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## IFRS Foundation Trustees meeting – Due Process Oversight Committee

Date **June 2026**  
Topic **IASB Technical Activities: Key Issues and Update**  
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This document is prepared for discussion at a public meeting of the IFRS Foundation Trustees' Due Process Oversight Committee (DPOC). The Trustees are responsible for governance of the IFRS Foundation, oversight of the International Accounting Standards Board (IASB) and the International Sustainability Standards Board (ISSB), and for delivery of the IFRS Foundation's objectives as set out in the IFRS Foundation *Constitution*.

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### Purpose of the report

1. This report provides the Due Process Oversight Committee (DPOC) with an update on the activities of the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (Interpretations Committee) for the period 1 February 2026 to 31 May 2026.
2. The report sets out how the IASB and the Interpretations Committee have fulfilled their due process obligations as set out in the *Due Process Handbook*. The report helps the DPOC fulfil its role of overseeing the due process activities of the IASB and the Interpretations Committee, as set out in paragraphs 2.1–2.13 of the *Due Process Handbook*. Paragraph 2.6(a) of the *Due Process Handbook* explains:

The DPOC is responsible for ...reviewing regularly and in a timely manner, together with representatives of each board and the Foundation staff, the due process activities of the boards and the Interpretations Committee, including standard-setting and the development of material to support the consistent application of the Standards, the IFRS Taxonomies, the SASB Standards and the SASB Standards Taxonomy.
3. In this paper, there are no projects for which the DPOC is being asked to specifically confirm that due process has been followed. **Accordingly, all information in this report is for information only.**
4. The report is structured as follows:
  - (a) due process documents published (paragraph 6);
  - (b) due process decisions (paragraphs 7–9);
  - (c) agenda paper compliance report (paragraph 10);
  - (d) work plan developments (paragraphs 11–22);
  - (e) research and standard-setting updates (paragraphs 23–29); and
  - (f) supporting consistent application (paragraphs 30–32).
5. The accompanying appendices are as follows:

[Appendix A](#)—Overview of projects on the work plan

[Appendix B](#)—Due process documents published in the period.

## Due process documents published

6. The due process documents published in the period are listed in [Appendix B](#). The staff confirm that the required due process steps have been completed for each of the documents listed. When the IASB is required to review a summary of the due process steps undertaken for a due process document, the DPOC receives a copy of the supporting IASB paper in advance of the IASB's discussion.

## Due process decisions

7. In March 2026, the IASB confirmed it was satisfied it had complied with the applicable due process requirements and had undertaken sufficient consultation and analysis to begin the balloting process for the Exposure Draft *IFRS for SMEs Accounting Standard—Consolidation Exception* and set a comment period of 120 days. The exposure draft was published in May 2026 with an aim of issuing the final amendment in the fourth quarter of 2026, ahead of the effective date of the Standard on 1 January 2027.
8. The IASB also confirmed at its May 2026 meeting that it was satisfied that all the applicable due process requirements have been complied with, and that it had undertaken sufficient consultation and analysis to begin the balloting process for issuing *Amendments to the Fair Value Option in IAS 28*. The IASB has been developing these amendments on an accelerated basis to ensure the amendments can be applied from the same date, and on the basis, as entities are applying IFRS 18 *Presentation and Disclosure in Financial Statements*. The effective date of IFRS 18 is 1 January 2027.
9. In May 2026, the IASB also decided to explore amending IFRS 18 to require or allow an entity to present, in the income taxes category of the statement of profit or loss, particular non-income tax charges.

## Agenda paper compliance report<sup>1</sup>

10. In the period 1 February to 31 May 2026, all agenda papers discussed by the IASB and the Interpretations Committee were made available on the public website unaltered. In addition, no meeting papers have been distributed less than five working days in advance of the relevant meeting.

## Work plan developments

### *Rate-regulated Activities*

11. The IASB issued IFRS 20 *Regulatory Assets and Regulatory Liabilities* on 27 May 2026. In July 2025, the DPOC discussed a due process complaint it received and concluded that it was satisfied that the IASB complied with due process. It also confirmed that all the necessary due process steps have been followed and its review of the due process on this project is now complete.
12. Agenda paper DP3 *Implementation Support IFRS 20* describes the IASB's planned activities to support stakeholders' implementation of IFRS 20.

