
Accounting Standards Advisory Forum meeting

Date **October 2025**
Project **ASAF**
Topic **ASAF planning and feedback from previous meetings**

Contacts **Elena Kostina** (elena.kostina@ifrs.org)
Fred Nieto (fnieto@ifrs.org)

This paper has been prepared for discussion at a public meeting of the Accounting Standards Advisory Forum (ASAF). 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*.

Introduction

1. The aim of this paper is to:
 - (a) discuss the agenda topics for the December 2025 meeting of the Accounting Standards Advisory Forum (ASAF); and
 - (b) provide ASAF members with feedback on how the staff or the International Accounting Standards Board (IASB) have considered (or will consider) the advice given at the March, May and July 2025 ASAF meetings.
2. Information about the IASB's work plan and the status of projects is available on the IFRS Foundation website.

Structure of the paper and questions for ASAF members

3. There are two appendices to this paper:
 - (a) Appendix A sets out the suggested agenda topics for the December 2025 ASAF meeting; and
 - (b) Appendix B sets out a table summarising the feedback from the March, May and July 2025 ASAF meetings and how the staff or the IASB have considered (or will consider) this feedback.

Questions for ASAF members

1. Do ASAF members have any comments on the proposed agenda topics for the December 2025 ASAF meeting or wish to add items arising from their jurisdiction to the proposed agenda topics (Appendix A)?
2. Do ASAF members have any comments on how the feedback from the March, May and July 2025 ASAF meetings has been (or will be) used by the staff or the IASB (Appendix B)?

Appendix A—ASAF agenda topics

Agenda topic	Purpose of the discussion
March 2025 ASAF meeting	
Equity Method	Provide an overview of the feedback on the Exposure Draft <i>Equity Method of Accounting—IAS 28 Investments in Associates and Joint Ventures (revised 202x)</i> and seek ASAF members' views on the topics for re-deliberations.
Second Comprehensive Review of the <i>IFRS for SMEs</i> Accounting Standard	Provide an overview of the third edition of the <i>IFRS for SMEs</i> Accounting Standard.
Intangible Assets	Provide an update on staff's research and seek ASAF members' views on the project direction prior to the IASB making further decisions on the project.
Financial Instruments with Characteristics of Equity	Seek ASAF members' views on the: <ul style="list-style-type: none"> - potential changes to the proposed amendments related to presentation and disclosures in response to the feedback on the Exposure Draft <i>Financial Instruments with Characteristics of Equity</i>; and - timing of finalising these amendments.
Due Process Handbook Review	Provide an overview of the Exposure Draft published by the IFRS Foundation Trustees <i>Proposed Amendments to the IFRS Foundation Due Process Handbook</i> . Provide an opportunity for ASAF members to ask questions and share views about the proposed amendments.
Statement of Cash Flows and Related Matters	Provide an update on staff's research and seek ASAF members' views on the project direction.
Post-implementation Review (PIR) of IFRS 16 <i>Leases</i>	Provide a project update.
May 2025 ASAF ad-hoc meeting	
Climate-related and Other Uncertainties in the Financial Statements	Provide an overview of the feedback on the Exposure Draft <i>Climate-related and Other Uncertainties in the Financial Statements</i> and seek ASAF members' views on the project direction prior to the IASB making further decisions on the project.
July 2025 ASAF meeting	
Provisions—Targeted Improvements	Discuss feedback on the Exposure Draft <i>Provisions—Targeted Improvements</i> and seek ASAF members' views on how the IASB should move forward with its <i>Provisions—Targeted Improvements</i> project in the light of that feedback.

