Meeting summary

Accounting Standards Advisory Forum

Date **6—7 July 2026**
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This document summarises a meeting of the Accounting Standards Advisory Forum (ASAF), a group of nominated members from national organisations and regional bodies involved with accounting standard-setting. The ASAF supports the IFRS Foundation (Foundation) and the International Accounting Standards Board (IASB) in their objectives, and contributes towards the development, in the public interest, of high-quality, understandable, enforceable and globally accepted IFRS Accounting Standards.

ASAF members who attended the meeting

Region	**Members**
Africa	Pan African Federation of Accountants (PAFA)
Americas	Canadian Accounting Standards Board (AcSB) Financial Accounting Standards Board, United States (FASB) Group of Latin American Accounting Standard Setters (GLASS) *
Asia–Oceania (including two at large)	Accounting Regulatory Department, Ministry of Finance, China (ARD) Accounting Standards Board of Japan (ASBJ) Australian Accounting Standards Board (AASB) and External Reporting Board, New Zealand (XRB), referred together as AASB/XRB * Saudi Organization for Chartered and Professional Accountants (SOCPA) Asian-Oceanian Standard-Setters Group (AOSSG) *
Europe (including two at large)	Accounting Standards Committee of Germany (ASCG) Autorité des Normes Comptables, France (ANC) Organismo Italiano di Contabilità, Italy (OIC) UK Endorsement Board (UKEB) EFRAG

* Remote participation by videoconference for some sessions.

Financial Instruments with Characteristics of Equity

Purpose of the session

1. The purpose of this session was:

   (a) to provide an update on the project on Financial Instruments with Characteristics of Equity;

   (b) to recap the proposals in the Exposure Draft *Financial Instruments with Characteristics of Equity* and stakeholder feedback related to obligations to purchase own equity instruments; and

   (c) to seek ASAF members' views on alternative presentation approaches in the consolidated financial statements and potential refinements to the proposed measurement requirements for obligations to purchase own equity instruments.

Summary of the feedback

Alternative presentation approaches

Presentation in the statement of financial position

2. ASAF members were asked if the alternative presentation approach for the statement of financial position would address stakeholder concerns and provide useful information to users of financial statements. Under this approach, the debit amount recognised in equity is presented as a deduction from non-controlling interest (NCI) but does not lead to derecognition of NCI.

3. The ARD, EFRAG, FASB, GLASS, PAFA, SOCPA and UKEB representatives generally supported this alternative approach as a practical response to stakeholder concerns. They observed that it would improve transparency and address stakeholder concerns about perceived double counting in the statement of financial position. The AcSB representative said that users of financial statements in their jurisdiction found the alternative approach decision-useful because of the enhanced transparency. However, some other stakeholders questioned whether the presentation faithfully represents the NCI. The AASB/XRB representative supported

the alternative approach, but they highlighted the importance of accompanying narrative disclosures to avoid user confusion. The GLASS representative noted that because the alternative approach would affect the presentation of reported equity, the IASB should carefully consider the effective date and transition requirements.

4. The ANC representative said that the alternative approach does not go far enough and argued that when an entity assumes an obligation to repurchase own shares, those shares cease to be equity instruments and so NCI should be derecognised. The OIC representative also preferred derecognising NCI but would accept the alternative approach because it achieves the same objective. The AOSSG representative said AOSSG members had mixed views—some members supported the alternative approach for addressing double counting and others questioned whether it appropriately reflects the economic substance or whether issues should instead be addressed through disclosures.

Presentation in the statement of profit or loss

5. ASAF members were asked if additional presentation in the attribution section in the statement of profit or loss would address perceived double-counting concerns and provide useful information to users of financial statements.

6. The ARD, ASCG, FASB, GLASS and PAFA representatives generally supported the proposed presentation as a way of providing additional information to users about the remeasurement of the financial liability and the allocation of subsidiary profit to the parent. The AASB/XRB and AcSB representatives highlighted concerns that the proposed presentation might result in information that is difficult for users to understand. However, the AcSB representative said that users in their jurisdiction were supportive of the proposed presentation and appreciated the additional information presented. The AOSSG representative said that more AOSSG members were supportive of the additional information presented in the statement of profit or loss and some wanted additional disclosures to support the presentation and improve clarity.

