
IFRS[®] Interpretations Committee meeting

Date **November 2025**
Project **Updates to Agenda Decisions for IFRS 18**
Topic **Comment letters—cover paper**
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Objective

1. In June 2025, the IFRS Interpretations Committee (Committee), at the request of the International Accounting Standards Board (IASB), decided:
 - (a) to update nine agenda decisions to replace the references to IAS 1 *Presentation of Financial Statements* with references to new or amended requirements in IFRS 18 *Presentation and Disclosure in Financial Statements*; and
 - (b) to update the Agenda Decision *Supply Chain Financing Arrangements—Reverse Factoring* considering the requirements of IFRS 18.
2. The Committee published a package of [tentative agenda decisions](#) that included the proposed updates. The comment period ended on 6 October 2025.

Papers for this meeting

3. This paper includes:
 - (a) background (paragraphs 5–13);
 - (b) feedback summary (paragraphs 14–18);

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- (c) feedback on the approach to proposed updates (paragraphs 19–27);
 - (d) next steps (paragraph 28); and
 - (e) Appendix—other feedback.
4. Other papers to this meeting include:
- (a) Agenda Paper 9A—in this paper we analyse feedback on the proposed updates to the nine agenda decisions referred to in paragraph 1(a);
 - (b) Agenda Paper 9B—in this paper we analyse feedback on the proposed updates to the agenda decision *Supply Chain Financing Arrangements—Reverse Factoring*; and
 - (c) Agenda Paper 9C—this paper includes the suggested wording of the final updates to the agenda decisions.

Background

5. After publication in IFRIC[®] *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.¹ Consequently, when new requirements become effective, the IASB typically take one of two approaches regarding agenda decisions:

¹ 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 within it refers to requirements that have been changed or removed from IFRS Accounting Standards; 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. Ten agenda decisions were identified that refer to, but do not focus only on, requirements in IAS 1 *Presentation of Financial Statements* that were not brought forward unchanged to IFRS 18 *Presentation and Disclosure in Financial Statements* or other IFRS Accounting Standards. These include:
 - (a) one agenda decision ([Current or non-current asset classification—normal operating cycle](#) (June 2005)) that refers to both requirements in IAS 1 that have been brought forward unchanged and requirements in IAS 1 that have not.
 - (b) nine agenda decisions including explanatory material that, in addition to referring to other Standards, refer to requirements in IAS 1 that have not been brought forward unchanged. The nine agenda decisions referred to here include the agenda decision *Supply Chain Financing Arrangements—Reverse Factoring* (reverse factoring agenda decision).

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9. 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.
 10. However, the IASB was of the view that withdrawing the 10 agenda decisions in their entirety would not support consistent application in the most effective way. The explanatory material that references unchanged requirements remain relevant, and therefore the agenda decisions would continue to be useful to support consistent application, even after IFRS 18 becomes effective.
 11. The IASB asked 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 paragraph 8. These nine agenda decisions reference general requirements about presentation, materiality and aggregation. See Agenda paper 9A.
 - (b) to consider how an entity applies the requirements in IFRS 18 to the fact pattern addressed by the reverse factoring agenda decision. See Agenda Paper 9B.
 12. The Committee discussed the IASB's request at its June 2025 meeting and decided:
 - (a) to update nine agenda decisions to replace the references to IAS 1 with references to new or amended requirements in IFRS 18; and
 - (b) to update the reverse factoring agenda decision considering the requirements in IFRS 18.
 13. The Committee published a package of [tentative agenda decisions](#) that included the proposed updates. The comment period ended on 6 October 2025.

Feedback summary

14. We received 17 comment letters by the comment letter deadline. All comment letters received, including any late comment letters, are available on our [website](#).² This agenda paper includes analysis of only the comment letters received by the comment letter deadline.
15. Respondents generally commented on specific aspects of the proposed updates. Agenda Papers 9A and 9B summarise and analyse these comments. In particular:
 - (a) Agenda Paper 9A summarises and analyses comments on the proposed updated to all the agenda decisions other than the reverse factoring agenda decision; and
 - (b) Agenda paper 9B summarises and analyses comments on the proposed updates to the reverse factoring agenda decision.
16. Three respondents raised concerns about the approach to the proposed updates. We summarise and analyse these comments in paragraphs 19–27 of this paper.
17. A few respondents made comments not directly related to the proposed updates. We summarise and analyse these comments in the appendix to this paper.
18. Some respondents provided editorial suggestions on the proposed updates to the agenda decisions. We have not summarised these suggestions in the papers for this meeting—however, we considered these suggestions in developing the suggested wording for the final updates to the agenda decisions which have been included in Agenda Paper 9C.

² At the date of posting this agenda paper, there were no late comment letters.

Approach to the proposed updates

Feedback

19. Fourteen respondents agree (or do not disagree) with the approach to the proposed updates. Three respondents raise concerns about the approach and say the proposed updates:
- (a) lack supporting analysis; and
 - (b) change the factual accuracy of the agenda decisions.

