
Financial Instruments Consultative Group meeting

Date	March 2026
Project	Financial Instruments with Characteristics of Equity
Topic	Project update
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Purpose of this session

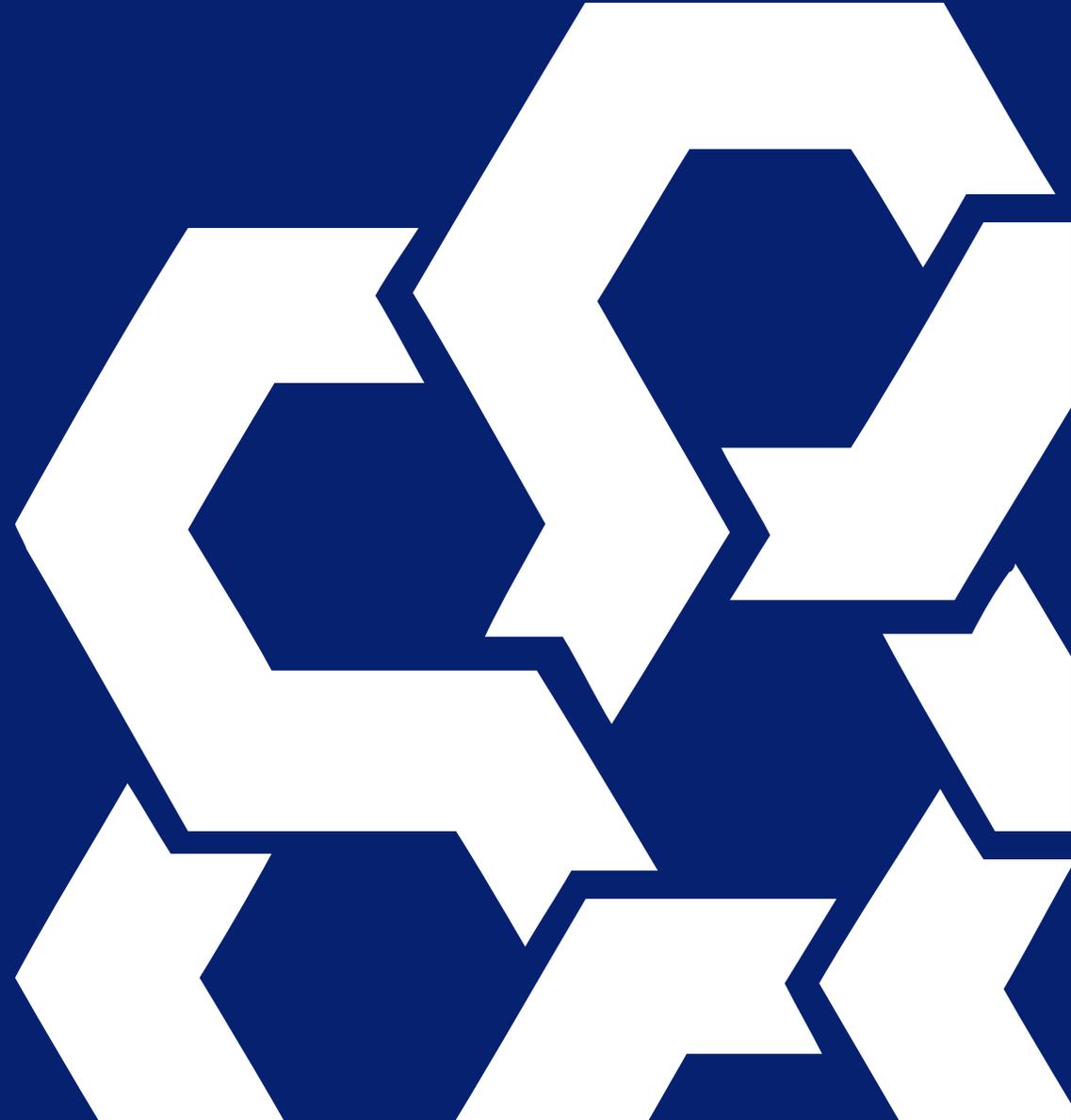
- To provide an update on the *Financial Instruments with Characteristics of Equity* project, including a recap of the overall stakeholder feedback on the Exposure Draft* and an update on the IASB's redeliberations to date
- To give FICG members the opportunity to ask questions, or comment on any of the IASB tentative decisions to date

* The [Exposure Draft](#) *Financial Instruments with Characteristics of Equity* was published in November 2023

