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# IASB Update

## Agenda paper 1a

# June 2026

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# Overview

This update is prepared as of 29 May 2026

- Update on current IASB work plan, with detailed coverage on:
  - IFRS 20 *Regulatory Assets and Regulatory Liabilities*
  - Business Combinations—Disclosures, Goodwill and Impairment
  - Provisions – Targeted Improvements
- Standard-setting & maintenance projects
- Post-implementation reviews
- IFRS Interpretations Committee
- New requirements

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## Updates since the last CMAC and GPF meeting (1/2)

- The IASB tentatively decided to explore requiring lessees to disclose the components of the total cash outflow for leases together with the line item in the statement of cash flows in which each component is presented.
- The IASB tentatively decided to explore this matter in its project on the Statement of Cash Flows and Related Matters.

Post-  
implementation  
Review of IFRS 16  
*Leases*

- The IASB tentatively decided to propose including, in the definition of cash equivalents, the requirement for cash equivalents to be held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Statement of Cash  
Flows and Related  
Matters

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## Updates since the last CMAC and GPF meeting (2/2)

- The IASB has extended the comment period on its [Exposure Draft Risk Mitigation Accounting—Proposed amendments to IFRS 9 and IFRS 7](#) until 30 November 2026
- The extension aligns the deadline for comment letters with the existing deadline for the submission of fieldwork results

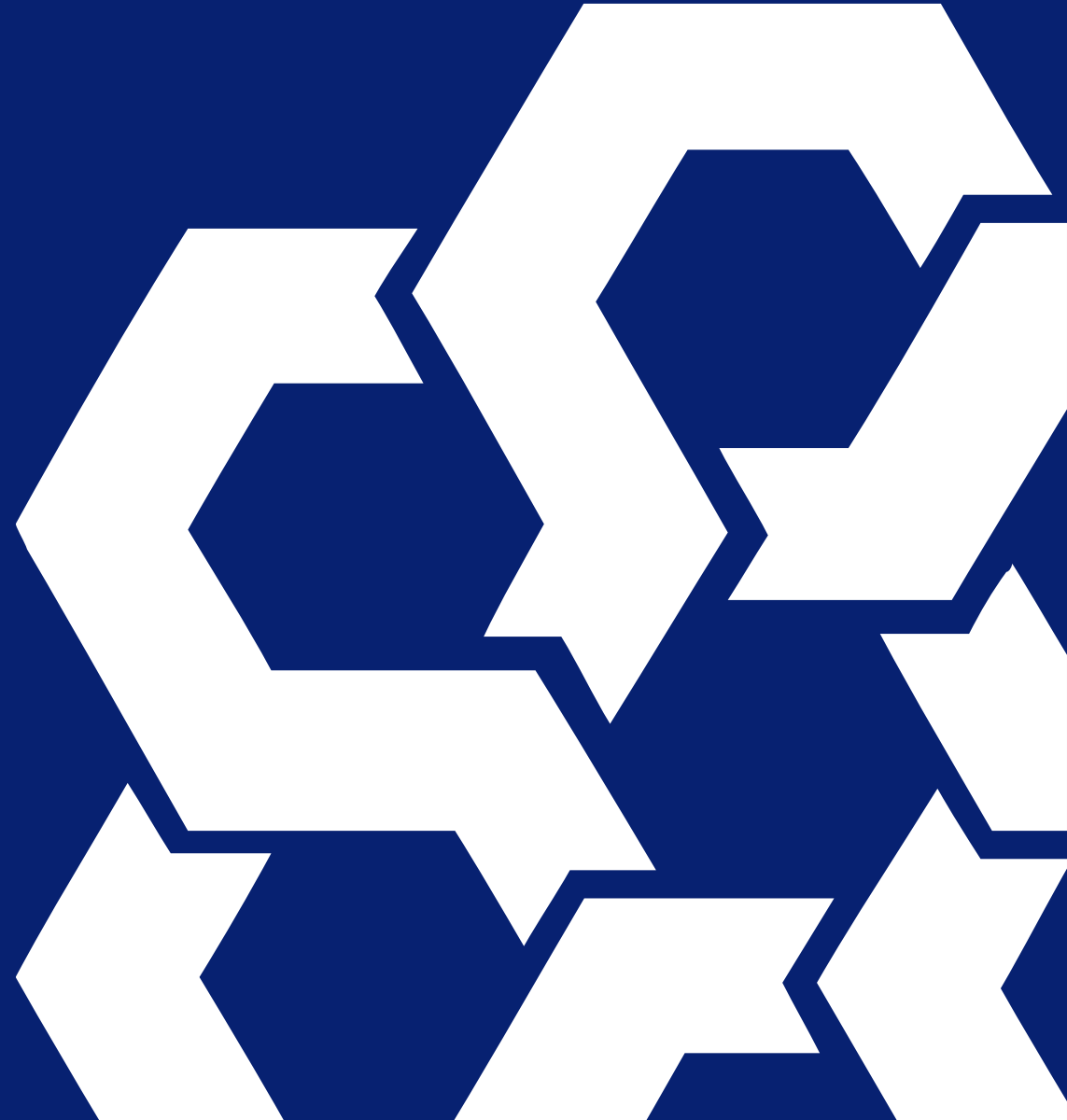
### Risk Mitigation Accounting

- IASB issued IFRS 20 to improve financial reporting for companies subject to rate regulation

### IFRS 20 *Regulatory Assets and Regulatory Liabilities*

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# Update on current IASB work plan



# New Standards, Amendments and Other Publications

## Issued in 2025

Third edition of the *IFRS for SMEs Accounting Standard*

Revised Practice Statement *Management Commentary*

Amendments to IFRS 19 *Subsidiaries without Public Accountability: Disclosures*

Amendments to IAS 21 *Translation to a Hyperinflationary Presentation Currency*

*Disclosures about Uncertainties in the Financial Statements—Illustrative examples*