7. The ANC representative argued that in their view NCI should be derecognised and therefore net income should not be allocated to NCI. The EFRAG and OIC

representatives expressed concerns about recognising changes in the financial liability in profit or loss. They noted that such treatment might produce counterintuitive outcomes that are difficult to understand and argued that such changes relate to transactions with owners which should be reflected in equity. The SOCPA representative also considered the NCI put option to be a transaction with owners and emphasised the need to distinguish between operational performance and owner-related effects. In contrast, the AcSB, FASB and UKEB representatives acknowledged that recognising these changes outside of profit or loss would go beyond the scope of this project.

Measurement of the financial liability

8. ASAF members were asked to suggest how the IASB could respond to the challenges identified in applying the measurement approach in the Exposure Draft.

9. The AASB/XRB, ANC, ARD, EFRAG and GLASS representatives generally supported the proposed simplification of requiring measurement at 'not less than the amount payable on demand'. The UKEB representative acknowledged the simplification is potentially an improvement on the Exposure Draft's wording and closer to the IFRS 13 *Fair Value Measurement* wording for measuring demand deposits. However, the representative noted that demand deposits are different in nature from NCI puts because an entity might not expect to pay the deposit back for a period of time and NCI puts might have several different settlement amounts. The AcSB, AOSSG and ASCG representatives said the clarifications were helpful but not helpful enough because they did not resolve some of the challenges related to variable redemption amounts or amounts linked to performance metrics. The AASB/XRB representative recommended the IASB perform some field testing across diverse industries.

10. The EFRAG representative explained that their members had mixed views on whether to include non-performance risk in the discount rate. The ANC and AOSSG representatives supported the inclusion of non-performance risk in the discount rate, for example, in the case of simple instruments with a single fixed transaction price. The AOSSG and ARD representatives said for simple instruments or those for which

the repurchase price is determined based on principal and interest, the discount rate could be a contractual rate of return. In contrast, for a variable redemption amount or multiple exercise prices, a readily obtainable interest rate on similar bonds could be used.

11. The ANC, AOSSG, ARD and EFRAG representatives indicated that if the redemption amount is a multiple of EBITDA at a fixed date in the future, an entity's expectation or best estimate of future EBITDA at redemption date should be considered. The AOSSG and ARD representatives said that if the expected EBITDA cannot be reasonably forecasted, then the measurement could be based on circumstances at the reporting date.

12. The ANC and EFRAG representatives said using the highest amount if an instrument has different redemption amounts on different dates would be consistent with the 'not less than the amount payable on demand' approach. In contrast, the AOSSG representative said maximum extremes should be avoided because such a measurement would not reflect the financial reality if the maximum amounts are not expected to be paid. The ASCG representative noted that redemption amounts could be increasing or decreasing over time, which would affect the logic of choosing the highest amount.

13. The AASB/XRB, AcSB, ASCG and UKEB representatives expressed concerns that the proposals might be perceived as introducing a new measurement basis into IAS 32 *Financial Instruments: Presentation*. The UKEB representative also noted that extensive application guidance might be required to operationalise the proposals, which could delay completion of the project.

Next steps

14. The IASB will consider feedback from ASAF members and other stakeholders when it redeliberates the proposals in the Exposure Draft.

Intangible Assets

Purpose of the session

15. The purpose of the session was to seek ASAF members' views on possible implications of the findings on the information needs of users of financial statements for the project's direction before the IASB decides whether to make any changes to the project plan.

Summary of the feedback

16. ASAF members generally supported progressing the project in a way that responds to users' information needs on a timely basis. The discussion centred on two main issues:

    (a) whether to prioritise improving disclosure requirements or a broader review of recognition requirements; and

    (b) how to address accounting for intangible assets held for investment.

Whether to prioritise improving disclosure requirements or a broader review of recognition requirements

17. ASAF members expressed mixed views on sequencing—whether the IASB's next work stream should be improving disclosure requirements, a broader review of recognition requirements or progressing aspects of both with overlap.

18. The AcSB, EFRAG, FASB and PAFA representatives suggested prioritising improvements to disclosure requirements. In particular:

    (a) the AcSB and EFRAG representatives said users had primarily called for enhanced disclosure requirements and transparency about recognised and unrecognised intangible assets and associated expenses. They also argued that broader recognition work could require considerable time and resources and delay providing more useful information to users.

    (b) the FASB representative said they had not heard sufficient support for broad recognition changes and were not exploring this topic in their jurisdiction. They also said that the FASB was waiting to assess the additional information resulting from its project on disaggregation of income statement expenses before considering whether further disclosure improvements were needed.