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<sup>1</sup> Paragraph 3.12 of the *Due Process Handbook* states 'The technical staff for each board is required to report to the board and the DPOC at least annually on the extent to which material discussed by the board or the Interpretations Committee has not been made available on the Foundation's website and the main reasons for not doing so. In addition, the technical staff is required to include in that report the number of meeting papers that have been distributed less than five working days in advance and the main reasons for doing so.'

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### **Post-implementation review of IFRS 16 Leases**

13. The IASB began the Post-implementation Review (PIR) of IFRS 16 Leases in June 2024. IFRS 16 was developed together with the Financial Accounting Standards Board (FASB).
14. In June 2025, the IASB published a Request for Information, seeking information to help the IASB assess whether the effects of applying the new requirements on users of financial statements (users), preparers, auditors and regulators are as intended when the new requirements were developed. The comment period on the Request for Information ended on 15 October 2025.
15. The IASB began reviewing the feedback to the Request for Information in January 2026. Most stakeholders commenting on the overall assessment of IFRS 16 said the Standard is meeting (or largely meeting) its objective. However, most stakeholders also raised a range of concerns (some more significant than others) about the usefulness of information arising from the application of judgement and many stakeholders commenting on ongoing costs expressed concerns that they may be significantly higher than the IASB expected.
16. In its March and April 2026 meetings, the IASB discussed the feedback on the usefulness of information resulting from lessees' application of judgement, the usefulness of information about lessees' lease-related cash flows and the ongoing costs for lessees of applying the measurement requirements. In response to this feedback, the IASB tentatively decided to add a research project to its project pipeline to explore the feasibility of reducing costs relating to remeasurements of the lease liability and discount rates. The IASB also tentatively decided to explore (in its project on the Statement of Cash Flows and Related Matters) requiring lessees to disclose the components of total cash outflow for leases together with the line item in the statement of cash flows in which each component is presented.
17. The IASB will continue its analysis of the remaining feedback and expects to finalise its decisions on what actions to take on the PIR findings in the third quarter of 2026. Following confirmation by the DPOC that the IASB has completed its review of the Standard satisfactorily, the IASB will publish a report and feedback statement summarising its findings and any next steps.

### **Risk Mitigation Accounting**

18. The IASB published the Risk Mitigation Accounting (previously called Dynamic Risk Management) exposure draft in December 2025.
19. The Exposure Draft had a comment period of 240 days, which is twice the length of the 120-day comment period typically provided for exposure drafts, as in the *Due Process Handbook*. The extended comment period is intended to provide stakeholders with time to consider the proposed new model, identify possible concerns and participate in detailed fieldwork. The comment letter deadline was set as 31 July 2026, with the final fieldwork results to be submitted by 30 November 2026.
20. Following the publication of the Exposure Draft, IASB members and the staff have been engaging with stakeholders through various outreach activities, including an initial discussion with members of ASAF and the Financial Instruments Consultative Group. Many preparers raised concerns about submitting a comment letter by the deadline when the results of their fieldwork have not yet been finalised.
21. In May 2026 the IASB decided to align the comment deadline on the Exposure Draft with that of the fieldwork. The comment period will therefore now also end on 30 November 2026.
22. The IASB will also use this additional time during the comment period to conduct further education and outreach, particularly with entities that are still applying the IAS 39 hedge accounting requirements and may not yet be aware of the IASB's proposal to withdraw IAS 39.

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## Research and standard-setting updates