Agenda topic	Purpose of the discussion
Rate-regulated Activities	Share with ASAF members the IASB's tentative decisions in May 2025 relating to a sweep issue identified during the drafting of the prospective IFRS <i>Accounting Standard Regulatory Assets and Regulatory Liabilities</i> . Share an assessment of the likely effects (benefits and costs) of the prospective Standard.
AcSB's research project on Segments	AcSB present the results of their research project on Segments.
Hyperinflation	Guest speakers from Africa and Latin America will share experiences and challenges in applying IAS 29 <i>Financial Reporting in Hyperinflationary Economies</i> . The session will help inform the IASB's next agenda consultation and raise awareness with ASAF members about the challenges in applying IAS 29.
Business Combinations—Disclosures, Goodwill and Impairment	Seek ASAF members' views on a possible rebuttable presumption approach to identify business combinations and the operating profit threshold.
October 2025 ASAF meeting (Actual)	
Business Combinations—Disclosures, Goodwill and Impairment	Seek ASAF members' views on aspects of the proposals such as the exemption from some disclosure requirements and restructuring and asset enhancement cash flows.
Intangible Assets	Seek ASAF members' views on application issues selected as test cases and related to newer types of intangible assets and new ways of using them in exploring whether to update the definition of an intangible asset, associated guidance and some aspects of the recognition criteria.
Statement of Cash Flows and Related Matters	Seek ASAF members' views on the possible underlying factors contributing to inconsistent application of classification requirements in IAS 7. Transactions previously identified by ASAF members as being inconsistently classified will be used as examples to demonstrate underlying factors identified by staff and how IAS 7 might be applied.
Equity Method	Seek ASAF members' views on specific proposals in the Exposure Draft: <ul style="list-style-type: none"> - measurement of the 'cost of the associate'—acquisition-related costs; and - other changes in an investor's ownership interest—dilution gains or losses.

Agenda topic	Purpose of the discussion
December 2025 ASAF meeting (Proposed topics)	
Equity Method	Provide an update on the project's status and seek ASAF members' views on specific proposals in the Exposure Draft on the Equity Method of Accounting.
UKEB's project on statement of cash flows	UKEB will present their work on statement of cash flows.
Statement of Cash Flows and Related Matters	Seek ASAF members' views on aspects of the topics being explored in the project including tentative proposals for extending the MPM requirements to also include cash flow measures.
Intangible Assets	Seek ASAF members' views on the user information needs in their jurisdictions in relation to recognised and unrecognised intangible assets and expenditure associated with them.
Amortised Cost Measurement	Seek input from ASAF members on the potential improvements to IFRS 9 requirements for changes in EIR and modification of financial instruments, to be discussed by the IASB from September 2025.
Business Combinations—Disclosures, Goodwill and Impairment	Seek ASAF members' views to explore alternative approaches on various topics which might include performance information and expected synergy information.
OIC's project on business combinations under common control	OIC will present their work on business combinations under common control.

Appendix B—Feedback from the March, May and July 2025 meetings

Topic	Summary of ASAF advice	How the advice has been/will be applied
Equity Method (March 2025) The purpose of this session was: <ul style="list-style-type: none"> (a) to provide ASAF members with an overview of the feedback on the Exposure Draft <u>Equity Method of Accounting—IAS 28 Investments in Associates and Joint Ventures (revised 202x)</u>; and (b) to seek ASAF members' views on the project's next stage (the project direction). 		
	<p>The feedback from the ASAF members highlighted support for the project's direction and objective, to reduce diversity in practice and improve the understandability and comparability of financial statements, although some members commented that the project should have included a discussion on whether the equity method is a one-line consolidation or measurement basis.</p> <p>ASAF members provided their comments on the topics for redeliberations, with some members noting concerns about the cost-benefit balance of some proposals, such as the use of fair values when an investor purchases additional ownership interests.</p>	<p>The IASB discussed a summary of the feedback, including feedback from ASAF members at its May 2025 meeting. The IASB will consider the feedback, including the feedback from ASAF members, during the deliberations of the proposals.</p>
Second Comprehensive Review of the IFRS for SMEs Accounting Standard (March 2025) The purpose of the session was to provide ASAF members with an overview of the second comprehensive review of the IFRS for SMEs Accounting Standard, including the major changes to the Standard.		
	<p>ASAF members welcomed the third edition of the Standard, but some expressed a desire for more topics to be included, such as cryptocurrency.</p> <p>Several ASAF members praised the decision not to align the Standard with IFRS 16 <i>Leases</i> at this time.</p>	<p>The IFRS Foundation will continue to produce podcasts and webcasts to support implementation of the Standard and will update the educational modules beginning in the second quarter of 2025.</p>