19. The EFRAG representative noted that recognition could capture only a limited proportion of intangible items and suggested considering recognition and measurement after addressing users' information needs through disclosures. The PAFA representative suggested the IASB address any fatal flaws in the recognition requirements at a later stage. The AcSB representative suggested the IASB should not explore broader recognition unless a viable solution could be developed without taking many years.

20. In contrast, the ANC, GLASS and OIC representatives suggested progressing recognition matters before moving to disclosure improvements. The ANC and GLASS representatives emphasised the need to quickly progress recognition work, without unduly delaying disclosure work. The AOSSG representative reported mixed views among AOSSG members on sequencing, with more feedback favouring starting with recognition.

21. In discussing the approach to the broader recognition topic:

    (a) the ANC representative supported a targeted fatal-flaw review of the recognition requirements; and

    (b) the ASBJ representative said stakeholder concerns went beyond a fatal-flaw review and suggested the IASB consider a broader recognition project.

22. The UKEB representative said users' requests for disclosure improvements partly reflect concerns about recognition outcomes. The ARD representative suggested the IASB consider recognition and disclosure together, as they are interrelated. The SOCPA representative suggested the IASB explore timely disclosure improvements, but said recognition matters should not be ignored if the IASB can address issues in IAS 38 *Intangible Assets* without significantly delaying the project.

23. Some ASAF members highlighted challenges in improving disclosure requirements. In particular:

(a) the AASB/XRB representative said requirements should be proportionate and reflect whether entities have the necessary systems and processes to comply with them.

(b) the ARD representative raised concerns about commercially sensitive information and suggested requiring entities to disclose information needed to assess the accounting treatment. They suggested that disclosure of additional information about an entity's business model or competitive strengths should be voluntary.

(c) the FASB representative said meeting disclosure requirements can be costly for entities and, in some cases, as challenging as applying recognition requirements.

24. Many ASAF members also asked the IASB to consider whether requested disclosures belong in financial statements. In particular:

(a) the AASB/XRB representative said connections between sustainability-related disclosures, management reporting and financial statements make the boundary question increasingly important.

(b) the ASBJ representative suggested first considering the boundary between information included within and outside financial statements, including whether some existing disclosure requirements could be reduced.

(c) the ASCG representative questioned whether providing information linking expenditure to outcomes is the role of financial statements.

(d) the EFRAG representative acknowledged that focusing on disclosures would not be straightforward because it raises questions about the boundary of financial statements and connections between information reported within and outside financial statements. The representative did not expect the Intangible Assets project to address those questions and said that EFRAG expects to propose in the next agenda consultation that the IASB consider those questions separately.

(e) the SOCPA representative cautioned against requiring industry-specific, forward-looking or management-commentary-style information in financial statements.

25. ASAF members made other suggestions for exploring disclosure improvements, including:

(a) the ARD representative, who leaned towards prioritising some urgent disclosure improvements for traditional intangible assets now and considering other improvements later, after other work streams have sufficiently progressed;

(b) the EFRAG representative, who said users want information about how strategic intangible items—including those not recognised as assets—create long-term value, how entities manage strategic intangible items and about related risks;

(c) the OIC representative, who said disclosures about unrecognised intangible assets are important but difficult to manage and suggested drawing on European entities' experiences in disclosing key intangibles under the relevant directive and related academic evidence; and

(d) the SOCPA representative, who suggested that disclosure requirements be scalable, sector-sensitive, principles-based, modular and auditable.

How to address accounting for intangible assets held for investment

26. Most ASAF members suggested exploring improvements to accounting for intangible assets held for investment, including cryptocurrencies and pollutant pricing mechanisms, but views differed on timing. The AASB/XRB, ASBJ and UKEB representatives suggested progressing the topic without undue delay; the AOSSG representative reported that a couple of AOSSG members shared this view. The EFRAG representative identified pollutant pricing mechanisms as a priority in Europe and the FASB representative said the FASB has already issued guidance on cryptocurrencies and environmental credits. In contrast, the GLASS representative

said that work on this topic could follow the IASB's work on broader recognition and disclosure.

27. Some ASAF members supported a principles-based approach to exploring the topic. The ARD and UKEB representatives suggested focusing on the purpose of holding an intangible asset or an entity's business model. The UKEB representative also noted the relevance of external market evidence. The ANC representative said the test cases—such as cryptocurrencies and pollutant pricing mechanisms—could raise accounting questions extending beyond intangible assets.

