

---

**IASB<sup>®</sup> meeting**

Date **September 2025**  
Project **Financial Instruments with Characteristics of Equity (FICE)**  
Topic **Cover paper**  
Contacts Angie Ah Kun ([aahkun@ifrs.org](mailto:aahkun@ifrs.org))

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

---

## Purpose of this meeting

1. At this month's meeting, the staff will present the following agenda papers:
  - (a) Agenda Paper 5A *Proposed amendments—reclassification of financial liabilities and equity instruments*;
  - (b) Agenda Paper 5B *Detailed feedback—Shareholder discretion; and*
  - (c) Agenda Paper 5C *Proposed amendments—Shareholder discretion*
2. Agenda Paper 5A analyses the detailed feedback from comment letters and outreach on the proposed requirements related to the reclassification of financial liabilities and equity instruments in the Exposure Draft *Financial Instruments with Characteristics of Equity* (the ED) issued in November 2023. The paper also contains the staff's recommendations for potential refinements to these proposed requirements based on the feedback.
3. Agenda Paper 5B summarises the detailed feedback from comment letters and outreach on the proposals about shareholder discretion in the ED. Agenda Paper 5C contains the staff's analysis and recommendations on this topic.
4. In these agenda papers, we use the following terms to broadly indicate the portion of respondents that reported a particular view:

- 
- (a) almost all—all except a very small minority;
  - (b) most—large majority, with more than a few exceptions;
  - (c) many—small majority or large minority;
  - (d) some—small minority, but more than a few; and
  - (e) a few—a very small minority.
5. At this meeting, the staff will ask the IASB if it agrees with its recommendations for the proposed amendments to IAS 32 *Financial Instruments: Presentation* related to:
- (a) reclassification of financial liabilities and equity instruments set out in Agenda Paper 5A; and
  - (b) shareholder discretion set out in Agenda Paper 5C.