## Issued in 2026

**May 2026:** IFRS 20 *Regulatory Assets and Regulatory Liabilities*

## Expected in 2026

**June 2026:** Amendments to the Fair Value Option in IAS 28

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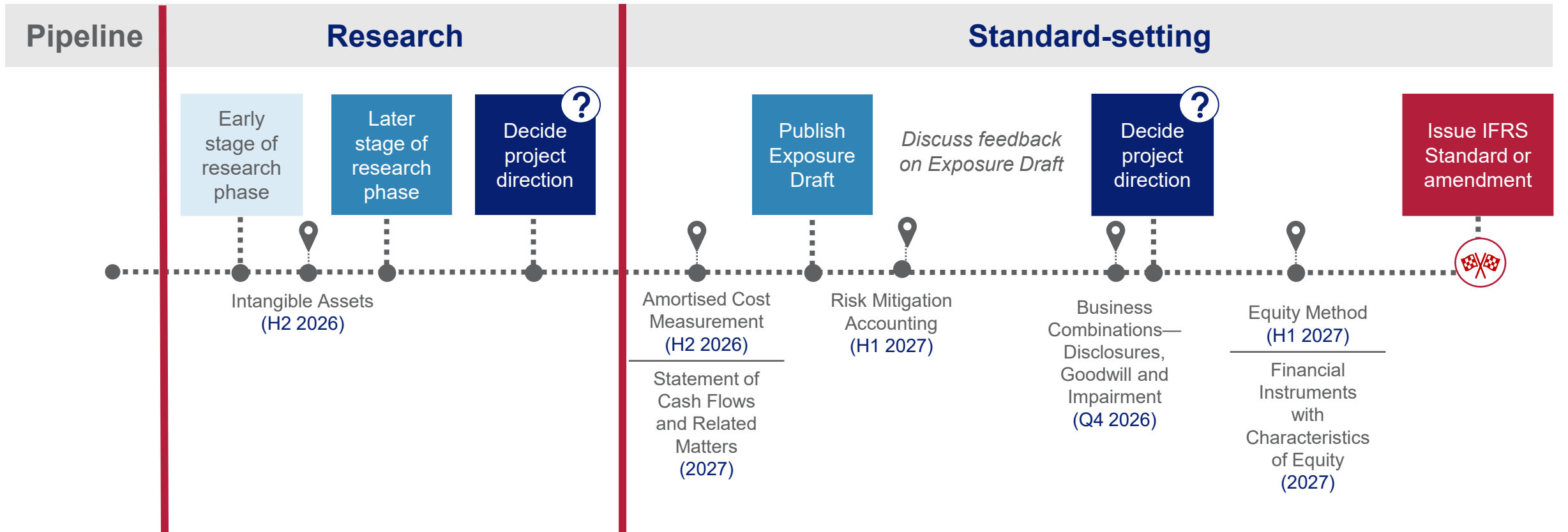
# Consultations

## Forthcoming in 2026

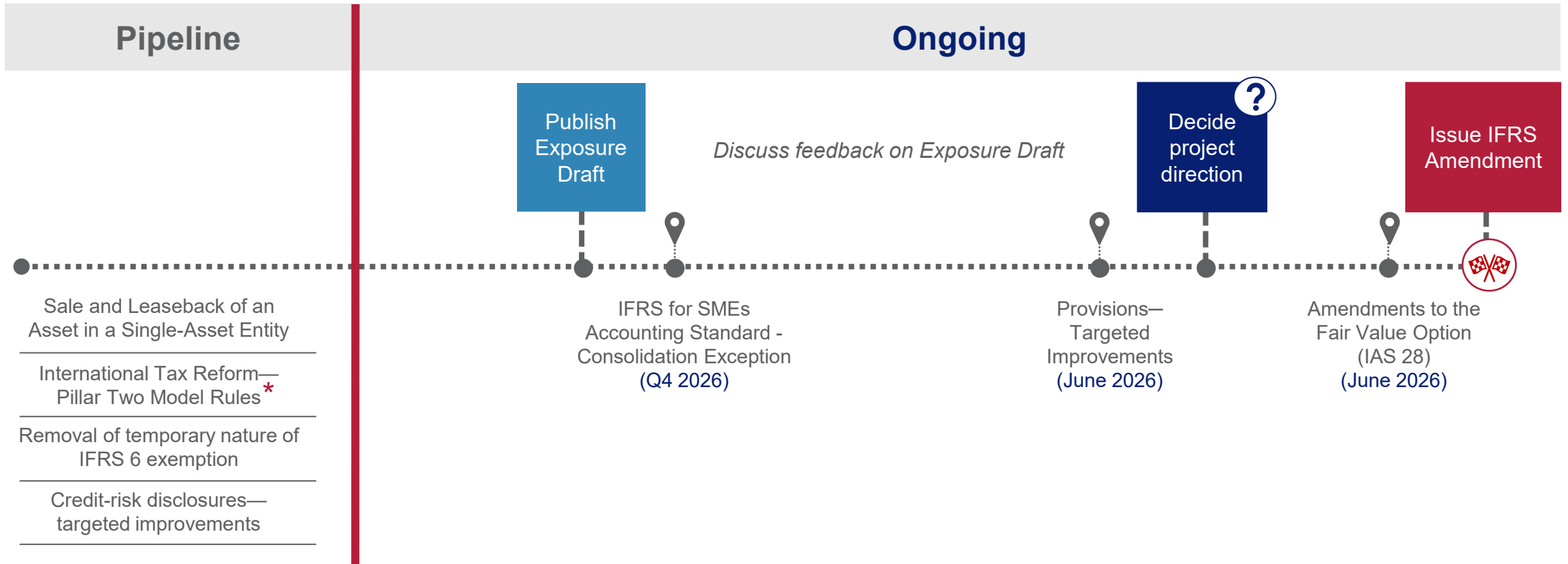
**Q3 2026:** Request for Information for Post-implementation Review of *IFRS 9—Hedge Accounting*

**H2 2026:** Exposure Draft proposing amendments to IFRS 9 *Financial Instruments* in relation to the project *Amortised Cost Measurement*