Information for participants

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Background information



Project overview

Objectives



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



* Date subject to the project progressing as planned

** The IASB made tentative decisions on these topics

Overview of feedback on the ED proposals

Topic	Feedback
Effects of relevant laws or regulations	
Fixed-for-fixed condition	
Obligations to purchase own equity instruments	
Contingent settlement provisions	
Shareholder discretion	
Reclassification of financial liabilities and equity instruments	
Disclosures	
Presentation of amounts attributable to ordinary shareholders	
Transition	
Disclosure requirements for subsidiaries without public accountability	

Proposals require significant clarification	Proposals require some clarification	Proposals require minor clarification
		

Proposed presentation requirements



Recap of proposals

To improve information about amounts attributable to ordinary shareholders, the Exposure Draft proposed that an entity should be required to present:

Statement of financial position

Issued capital and reserves attributable to:

- ordinary shareholders of the parent
- other owners of the parent

Statement of profit or loss and other comprehensive income

profit or loss and comprehensive income attributable to:

- ordinary shareholders of the parent
- other owners of the parent

Statement of changes in equity or in the notes

the amount of dividends recognised as distributions to ordinary shareholders and to other owners

Recap of feedback

Overall positive feedback from investors (See [Agenda Paper 5A](#) of the July 2024 IASB meeting)

- Most investors generally supported the presentation proposals saying they would highlight the complexity of an entity's ownership structure
- Many investors expressed concerns about lack of application guidance on the basis and methods for determining amounts for separate presentation and some suggested additional disclosures
- Some investors anticipated a method consistent with the requirements in IAS 33 *Earnings per Share* to calculate profit attributable to other owners of the parent

Mixed feedback from other stakeholders (See [Agenda Paper 5A](#) of the October 2024 IASB meeting)

- General appreciation for the IASB's efforts to enhance the presentation of equity instruments and provide additional information about amounts attributable to ordinary shareholders
- Main concern was lack of application guidance on the basis and methods for determining amounts for separate presentation, eg whether and how to align with the requirements in IAS 33
- Other concerns about distinction between ordinary shareholders and other owners (especially when equity instruments have characteristics similar to ordinary shares), and costs vs benefits of the proposals

IASB tentative decisions—presentation

- Require an entity to present separately, in the statement of profit or loss, profit or loss attributable to owners of the parent, disaggregated between:
 - ordinary shareholders
 - participating rights holders
 - non-participating rights holders
- Require an entity to categorise equity instruments based on the instrument holders' contractual rights to profit or loss participation at the reporting date
 - if an equity instrument has both participating and non-participating rights, present the amounts for profit or loss participation in the line items for both participating and non-participating rights holders

IASB tentative decisions—presentation

- Specify that ‘ordinary share’ has the same meaning as in paragraph 5 of IAS 33 and the Glossary to the IFRS Accounting Standards—‘an equity instrument that is subordinate to all other classes of equity instruments’
- Define a ‘participating right’ as ‘the right to participate in profit or loss with ordinary shares, with the amount varying based on the entity’s profit or loss for the period’
- Define a ‘non-participating right’ as ‘the right to contractually specified amounts (for example, fixed dividends or coupons) before the determination of profit or loss allocated to ordinary shareholders and participating rights holders’

IASB tentative decisions—additional disclosure requirements

Withdraw the proposed presentation requirements related to statement of financial position and statement of changes in equity set out in the ED, but add disclosure requirements:

- how equity instruments relate to attribution of profit or loss and dividends recognised during the reporting period
- terms and conditions affecting nature, amount, timing and uncertainty of cash flows of equity instruments with only participating rights
- reconciliation of cumulative undeclared amounts for equity instruments with non-participating rights

Illustrative presentations

ED proposals

Statement of profit or loss (extract)	20X7	20X6
Profit attributable to:		
Ordinary shareholders of the parent	82,000	39,400
Other owners of the parent	15,000	13,000
Non-controlling interests	24,250	13,100
Profit for the year	121,250	65,500

Statement of financial position (extract)	31 Dec 20X7	31 Dec 20X6
Share capital	642,000	600,000
Retained earnings	200,500	127,700
Other reserves	10,200	21,200
Equity attributable to ordinary shareholders of the parent	852,700	748,900
Equity attributable to other owners of the parent	51,000	34,000
Non-controlling interests	70,050	48,600
Total equity	973,750	831,500



