IFRS Accounting

Meeting summary

Joint CMAC–GPF Meeting

Date	**18 and 19 June 2026**
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This document summarises discussions at the joint meeting of the Capital Markets Advisory Committee (CMAC) and the Global Preparers Forum (GPF), two groups of nominated members with extensive practical experience in analysing financial information and who are established commentators on accounting matters in their own right or through the representative bodies with which they are involved. The CMAC and the GPF support the IFRS Foundation and the International Accounting Standards Board (IASB) in their objectives, and contribute towards the development, in the public interest, of high-quality, understandable, enforceable and globally accepted IFRS Accounting Standards.

CMAC and GPF members who attended the meeting:

Region	CMAC members	GPF members
Asia–Oceania	David Soh Jay Seo Kei Tsuchiya Ge Xiaobo Xiaolu Wang	Lily Hu Srinath Rajanna Kazuhiro Sakaguchi Amrita Srikanth Feifei Wang*
Europe	Christopher Bamberry Meghan Clark* Oliver Gottlieb Jacques de Greling* Kenneth Lee Matthias Meitner Thomas Rahman Diego Salvador Tony Silverman Marcel Voogd	Frédéric Agnès Ernesto Escarabajal Baadenhuijsen Ian Bishop Emmanuelle Guyomard Elena Poeschl Nico Wegmann Carolina Rubio Oset
The Americas	Enitan Adebonojo Paulo Cezar Aragão Deborah Taylor Michael Thom Larissa van Deventer	Jeff Davidson* Sallie Deysel Patrick Matos Maria Alejandra Hryszkiewicz Geetika Arora*
Africa		Keshni Kuni

*Remote participation by videoconference.

Intangible Assets

Purpose of the session

1. The purpose of the session was to seek CMAC and GPF members' views on the project's direction, considering IASB staff's findings on the needs of users of financial statements (users) for information about recognised and unrecognised intangible assets and associated expenditure.

Feedback from members

Users' information needs—Findings

2. CMAC members who spoke broadly supported the IASB staff's findings and said they reflected their experiences—that users generally view intangible activities as drivers of an entity's overall performance and future cash flows, and not as standalone assets. These CMAC members said that users are not primarily seeking broader recognition of intangible assets on the balance sheet, but clearer, better-connected and more disaggregated information about those activities.

3. However, some CMAC members also highlighted areas which differed from the IASB staff's findings. Referring to EFRAG workshops on intangible assets, one CMAC member said that users' views on comparability between intangible assets acquired in a business combination and those that are internally generated were more polarised than the IASB findings suggested, and that there is stronger demand for changes to underlying accounting treatment. A few CMAC members also noted that users may emphasise the role of key performance indicators (KPIs) or other quantitative measures of the performance or progress of intangible activities. One CMAC member added that valuation approaches may vary by sector and that cash-flow-based methods may be less relevant in some sectors, including financial institutions.

4. One CMAC member observed that the IASB staff's findings appeared to reflect the views of active analysts in particular, and that other kinds of users may use information about intangible activities in other ways. The member suggested that the IASB also consider other users who rely on systematic or automated analysis of aggregated data when it assesses what information would be most useful to users.

Linking spend to outcomes and current-period linkage

5. Some CMAC members supported improving disclosures about intangible activities. These CMAC members said that enhanced disclosure requirements and transparency would be more useful than broader recognition of intangible assets, particularly because broader recognition might increase subjectivity in recognition and measurement.

6. One CMAC member said greater disaggregation of spend would help users understand how intangible-related activities affect current and future performance. The member suggested that users would benefit from clearer information about spending supporting current revenue and spending intended to support future revenue, including spending on activities such as research and development, marketing, customer acquisition and training.

7. One CMAC member highlighted the importance of better linking information in narrative reports with amounts recognised or disclosed in the financial statements, including through management commentary.

Comparability across entities and insufficient information on recognised intangible assets

8. CMAC members expressed varied views on whether the issue of comparability between intangible assets acquired in a business combination and those that are internally generated should be addressed by the project. One CMAC member described it as a ‘false problem’, observing that differences between acquisitive and organically growing entities may reflect different business models. Other CMAC members said current accounting outcomes can still make comparisons difficult, including within sectors, and the asymmetry is a significant issue for users.