Topic	Summary of ASAF advice	How the advice has been/will be applied
	<p>There were mixed views on how the Standard should be maintained, with some suggesting more frequent updates and others emphasising the importance of maintaining a stable platform for SMEs.</p> <p>ASAF members also appreciated the educational modules and other supporting materials provided.</p>	
Intangible Assets (March 2025) The purpose of the session was to provide an update on IASB research and outreach activities since April 2024 and to obtain ASAF members' strategic advice on the project direction before the IASB makes further decisions on the project.		
	<p>The feedback from ASAF members emphasised the importance of doing a comprehensive review of IAS 38 and adopting a principles-based approach for the <i>Intangible Assets</i> project.</p> <p>ASAF members had mixed views on the starting point for the project, suggesting to start with exploring overarching principles, the definition of an 'intangible asset' or disclosure requirements.</p> <p>ASAF members provided suggestions on balancing the needs for timely improvements and a comprehensive review, including focusing on users' information needs and advancing high-priority topics first.</p> <p>Some ASAF members highlighted the importance of having a clear boundary between financial statements and other reports to determine the appropriate location for the intangibles-related information.</p>	<p>The IASB considered ASAF members' views when deciding the project direction at its May 2025 meeting.</p>

Topic	Summary of ASAF advice	How the advice has been/will be applied
	In addition, ASAF members provided some comments on possible objectives of the project and topics for the IASB to explore in the project.	
Financial Instruments with Characteristics of Equity (March 2025) The purpose of this session was: <ul style="list-style-type: none"> (a) to recap the proposals and feedback related to the presentation and disclosure sections in the Exposure Draft <i>Financial Instruments with Characteristics of Equity</i>; and (b) to seek ASAF members' views on: <ul style="list-style-type: none"> (i) the possible changes to the proposed amendments related to presentation and some disclosures in response to stakeholder feedback on the Exposure Draft; and (ii) the timing of issuing the amendments related to presentation and some disclosures. 		
	<p>Most ASAF members agreed with the IASB's preferred approach to require an entity to separately present profit or loss attributable to ordinary shareholders, other participating instrument holders and non-participating instrument holders of the parent, in the statement of profit or loss. They acknowledged such an approach would provide a level of detail that is useful to users of financial statements. However, there were some concerns about practical implementation, such as the need for definitions and application guidance on categorising instruments and allocating profit or loss to various types of equity instrument holders.</p>	<p>The IASB considered stakeholder feedback, including ASAF members' views, when it made tentative decisions on the proposed amendments related to presentation and disclosures at its June 2025 meeting. In addition, the IASB considered stakeholder feedback, including ASAF members' views in tentatively deciding not to expedite the issuance of the amendments related to presentation and disclosures ahead of those related to classification and other disclosures.</p>

Topic	Summary of ASAF advice	How the advice has been/will be applied
	<p>Most ASAF members agreed the suggested changes to the proposed disclosure requirements aim to reduce the costs to preparers while still meeting users' information needs. However, some members were still concerned about costs to preparers and requested further simplifications or clarifications.</p> <p>Many ASAF members agreed the IASB should not expedite the issuance of the amendments related to presentation and disclosures before issuing the amendments related to classification and other disclosures. However, a few members supported issuing them on a stand-alone basis, but suggested a later effective date than that of IFRS 18 <i>Presentation and Disclosure in Financial Statements</i> to allow entities enough time to implement the requirements.</p>	
<p>Due Process Handbook Review (March 2025)</p> <p>The purpose of this session was to provide ASAF members with an overview of the key proposals in the Exposure Draft Proposed Amendments to the IFRS Foundation Due Process Handbook and to ask ASAF members for their views on the proposals.</p>		
	<p>ASAF members agreed with the main aim of the proposed amendments, which is to include the ISSB within the Due Process Handbook.</p> <p>Several ASAF members wanted further enhancements to the Interpretations Committee due process, noting that there should be clearer due process for how agenda decisions are maintained. A few others wanted the two components (diversity and prevalence) as separate criteria.</p>	<p>The Due Process Oversight Committee considered feedback with an aim to publish the revised Due Process Handbook in December 2025.</p>

