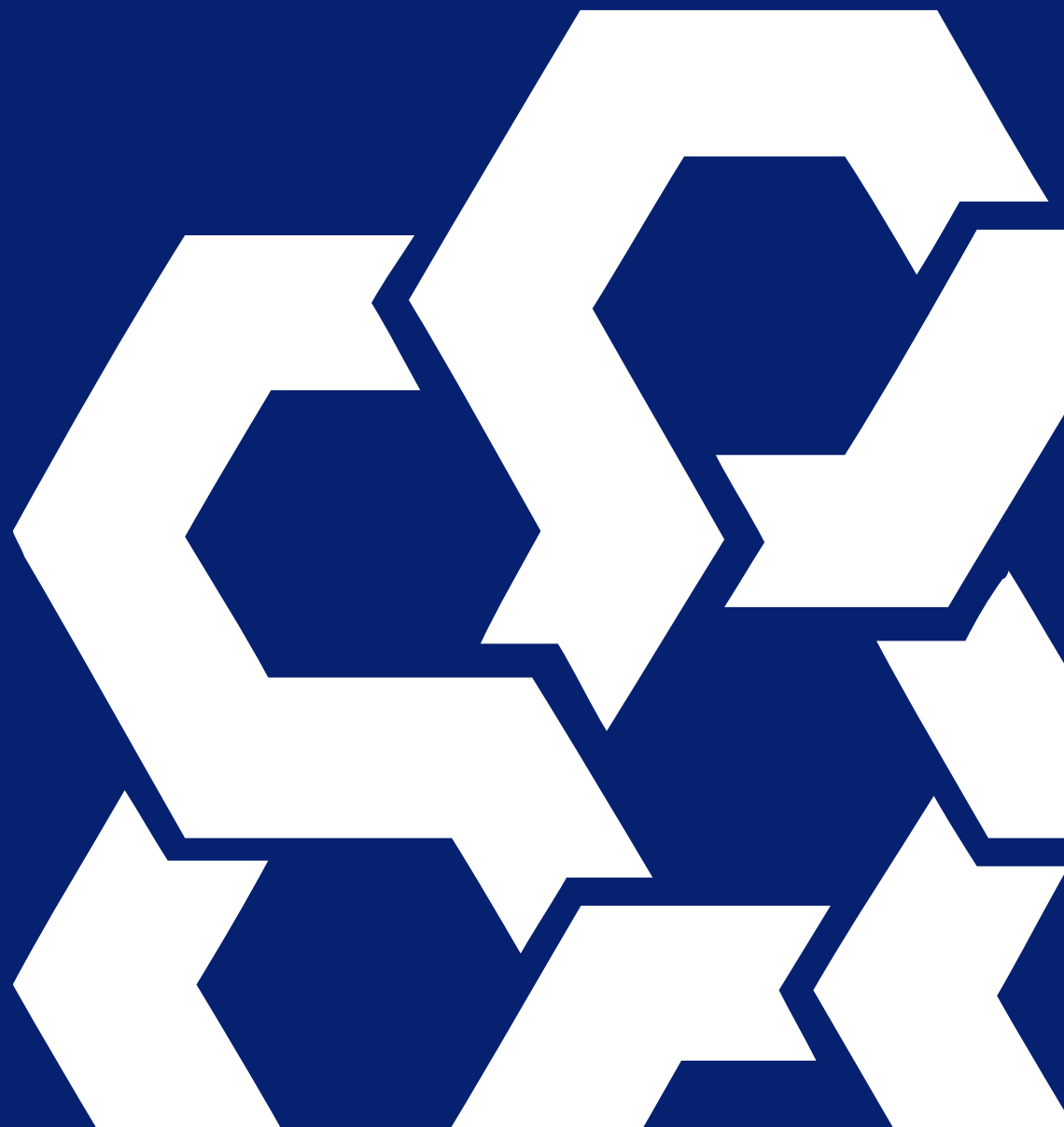


### Next milestone

Request for information feedback in Q1 2026

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## Standard-setting projects



# 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

- ☒ 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 of requirements to classify cash flows as operating, investing or financing
- ☒ Consistent application of the definition of cash equivalents
- ☒ Applicability of the statement of cash flows and any possible improvements for financial institutions



## Next milestone

Decide project direction in Q4 2025

# 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

|                                     |                                                                                          |                                   |
|-------------------------------------|------------------------------------------------------------------------------------------|-----------------------------------|
| <input checked="" type="checkbox"/> | User information needs                                                                   | Initial streams                   |
| <input checked="" type="checkbox"/> | Potential changes to the definition and some recognition requirements (using test cases) |                                   |
| <input checked="" type="checkbox"/> | Intangible assets held for investment                                                    | Later streams (subject to change) |
| <input checked="" type="checkbox"/> | Broader review of recognition                                                            |                                   |
| <input checked="" type="checkbox"/> | Disclosure requirements                                                                  |                                   |
| <input checked="" type="checkbox"/> | Comparability of information about acquired and internally generated intangible assets   |                                   |
| <input type="checkbox"/>            | Broader intangible items                                                                 | TBC                               |