28. The AcSB, ASBJ, EFRAG and OIC representatives suggested separate projects for cryptocurrencies and pollutant pricing mechanisms. The AcSB and OIC representatives considered measurement, rather than recognition, to be the principal issue. In contrast, the AASB/XRB representative cautioned that separation could lead to issues if the IASB later decides to bring these assets back to the Intangible Assets project.

29. The EFRAG and FASB representatives suggested leveraging the FASB's work on cryptocurrencies and pollutant pricing mechanisms.

Other comments

30. On comparability between acquired and internally generated intangible assets, the AASB/XRB and ANC representatives supported the IASB waiting to consider the matter until after disclosure and recognition work had progressed. The AOSSG representative reported that some AOSSG members sought improved comparability. The ASCG representative questioned how the comparability issue could be addressed without changing recognition criteria.

31. On intangible assets recognised in business combinations, the AcSB representative said that issues raised about differences between entities growing through acquisition and those growing organically—including concerns about values recognised in business combinations—relate more to IFRS 3 *Business Combinations* than IAS 38. The ANC representative emphasised the need for meaningful disclosures explaining how acquired intangible resources—recognised or unrecognised—contribute to value creation. The UKEB representative said users

often remove some customer-related intangible assets from their analyses because they do not view them as meaningful assets separable from the business.

32. On newer types of intangible assets, some ASAF members highlighted the importance of improving the accounting for those assets and suggested matters for the IASB to consider, including how IFRS Accounting Standards apply to those assets and issues relating to the unit of account, cost accumulation, amortisation and impairment.

33. A few ASAF members emphasised the importance of considering preparers' views, including on the costs and practical challenges of implementing any proposals.

34. The UKEB representative emphasised that the Intangible Assets project should remain principles-based, and the ASCG representative suggested the IASB consider differences in the information needs of equity and debt investors.

Next steps

35. The IASB will consider the feedback from ASAF members, together with feedback from other consultative groups, when it considers whether to make any changes to the project plan and decides the future direction of the project later in 2026.

UKEB presentation on cash flow statement in financial institutions

36. The UKEB representatives presented the results of their research on cash flow statements for financial institutions.

37. The UKEB representatives also summarised stakeholder recommendations for the IASB to explore, which were:

    (a) to require financial institutions to disclose reconciliations between key regulatory metrics and information in financial statements prepared in accordance with IFRS Accounting Standards;

    (b) to provide financial institutions with an option to present a simplified statement of cash flows, if they provide the reconciliations in (a); and

    (c) to improve the definition of 'cash and cash equivalents'.

38. The UKEB representative also presented a recommendation for how the IASB could define the scope of the recommended presentation based on whether a financial institution provides specific types of information to an external regulator.

39. ASAF and IASB members asked clarifying questions and shared their perspectives.

40. The AOSSG, ARD and SOCPA representatives supported the recommendation in the UKEB presentation to allow financial institutions to present a simplified statement of cash flows. The AOSSG and SOCPA representatives also supported the recommendation to require financial institutions to disclose reconciliations between key regulatory metrics and information in financial statements prepared in accordance with IFRS Accounting Standards. The EFRAG and OIC representatives did not support either of these recommendations and raised concerns that the recommended disclosures were not linked to a financial institution's cash flows and might increase audit costs.

41. The AASB/XRB representative said that in the view of preparers in their jurisdiction, the recommendation to allow financial institutions to present a simplified statement of cash flows did not justify the costs of changing their systems because simplifications would not change the usefulness of the statement.

42. The ARD representative did not support the recommendation to improve the definition of 'cash and cash equivalents' by removing the 90-day threshold for identifying cash equivalents in IAS 7 *Statement of Cash Flows*. The representative said removing the threshold would result in inconsistencies between entities and make the definition less understandable.

43. The EFRAG and OIC representatives said they support exempting financial institutions from preparing a statement of cashflows because of the statement's lack of usefulness. The AcSB, ARD and ASCG representatives raised concerns about defining the scope of entities that might be exempt and about the practicality of such an exemption, particularly in jurisdictions in which local legislation would continue to require entities to present the statement.