# Research and standard-setting projects - status

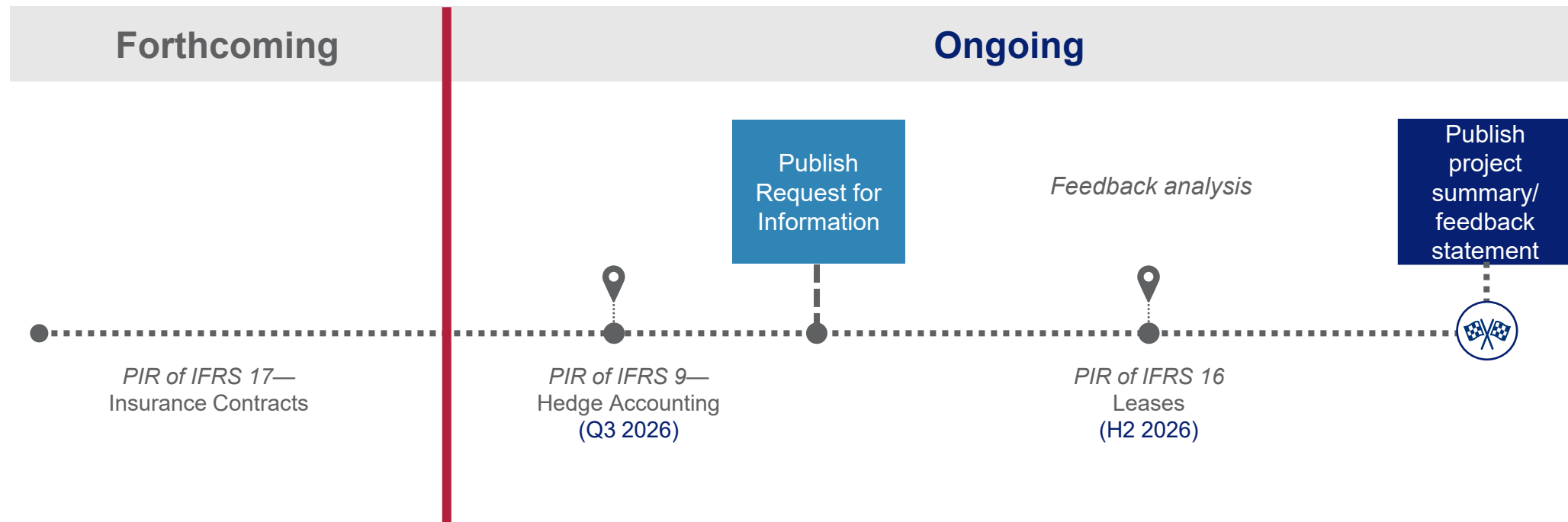


# Maintenance projects - status



\* To determine whether to remove or make permanent the temporary exception

# Post-implementation review projects



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Update on IFRS 20  
*Regulatory Assets and  
Regulatory Liabilities*

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## Purpose of session

To inform CMAC and GPF members about the recent publication of IFRS 20 *Regulatory Assets and Regulatory Liabilities* and the problem it addresses.



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## IFRS 20 *Regulatory Assets and Regulatory Liabilities*



- Issued in May 2026.
- Effective date: 1 January 2029, with early application permitted.
- Replaces IFRS 14 *Regulatory Deferral Accounts*.



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- IFRS 20 requires companies to provide information about their regulatory assets, regulatory liabilities, regulatory income and regulatory expense. This information will help investors understand the effects of differences in timing on companies' financial performance and financial position.
  - The requirements are based on the principle that a company recognises the total allowed compensation for regulatory goods or services supplied in the same reporting period that it supplies those regulatory goods or services.



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- IFRS 20 is expected to mainly affect companies in industries such as utilities, energy and transportation.

## The problem—lack of information about differences in timing

Statement of profit or loss <i>In CU*</i>	Year 1	Year 2
IFRS 15 revenue**	100	120
Input costs	(120)	(100)
<b>Profit (loss)</b>	<b>(20)</b>	<b>20</b>

IFRS 15 revenue in Year 2 includes compensation for the under-recovered input costs of CU20 in Year 1

Investors might conclude that the company underperformed in Year 1 and overperformed in Year 2.

\* Monetary amounts are denominated in 'currency units' (CU)

\*\* Revenue from contracts with customers.

## The solution—accounting for differences in timing

Statement of profit or loss <i>In CU</i>	Year 1	Year 2
IFRS 15 revenue	100	120
<b>Regulatory income (regulatory expense)</b>	<b>20</b>	<b>(20)</b>
Total revenue	120	100
Input costs	(120)	(100)
<b>Profit (loss)</b>	<b>-</b>	<b>-</b>

IFRS 15 revenue and regulatory income or regulatory expense reflect the company's compensation for regulatory goods or services supplied in a reporting period

Statement of financial position <i>In CU</i>	Year 1	Year 2
<b>Regulatory asset</b>	<b>20</b>	<b>-</b>

- Regulatory asset of CU20 in Year 1
- Regulatory asset of CU20 derecognised in Year 2

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## To summarise

### Problem

**Investors** are unable to understand the **effects of differences in timing** on a company's **financial performance** and **financial position**.

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### Objective

Provide **information** about the **effects of regulatory income, regulatory expense, regulatory assets and regulatory liabilities** on a company's **financial performance** and **financial position**.

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### Principle

Reflect **compensation** for **regulatory goods or services supplied** in a **reporting period** in a company's **financial performance** for that **period**.

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## Resources<sup>(\*)</sup>



- Final Standard: IFRS 20 *Regulatory Assets and Regulatory Liabilities*
- Basis for Conclusions: IFRS 20 *Regulatory Assets and Regulatory Liabilities*
- Illustrative Examples: IFRS 20 *Regulatory Assets and Regulatory Liabilities*
- Effects Analysis: IFRS 20 *Regulatory Assets and Regulatory Liabilities*
- Project Summary: IFRS 20 *Regulatory Assets and Regulatory Liabilities*
- Feedback Statement: IFRS 20 *Regulatory Assets and Regulatory Liabilities*
- IFRS 20 on one page
- Webcast: [Overview of the forthcoming IFRS Accounting Standard—IFRS 20](#)

<sup>(\*)</sup> Resources can be found in the 'Published documents' and 'Supporting material' tabs on the Rate-regulated Activities project website.

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# Update on Business Combinations— Disclosures, Goodwill and Impairment

# Business Combinations—Disclosures, Goodwill and Impairment

## Objective

Improve information entities provide about their acquisitions at a reasonable cost

## Proposals

### Proposed changes to IFRS 3:

- Disclose information reviewed by key management personnel about the performance of a strategic business combination
- Disclose quantitative information, in the year of acquisition, about expected synergies
- Exempt an entity from disclosing some information in specific circumstances
- Other improvements to IFRS 3 disclosure requirements

### Proposed changes to IAS 36:

- Clarify how an entity allocates goodwill to cash-generating units
- Require an entity to disclose in which reportable segment a cash-generating unit containing goodwill is included
- Simplify and improve calculation of value in use



## Next milestone

Redeliberate proposals in the [Exposure Draft](#) and decide project direction in H2 2026

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## BCDGI—Status update

- The IASB discussed a suggested package of performance and expected synergy disclosures at its May meeting. This package—summarised in slide 21—included suggested changes to the package proposed in the Exposure Draft in response to feedback.
- The IASB tentatively decided that the benefits of that package would justify the costs. Seven of 13 IASB members agreed with this decision.
- The IASB will continue redeliberating the proposals in the Exposure Draft including the package of performance and expected synergy disclosures. The IASB expects to make a decision on project direction in H2 2026.

\*Papers for the IASB’s May 2026 meeting and a recording of the meeting are available on [the meeting page](#).