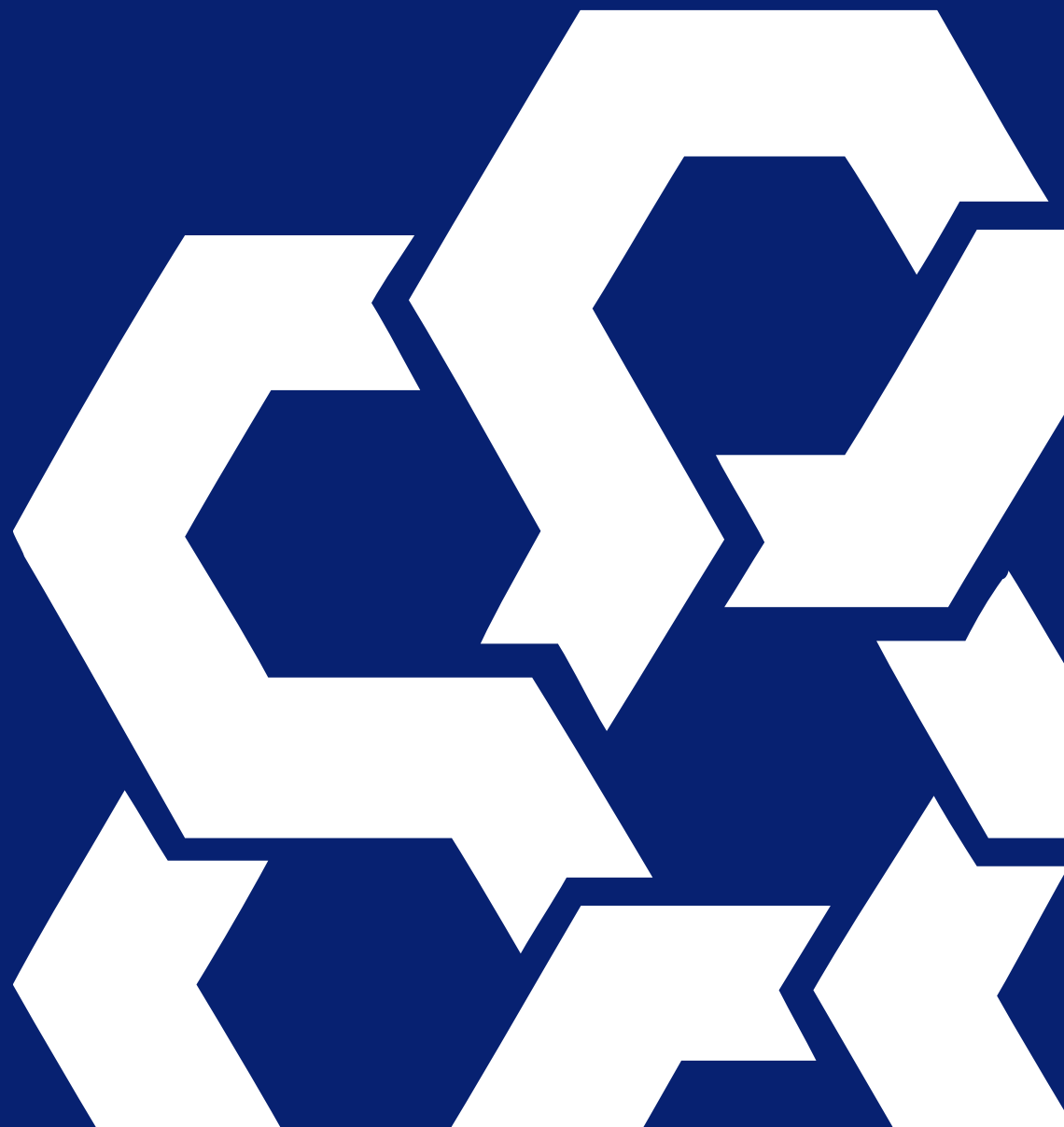


## Next milestone

Explore initial streams and decide project direction in 2026

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## Research projects



# 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

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# 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 approximately 20 application questions.
- Reorder requirements in IAS 28 *Investments in Associates and Joint Ventures* to improve understandability.

## Overview of the feedback on the proposals

Respondents supported most of the proposals, but mixed support on the proposals:

- cost and benefit of proposals for changes in an investor's ownership interest.
- recognition of the investor's share of losses, after the carrying amount of the investment has been reduced to nil.
- removal of 'significant or prolonged decline in fair value' as an impairment indicator.
- proposal to recognise in full the gains and losses from transactions with associates.
- implications of applying the proposals to subsidiaries in separate financial statements.