9. One GPF member attributed the comparability issue to a conceptual inconsistency between IFRS 3 *Business Combinations* and IAS 38 *Intangible Assets*. The member said users may view an intangible asset with reference to its economic value and expected cash flows, regardless of whether it was acquired or generated internally. However, applying IFRS Accounting Standards can result in different recognition and measurement outcomes depending on how the asset arose, which the member viewed as contributing to the comparability issue. The member also said that the

time and cost of valuing, auditing and accounting for recognised intangible assets and goodwill resulting from a business combination is significant, and questioned whether closer alignment between IFRS 3 and IAS 38 could better meet users' needs while freeing preparer resources to provide more useful disclosures.

10. A few CMAC members also expressed concerns about the consistency of capitalisation between entities, including within the same sector. They noted that differences in how intangible assets are recognised and measured can make comparison difficult.

Other

11. A few CMAC members observed that information needs and feasible disclosures may differ by sector and by the nature of the intangible activity. One CMAC member noted, for example, that healthcare entities may provide stronger disclosure because in that sector, intangible activities often relate directly to the product ultimately sold, instead of serving mainly as inputs into producing other goods or services. An IASB member observed that, in the healthcare sector, the regulation imposes public communication of information on the product development which could explain why the disclosures in the financial statements are more detailed than in other sectors.

12. One CMAC member acknowledged commercial sensitivity as an important constraint on disclosure, but questioned whether it should preclude more detailed disaggregation/disclosure. The member noted that users may benefit from information about amounts spent on particular activities that they did not consider to be commercially sensitive, rather than detailed information about how or where that spend is deployed, which could be commercially sensitive.

13. One CMAC member encouraged the IASB to consider analyst aggregation tools already used by users that provide sector-specific KPIs, noting that these may contain an effective market-based taxonomy for such information.

14. One CMAC member also commented on newer intangible assets and said that data, artificial intelligence and resources related to cloud computing should receive greater prominence because they are increasingly important to modern business models and may interact with both definition and recognition issues.

Users' information needs—Implications for project direction

Accounting for intangible assets held for investment

15. Most CMAC and GPF members agreed that cryptocurrencies and carbon credits are the most common examples of intangible assets held for investment. CMAC and GPF members supported addressing these assets in a separate project. A few CMAC and GPF members said this work could be undertaken in parallel with other workstreams of the Intangible Assets project, depending on available resources.

16. Most CMAC and GPF members emphasised that work on these assets should not slow down progress on other high-priority topics in the project, such as broader review of the recognition requirements in IAS 38 or improving disclosure requirements, which they viewed as more important.

17. A few CMAC and GPF members said that, if addressed, the IASB should consider intangible assets held for investment comprehensively. This would include considering related liabilities (for example, in the case of carbon credits) and adopting a principles-based approach.

18. A few CMAC and GPF members suggested the IASB consider approaches in US GAAP as a source of practical solutions, particularly for cryptocurrencies, and emphasised the importance of distinguishing assets based on their use (for example, whether assets are used for operational or investment purposes).

Broader review of the recognition requirements in IAS 38

19. Most CMAC and GPF members supported reviewing the recognition requirements in IAS 38. Many CMAC and GPF members supported the staff's initial leaning towards a targeted 'fatal flaw' review, focusing on improving consistency in the application of existing requirements. These members described this approach as proportionate and likely to deliver timely improvements. Some CMAC and GPF members supported considering recognition and disclosure together.

20. A few CMAC and GPF members highlighted the importance of comparability with other frameworks, including US GAAP, when considering any changes to recognition requirements.

21. A few members questioned whether a targeted review would be sufficient to ensure the recognition requirements remain fit for purpose amid evolving economic and technological developments, including the increasing importance of artificial intelligence, data and other internally generated intangible assets. These members noted that the IASB may need to consider underlying concepts such as control and the nature and drivers of economic benefits. However, some other CMAC and GPF members noted that existing requirements may still be sufficient if applied consistently and cautioned against expanding recognition, noting the level of judgement involved in recognition decisions.

Improving disclosure requirements

22. CMAC and GPF members generally agreed that improving disclosure requirements for intangible assets is an important issue. However, their views differed on the timing of work on disclosures. Some, mostly CMAC members, favoured making progress as soon as possible, particularly in response to user demand for improved information. Some CMAC and GPF members supported prioritising targeted disclosure improvements that could provide a quicker solution to issues raised by users. Others, mostly GPF members, emphasised the close relationship between recognition and disclosure requirements and preferred linking improvements to disclosures to progress on recognition, noting the particular importance of understanding the distinction between recognised and unrecognised intangible assets. A few CMAC and GPF members suggested that elements of the disclosure work could be undertaken in parallel with the work on recognition.