### ***Equity Method of Accounting***

23. In September 2024, the IASB published the Exposure Draft Equity Method of Accounting—IAS 28 *Investments in Associates and Joint Ventures (revised 202x)*. The Exposure Draft sets out a revised IAS 28 that:
  - (a) aims to answer application questions about how to apply the equity method of accounting; and
  - (b) is structured in a more logical and consistent way.
24. The comment period closed on 20 January 2025 and the IASB received 109 comment letters. The IASB discussed a summary of the feedback from comment letters and from outreach activities on the Exposure Draft at its May 2025 meeting.
25. While respondents to the Exposure Draft supported most of the proposed answers to the application questions, there was mixed support for some application questions (for example, there is concern about the costs and benefits of the proposals on how an investor applies the equity method to changes in an investor's ownership interest when the classification of that investment does not change). In addition, there are polarised views on the proposal that an investor recognises gains and losses in full on transactions with associates and joint ventures.
26. The IASB undertook additional outreach to understand the background to the polarised views that an investor recognises gains and losses in full on transactions with associates and joint ventures. The IASB considered a summary of the feedback from the additional outreach in February 2026. At its May 2026 meeting the IASB tentatively decided to introduce an accounting policy choice that permits an investor to choose either full or restricted recognition of gains or losses on all transactions with associates, except for gains or losses on transfer of businesses that would be recognised in full.

### ***Business Combinations—Disclosures, Goodwill and Impairment***

27. The IASB is redeliberating feedback on the proposals in the Exposure Draft *Business Combinations—Disclosures, Goodwill and Impairment*. The package of proposals included in the Exposure Draft aims to provide users of financial statements with more useful information, at a reasonable cost, about an entity's business combinations.
28. At its May 2026 meeting, the IASB discussed a suggested package of disclosures about the performance of a business combination and expected synergies from combining the operations of an acquirer and acquiree, which included suggested changes to the package proposed in the Exposure Draft in response to feedback.
29. Although a narrow majority of IASB members tentatively agreed that the benefits of the suggested package of performance and expected synergy information would justify the expected costs, concerns about the package remain. The IASB will consider at a future meeting whether further revisions to the package could be made to resolve those concerns. The IASB still expects to make a decision on the project direction in H2 2026.

## Supporting consistent application

### *Interpretations Committee*

30. At its March 2026 meeting, the Interpretations Committee:
- (a) published one tentative agenda decision relating to IFRS 10 *Consolidated Financial Statements*. The tentative agenda decision was open for comment until 19 May 2026. The Interpretations Committee will consider feedback on the tentative agenda decision at its future meeting;
  - (b) decided to finalise seven agenda decisions—five of which relate to IFRS 18 *Presentation and Disclosure in Financial Statements*, one to IFRS 16 *Leases* and one to IAS 1 *Presentation of Financial Statements*; and
  - (c) decided to finalise updates to two agenda decisions which were proposed in the light of the issuance of IFRS 18.
31. The Interpretations Committee also:
- (a) discussed a request relating to IFRS 10, which the Interpretations Committee will continue discussing at a future meeting; and
  - (b) provided input on the IASB's post-implementation review on the hedge accounting requirements in IFRS 9 *Financial Instruments*.
32. In accordance with paragraph 8.7 of the IFRS Foundation *Due Process Handbook*:
- (a) at its April 2026 meeting, the IASB did not object to six of the seven finalised agenda decisions. The six agenda decisions were published in April 2026 following the IASB meeting.
  - (b) at its May 2026 meeting, the IASB deferred a decision on whether it objects to the other finalised agenda decision—*Presentation of Taxes or Other Charges that Are Not Tax Expense or Tax Income Applying IAS 12 Income Taxes* (IFRS 18)—and the two updated agenda decisions. Instead, the IASB decided to explore amending IFRS 18 to address concerns about the outcome of applying the agenda decision in particular situations.

## Appendix A—Overview of projects on the Work Plan

[abbreviations: DP=Discussion Paper; ED=Exposure Draft; RFI=Request for Information; ASAF=Accounting Standards Advisory Forum; CMAC=Capital Markets Advisory Committee; GPF=Global Preparers Forum; EEG=Emerging Economies Group; SMEIG=SME Implementation Group; IFCG=Islamic Finance Consultative Group; IRCC=Integrated Reporting and Connectivity Council]