## BCDGI—Suggested IFRS 3 package

### At acquisition

- ✓ Key objectives for a subset S E
- ✓ Targets for a subset S E
  - + Only currency unit targets
  - + How performance information is measured
- ✓ Expected synergies for all material BCs E
- ~~X Aggregated expected synergies for individually immaterial BCs~~ E
- + Statements that targets / expected synergies are management's expectation

#### Subset for performance information:

- ✓ 10% of revenue
- ~~X 10% of operating profit~~
- ✓ 10% of total assets
- ~~x Qualitative thresholds~~

### Subsequently

- ✓ Actual performance S
  - + Only performance against currency unit targets
  - + How performance information is measured
- ~~X Qualitative statement~~ E

#### Exemption

- ✓ If disclosure seriously prejudices any of the acquisition's KOTs; or
- + If disclosure breaches legal / regulatory requirements.

#### Key

- |   |  |
|---|--|
| ✓ Retain from Exposure Draft            | <span style="border: 1px solid black; padding: 2px;">S</span> Only required for a Subset |
| <del>X Remove from Exposure Draft</del> | <span style="border: 1px solid black; padding: 2px;">E</span> Exemption can be applied   |
| + Add since Exposure Draft              |  |

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# Update on Provisions – Targeted Improvements

## Project status

### Exposure Draft Provisions—Targeted Improvements

- published 12 November 2024
- comment period ended 12 March 2025

### Recent developments

- IASB tentative decisions to:
  - refine aspects of the proposals
  - add application requirements for levies



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## Project overview

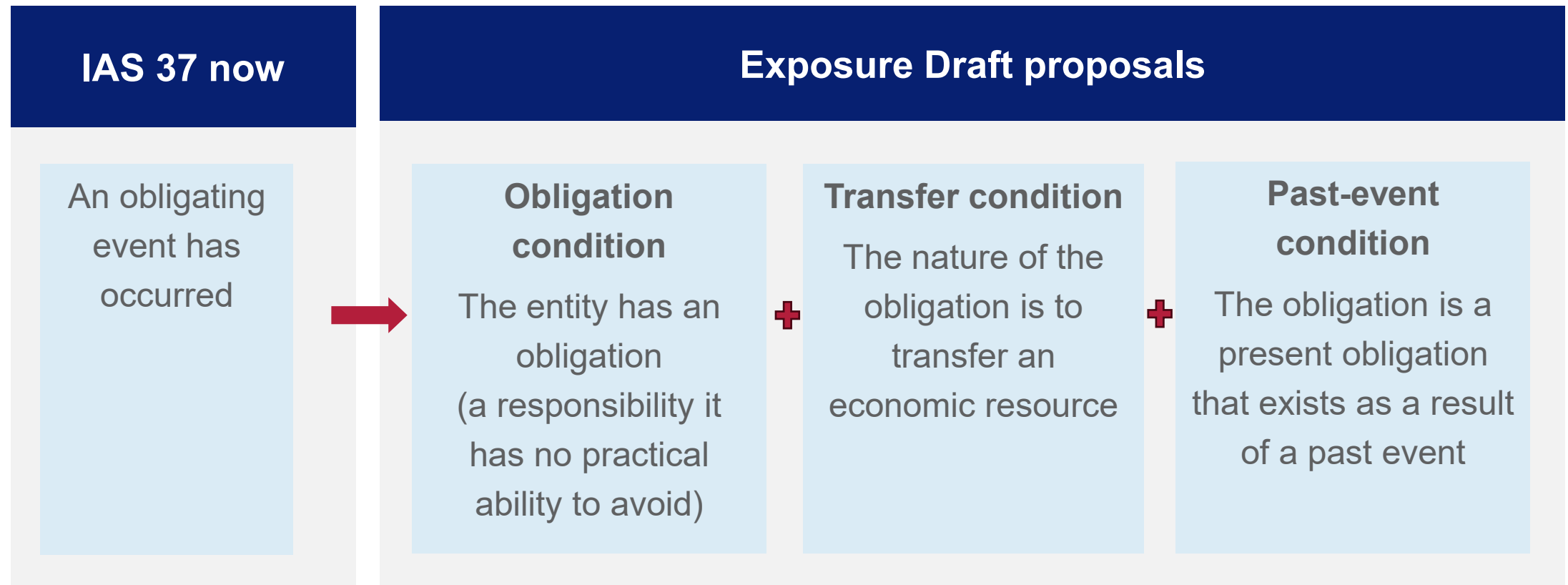
### Objectives

1. Clearer requirements on when to record a provision, with earlier recording of provisions for some levies
2. More standardised measures of long-term provisions and greater transparency around inputs to the measures

### Proposals

1. Clarify and amend one of the criteria in IAS 37 for recording a provision (the ‘present obligation’ criterion) applying the *Conceptual Framework*
2. Enhance existing measurement and disclosure requirements

## Clearer requirements on when to record a provision



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## Past-event condition

Exposure draft—propose a new general requirement

Past-event condition is met when entity:

- a. has obtained specific economic benefits or taken a specific action, and
- b. as a consequence, will or may have to transfer an economic resource it would not otherwise have had to transfer

Subsequent tentative decision—add application requirements for levies

1. Past-event condition is met for a levy when entity has conducted the activity required for the levy to be payable ('relevant activity')
2. If more than one activity is required, the relevant activity is the one that best reflects the activity the government is seeking to levy

## Implications for practice

Current requirements for levies (IFRIC 21)		Proposed new application requirements
Activity that meets the past event condition (relevant activity)	Activity that triggers payment of the levy, as identified by the legislation =	Activity required by levy legislation for the levy to be payable
If more than one activity is required for levy to be payable	The <b>last</b> activity to occur ≠	The one that <b>best reflects the activity the government is seeking to levy</b>

**Notes:**

- 1 IFRIC 21 would be withdrawn when IAS 37 is amended.
- 2 Exposure Draft proposals implied that the relevant activity for a levy would always be the **first** activity to occur—even if that first activity occurred before the levy year. The application requirements would avoid that interpretation.

## Measurement—Costs to include

### IAS 37 requirement


Measure a provision at the best estimate of the expenditure required to settle the present obligation

### Exposure draft proposal

Include both:

- the **incremental costs** of settling the obligation, and
- an **allocation of other costs** that relate directly to settling obligations of that type

### Subsequent tentative decisions

- to **restrict the scope** of proposed requirement—to obligations settled by transferring goods or services 
- to add no application guidance or illustrative examples on the **types of costs** to include in measuring a provision

Requirement has no effect on whether and how an entity includes ancillary costs (such as legal fees) in measuring a provision settled by paying cash

## Measurement—discount rates

### Exposure Draft proposals

- a. to specify that the discount rate(s) used to measure a provision **excludes the effect of non-performance risk**
- b. to require disclosure of the rate(s) used and the approach used to determine them

### Subsequent tentative decisions

- a. to retain the proposals, and
- b. to add an exception to the initial measurement principle (fair value) in IFRS 3 *Business Combinations*



Provisions assumed in a business combination would be measured by applying IAS 37 (not at fair value)