## Next milestone

Redeliberate proposals in the [Exposure Draft](#)

# Business Combinations—Disclosures, Goodwill and Impairment

## Objective

Improve information entities provide about their acquisitions at a reasonable cost

## Proposals

### Proposed changes to IFRS 3:

- Disclose information reviewed by key management personnel about the performance of a strategic business combination
- Disclose quantitative information, in the year of acquisition, about expected synergies
- Exempt an entity from disclosing some information in specific circumstances
- Other improvements to IFRS 3 disclosure requirements

### Proposed changes to IAS 36:

- Clarify how an entity allocates goodwill to cash-generating units
- Require an entity to disclose in which reportable segment a cash-generating unit containing goodwill is included
- Simplify and improve calculation of value in use



## Next milestone

Redeliberate proposals in the Exposure Draft and 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:
  - fixed-for-fixed condition
  - effects of laws or regulations
  - obligations to purchase own equity instruments
  - contingent settlement provisions
  - shareholder discretion
  - reclassification
- Improve presentation and disclosure
- Provide application guidance and illustrative examples



## Next milestone

- Redeliberate proposals in the [Exposure Draft](#)
- Final amendments are expected in 2026

# Rate-regulated Activities

## Objectives

Provide information about the effects of:

- regulatory income,
- regulatory expense,
- regulatory assets, and
- regulatory liabilities

on entities' financial performance and financial position

## Proposals

In some cases, rate regulation creates 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.

The forthcoming Accounting Standard will require the entities:

- to reflect compensation for regulatory goods or services in the period goods or services are supplied;
- to recognise regulatory assets, regulatory liabilities, regulatory income and regulatory expense