Statement of Cash Flows and Related Matters

Purpose of the session

44. The purpose of this session was:

   (a) to provide ASAF members with an overview of the IASB's initial research and activities on the statement of cash flows for financial institutions; and

   (b) to seek ASAF members' views regarding:

      (i) the effect that the potential changes that the IASB is exploring for entities that are not financial institutions (non-financial entities) would have on financial institutions;

      (ii) the possible exemptions, presentation and supplementary disclosure requirements for financial institutions identified in the IASB's initial research; and

      (iii) the stakeholders to involve in future outreach on the topic.

Summary of the feedback

Effect of potential changes

45. Many ASAF members did not think that the potential changes that the IASB is exploring for non-financial entities would significantly improve the cash flow information provided by financial institutions.

46. The ARD and PAFA representatives said the benefit of the potential changes for financial institutions was limited compared to their cost to implement. The AASB/XRB representative said that the IASB should take care not to cause financial institutions to incur costs to make changes that will not improve the statement of cash flow's limited usefulness.

Possible exemptions, presentation and supplementary disclosure requirements

Exemptions

47. ASAF members had mixed views on possible exemptions for financial institutions from some or all of the requirements for presenting a statement of cash flows. The

ANC and PAFA representatives said they support exempting financial institutions from preparing a statement of cash flows because of users' limited interest in the statement. The AASB/XRB, AOSSG and ARD representatives did not support exempting financial institutions from preparing a statement of cashflows. The AOSSG and ARD representatives said such an exemption would remove information useful to investors and regulators.

48. Consistent with views shared in the previous session, the AcSB and ARD representatives raised concerns about defining the scope of entities that might be exempt and about the practicality of such an exemption, particularly in jurisdictions in which local legislation would continue to require entities to present the statement. The GLASS representative raised a concern that if the IASB exempts financial institutions from preparing a statement of cash flows, other industry groups might ask for a similar exemption.

49. The ANC representative suggested that the IASB define the scope of the exemption based on whether a financial institution discloses reconciliations between key regulatory metrics and information in financial statements prepared in accordance with IFRS Accounting Standards. The ASBJ representative suggested that the IASB define the scope of any requirements for financial institutions by identifying their unique characteristics. The AOSSG representative said their stakeholders support defining the scope of any requirements by using an activity-based approach.

Presentation requirements

50. Consistent with views shared in the previous session, some ASAF members said they support possible changes to presentation requirements to require financial institutions to present a simplified statement of cash flows. The AASB/XRB representative had concerns about the effect that possible changes to relax the classification requirements in IAS 7 would have on the comparability of financial statements.

Supplementary disclosure requirements

51. Some ASAF members had concerns about possible requirements for financial institutions to disclose regulatory-type information in the notes to their financial statements. Specifically:

   (a) the AASB/XRB and ANC representatives said such disclosures would duplicate information that financial institution make available to users of financial statements elsewhere;

   (b) the AcSB representative said such disclosures would add volume to financial statements; and

   (c) the ARD representative said such disclosures would not be comparable because of differences in regulatory requirements between jurisdictions.

Stakeholders to involve in future outreach

52. Most ASAF members suggested which stakeholders the IASB should involve in future outreach on the topic. Some ASAF members identified specific industry groups in their jurisdictions.

Next step

53. The IASB will consider ASAF members' views as it plans future work on the statement of cash flows for financial institutions.

Rate-regulated Activities

Purpose of the session

54. The purpose of this session was:

   (a) to update ASAF members on the publication of IFRS 20 *Regulatory Assets and Regulatory Liabilities*;

   (b) to outline the IASB's planned activities to support implementation; and

   (c) to ask ASAF members about their implementation plans and how the IASB could support those plans.

Summary of the feedback

55. ASAF members welcomed the IASB's implementation support activities.

Multi-jurisdictional working group

56. The EFRAG representative suggested setting up, under the IASB's supervision, a working group with members from Europe and other jurisdictions to discuss the requirements in IFRS 20 and support consistent application. The AcSB, ASBJ and OIC representatives agreed with this suggestion.

57. The Chair said the IASB would need to consider carefully whether and how to interact with such a group because the IFRS Interpretations Committee (Committee) is the formal mechanism for addressing implementation questions and neither a transition resource group (TRG) nor a similar group could issue interpretations or other required guidance. The Chair acknowledged the potential benefit of a multi-jurisdictional discussion and said the IASB would consider whether it could support such a group while respecting due process.

58. The AcSB, ASBJ and UKEB representatives were concerned about relying on the Committee for implementation support instead of establishing a TRG because:

    (a) some nuanced IFRS 20 matters might be difficult for the Committee to address without input from rate-regulation experts.