Lack of analysis

20. Two respondents say the Committee did not analyse the requirements in IFRS 18 when developing the proposed updates. They say the requirements in IFRS 18 referred to in the proposed updates are substantially different from the IAS 1 requirements they are proposing to replace.
21. One of these two respondents says trying to find equivalent references in IFRS 18 risks overlooking broader implications of the requirements in IFRS 18. In this respondent's view, the requirements in, and new concepts introduced by, IFRS 18 could affect the original question, the Committee's original conclusion, or both. The respondent says in the absence of supporting analysis, it is difficult to assess whether the conclusions in the agenda decisions remain valid.
22. The other respondent:
- (a) says the approach used to update the agenda decisions could lead to unintended consequences in how stakeholders might understand and apply the requirements in IFRS 18.
 - (b) suggests the Committee 'not proceed with these IFRS 18 agenda decisions' but instead 'reconsider each agenda decision holistically with the new underlying

principles embedded in IFRS 18 when diversity in practice is observed, or when a submission is received by the Committee requesting additional clarity on the same or similar issues’.

- (c) says proceeding with these updates could communicate to stakeholders that IFRS 18 is not fit for purpose and needs to be supported with agenda decisions.

Factual accuracy of the agenda decisions

23. Two respondents say the updates change the factual accuracy of the agenda decisions. These respondents say agenda decisions are historic documents that reflect the Committee’s discussions at a point in time and the Committee did not consider the requirements of IFRS 18 when it originally discussed the questions in these agenda decisions. They say for example, updating an agenda decision to say ‘The Committee observed that, in applying ~~paragraph x of IAS 1~~ paragraph x of IFRS 18...’ (deleted text struck through and new text underlined) renders an agenda decision factually incorrect because the Committee, at the time, did not discuss the requirements in paragraph x of IFRS 18.

Staff analysis

24. As paragraph 6 notes, the IASB typically withdraws an agenda decision when the explanatory material within it refers to requirements that have been changed or removed from IFRS Accounting Standards. That approach remains and will continue to be applied by the IASB when it issues new or amended requirements.
25. When the IASB decided to ask the Committee to consider updating the ten agenda decisions discussed in Agenda Papers AP9A and AP9B, the IASB acknowledged that this was unusual and reflected the unusual circumstances that arose with respect to those agenda decisions when IFRS 18 replaced IAS 1. That is, those agenda decisions

include explanatory material that refers to requirements that remain unchanged—and thus ordinarily that explanatory material would remain unchanged—however other parts of the explanatory material refer to requirements in IAS 1 that are similar to, but differ from, requirements in IFRS 18.

26. The comments raised by three respondents (as explained in paragraphs 20–23) confirm why, more generally, the IASB withdraws agenda decisions when requirements referred to within them have been changed or removed. Nonetheless, with respect to the proposed updates for IFRS 18, we disagree with their general comment that the Committee needs to further analyse the requirements in IFRS 18 to update the agenda decisions, beyond what is specifically considered for each agenda decision in AP9A and AP9B. In particular:
- (a) only two respondents say the analysis undertaken by the Committee was insufficient—other respondents did not express similar concerns.
 - (b) the nine agenda decisions (that is, excluding the reverse factoring agenda decision) include explanatory material about, but do not exclusively focus on, requirements in IAS 1 that have not been brought forward unchanged to IFRS 18. The explanatory material that references IFRS Accounting Standards other than those requirements in 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. Table 1 included in paragraph 7 of [Agenda Paper 5A](#) of the Committee’s June 2025 meeting summarised the extent of the references to IAS 1 in each agenda decision.
 - (c) we acknowledge the requirements in IFRS 18 referred to in the updates to the agenda decisions differ from the requirements in IAS 1 that they replace. Updating the references to IAS 1 to the appropriate new references in IFRS 18 does not imply that IFRS 18 will not affect how an entity presents or discloses

information in its financial statements in respect of the matters considered in these agenda decisions. We agree with respondents when they say IFRS 18 introduces new requirements that might change how an entity reports information. However, the Committee considered these differences when proposing the updates and respondents have now had an opportunity to comment on the proposed updates, which we have analysed in the other agenda papers for this meeting. As previously considered by the Committee, the requirements in IAS 1 that are subject to the updates are generally related to the principles of materiality, aggregation and disaggregation (specifically presenting separate line items or subtotals if doing so enhances users' understanding). Applying such requirements to an entity's specific facts and circumstances requires that entity to apply its judgement when determining the appropriate accounting. We think *the need to consider* those principles and apply judgement—and not necessarily the *outcome* of that consideration—will remain the same when entities apply the equivalent (but different) requirements in IFRS 18.