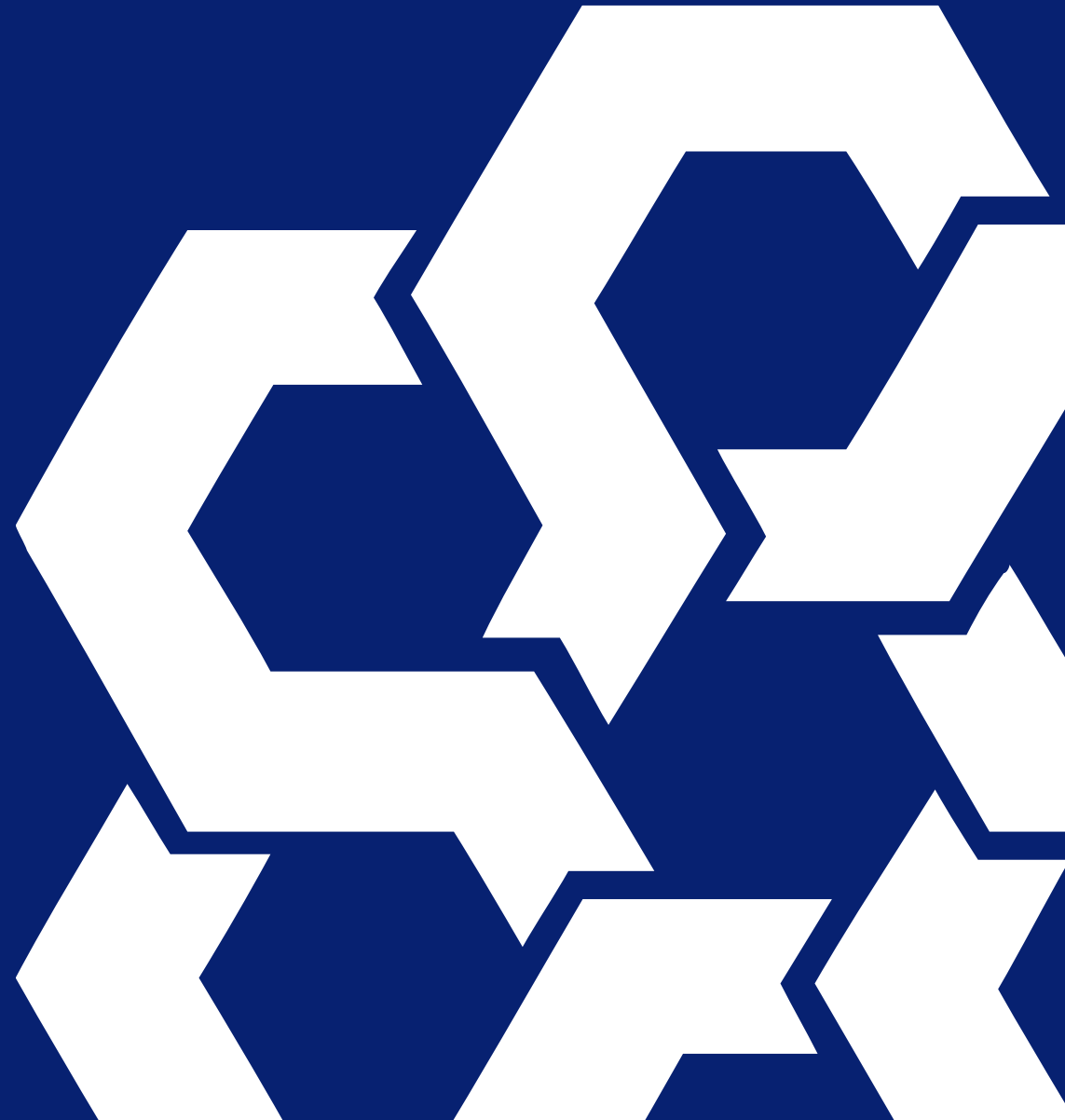


## Next milestone

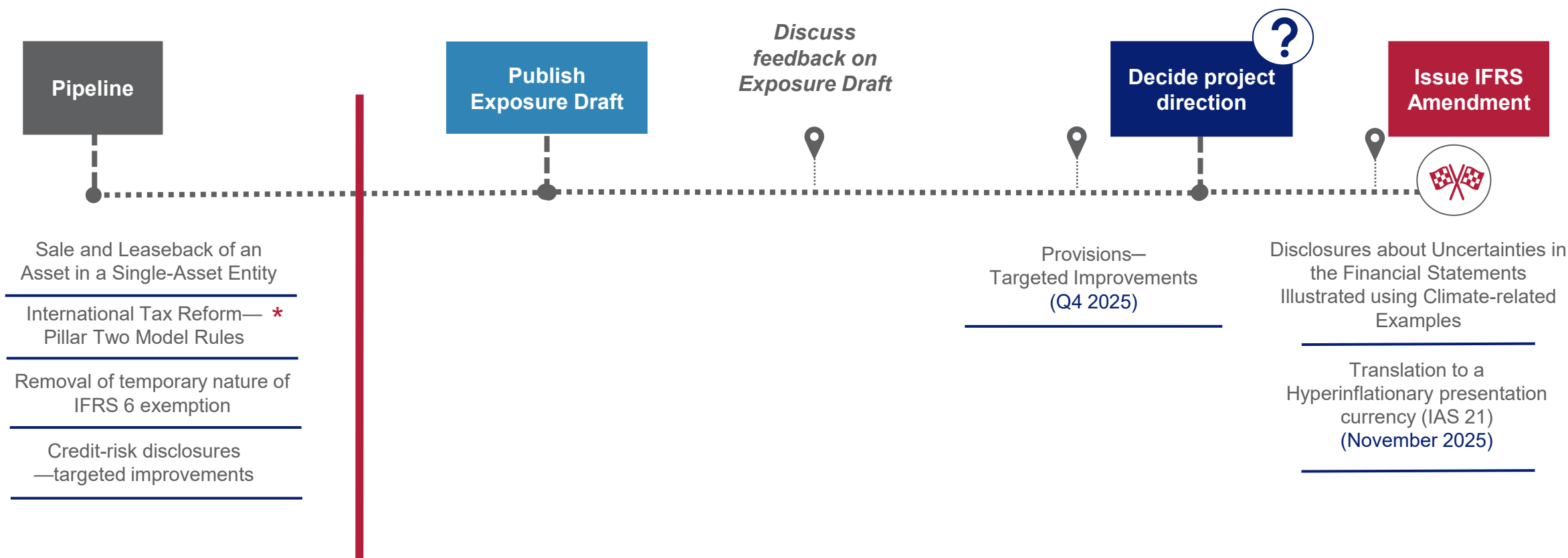
IFRS Accounting Standard *Regulatory Assets and Regulatory Liabilities* is expected in Q2 2026

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# Maintenance projects



# Maintenance projects - status



\* To determine whether to remove or make permanent the temporary exception

# 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

### **Amend IAS 37 *Provisions, Contingent Liabilities and Contingent Assets***

- Clarify and amend the recognition criteria, applying the *Conceptual Framework*
- Specify the discount rates to use in measuring a long-term provision, and require disclosure of information about rates used
- Clarify the costs to include in measuring obligations to provide goods or services



### Next milestone

Discuss a plan for the next stage of the project in Q4 2025

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

## Objective

Examples illustrating how an entity applies the requirements in IFRS Accounting Standards to report the effects of uncertainties in its financial statements

## Areas of focus

The examples illustrate three main areas:

- making **materiality judgements** and disclosing additional information
- disclosing information about **assumptions**
- **disaggregating** information

The examples use climate-related fact patterns, but the principles and requirements illustrated apply equally to all types of uncertainties