    (b) the Committee might not make decisions early enough, which could create timing risks if implementation questions remain outstanding close to the effective date. A TRG could help to reduce that risk by identifying and discussing issues earlier.

59. A few IASB members emphasised that the Committee is able to address specialised questions. They said the Committee regularly considers highly specific fact patterns; can draw on members' regional networks, national standard-setters and audit firm resources; and would be supported by staff involved in developing IFRS 20.

ASAF members' implementation support plans

60. Some ASAF members shared their plans for implementation support activities. Specifically:

    (a) the ASCG representative said the ASCG already has a working group but is considering whether another platform might be appropriate. They also said their jurisdiction showed no strong demand for a TRG. The AcSB and UKEB representatives said the AcSB and UKEB are creating their own working groups.

    (b) the OIC representative said the OIC plans to engage with regulators and preparers and is considering educational sessions and other events before year-end to help stakeholders to understand IFRS 20.

    (c) the AOSSG representative said jurisdictions in Asia–Oceania are at different stages of adopting IFRS 20. Some jurisdictions have already planned meetings with stakeholders, whereas others are still completing local processes.

    (d) the SOCPA representative said only a few entities in their jurisdiction are subject to rate-regulated frameworks, but SOCPA is still assessing whether these entities would be within the scope of IFRS 20.

Possible IASB support

61. In terms of possible IASB support for the implementation of IFRS 20:

    (a) the AcSB representative suggested the IASB prepare webcasts structured by topic;

    (b) the AOSSG representative asked the IASB to provide webinars in Asia–Oceania time zones to give stakeholders the opportunity to ask questions; and

    (c) the ASCG suggested holding a future meeting with IFRS Foundation staff to discuss selected topics.

Next steps

62. The IASB will continue its planned implementation support activities for IFRS 20 and will monitor implementation to address any issues on a timely basis. The IASB will consider whether and how it can be involved in the proposed multi-jurisdictional working group and will report back to ASAF.

Risk Mitigation Accounting

Purpose of the session

63. The purpose of this session was to provide ASAF members with an update on the stakeholder-engagement activities undertaken in relation to the project on Risk Mitigation Accounting and the common themes in feedback the IASB has heard to date.

64. More specifically, the staff sought input from ASAF members on several matters, including:

    (a) the current level of engagement on the Exposure Draft *Risk Mitigation Accounting* in their jurisdictions or regions, including intended participation in the fieldwork;

    (b) priority areas for education and stakeholder-engagement activities on which the IASB should focus during the remaining consultation period; and

    (c) whether they are aware of any entities, other than financial institutions, in their jurisdictions or regions that still apply hedge accounting requirements in IAS 39 *Financial Instruments: Recognition and Measurement*, and whether they have any suggestions on how the IASB could reach out to those entities regarding the proposed withdrawal of IAS 39.

Summary of the feedback

Stakeholder engagement and fieldwork

65. The AcSB, ANC, ASCG, EFRAG, OIC and UKEB representatives reported strong engagement with the project on Risk Mitigation Accounting from large banks in their

jurisdictions and regions. They also noted insurers, particularly life insurers, are showing growing, but still limited, interest in the project.

66. By contrast, much lower participation from smaller banks and non-financial corporates were reported by EFRAG and UKEB representatives in their jurisdictions.

67. The AASB/XRB, AcSB, ANC, AOSSG, ASCG, EFRAG, OIC, PAFA and UKEB representatives reported ongoing or planned participation in fieldwork in their jurisdictions or regions, although they reported that entities in their jurisdictions often view fieldwork as resource-intensive and costly.

68. The AcSB and ANC representatives commented that investors in their jurisdictions remain difficult to engage on such a technical topic.

Common feedback themes and priority of topics and elements in the RMA model for further education

69. The staff provided insights into the common themes in stakeholder feedback and explained that, in their view, most of the issues could be addressed through drafting improvements or minor changes to the proposed requirements, although some might require further deliberation or more substantial changes.

70. The AcSB, EFRAG, OIC and UKEB representatives confirmed that the issues raised by stakeholders in their jurisdictions aligned closely with the common themes in feedback already identified by the staff.

71. The AcSB, AOSSG, ARD, ASCG, EFRAG, OIC and UKEB representatives praised IASB members and the staff's efforts in stakeholder-engagement activities and providing clarification on several frequently raised topics. These representatives said stakeholders in their jurisdictions now appear to be more comfortable with the proposals in these areas.