Project	Objective	Next due process step	Date	Timeline consistent with prior report	Current activity	Last due process document	Consultative group discussions <sup>2</sup>
<b>Research projects</b>							
Intangible Assets	To improve the usefulness of information entities provide about intangible items in their financial statements and to update IAS 38 <i>Intangible Assets</i> , in particular to make it more suitable for newer types of intangible items and new ways of using them.	Decide Project Direction	H2 2026	✓	•The IASB met in May 2026 to discuss its research on user needs for information about recognised and unrecognised intangible assets and associated expenditure.	N/A	ASAF: Dec 2025 EEG: Nov 2025 GPF: Nov 2025 CMAC: Nov 2025 CMAC/GPF joint meeting: Jun 2024 IC: Jun 2024
PIR of IFRS 16	To assess the effects of the new requirements on entities, users, auditors and regulators.	Project Summary and Feedback Statement	Q4 2026	N/A (new milestone)	•The IASB met in April 2026 to discuss stakeholder feedback on the Request for Information.	RFI published Jun 2025	ASAF: Mar 2026 IC: Sep 2024 CMAC: Nov 2024 GPF: Nov 2024 EEG: Dec 2024 ITCG: Dec 2024 IFCG: Dec 2024

<sup>2</sup> Most recent discussion with each group highlighted

Project	Objective	Next due process step	Date	Timeline consistent with prior report	Current activity	Last due process document	Consultative group discussions <sup>2</sup>
PIR of IFRS 9—Hedge accounting	To assess the effects of the new hedge accounting requirements on entities, users of financial statements, auditors and regulators	Request for information	Q3 2026	✓	•The IASB met in February 2026 to discuss the objective, activities and timeline for the first phase of the post-implementation review.	N/A	FICG: May 2026 ASAF: Mar 2026 CMAC: Mar 2026 GPF: Mar 2026 IC: Mar 2026 ITCG: Mar 2026
<b>Standard-setting projects</b>							
Amortised Cost Measurement	To make targeted improvements to the amortised cost measurement requirements in IFRS 9 <i>Financial Instruments</i> by clarifying their underlying principles and adding accompanying application guidance.	Exposure Draft	H2 2026	✓	• The IASB continued its deliberations in April 2026 and tentatively decided to amend the amortised cost requirements for subsequent measurement.	N/A	FICG: May 2026 ASAF: Dec 2025 FICG: Dec 2025 EEG: Nov 2025 GPF: Nov 2025 IC: Nov 2024
Business Combinations—Disclosures, Goodwill and Impairment	To explore whether entities can, at a reasonable cost, provide users with more useful information about the acquisitions those entities make. The IASB is considering ways to meet the objective though improving the disclosure requirements about business combinations and the impairment test for groups of assets containing goodwill	Decide Project Direction	Q4 2026	✓	•The IASB is redeliberating the proposals in the ED.	ED published Mar 2024	ASAF: Dec 2025 CMAC: Nov 2025 GPF: Nov 2025 IC: Sep 2025 CMAC/GPF Joint meeting: Jun 2025 EEG: May 2024 IFCG: May 2024

Project	Objective	Next due process step	Date	Timeline consistent with prior report	Current activity	Last due process document	Consultative group discussions <sup>2</sup>
Risk Mitigation Accounting	To develop an accounting model to better reflect how an entity's interest rate risk management strategy may affect the amount, timing and uncertainty of future cash flows and the effect of risk management activities on its financial statements.	Exposure Draft Feedback	H1 2027	Timeline extended as the comment period has been extended to 30 November 2026.	<ul style="list-style-type: none"> <li>The IASB and staff is continuing its education and outreach activities on the Exposure Draft. These activities will continue for the remainder of the comment period that has been extended to 30 November 2026.</li> </ul>	ED published in Dec 2025	FICG: May 2026 ASAF: Mar 2026 ASAF: Sep 2024 IFCG: May 2024
Equity method	To develop answers to application questions about the equity method, as set out in IAS 28 <i>Investments in Associates and Joint Ventures</i> , using the principles derived from IAS 28 where possible.	Final Amendments	H1 2027	N/A (new milestone)	<ul style="list-style-type: none"> <li>At its May 2026, meeting the IASB decided to introduce an accounting policy choice that permits an investor to choose either full or restricted recognition of gains or losses on all transactions with associates, except for gains or losses on transfer of businesses that would be recognised in full.</li> <li>The IASB decided to defer deciding on the project direction until it has made a tentative decision on this proposal in the Exposure Draft given the polarised views on the proposal.</li> <li>The IASB undertook additional outreach to understand the polarised views on transactions with associates.</li> </ul>	ED published Sep 2024	ASAF: Mar 2026 EEG: Dec 2025 GPF: Nov 2025 CMAC: Nov 2025 CMAC/GPF: Jun 2025