IASB tentative decisions

Statement of profit or loss (extract)	20X7	20X6
Profit attributable to:		
Ordinary shareholders of the parent	82,000	39,400
Participating rights holders of the parent	3,000	2,000
Non-participating rights holders of the parent	12,000	11,000
Non-controlling interests	24,250	13,100
Profit for the year	121,250	65,500

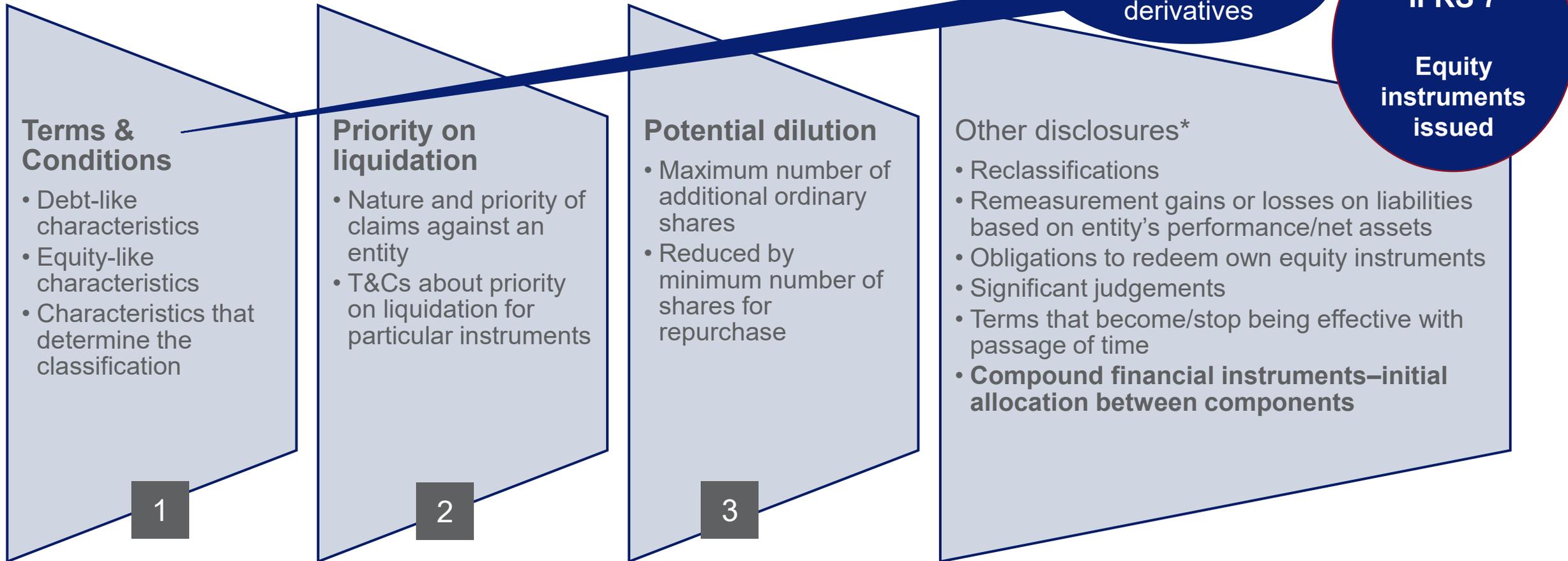


No longer required but additional disclosures

Proposed disclosure requirements

* Agenda Papers 5A for the July 2024 IASB meeting, 5C for the October 2024 IASB meeting and 5B for the June 2025 IASB meeting include further details

Disclosures—ED proposed amendments to IFRS 7 *Financial Instruments: Disclosures*



* Other disclosures (except for compound financial instruments) to be redeliberated at future IASB meetings

Scope, objective and general principles of IFRS 7

Proposal

- **Expand** the objective to enable investors to understand **how an entity is financed and what its ownership structure is**, including **potential dilution** to the ownership structure
- **Extend** the scope to equity instruments

Summary of feedback

- **Most** respondents supported expanding the scope and objective of IFRS 7
- **Some** concerned about disclosure overload, commenting that
 - a) the scope is too broad
 - b) more clarity is needed on aggregation and materiality judgements
 - c) cross-referencing should be allowed
 - d) members' shares in cooperative entities classified as equity applying IFRIC 2 *Members' Shares in Co-operative Entities and Similar Instruments* should be scoped out