Purpose: to **avoid day-two adjustments**

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## Next step

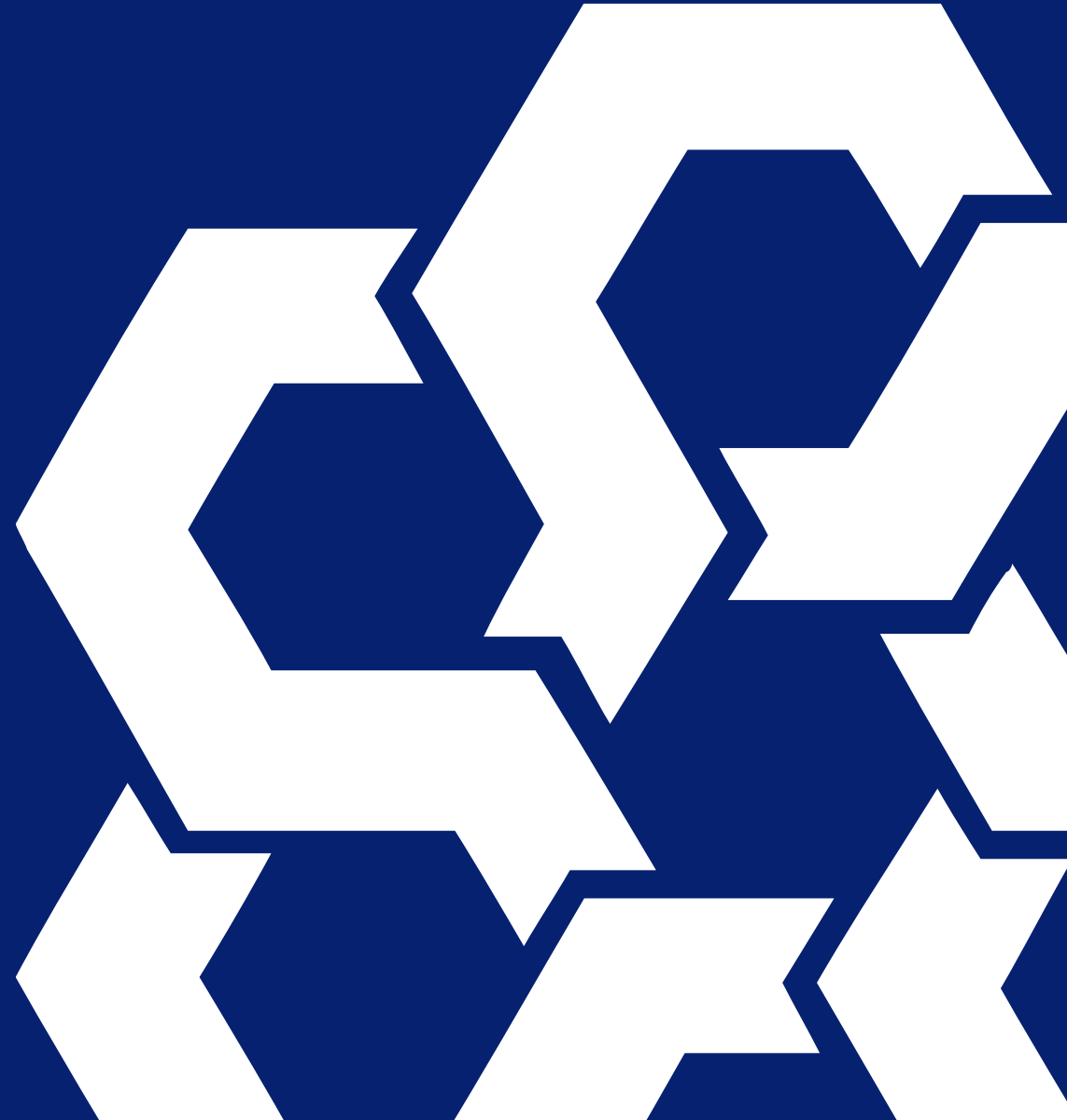


### **IASB June 2026 meeting**

IASB to discuss a plan for the next stage of the project

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# Standard-setting and maintenance projects



# Amendments to the Fair Value Option (IAS 28)

## Objective

Explore narrow-scope amendments to clarify which investments in associates and joint ventures an entity is eligible to measure using the fair value option in IAS 28

*Investments in Associates and Joint Ventures*

## Proposals

### Amend paragraphs 18–19 of IAS 28

- Clarify that an entity that has a main business activity of investing in particular types of assets is eligible to elect the fair value option in IAS 28
- Particular types of assets are those set out in paragraph 49(a) of IFRS 18 *Presentation and Disclosure in Financial Statements*<sup>1</sup>



### Next milestone

Final Amendments are expected in June 2026

<sup>1</sup> Includes investments in associates, joint ventures and unconsolidated subsidiaries; cash and cash equivalents; and other assets if they generate a return individually and largely independently of the entity's other resources.

# Amortised Cost Measurement

## Objectives

- to **clarify principles** underlying the amortised cost measurement requirements in IFRS 9, addressing application issues that are widespread and have a material effect on entities' financial statements; and
- to **improve specific information** provided to **users** of financial statements about financial instruments

## Approach

- Targeted improvements** to amortised cost measurement requirements
- Not a fundamental review** of those requirements

## Targeted improvements for:



Mechanics of effective interest method



Modification, derecognition, write-off



Interaction with impairment



### Next milestone

Exposure Draft is expected in H2 2026

# Equity Method

## Objectives

- Reduce diversity in practice by answering application questions
- Improve understandability by reordering requirements in IAS 28 *Investments in Associates and Joint Ventures*

Exposure Draft proposals	Tentative decision	Status
Measurement of cost at initial recognition	Proposal confirmed Expense acquisition costs	Complete
Changes in an investor’s ownership interest	Provide relief from use of fair value	Complete
Transactions between an investor and its associates	Allow an accounting policy choice	Complete
	Enhance disclosures	June 2026
Impairment indicators	Proposal confirmed	Complete
Use of the equity method in separate financial statements	None	June 2026



### Next milestone

Final Amendments are expected in H1 2027

# Financial Instruments with Characteristics of Equity

## Objectives

- Improve information entities provide in their financial statements about financial instruments they have issued
- Address challenges with applying IAS 32 *Financial Instruments: Presentation*

## Approach

- Clarify IAS 32 classification principles to address practice issues:
  - effects of laws or regulations
  - shareholder discretion
  - reclassification
  - fixed-for-fixed condition
  - contingent settlement provisions
  - obligations to purchase own equity instruments
- Improve presentation and disclosure
- Provide application guidance and illustrative examples