Next milestone

Final Illustrative Examples

# 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

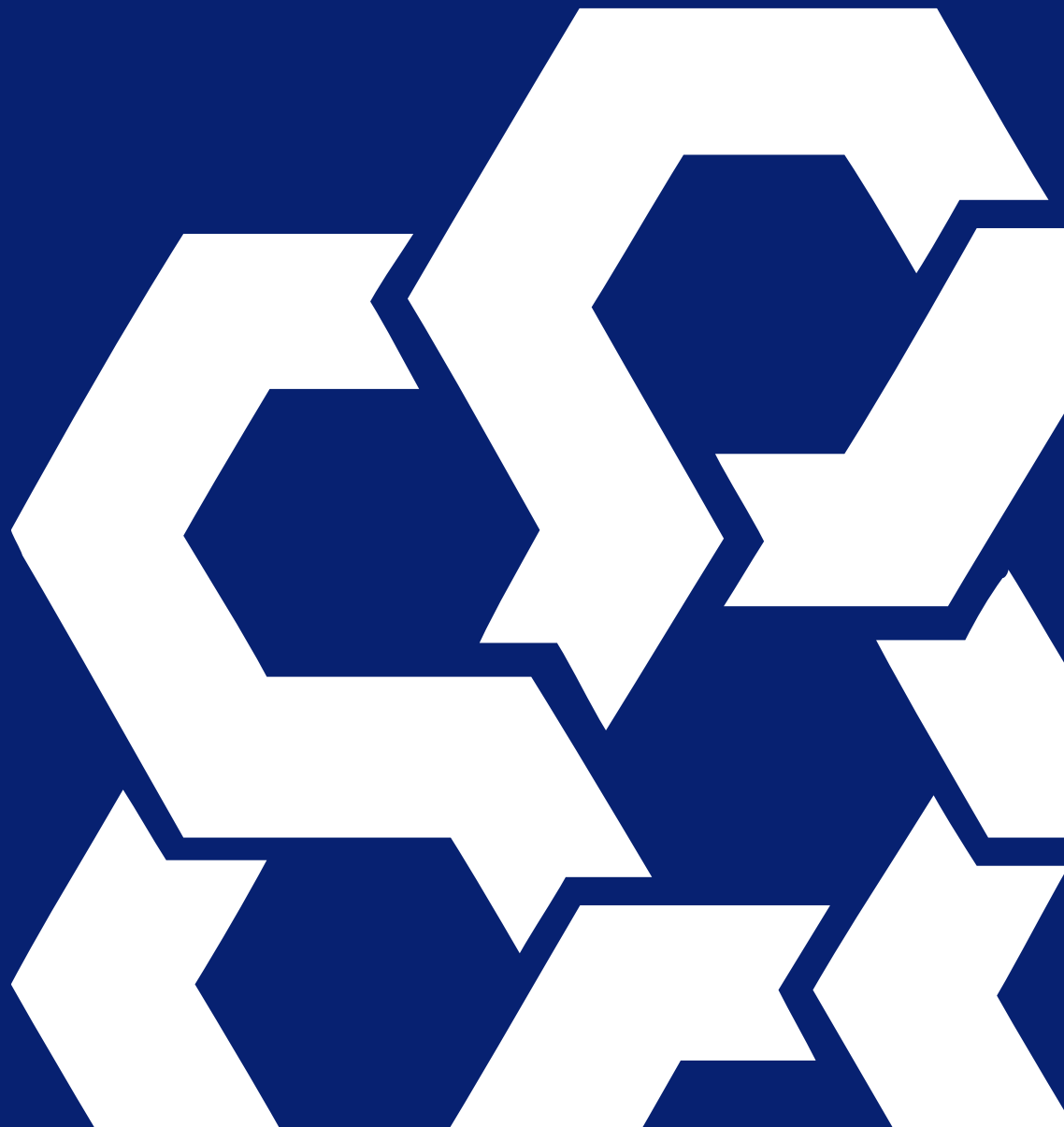


## Next milestone

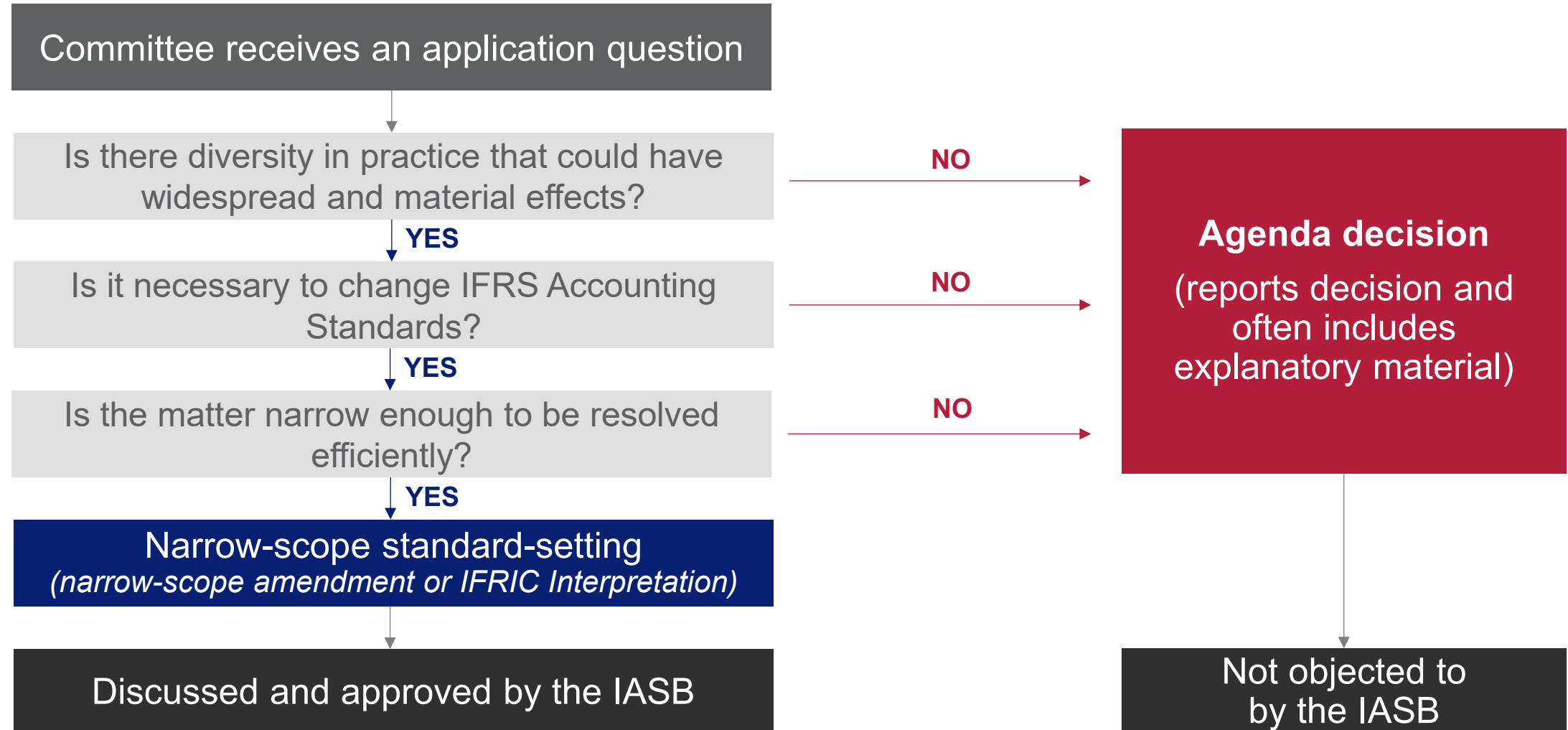
Final Amendment is expected in November 2025

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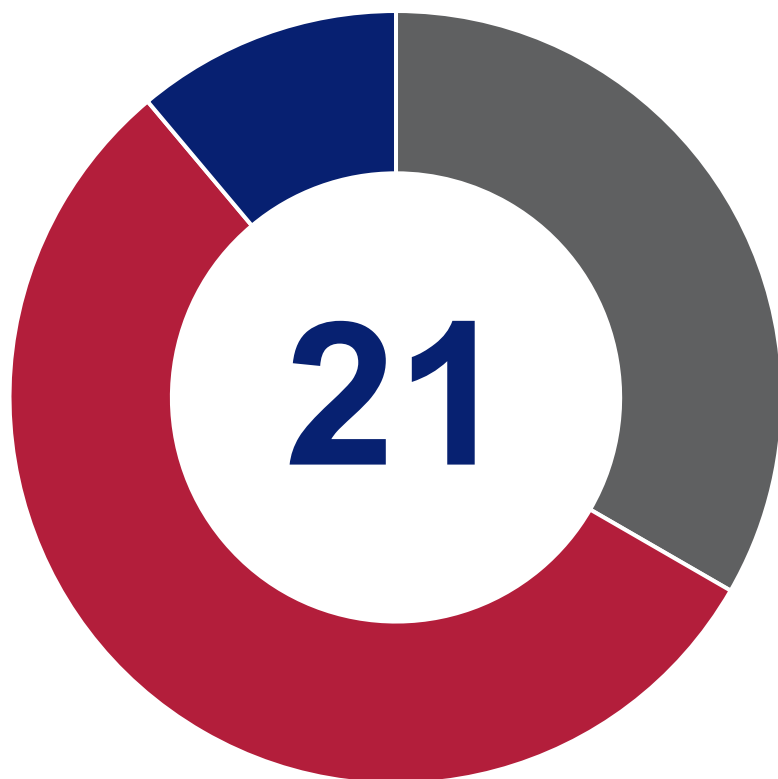
# Work of the IFRS Interpretations Committee



# The Committee's process



# Overview of the Committee's 2025 discussions<sup>1</sup>



**8** agenda decisions (see slide 35)

- 4 final agenda decisions
- 4 tentative agenda decisions

**10** proposed updates to agenda decisions for IFRS 18  
*open for comment until 6 October 2025*

**3** input on IASB's project:

- Business Combinations—Disclosures, Goodwill and Impairment
- Statement of Cash Flows and Other Related Matters
- Translation to a Hyperinflationary Presentation Currency

<sup>1</sup> up to and including the September 2025 Committee meeting

## Sample of recent agenda decisions

Open for comment until 25 Nov 2025

Classification of a Foreign  
Exchange Difference from an  
Intragroup Monetary Liability (or  
Asset) (IFRS 18)

Open for comment until 6 Oct 2025

Embedded Prepayment Option  
(IFRS 9)