- (d) our analysis of feedback specific to each agenda decision (see Agenda Paper 9A of this meeting) has generally confirmed—in our view—that the technical analysis the Committee has undertaken is sufficient to finalise the updates. We see no reason to withdraw these nine agenda decisions in their entirety.

27. We disagree that the proposed updates would change the factual accuracy of the agenda decisions. We acknowledge that the Committee did not discuss the requirements in IFRS 18 when it first considered the original submission. However, as paragraph 26(c) explains, the Committee has now considered those requirements when it proposed the updates. We acknowledge the proposed updates did not include information that identified the fact that the agenda decisions would be updated. To respond to concerns about the historicity of agenda decisions, we think it would be helpful to add some information to the title of the agenda decisions to indicate that the

agenda decision was updated after its original publication date. We illustrate how the Committee can do this in Agenda Paper 9C of this meeting.

Next steps

28. If the Committee decides to finalise the updates to all or some of the agenda decisions discussed at this meeting, we will follow our normal process to communicate and process the changes:
- (a) *IASB meeting*—we will ask the IASB whether it agrees with the updates to the agenda decisions at the first IASB meeting at which it is practicable to present them;
 - (b) *IFRIC Update*—the final updates will be included in the IFRIC[®] *Update* for this meeting;
 - (c) *Compilations of Agenda Decisions*—the final updates will be included in the *Compilations of Agenda Decisions* planned for 2026;
 - (d) *Website*—the updated text of the agenda decisions will be included on our website while the original agenda decisions would continue to be accessible via the relevant IFRIC *Update*, the applicable *Compilation of Agenda Decisions* for agenda decisions issued after January 2019 and historic versions of the annotated *Bound Volumes* (also available electronically via the IFRS Accounting Standards Navigator); and
 - (e) *Annotated Bound Volumes*—the updated text of the agenda decisions will be included as annotations in the relevant *Annotated Bound Volumes* (Required and Issued Standards).
29. If the Committee decides not to finalise the updates to some or all of the agenda decisions discussed in this meeting, we will recommend to the IASB at a future meeting that it withdraws those agenda decisions in their entirety.

Appendix A—Other feedback

- A1. In this appendix we summarise and analyse feedback not directly related to the proposed updates.

Due process

Feedback

- A2. Three respondents say proper due process, including public consultation, is necessary for any substantive changes to agenda decisions—including withdrawal of agenda decisions. For example, one respondent (an accounting firm) questions the withdrawal of the agenda decision [*Presentation of Liabilities or Assets Related to Uncertain Tax Treatments \(IAS 1\)*](#).
- A3. These respondents link their comments on the proposed updates to those they made on the IFRS Foundation Due Process Oversight Committee (DPOC)'s process to update the Due Process Handbook ([Due Process Handbook Review](#)).

Analysis

- A4. The IASB and the Committee have followed due process requirements in updating the agenda decisions. In particular:
- (a) paragraph 6 of this paper notes the process the IASB follows when new requirements become effective—including for withdrawal of an agenda decision. This process has been followed for agenda decisions related to IAS 1 that were not subject to the proposed updates.
 - (b) applying the process discussed in paragraph 6 of this paper, the 10 agenda decisions subject to the proposed updates would have been withdrawn. However, for reasons explained in paragraph 10, the IASB considered that withdrawing the agenda decisions in their entirety would not support

consistent application in the most effective way. Consequently—and in accordance with due process—the IASB asked the Committee to consider updating the agenda decisions as set out in paragraph 11. The Committee proposed the updates and—in accordance with due process—exposed the proposed updates for comment.

Maintaining a record of historic agenda decisions

Feedback

- A5. Two respondents say that the IASB and the Committee needs to consider maintaining a publicly accessible archive of original and revised agenda decisions it has issued. This would serve as a useful resource for entities seeking to understand the historical context and rationale behind specific agenda decisions and would support comparative analysis.

Analysis

- A6. All original agenda decisions would continue to be accessible via the relevant IFRIC Update, the applicable Compilation of Agenda Decisions for agenda decisions issued after January 2019 and historic versions of the annotated Bound Volumes (also available electronically via the IFRS Accounting Standards Navigator).

Other comments

- A7. Three respondents suggest developing illustrative examples or other material to better illustrate how entities should apply the explanatory material in agenda decisions. One respondent says doing so would be particularly useful for financial institutions, like banks and insurance companies.
- A8. One respondent suggests reviewing other agenda decisions that are being amended or withdrawn (that is, other than the 10 that are subject to the proposed updates). For

example, they say that some of the affected agenda decisions relate to income taxes and the IASB or the Committee should consider whether standard-setting would be more appropriate to address and embed in IAS 12 the explanatory material in agenda decisions related to IAS 12.

- A9. One respondent suggests amending IFRS 8 *Operating Segments* to respond to the questions asked in the agenda decision [Disclosure of Revenues and Expenses for Reportable Segments](#).

Analysis

- A10. These requests go beyond the scope of the proposed updates.