### Next milestone

Final Amendments are expected in 2027

# Intangible Assets

## Objectives

- Improve the usefulness of information entities provide about intangible items in their financial statements
- Update IAS 38, in particular to make it more suitable for newer types of intangible items and new ways of using them

## Approach



Starting a comprehensive review in a targeted way



Regular reflection points to assess additional evidence

## Topics the project will explore

<ul style="list-style-type: none"> <li>✓ User information needs</li> <li>✓ Potential changes to aspects of the definition and recognition requirements (using test cases)</li> </ul>	} Initial streams
<ul style="list-style-type: none"> <li>✓ Intangible assets held for investment</li> <li>✓ Broader review of recognition</li> <li>✓ Disclosure requirements</li> <li>✓ Comparability of information about acquired and internally generated intangible assets</li> </ul>	} Later streams (subject to change)
<ul style="list-style-type: none"> <li>? Broader intangible items</li> </ul>	} TBC



### Next milestone

Explore initial streams and decide project direction in H2 2026

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# Risk Mitigation Accounting

## Objectives

The proposed RMA model aims to:

- better represents the economic effect of risk management activities when entity manages repricing risk on a net basis
- addresses challenges of current accounting models with respect to transparency, eligible items, dynamic nature and performance management

## Open for comment:

- The Exposure Draft *Risk Mitigation Accounting* is [open for comment](#) until 30 November 2026
- The IASB is seeking feedback on the proposed withdrawal of IAS 39 *Financial Instruments: Recognition and Measurement*
- In addition, the IASB also invites companies that manage repricing risk on a net basis to carry out fieldwork during the comment period, based on their risk management practices. Access the [request for fieldwork](#) here



### Next milestone





Exposure Draft feedback expected in H1 2027

# Statement of Cash Flows and Related Matters

## Objective

Assess potential ways to improve the requirements of IAS 7 *Statement of Cash Flows* in response to feedback on the Third Agenda Consultation and initial project research

## Targeted improvements for:

-  strengthening the link between the statement of cash flows and other parts of the financial statements
-  specifying the content and location of information about non-cash transactions and about non-cash changes in specified assets and liabilities
-  extending the management-defined performance measure requirements in IFRS 18 to also include cash flow measures
-  improving the consistent application of requirements to classify cash flows as operating, investing or financing and of the definition of cash equivalents



The IASB is also considering the applicability of the statement of cash flows and any possible improvements for financial institutions

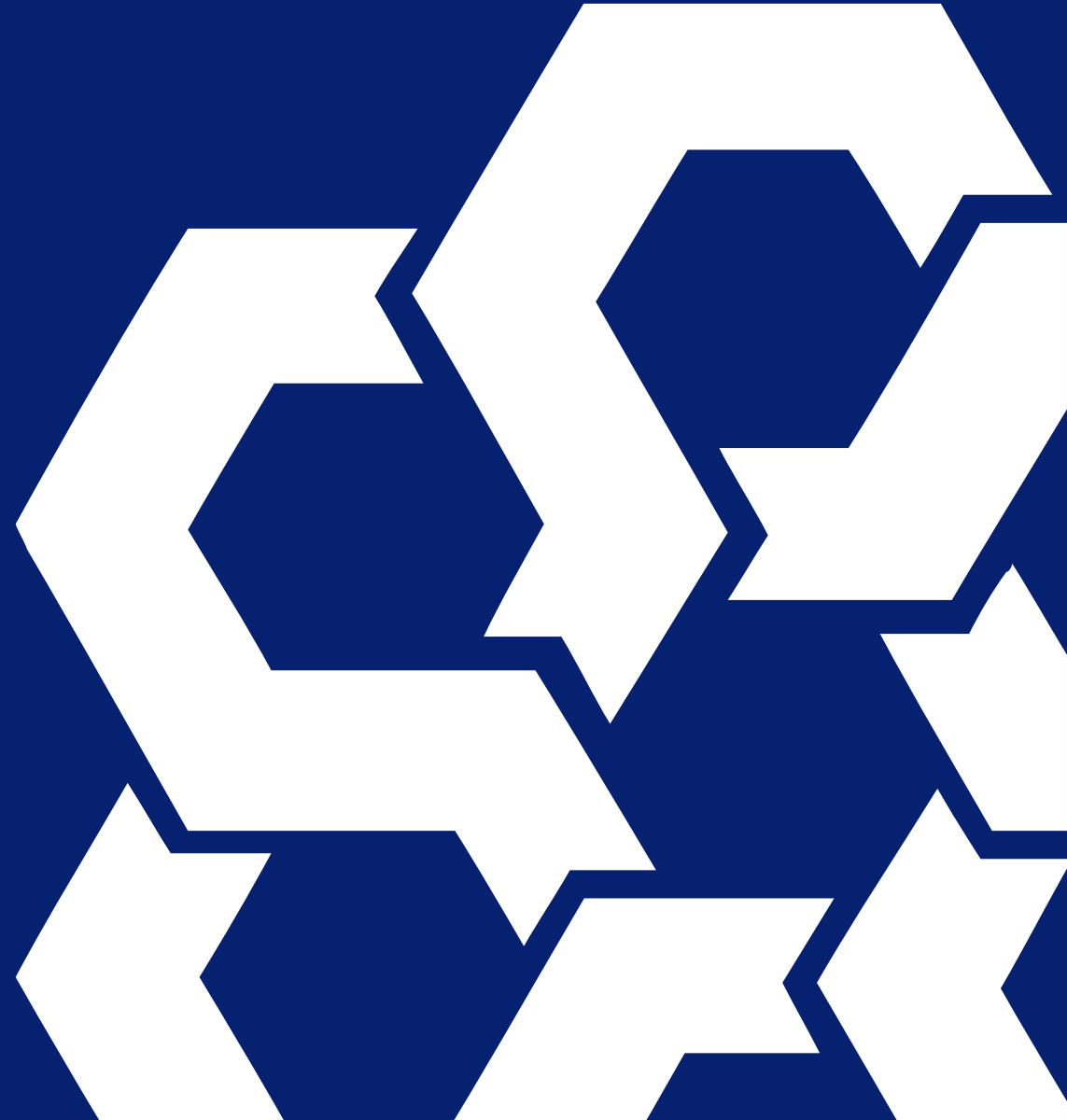


### Next milestone

Exposure Draft expected in 2027

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# Post-implementation reviews



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## PIR of IFRS 16—Leases

### Objective

Assess whether the effects of applying IFRS 16 on users of financial statements, preparers, auditors and regulators are as intended when the Standard was issued

### Request for Information feedback

- Most stakeholders' overall assessment of IFRS 16 has been positive.
- Most stakeholders also raised various concerns (some more significant than others) related to:
  - usefulness of information resulting from application of judgement in determining the lease term or incremental borrowing rate;
  - high ongoing costs (with many saying that they are significantly higher than expected); and
  - usefulness of information about lessees' lease-related cash flows.
- Despite some concerns, only a few stakeholders expressed appetite for major changes.