Topic	Summary of ASAF advice	How the advice has been/will be applied
	<p>A few were concerned about the robustness of the SASB Standards' due process was, specifically that the SASB Board Adviser Group meets in private.</p> <p>The proposed amendments to the PIR process led a few ASAF members to ask that the objective of a PIR be made clearer, and others wanted a specific backstop date added for when a PIR should start.</p>	
<p>Statement of Cash Flows and Related Matters (March 2025)</p> <p>The purpose of this session was:</p> <p>(a) to provide ASAF members with a summary of the IASB's initial research activities for the Statement of Cash Flows and Related Matters project; and</p> <p>(b) to seek ASAF members' views regarding those initial research findings.</p>		
	<p>Most ASAF members generally agreed with the identified stakeholder priorities and acknowledged the connections between the topics on the statement of cash flows and related disclosures.</p> <p>Some ASAF members said the effects of non-cash transactions is a priority issue to their stakeholders, particularly information about non-cash transactions that are economically similar to cash transactions.</p> <p>Some ASAF members also said having more transparent information about commonly used cash flow measures such as 'free cash flow' was a high-priority topic for their stakeholders. Some suggested applying an approach similar to management-defined performance measures in IFRS 18.</p>	<p>At its May 2025 meeting the IASB further considered the initial research findings, including feedback from ASAF members, in deciding the topics to explore and not to explore in the project and its approach to the topic of applicability to financial institutions.</p>

Topic	Summary of ASAF advice	How the advice has been/will be applied
	<p>Some ASAF members suggested greater alignment between the statement of cash flows and the statement of profit and loss, while others highlighted the importance of understanding the extent to which comparability should be considered between the statements.</p> <p>Although some members said disaggregation was a priority topic for users, there were mixed views about disaggregating capital expenditure between growth and maintenance, with some members saying it would be difficult to provide a common definition.</p> <p>Most ASAF members reported diversity in practice in classifying some transactions and suggested producing educational materials and application guidance to aid consistent classification of cash flows.</p> <p>Many ASAF members also expressed the need for more clarity on the definition of 'cash and cash equivalents', specifically the application of the 90-day threshold in identifying cash equivalents.</p>	
PIR of IFRS 16 Leases (March 2025) The purpose of this session was to provide an update on the project on the PIR of IFRS 16 Leases, including a summary of the IASB's tentative decisions from its March 2025 meeting.		
	ASAF members generally agreed with the tentative decisions on which matters to include in the RFI.	The IASB published the RFI in June 2025.

Topic	Summary of ASAF advice	How the advice has been/will be applied
	<p>Some ASAF members highlighted additional matters they thought important to ask stakeholders about, such as identifying a lease, distinguishing a lease from an in-substance purchase and applying IFRS 16 with IAS 36 <i>Impairment of Assets</i>.</p> <p>Suggestions for drafting the RFI included making it more understandable by avoiding negative forms of words and explaining the role of the IFRS Interpretations Committee in addressing application questions.</p>	
<p>Climate-related and Other Uncertainties in the Financial Statements (May 2025)</p> <p>The purpose of this session was to provide an overview of the feedback on the Exposure Draft <i>Climate-related and Other Uncertainties in the Financial Statements</i> and seek ASAF members' views on the project direction prior to the IASB making further decisions on the project.</p>		
	<p>Many ASAF members broadly supported proceeding with issuing examples and provided specific feedback on the draft examples. Many ASAF members also supported including them as illustrative examples accompanying IFRS Accounting Standards. However, a few ASAF members disagreed because illustrative examples are not endorsed in their jurisdictions.</p> <p>ASAF members expressed mixed views about the focus on climate-related examples. While one ASAF member specifically supported this focus, many other ASAF members expressed concerns about this approach.</p>	<p>The IASB considered ASAF members' views when deciding the project direction at its June 2025 meeting.</p>