72. Regarding the topics and elements in the risk mitigation accounting (RMA) model ASAF members recommend the IASB prioritise for further educational efforts, ASAF members mentioned:

(a) unexpected changes—what constitutes an unexpected change and whether changes in expected customer behaviour give rise to unexpected changes;

(b) benchmark derivatives—how they should be constructed and updated over time;

(c) excess test—what the RMA excess test is in detail and its interaction with benchmark derivatives and risk mitigation adjustments; and

(d) over-hedging and comparison with designated derivatives—whether the model is too restrictive at the repricing time band level even when overall risk is being mitigated, for example.

73. ASAF members also mentioned other topics and feedback, including:

(a) the AcSB representative, who mentioned the inclusion of insurance liabilities as eligible underlying portfolios and the need for further clarity on the management of foreign exchange risk and its interaction with the proposed RMA model;

(b) the EFRAG and UKEB representatives, who mentioned the use of non-linear derivatives;

(c) the AASB/XRB, ANC and ARD representatives, who mentioned the scope and eligibility criteria of underlying portfolios; and

(d) the EFRAG representative, who mentioned the potential effects of late hedges and acquisitions.

74. The AASB/XRB representative also commented on the importance of ensuring that the RMA accounting model aligns with actual asset-liability management practices and avoids unnecessary divergence between prudential regulatory requirements and accounting requirements.

Withdrawal of IAS 39

75. Regarding the proposed withdrawal of IAS 39, the AASB/XRB, AcSB, ANC, AOSSG, ARD, EFRAG, GLASS, OIC, SOCPA and UKEB representatives all commented that

use of the IAS 39 hedge accounting requirements is relatively limited, particularly outside large banks and insurers. However, they also reported that a few sectors still appear to rely on IAS 39, including some energy companies, non-financial listed entities, building societies and other smaller financial institutions.

76. The AcSB, ASCG, EFRAG and UKEB representatives stressed the need for the IASB to raise awareness of the proposed withdrawal of IAS 39 and to encourage stakeholders to assess its potential impact. These representatives also mentioned the need to explore further what can be achieved using the general hedge accounting requirements in IFRS 9 *Financial Instruments* after the RMA model is issued.

77. Those ASAF members also commented on the importance of ensuring that any potential transition issues are addressed and that the new requirements adequately accommodate existing risk management practices before IAS 39 is withdrawn.

Next steps

78. IASB members and the staff will continue stakeholder-engagement activities during the remaining comment period to better understand stakeholders' areas of particular concern and to clarify any potential misunderstandings of the proposed requirements.

Business Combinations—Disclosures, Goodwill and Impairment

Purpose of the session

79. The purpose of the session was to update ASAF members on the current stage of the project on Business Combinations—Disclosures Goodwill and Impairment and answer ASAF members' questions. ASAF members were asked no questions.

Summary of the feedback

80. The staff provided an update on the IASB's tentative decision from its May 2026 meeting on a suggested package of performance and expected synergy disclosures. ASAF members asked clarifying questions and provided their observations on the update.

Next steps

81. The IASB will consider ASAF members' comments at a future meeting.

Agenda planning and feedback from previous ASAF meetings

82. In this session ASAF members discussed topics for the next ASAF meeting, which is scheduled for 1–2 October 2026. Participants agreed the meeting should include discussion of:

    (a) the IASB's project on Statement of Cash Flows and Related Matters;

    (b) the IASB's project on Intangible Assets;

    (c) the IASB's project on Provisions—Targeted Improvements [tentative];

    (d) the IASB's project on Amortised Cost Measurement;

    (e) the IASB's project on Risk Mitigation Accounting; and

    (f) the AcSB's project on business combinations.

83. Some ASAF members suggested additional topics for discussion at ASAF meetings, including:

    (a) the AcSB representative, who suggested ASAF members discuss boundaries in the financial statements;

    (b) the AOSSG representative, who said they would like to discuss the application of IFRS Accounting Standards, specifically IFRS 9 and IFRS 15 *Revenue from Contracts with Customers*, to Islamic banking and finance products; and

    (c) the UKEB representative, who suggested ASAF members discuss the IASB's project on Presentation of Taxes or Other Charges that Are Not Tax Expense or Tax Income Applying IAS 12 *Income Taxes* (IFRS 18 *Presentation and Disclosure in Financial Statements*).