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## IASB<sup>®</sup> meeting

Date	<b>April 2026</b>
Project	<b>Fair Presentation and Compliance with IFRS Accounting Standards (IAS 1)</b>
Topic	<b>Finalisation of agenda decision</b>
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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*.

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## Purpose of the meeting

1. At its March 2026 meeting, the IFRS Interpretations Committee (Committee) decided not to add a standard-setting project to the work plan in response to a request about the application of the requirements in paragraphs 15–24 of IAS 1 *Presentation of Financial Statements* relating to fair presentation and compliance with IFRS Accounting Standards.<sup>1</sup> The Committee instead decided to finalise an agenda decision that explained its reasons for not adding a standard-setting project.
2. The purpose of this meeting is to ask the International Accounting Standards Board (IASB) members whether they object to the agenda decision, as required by paragraph 8.7 of the IFRS Foundation [Due Process Handbook](#).

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<sup>1</sup> On issuance of IFRS 18 *Presentation and Disclosure in Financial Statements* in April 2024, paragraphs 15–24 of IAS 1 *Presentation of Financial Statements* have been carried forward unchanged as paragraphs 6A–6J of IAS 8 *Basis of Preparation of Financial Statements*. An entity will apply those amendments when it applies IFRS 18.

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## Background

3. Paragraph 15 of IAS 1 [to be carried forward as paragraph 6A of IAS 8 *Basis of Preparation of Financial Statements*] states:

Financial statements shall present fairly the financial position, financial performance and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the *Conceptual Framework for Financial Reporting (Conceptual Framework)*. The application of IFRS [Accounting Standard]s, with additional disclosure when necessary, is presumed to result in financial statements that achieve a fair presentation.

4. Paragraph 19 of IAS 1 [to be carried forward as paragraph 6E of IAS 8] states:

In the extremely rare circumstances in which management concludes that compliance with a requirement in an IFRS [Accounting Standard] would be so misleading that it would conflict with the objective of financial statements set out in the *Conceptual Framework*, the entity shall depart from that requirement in the manner set out in paragraph 20 [to be carried forward as paragraph 6F of IAS 8] if the relevant regulatory framework requires, or otherwise does not prohibit, such a departure.

5. In the fact pattern described in the request, an entity applying paragraph 19 of IAS 1 departs from a requirement in an IFRS Accounting Standard. The request asks whether the entity is nonetheless required to comply with the requirement for fair presentation in paragraph 15 of IAS 1.

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6. Upon receiving the request, we sent an information request to members of the International Forum of Accounting Standard Setters, securities regulators and large accounting firms. All respondents said the fact pattern described in the request—that is, an entity departing from a requirement in an IFRS Accounting Standard—arises infrequently.<sup>2</sup>
  7. Based on its findings, in November 2025, the Committee concluded that the matter described in the request did not meet the criteria for adding a standard-setting project to the work plan set out in paragraph 5.16 of the [Due Process Handbook](#). In particular, the matter did not meet the criterion in sub-paragraph 5.16(a) that ‘the matter has widespread effect...’. Consequently, the Committee decided to publish a [tentative agenda decision](#) outlining its findings and explaining its reasons for not adding a standard-setting project.

## Feedback on the tentative agenda decision

8. The Committee received ten comment letters on its tentative agenda decision by the comment letter deadline. All comment letters received, including any late comment letters, are available on our [website](#).<sup>3</sup> [Agenda Paper 4](#) for the Committee’s March 2026 meeting summarised the comments and set out our analysis of those comments.
9. In summary:
  - (a) eight respondents agreed with the Committee’s decision not to add a standard-setting project to the work plan for the reasons set out in the tentative agenda decision;
  - (b) one respondent while not explicitly agreeing or disagreeing with the Committee’s findings said it did not have any specific comments on this agenda decision; and

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<sup>2</sup> See paragraphs 9–15 of [Agenda Paper 3](#) for the Committee’s November 2025 meeting.

<sup>3</sup> At the date of posting this agenda paper, there were no late comment letters.

- (c) one respondent disagreed with the Committee's decision and said the matter addressed in the tentative agenda decision did not arise only infrequently.

## The Committee's discussion and feedback

10. The Committee considered the feedback at its March 2026 meeting. The Committee confirmed its conclusion that the matter described in the request does not have widespread effect and its decision not to add a standard-setting project to the work plan.
11. The Committee made no significant changes to the wording of the tentative agenda decision. The [appendix](#) to this paper includes the wording of the agenda decision approved by the Committee.
12. All 14 Committee members voted to finalise the agenda decision.

### Questions

Do you object to the Committee's:

- a. decision not to add a standard-setting project to the work plan?
- b. conclusion that the agenda decision does not add or change requirements in IFRS Accounting Standards?

## Appendix—the agenda decision

A1. The agenda decision below was approved by the Committee at its March 2026 meeting.

### **Fair Presentation and Compliance with IFRS Accounting Standards (IAS 1 Presentation of Financial Statements [IAS 8 *Basis of Preparation of Financial Statements*])**

The Committee received a request about the application of the requirements in paragraphs 15–24 of IAS 1 [paragraphs 6A–6J of IAS 8] relating to fair presentation and compliance with IFRS Accounting Standards.

#### **Fact pattern and question**

In the fact pattern described in the request, an entity applying paragraph 19 of IAS 1 [paragraph 6E of IAS 8] departs from a requirement in an IFRS Accounting Standard. The request asked whether the entity is nonetheless required to comply with the requirement for fair presentation in paragraph 15 of IAS 1 [paragraph 6A of IAS 8].

#### **Findings**

Evidence gathered by the Committee indicated that the fact pattern described in the request arises infrequently.

#### **Conclusion**

Based on its findings, the Committee concluded that the matter described in the request does not have widespread effect. Consequently, the Committee decided not to add a standard-setting project to the work plan.