### Next milestone

Project Summary and Feedback Statement in H2 2026

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## *PIR of IFRS 9*—Hedge Accounting

### Objective

Assess whether the effects of applying the hedge accounting requirements in IFRS 9 on users of financial statements, preparers, auditors and regulators are as intended when the Standard was issued

### Project plan

- Outreach with the IASB's consultative groups and other stakeholders to help inform a request for information
- Review of academic research and other materials (e.g., financial statements)
- Consideration of market developments since IFRS 9 was issued

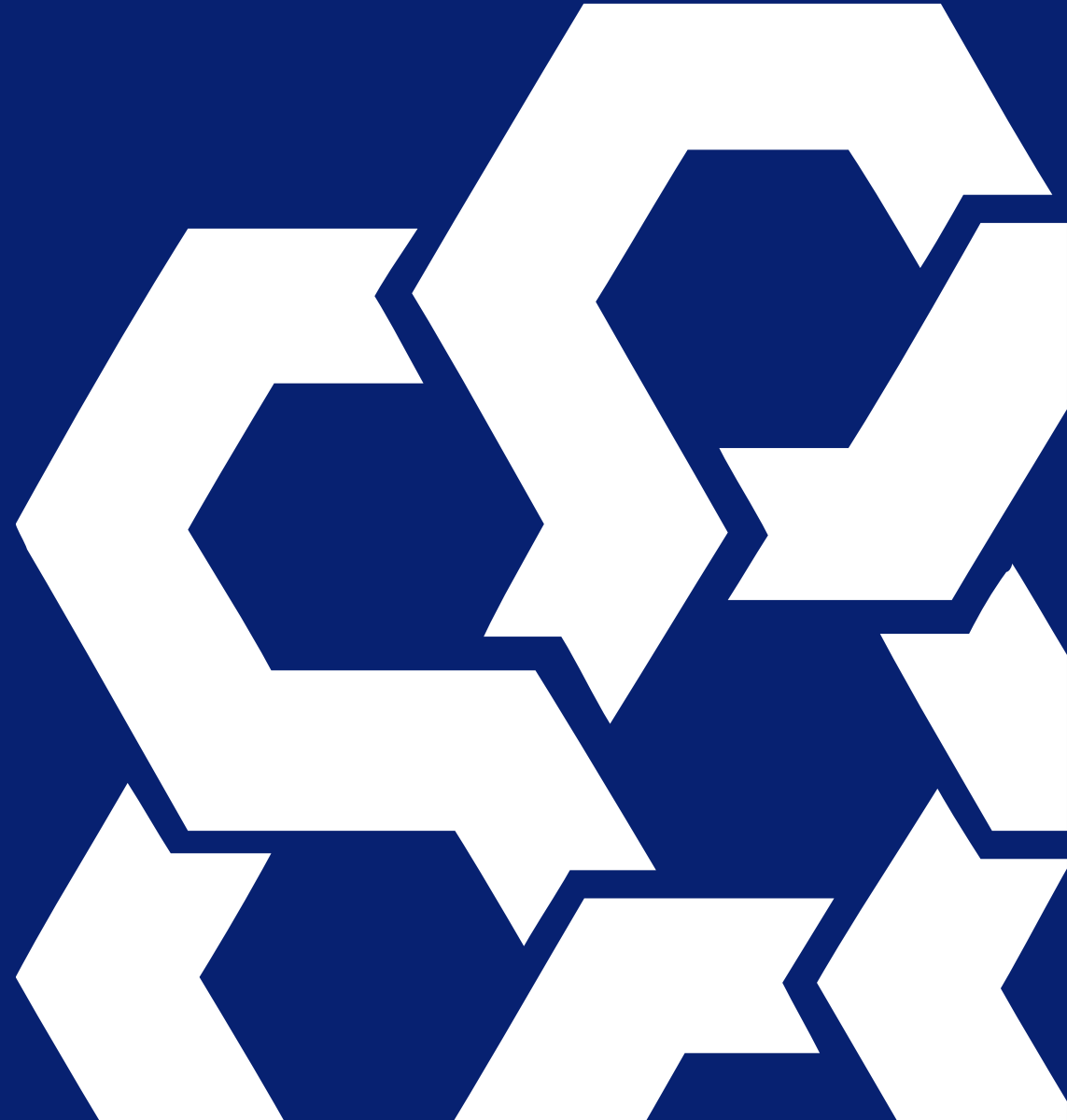


### Next milestone

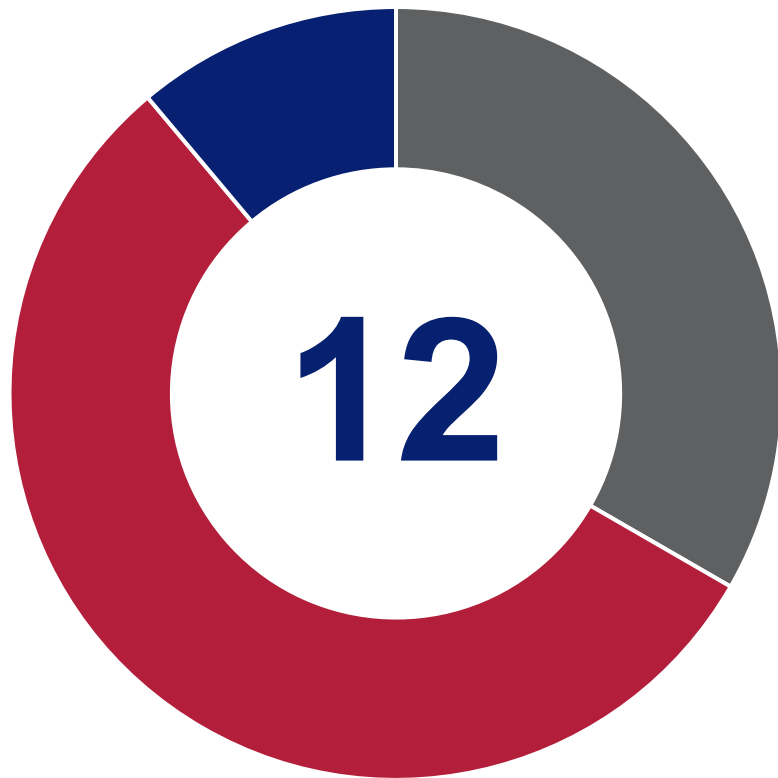
Request for Information in Q3 2026

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# IFRS Interpretations Committee