Project	Objective	Next due process step	Date	Timeline consistent with prior report	Current activity	Last due process document	Consultative group discussions <sup>2</sup>
Financial Instruments with Characteristics of Equity	To improve the information that entities provide in their financial statements about the financial instruments they have issued and address challenges with applying IAS 32 <i>Financial Instruments: Presentation</i>	Final Amendments	2027	Timeline extended following further research.	<ul style="list-style-type: none"> <li>In developing potential refinements to the proposals in the ED, the staff anticipate that further research and additional consultation with the IASB's consultative groups might be needed on some topics. The IASB expects to finalise its technical redeliberations by the end of 2026 and issue the final amendments in 2027.</li> </ul>	ED published Nov 2023	FIGG: Mar 2026 EEG: May 2025 ASAF: Mar 2025 CMAC: Mar 2025 GPF: Mar 2025 IFCG: May 2024
Rate-regulated Activities	To develop a new accounting model to give users of financial statements better information about an entity's incremental rights and obligations arising from its rate-regulated activities	IFRS Accounting Standard	Q2 2026	✓	<ul style="list-style-type: none"> <li>In May 2026, the IASB issued IFRS 20 <i>Regulatory Assets and Regulatory Liabilities</i>. This project will be removed from future reports.</li> </ul>	IFRS Accounting Standard issued May 2026.	ASAF: Jul 2025 EEG: Dec 2024 Consultative Group for Rate Regulation: Nov 2023 CMAC: Mar 2021 GPF: Mar 2021
Statement of Cash Flows and Related Matters	To review and improve the requirements for the statement of cash flows and related matters in IFRS Accounting Standards.	Exposure Draft	2027	✓	<ul style="list-style-type: none"> <li>In April 2026 the IASB began developing potential ways to improve the requirements of IAS 7 <i>Statement of Cash Flows</i></li> </ul>	N/A	CMAC: Mar 2026 GPF: Mar 2026 ASAF: Mar 2026 IC: Sep 2025 CMAC/GPF joint meeting: Jun 2025 EEG: Dec 2024

Project	Objective	Next due process step	Date	Timeline consistent with prior report	Current activity	Last due process document
<b>Maintenance projects</b>						
Provisions— Targeted Improvements	To develop proposals for three targeted improvements to IAS 37: (i) aligning the IAS 37 liability definition and requirements for identifying liabilities with the <i>Conceptual Framework</i> ; and (ii) clarifying two aspects of the measurement requirements	Decide Project Direction	Jun 2026	✓	•The IASB is redeliberating the proposals in the ED.	ED published Nov 2024
<i>IFRS for SMEs</i> Accounting Standard— Consolidation Exception	To introduce an exception from presenting consolidated financial statements for an SME with an ultimate (or intermediary) parent that is an investment entity and that does not present consolidated financial statements	Exposure Draft Feedback	Q4 2026	N/A (new milestone)	•The IASB published the Exposure Draft in May 2026.	ED published in May 2026
Amendments to the Fair Value Option in IAS 28	To make narrow-scope amendments to clarify the scope of investments in an associate or joint venture that can be measured using the fair value option	Issue Final Amendments	Jun 2026	N/A (new milestone)	•The IASB considered feedback on the Exposure Draft in May 2026 and agreed to finalise the proposed amendments subject to minor drafting improvements.	ED published Feb 2026

Project	Objective	Next due process step	Date	Timeline consistent with prior report	Current activity	Last due process document
<i>IFRS for SMEs</i> Accounting Standard—Consolidation Exception	The IASB is proposing amendments to the <i>IFRS for SMEs</i> Accounting Standard to introduce an exception from presenting consolidated financial statements for an SME with an ultimate (or intermediary) parent that is an investment entity and that does not present consolidated financial statements. Instead, the investment entity parent presents financial statements in which its subsidiaries are measured at fair value through profit or loss in accordance with IFRS 10.	Exposure draft feedback	Q4 2026	N/A (new milestone)	<ul style="list-style-type: none"> <li>The IASB is engaging with stakeholders on proposals in the Exposure Draft.</li> </ul>	ED published May 2026

