
IASB[®] meeting

Date **June 2026**
Project **Amortised Cost Measurement**
Topic **Project update**
Contacts Iliriana Feka (ifeka@ifrs.org)

This paper has been prepared for discussion at a public meeting of the International Accounting Standards Board (IASB). This paper does not represent the views of the IASB or any individual IASB member. Any comments in the paper do not purport to set out what would be an acceptable or unacceptable application of IFRS[®] Accounting Standards. The IASB's technical decisions are made in public and are reported in the IASB[®] *Update*.

Purpose and structure of this paper

1. In [February 2025](#), the IASB decided on the topics it will include in the project plan and discussed a draft timeline for work on the project. In [June 2025](#), the IASB decided to move the project from the research programme to its standard setting work plan.
2. At its [April 2026 meeting](#), the IASB added a topic to the scope of this project. The IASB decided that responding to stakeholder feedback on the measurement of a financial liability arising from a contingent settlement provision would be better addressed as part of the Amortised Cost Measurement project than as part of the Financial Instruments with Characteristics of Equity project.
3. The purpose of this paper is to provide an update on the project plan and discuss next steps. We do not ask the IASB to make any decisions in this paper.
4. This paper is structured as follows:
 - (a) [reminder of project objectives and criteria](#);
 - (b) [progress update on the project plan](#);
 - (c) [next steps](#); and
 - (d) [question for the IASB](#).
5. This paper has one appendix: [Appendix A—Summary of the IASB's tentative decisions](#).

Reminder of project objectives and criteria

6. As discussed in [February 2025 meeting](#), the objectives of this project are:
 - (a) 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
 - (b) to improve specific information provided to users of financial statements about financial instruments measured at amortised cost.

7. To support the project objectives, the IASB developed criteria for deciding which issues to include in the project and for evaluating potential solutions. In particular, the IASB considered solutions for issues that:
 - (a) are widespread and have a material effect on entities' financial statements;
 - (b) would improve financial reporting through clarifications that reduce diversity in practice arising from unclear requirements or insufficient application guidance in IFRS 9;
 - (c) would provide benefits to users of financial statements that outweigh the implementation costs for preparers. In assessing this criterion, the IASB considers factors such as whether a potential solution had previously been dismissed because of operational complexity; and
 - (d) can be resolved efficiently and effectively by the IASB without:
 - (i) fundamentally rewriting the requirements of IFRS 9;
 - (ii) creating internal inconsistencies in IFRS 9; and
 - (iii) amending other IFRS Accounting Standards, except for consequential amendments.

Progress update on the project plan

8. The table below indicates the IASB's progress against each topic in the project plan:

Project topic	IASB progress
Determining EIR at initial recognition	Tentative decision in September 2025
Subsequent changes in estimated cash flows (Subsequent changes through the EIR)	Tentative decision in April 2026
Definition of a 'modification' of financial instruments	Tentative decision in February 2026
Determining whether a modification results in derecognition	Tentative decision at this meeting
Other matters related to modifications: <ul style="list-style-type: none"> • The effect of modifications on EIR • Partial derecognition vs modification of a financial instrument • Accounting for modification gains or losses • Accounting for unamortised transaction costs and fees received in modifications • Accounting for 'fees and costs incurred' as required by paragraph 5.4.3 of IFRS 9 	To be deliberated
Boundaries between modification, derecognition, and impairment	To be deliberated
Consider how best to respond to stakeholder feedback on the measurement of a financial liability arising from a contingent settlement provision	To be deliberated

9. The items in scope of this project are long-standing application issues. Accordingly, throughout the project, the IASB has evaluated potential solutions carefully and has tentatively decided to amend IFRS 9 only when it expects that doing so would clearly improve financial reporting.
10. To support this approach, the IASB has undertaken several outreach activities and meetings with its consultative groups such as:

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- (a) in H1 2025, the IASB conducted extensive outreach with stakeholders across many industries and geographical regions. In June 2025, it reviewed that feedback and noted a clear distinction between: (a) issues arising from unclear or insufficient requirements in IFRS 9, which can be addressed through standard-setting; and (b) issues arising from the application of judgement to different facts and circumstances, which cannot be resolved effectively through standard-setting.
 - (b) in H2 2025, the IASB consulted with the [Global Preparers Forum](#), the [Accounting Standards Advisory Forum](#), the [Emerging Economies Group](#), and the [Financial Instruments Consultative Group](#) (FICG), seeking input that would inform potential improvements to the modification requirements and the boundary between modifications, derecognition and impairment.
 - (c) in Q1 2026, the IASB met with users of financial statements seeking input which informed the IASB's decisions relating changes in contractual cash flows that are accounted for by adjusting the EIR.

Next steps

- 11. Based on these outreach activities, we think the IASB has sufficient input to complete deliberations on the following topics in the remainder of 2026:
 - (a) **other matters related to modifications**, as summarised in the table in paragraph 8. We expect to complete deliberations on these matters in Q3 2026.
 - (b) **boundaries between modification, derecognition and impairment**. We expect to complete deliberations on these matters in Q4 2026.
- 12. In April 2026, when discussing feedback on contingent settlement provisions (see [Agenda Paper 5B](#) for that meeting), the IASB noted that responding to stakeholder feedback on the proposed measurement requirements might require significant changes or refinements. We therefore plan to seek input from the FICG in July 2026 on the potential path forward. We expect the IASB to discuss potential solutions in Q3 and Q4 2026.

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13. As acknowledged at the April 2026 IASB meeting, including contingent settlement provisions in the scope of this project might delay publication of the Exposure Draft by a few months. We therefore plan to update the project plan. Subject to that update, we think the IASB could complete technical deliberations on all project topics by the end of 2026 and publish the Exposure Draft in 2027.

Question for the IASB

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Do IASB members have any comments or questions on the updated project plan set out in this paper?

Appendix A—Summary of the IASB’s tentative decisions

Topic		Staff condensed summary of the IASB’s tentative decisions
<i>A full record of the IASB’s tentative decisions is available from the June 2025–April 2026 IASB updates</i>		
Project direction	<p>In June 2025, the IASB tentatively decided:</p> <ul style="list-style-type: none"> a. to add the project to its standard-setting work plan, under which any consultative document the IASB might later publish would be an exposure draft; and b. not to set up a consultative group for the project. 	
Determining EIR at initial recognition	<p>In February 2026, the IASB tentatively decided:</p> <ul style="list-style-type: none"> a. to clarify that a substantial modification of a financial asset, or a part of a financial asset, is accounted for as derecognition of the original financial asset and recognition of a new financial asset; and b. to require that an entity apply a principles-based approach in assessing whether a modification of a financial asset or a financial liability is substantial and results in derecognition. 	
Subsequent changes in estimated cash flows (Subsequent changes through the EIR)	<p>In April 2026, the IASB tentatively decided to amend paragraph B5.4.5 of IFRS 9 to require that an entity adjust the EIR to account for a re-estimation of the contractual cash flows of a financial asset or a financial liability that provides consideration for the time value of money or for the credit risk.</p>	
<ul style="list-style-type: none"> a. Definition of a ‘modification’ of financial instruments; and b. Determining whether a modification results in derecognition 	<p>In February 2026, the IASB tentatively decided:</p> <ul style="list-style-type: none"> a. to clarify that a substantial modification of a financial asset, or a part of a financial asset, is accounted for as derecognition of the original financial asset and recognition of a new financial asset; and b. to require that an entity apply a principles-based approach in assessing whether a modification of a financial asset or a financial liability is substantial and results in derecognition. 	