Published in April 2025

Recognition of Revenue from  
Tuition Fees (IFRS 15)

Open for comment until 25 Nov 2025

Economic Benefits from Use of a  
Battery under an Offtake  
Arrangement (IFRS 16)

Published in July 2025

Assessing Indicators of  
Hyperinflationary Economies  
(IAS 29)

Published in April 2025

Guarantees Issued on  
Obligations of Other Entities

Open for comment until 6 Oct 2025

Determining and Accounting for  
Transaction Costs (IFRS 9)

Published in April 2025

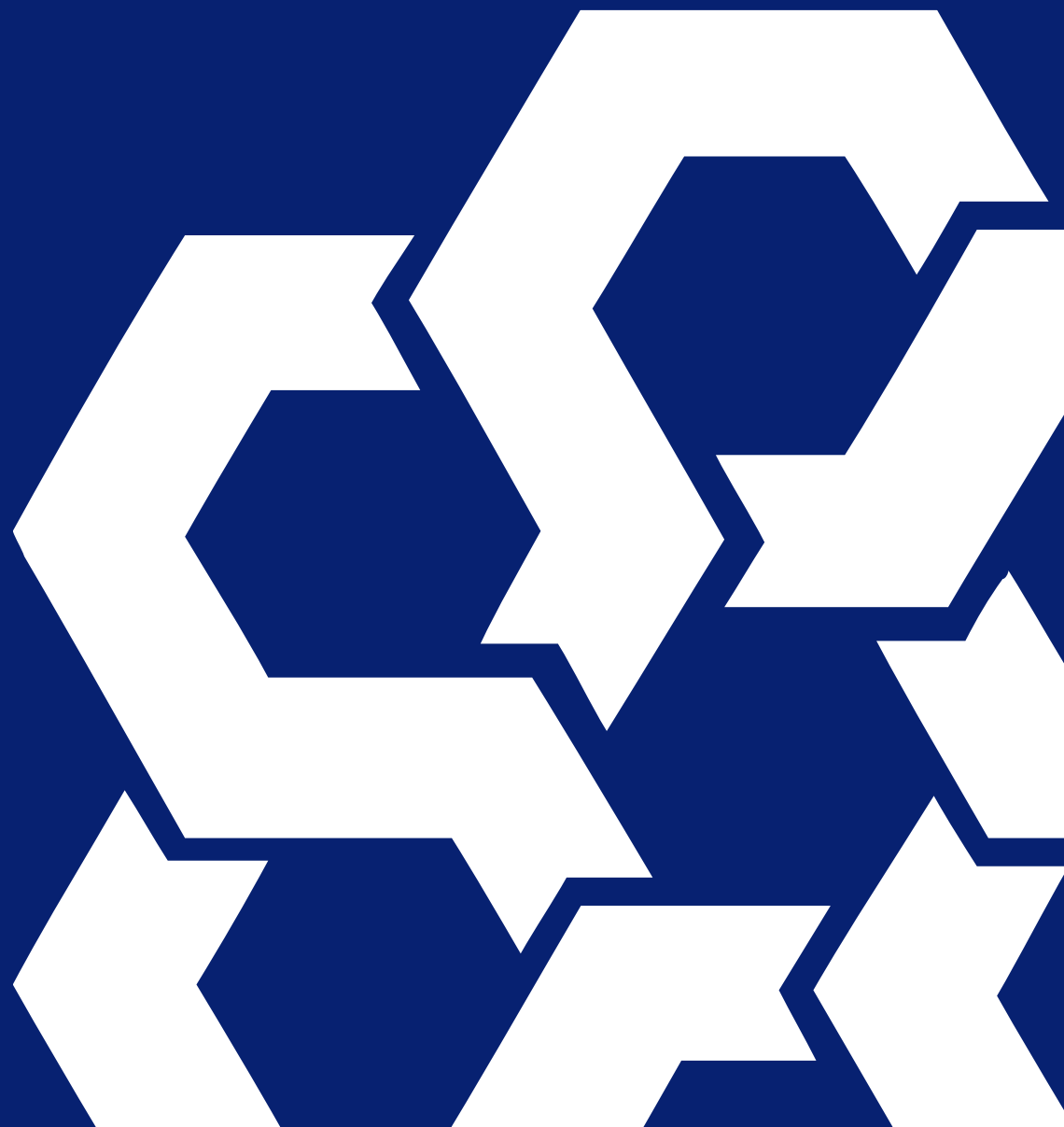
Recognition of Intangible Assets  
Resulting from Climate-related  
Expenditure (IAS 38)

Published in February 2025

Classification of Cash Flows  
related to Variation Margin Calls  
on 'Collateralised-to-Market'  
Contracts (IAS 7)

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# New requirements



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# What is required when?