## Appendix B—Due process documents published in the period

### Standard-setting due process documents

Due process document	Due process stage	Date published	Due process reviewed by IASB <sup>3</sup>	All applicable due process steps completed
IFRS 20 <i>Regulatory Assets and Regulatory Liabilities</i>	IFRS Accounting Standard	May 2026	July 2024	✓
<a href="#">IFRS for SMEs Accounting Standard—Consolidation Exception</a>	Exposure Draft	May 2026	March 2026	✓
<a href="#">Amendments to the Fair Value Option for Investments in Associates and Joint Venture — Proposed amendments to IAS 28</a>	Exposure Draft	February 2026	December 2025	✓

<sup>3</sup> Paragraph 4.15, 6.4–6.21 and 6.33–6.39 of the *Due Process Handbook* set out the due process requirements for the IASB when publishing a Discussion Paper, an Exposure Draft, and a new or amended Standard respectively. Before publishing these documents, the staff presents a summary of the due process steps to the IASB and asks the IASB to confirm that it is satisfied that all necessary steps have been completed. The DPOC receives a copy of this summary in advance of the Board discussion.

**Submissions discussed by the IFRS Interpretations Committee progressing towards an agenda decision**

Topic	Current due process stage	Date published	Approved by Interpretations Committee	IASB not object <sup>4</sup>	All applicable due process steps completed	Next step	Remarks
Reassessment of Control (IFRS 10)	Tentative agenda decision	30 March 2026	17 March 2026	N/A	✓	Tentative agenda decision feedback	The Interpretations Committee will consider feedback on the tentative agenda decision at a future meeting.
Presentation of Taxes or Other Charges that Are Not Tax Expense or Tax Income Applying IAS 12 <i>Income Taxes</i> (IFRS 18)	Finalised agenda decision (subject to the IASB not objecting)	N/A	18 March 2026	N/A	✓	Agenda decision	At its March 2026 meeting, the Interpretations Committee decided to finalise the agenda decision. At its May 2026 meeting, the IASB decided to defer a decision on whether it objects to the agenda decision to a future meeting (see paragraph 32(b)).
Updates to Committee's two agenda decisions for IFRS 18	Finalised agenda decision (subject to the IASB not objecting)	N/A	18 March 2026	N/A	✓	Agenda decision	At its March 2026 meeting, the Interpretations Committee decided to finalise the updates to the agenda decisions. At its May 2026 meeting, the IASB decided to defer a decision on whether it objects to updates to a future meeting (see paragraph 32(b)).
Economic Benefits from Use of a Battery under an Offtake Arrangement (IFRS 16)	Agenda decision	28 April 2026	17 March 2026	22 April 2026	✓	N/A	N/A

<sup>4</sup> Paragraph 8.7 of the *Due Process Handbook* requires the IASB to be asked whether it objects to a (final) agenda decision approved by the Interpretations Committee before that agenda decision is published.

Topic	Current due process stage	Date published	Approved by Interpretations Committee	IASB not object <sup>5</sup>	All applicable due process steps completed	Next step	Remarks
Assessment of a Specified Main Business Activity for the purposes of the Separate Financial Statements of a Parent (IFRS 18)	Agenda decision	28 April 2026	17 March 2026	22 April 2026	✓	N/A	N/A
Classification of a Foreign Exchange Difference from an Intragroup Monetary Liability (or Asset) (IFRS 18)	Agenda decision	28 April 2026	17 March 2026	22 April 2026	✓	N/A	N/A
Fair Presentation and Compliance with IFRS Accounting Standards (IAS 1)	Agenda decision	28 April 2026	17 March 2026	22 April 2026	✓	N/A	N/A
Classification of Gains and Losses on a Derivative Managing a Foreign Currency Exposure (IFRS 18)	Agenda decision	28 April 2026	17 March 2026	22 April 2026	✓	N/A	N/A
Scope of the Requirement to Disclose Expenses by Nature (IFRS 18)	Agenda decision	28 April 2026	17 March 2026	22 April 2026	✓	N/A	N/A