23. Some CMAC and GPF members suggested that improved disclosures could focus on greater disaggregation of information, including operating expenses such as research and development, and noted that new IFRS 18 *Presentation and Disclosure in Financial Statements* requirements, when effective, may address some of these issues.

24. Some CMAC members also highlighted the importance of improving connectivity between information in the financial statements and information provided elsewhere, including narrative reporting and sustainability-related disclosures. A few CMAC and

GPF members noted the potential relevance of sector-specific information needs, although they acknowledged that IFRS Accounting Standards are not sector-specific.

25. Some CMAC and GPF members cautioned that any work on disclosures would need to be targeted, noting challenges such as defining the boundaries of financial statements, and commercial sensitivity.

Improving comparability of information

26. Most CMAC and GPF members agreed that the IASB should address the topic of improving comparability of information later in the project. These members noted that progress on disclosure requirements and other workstreams would provide a better foundation for improving comparability. CMAC and GPF members also highlighted the importance of considering feedback from the next Agenda Consultation, particularly in relation to whether stakeholders support broader changes in IFRS 3.

27. Some CMAC and GPF members noted that differences between acquired and internally generated intangible assets reflect underlying economic differences, including differences in measurement approaches and business models. These members suggested that full comparability may not be achievable or appropriate in all cases. Some members, mostly CMAC members, emphasised the importance of being able to compare information about intangible assets recognised through business combinations with those that are internally generated, and highlighted such comparability as an important user information need.

28. Some CMAC and GPF members suggested that improving disclosures could help address comparability concerns. These members referred to areas such as purchase price allocation, including information about where acquired intangible assets are reported (for example, within segments or cash-generating units), as well as relevant policies, subsequent remeasurements and judgements. A few CMAC and GPF members also suggested further disaggregation, including distinguishing between acquired and internally generated intangible assets, or providing more detailed information about assets recognised through business combinations.

Next steps

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

IASB and IFRS Interpretations Committee Update

30. The purpose of this session was to update members on the IASB's current work plan and on the May 2026 meeting of the IFRS Interpretations Committee.

ISSB Update

31. The purpose of this session was to update members on the ISSB's current work plan.

Statement of Cash Flows and Related Matters

32. The purpose of this session was:

    (a) to provide an update on the IASB's work to improve the consistent classification of cash flows as operating, investing or financing; and

    (b) to ask CMAC and GPF members for their views on the classification, in the statement of cash flows, of acquisition-related payments in a business combination.

33. We asked CMAC and GPF members for their views on three types of acquisition-related payments in a business combination, namely:

    (a) deferred and contingent payments;

    (b) payments of pre-existing debt; and

    (c) other payments (including transaction costs).

34. CMAC and GPF members discussed the payment types in breakout sessions. For each type of payment, members were asked:

    (a) which classification outcomes provide the most useful or better information; and

(b) whether there are challenges in identifying relevant payments.

Deferred and contingent payments

35. For deferred and contingent payments, CMAC and GPF members generally supported a simple approach that would result in all entities classifying these types of payments in the same way.

36. Most members expressed support for classifying deferred and contingent payments as investing activities. Some GPF members' reason for supporting this classification was that it is consistent with the guidance in IFRS 3 for determining what is part of a business combination transaction.

37. Some members expressed support for classifying deferred and contingent payments as financing activities. Some of these members said this is because the role of time value of money becomes more important as more time passes between the date of the business combination (acquisition date) and the date(s) the payments are made, which makes the payments seem more like financing activities. Some of these members said it might be difficult for the IASB to determine the point after which payments are considered financing activities.

Payments of pre-existing debt

38. For payments of pre-existing debt, CMAC and GPF members had mixed views, with some CMAC and GPF members viewing these payments as financing activities and some as investing activities.

39. Some CMAC and GPF members supported classifying payments of pre-existing debt as investing activities because they viewed those payments as part of the acquisition transaction, and an investment in the acquired business, particularly when made on or close to the date of the acquisition. Some members view those payments as financing activities because they are similar to other payments that reduce an entity's borrowings.

Other payments

40. For other acquisition-related payments, CMAC and GPF members generally supported a simple approach that would result in all entities classifying these types of

payments in the same way. However, members had mixed views about whether all other payments should be classified as operating or investing activities. One member suggested allowing an accounting policy choice for classifying other payments.

41. Some CMAC and GPF members said their reasons for supporting classification of other payments as operating activities include the fact that classification of those payments as investing activities would not be appropriate when acquisitions fail and when payments of transaction costs are spread over more than one fiscal year.