# Overview of the Committee's 2026 discussions<sup>1</sup>



- 8** agenda decisions (see slide 44)
- 7 agenda decisions  
(1 subject to the IASB not objecting)
  - 1 tentative agenda decision

- 2** updates to agenda decisions for IFRS 18
- 2 updates to agenda decisions  
(subject to the IASB's agreement)

- 2** other matters:
- input on IASB's PIR of IFRS 9—Hedge Accounting
  - initial discussion on Control Assessment for a Single-investor Fund (IFRS 10)

<sup>1</sup> up to and including the March 2026 Committee meeting

## Sample of recent agenda decisions

Tentative Agenda Decision  
(open for comment until 29 May 2026)  
Reassessment of Control  
(IFRS 10)

Agenda Decision  
(subject to the IASB not objecting)  
Presentation of Taxes or Other  
Charges that Are Not Tax  
Expense or Tax Income Applying  
IAS 12 *Income Taxes* (IFRS 18)

Agenda Decision  
Assessment of a Specified Main  
Business Activity for the  
purposes of the Separate  
Financial Statements of a Parent  
(IFRS 18)

Agenda Decision  
Classification of a Foreign  
Exchange Difference from an  
Intragroup Monetary Liability  
(or Asset) (IFRS 18)

Agenda Decision  
Classification of Gains and  
Losses on a Derivative  
Managing a Foreign Currency  
Exposure (IFRS 18)

Agenda Decision  
Scope of the Requirement to  
Disclose Expenses by Nature  
(IFRS 18)

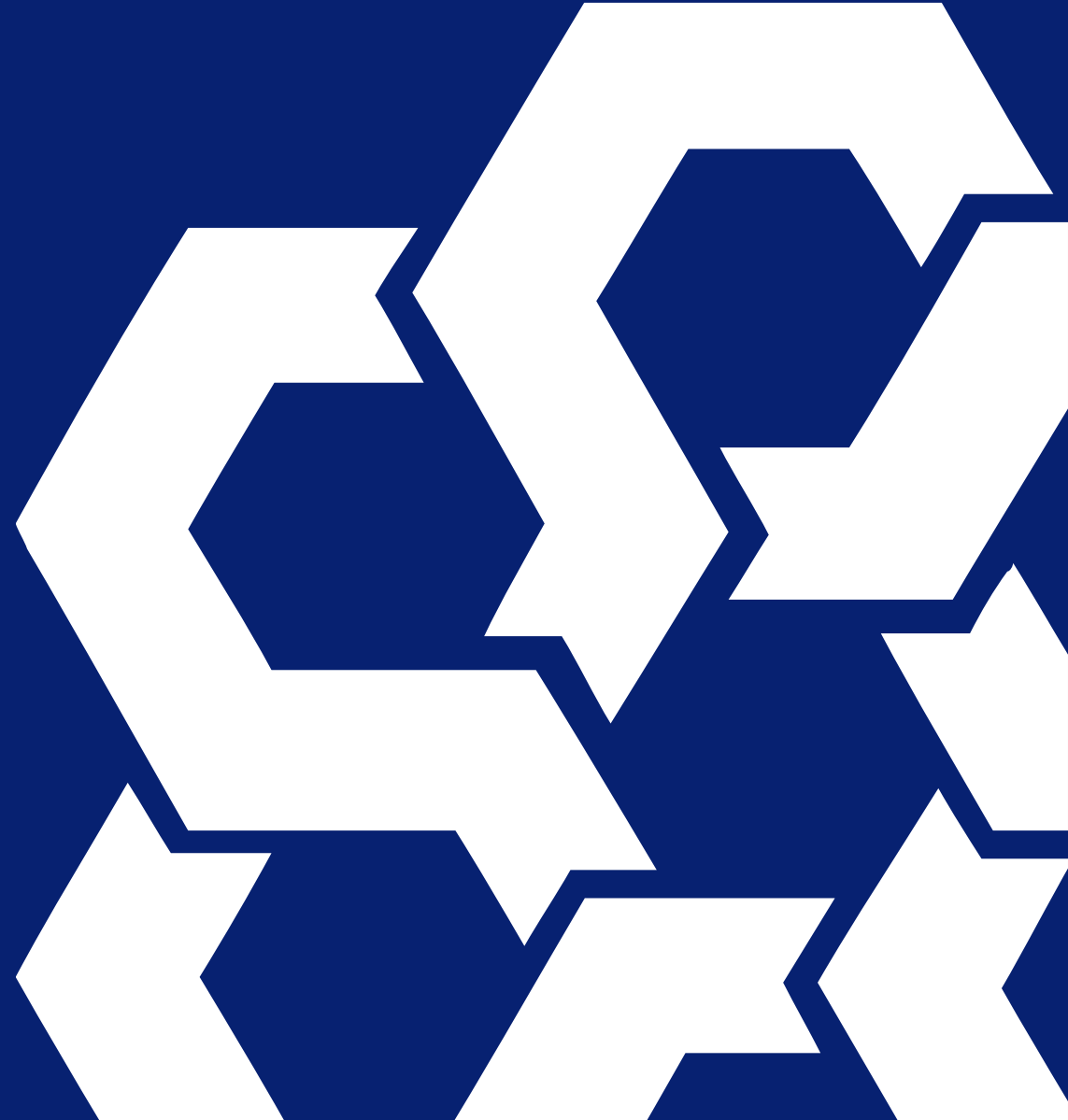
Agenda Decision  
Economic Benefits from Use of a  
Battery under an Offtake  
Arrangement (IFRS 16)

Agenda Decision  
Fair Presentation and  
Compliance with IFRS  
Accounting Standards (IAS 1)

Agenda Decision  
Embedded Prepayment Option  
(IFRS 9)

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# New requirements



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# What is required when?

## 1 January 2026

- *Amendments to the Classification and Measurement of Financial Instruments* (Amendments to IFRS 9 and IFRS 7)
- Annual Improvements to IFRS Accounting Standards—Volume 11
- *Contracts Referencing Nature-dependent Electricity*—Amendments to IFRS 9 and IFRS 7

## 1 January 2027

- IFRS 18: *Presentation and Disclosure in Financial Statements*
- IFRS 19: *Subsidiaries without Public Accountability: Disclosures* and amendments
- Third edition of the *IFRS for SMEs Accounting Standard*
- *Translation to a Hyperinflationary Presentation Currency* (Amendments to IAS 21)

## 1 January 2029

- IFRS 20: *Regulatory Assets and Regulatory Liabilities*

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## Get involved

### Learn more

- Access [IFRS Accounting Standards](#)
- Explore materials for the [consistent application](#) of Standards
- Respond to [consultations](#)

### Track progress

- Watch [IASB meetings](#)
- Listen to [podcasts](#)
- Register for [news alerts](#)