## 1 January 2025

- *Lack of Exchangeability* (Amendments to IAS 21)

## 1 January 2026

- *Amendments to the Classification and Measurement of Financial Instruments* (Amendments to IFRS 9 and IFRS 7)
- Annual Improvements to IFRS Accounting Standards—Volume 11
- *Contracts Referencing Nature-dependent Electricity*—Amendments to IFRS 9 and IFRS 7

## 1 January 2027

- IFRS 18: *Presentation and Disclosure in Financial Statements*
- IFRS 19: *Subsidiaries without Public Accountability: Disclosures* and amendments
- Third edition of the *IFRS for SMEs Accounting Standard*

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# Lack of Exchangeability

## Objective

- Improve the usefulness of information provided to investors and fill a gap in IFRS Accounting Standards related to the effects of changes in foreign exchange rates

## The amendments to IAS 21

- Require entities to apply a consistent approach in assessing whether a currency is exchangeable into another currency — and when a currency is not exchangeable, to estimate the spot exchange rate
- Provide disclosure requirements to enable investors to understand the financial statement effects of a currency not being exchangeable into another currency



Effective date

Annual reporting periods beginning on or after 1 January 2025, with earlier application permitted

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# Amendments to the Classification and Measurement of Financial Instruments (IFRS 9 and IFRS 7)

## Objective

- Clarify requirements in response to feedback on the post-implementation review of the classification and measurement requirements in IFRS 9

## The amendments to IFRS 9 and IFRS 7

- Derecognition of financial liabilities settled through electronic cash transfers
- Contractual cash flow characteristics of financial assets
- Disclosure requirements for equity instruments for which fair value changes are presented in other comprehensive income



Effective date

Annual reporting periods beginning on or after 1 January 2026, with earlier application permitted

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# Annual Improvements to IFRS Accounting Standards— Volume 11

## Objective

- Improve the Standards through amendments that either:
  - clarify wording; or
  - correct relatively minor unintended consequences, oversights or conflicts between existing requirements

## In scope

- IFRS 1 *First-time Adoption of International Financial Reporting Standards*
- IFRS 7 *Financial Instruments: Disclosures*
- IFRS 9 *Financial Instruments*
- IFRS 10 *Consolidated Financial Statements*
- IAS 7 *Statement of Cash Flows*



### Effective date

Annual reporting periods beginning on or after 1 January 2026, with earlier application permitted

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# IFRS 18: *Presentation and Disclosure in Financial Statements*

## Objective

- Improve communication in financial statements
- Focus on information included in the statement of profit or loss

## Requirements

- New required subtotals in statement of profit or loss including 'operating profit'
- Disclosures about management-defined performance measures (MPMs)
- Enhanced guidance on grouping of information (aggregation and disaggregation)



Effective date

Annual reporting periods beginning on or after 1 January 2027, with earlier application permitted

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# Contracts Referencing Nature-dependent Electricity

## Objective

Better reflect the effects of contracts referencing nature-dependent electricity in entities' financial statements

## The amendments to IFRS 9 and IFRS 7

- Apply to contracts referencing nature-dependent electricity. The amount of electricity generated under these contracts can vary based on uncontrollable factors such as weather conditions;
- Include application guidance for a purchaser of electricity when applying the own-use requirements of paragraph 2.4 of IFRS 9;
- Permit the designation of the hedged item as a variable nominal amount of a forecast transaction; and
- Add new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.



Effective date

Annual reporting periods beginning on or after 1 January 2026, with earlier application permitted

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# IFRS 19: *Subsidiaries without Public Accountability: Disclosures* (including the amendments issued in August 2025)

## IFRS 19—at a glance

- A voluntary Standard for eligible subsidiaries that will permit applying IFRS Accounting Standards with reduced disclosure requirements
- IFRS 19 will simplify reporting systems and processes and thereby reduce the costs of preparing eligible subsidiaries' financial statements



Effective date

Annual reporting periods beginning on or after 1 January 2027, with earlier application permitted

## How to apply IFRS 19

- IFRS 19 is a disclosure-only standard. It does not include:
  - recognition, measurement and presentation requirements
  - guidance on applying disclosure requirements
- For recognition, measurement and presentation requirements, a subsidiary will refer to the relevant IFRS Accounting Standard

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# Third edition of the *IFRS for SMEs* Accounting Standard

## Objective

To improve the information provided to users of SMEs' financial statements while maintaining the simplicity of the *IFRS for SMEs* Accounting Standard.

## Main changes to the Standard:

- A robust new model for recognising revenue from contracts with customers;
- Improved disclosures to help users of SMEs' financial statements assess credit risk, liquidity and expected cash flows; and
- Updated requirements for identifying and measuring a business combination.



Effective date

Annual reporting periods beginning on or after 1 January 2027, with earlier application permitted

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# Management commentary (not required)

## Objective

- Provide a comprehensive resource for regulators and entities to support improvement and greater global alignment in management commentary to meet investor needs

## The revised Practice Statement

- Follows an objectives-based approach
- Sets out six interrelated areas of content
- Requires a focus on key matters
- Specifies requirements for coherence of information



### Effective date

Annual reporting periods beginning on or after 23 June 2025, with earlier application permitted (application is not required to comply with IFRS Accounting Standards).

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