Statement of Cash Flows and Related Matters

Purpose of the session

42. The purpose of this session was to ask CMAC and GPF members for their views on improving disclosures about:

    (a) non-cash transactions arising from investing and financing activities; and

    (b) non-cash changes in specified assets and liabilities that arise from operating activities.

Non-cash transactions arising from investing and financing activities

43. For non-cash transactions arising from investing and financing activities, the IASB asked CMAC and GPF members for their views about three features of possible disclosure proposals:

    (a) feature 1—application guidance that clarifies the scope of the transactions that are subject to the requirements;

    (b) feature 2—requiring:

    (c) disclosures to be provided in a single location; and

    (d) a description of the transactions (and their related activities), the transaction amounts, and, if relevant, cross-references to notes containing detailed information; and

    (e) feature 3—an additional requirement for a table that numerically relates the cash and non-cash effects (or flows) of investing and financing transactions involving similar items.

44. Overall, GPF members said that if disclosures are restricted to transactions for which the information is material, preparing the information would likely not be costly—although costs would depend on whether entities already have the necessary data and systems. However, these members expressed concerns about the potential cost required to prove the completeness of these disclosures to auditors and regulators.

45. CMAC and GPF members agreed that the proposed application guidance would successfully clarify the scope of transactions that are subject to the requirements. Members suggested the guidance could be further enhanced by:

    (a) explicitly stating that only material transactions are subject to the disclosures and making the threshold of material information clearer;

    (b) providing illustrative examples of non-cash changes that are included compared with those that are excluded, to improve consistent application; and

    (c) specifying how entities should treat transactions that combine cash and non-cash components.

46. Many members saw value in collecting information and in using descriptions, transaction amounts and cross-references, although some members preferred signposting to existing notes rather than requiring all disclosures in a single location.

47. Members had mixed views on whether feature 2 should require disclosing transaction amounts and their related cash flow activities:

    (a) many CMAC members supported including this information. Some saw it as a helpful middle-ground that could address users' concerns that the information can be hard to find as well as entities' concerns that additional disclosure would duplicate information already disclosed. Other CMAC members were of the view including this information would not sufficiently explain entity activities (see paragraph48).

    (b) some members were of the view that this information—while 'nice-to-have' for users—would be unnecessary as long as the financial statements already include well-prepared reconciliations (such as those for property, plant, and equipment or those possibly proposed for working capital).

48. Many CMAC members highlighted that the 'flows' table proposed in Feature 3 would provide highly useful information for forecasting future cash flows. They also noted that presenting this information in a structured table would significantly improve understandability compared to a purely narrative format.

Non-cash changes in specified assets and liabilities that arise from operating activities

49. For non-cash changes in specified assets and liabilities arising from operating activities, the IASB asked CMAC and GPF members for their views on moving forward with possible proposals:

    (a) to require reconciliations of assets and liabilities from operating activities;

    (b) to require the specified reconciling items to be based on how an entity currently prepares its statement of cash flows; and

    (c) to permit, but not require, entities to explain what they consider to be 'working capital'.

50. Members generally:

    (a) agreed that requiring reconciliations in the way proposed would significantly improve users' ability to link the balance sheet with the statement of cash flows; and

    (b) agreed that the scope should not rely on a standardised definition of working capital or a list of specified items, saying that reaching a consensus on either approach would likely be difficult.

51. On the approach to the scope of the definition of working capital, members had mixed views:

    (a) some suggested permitting entities to define working capital depending on their specific circumstances and

    (b) others suggested aligning the scope with the existing definition of 'operating activities' in IAS 7 *Statement of Cash Flows*.

52. Overall, GPF members remained concerned about the costs associated with gathering the data needed to prepare these disclosures, for example, estimating the

non-cash changes from exchange differences. They noted that implementation and preparation costs could be substantial, particularly for large, complex global groups and entities with less sophisticated accounting systems.

Other comments

53. Some CMAC members suggested that the balances in the reconciliations need to agree to either the line items in the balance sheet or items in the notes to better link the statement of cash flows to the statement of financial position.

54. Some GPF members said that aggregating the items of various types of businesses that fall within the scope of working capital would not result in useful information.

55. Some GPF members suggested that reconciliations do not need to be restricted to a single location. These members suggested that instead, integrating them directly within the relevant topic notes (for example, placing the inventory reconciliation inside the main inventory note) would provide better context.

Next step

56. The staff will use the feedback when developing agenda papers for future meetings of the IASB.