Topic	Summary of ASAF advice	How the advice has been/will be applied
	<p>ASAF members supported the staff's preliminary recommendation that the IASB seek feedback as part of its Fourth Agenda Consultation on the priority of additional work to facilitate connected financial reporting.</p> <p>ASAF members suggested exploring ways to better support stakeholders when implementing any changes resulting from the issuance of these illustrative examples, for example by considering the timing of issuing illustrative examples and being more specific about how much time would be sufficient to implement any changes.</p>	
<p>Provisions—Targeted Improvements (July 2025)</p> <p>The purpose of this session was to discuss feedback on the Exposure Draft <i>Provisions—Targeted Improvements</i> and seek ASAF members' views on how the IASB should move forward with the project.</p>		
	<p>The discussion focused on concerns respondents expressed about the proposed requirements for levies. ASAF members expressed mixed views on whether the IASB should develop a solution within the scope of the Provisions project or as a separate project.</p> <p>Members also discussed possible changes to the 'virtually certain to be enacted' threshold for proposed new laws. Some members suggested aligning the threshold with the 'substantively enacted' threshold in IAS 12 <i>Income Taxes</i>. Others suggested making no changes.</p>	<p>The IASB will consider ASAF members' views as it redeliberates the Exposure Draft proposals.</p>

Topic	Summary of ASAF advice	How the advice has been/will be applied
	<p>On the proposal to specify the costs to include in the measure of a provision, members asked for clarification of the requirements' scope and of the treatment of ancillary costs.</p> <p>On discount rates, ASAF members expressed support for adding an exception to the initial measurement requirements in IFRS 3 <i>Business Combinations</i> to avoid 'day 2' adjustments for provisions assumed in a business combination.</p>	
<p>Rate-regulated Activities (July 2025)</p> <p>The purpose of this session was to share with ASAF members:</p> <p>(a) the IASB's tentative decisions in May 2025 relating to a sweep issue identified during the drafting of the prospective IFRS Accounting Standard <i>Regulatory Assets and Regulatory Liabilities</i> (prospective Standard); and</p> <p>(b) an assessment of the likely effects (costs and benefits) of the prospective Standard.</p>		
Minimum interest rate requirements	ASAF members generally supported the IASB's tentative decisions to remove the minimum interest rate requirements and to include additional disclosure requirements.	The IASB will consider the feedback from ASAF members in drafting the prospective Standard.
Assessment of likely effects of the prospective Standard	<p>ASAF members shared these views:</p> <p>(a) UKEB representative expressed significant concerns about the effects analysis.</p> <p>(b) some ASAF members made comments about the understandability of the requirements of the prospective Standard by stakeholders in their jurisdictions.</p> <p>A few ASAF members made other comments regarding the issuance of the prospective Standard.</p>	The IASB will consider the feedback from ASAF members in drafting the effects analysis of the prospective Standard.

Topic	Summary of ASAF advice	How the advice has been/will be applied
AcSB's research project on Segments (July 2025)		
	The AcSB representative presented the results of the AcSB's staff research on the application of IFRS 8 <i>Operating Segments</i> in Canada, including a summary of feedback from Canadian users, preparers and auditors of financial statements.	Specific advice was not sought at this session.
Hyperinflation (July 2025)		
	PAFA and GLASS representatives presented challenges and concerns about the application of IAS 29 <i>Financial Reporting in Hyperinflationary Economies</i> .	Specific advice was not sought at this session.
Business Combinations—Disclosures, Goodwill and Impairment (July 2025)		
<p>The purpose of the session was to seek ASAF members' views on potential alternative approaches for identifying the subset of business combinations for which performance information would be required. ASAF members were asked for their views on:</p> <p>(a) a rebuttable-presumption approach for identifying this subset; and</p> <p>(b) the necessity of the proposed operating profit threshold as part of identifying the subset.</p>		
	<p>Most ASAF members supported a rebuttable-presumption approach. They said it would help to address issues with the threshold approach inappropriately capturing business combinations. However, ASAF members have mixed views on:</p> <p>(a) whether to use one of the suggested principles and if so, which one;</p>	The IASB will consider ASAF members' views as it redeliberates the Exposure Draft proposals.

Topic	Summary of ASAF advice	How the advice has been/will be applied
	<p>(b) whether entities should also be required to consider whether to rebut the presumption that performance information is not required for business combinations that do not meet the thresholds; and</p> <p>(c) whether to require an entity disclose the fact of, and reason for, any rebuttal.</p> <p>Most ASAF members supported removing the operating profit threshold.</p>	