Scope, objective and general principles of IFRS 7

IASB tentative decisions

- Retain the proposed disclosure requirements set out in the Exposure Draft, subject to:
 - including ‘puttable instruments and obligations arising on liquidation’—classified as equity instruments in accordance with paragraphs 16A–16D of IAS 32—in the scope of the disclosure requirements related to nature of claims and terms and conditions
 - allowing cross-referencing by including the references to the proposed disclosure requirements in paragraph B6 of IFRS 7
 - providing application guidance on how to group financial instruments by class

1 Terms and conditions disclosure

Proposal

- For financial instruments with both financial liability and equity characteristics disclose
 - a) terms and conditions that **determine their classification**
 - b) cash flow characteristics **not representative of the classification** but relevant to understanding their nature
 - c) terms about **priority on liquidation**
- For compound financial instruments
 - a) terms and conditions that **determine their classification**
 - b) in the year of issuance, **the amounts allocated** to the liability and equity components on initial recognition

Summary of feedback

- **Some** respondents said these disclosures would help investors gain a better understanding of the nature of those instruments
- However, **most** respondents were concerned about
 - a) potential disclosure overload (instrument-by-instrument basis)
 - b) practical difficulties of providing information about priority on liquidation
 - c) potential overlap with current requirements or other proposals
 - d) disclosures for compound financial instruments could be covered by disclosures for financial instruments with both financial liability and equity characteristics

1 Terms and conditions disclosure

IASB tentative decisions

- Retain the proposed disclosure requirements set out in the Exposure Draft, subject to:
 - not requiring disclosure of amounts allocated on initial recognition to the liability and equity components of compound financial instruments
 - including the requirement to disclose terms and conditions of compound financial instruments within the requirements for terms and conditions of other financial instruments
 - excluding some financial liabilities with equity-like characteristics from the scope—those with only subordination features and those that will be settled by delivering own equity instruments
 - combining terms and conditions about an instrument's priority on liquidation with the nature of claims disclosure, and limiting the disclosures to
 - terms and conditions that could lead to a change in their nature
 - a description of any intra-group arrangements, such as guarantees, that might affect the nature of financial instruments

1

What are debt-like and equity-like characteristics?

Debt-like characteristics in equity instruments (or equity components)

- fixed or determinable amounts
- incentives to pay fixed or determinable amounts

Equity-like characteristics in financial liabilities (or financial liability components)

- variable or indeterminable amounts
- loss-absorption
- avoiding transferring cash for a specified period of time
- settlement by own equity instruments where the issuer has a choice to settle in cash or shares under indirect obligations

IASB tentative decision: Scope of terms and conditions disclosures applies to financial instruments with both financial liability and equity characteristics but excludes financial liabilities with only subordination features and those that will be settled by delivering own equity instruments

1

Terms and conditions illustrative disclosure

Perpetual subordinated notes

Fact pattern

At 31 December 2020, the total perpetual subordinated notes outstanding amounted to CU3,986 million and are included in Company X's **equity**. The table below includes the **key terms of these financial instruments**.

	Notional amount	Initial call date	Coupon reset after initial call date	2020 CU million	2019 CU million
5.5% Fixed Rate Subordinated Notes	USD 1,000m	January 2025	10.5%	690	714
4.5% Fixed Rate Subordinated Notes	EUR 750m	March 2028	Market rate	647	658
4% Fixed Rate Subordinated Notes	EUR 2,000m	October 2032	Market rate	1,724	-
3% Fixed Rate Subordinated Notes	GBP 1,000m	January 2027	Market rate	925	910
				3,986	2,282

1 Terms and conditions illustrative disclosure

Coupon

Disclose debt-like features in equity instruments

These notes bear a **fixed rate of coupon** until their initial call dates. After the initial call dates, if they are not redeemed, **the coupon on the notes reset.** The coupon on the USD subordinated notes reset to 10.5%. The coupon on the other notes are fixed periodically in advance for five-year periods, based on prevailing market interest rates plus credit spreads of Company X, fixed at issuance.

Company X has discretion to defer coupons on these notes. The deferred coupons accumulate and become payable at the call date if the notes are called, or when Company X is liquidated, if the notes are not called.

Company X is **prevented from paying dividends** or other distributions in respect of its ordinary shares, or from repurchasing its ordinary shares, until the cumulative coupons on the perpetual subordinated notes have been paid in full.

1

Terms and conditions illustrative disclosure

Redemption option

These notes are redeemable at the option of Company X at the initial call date or any fifth anniversary after this date. The amount redeemable will be the **notional amount plus accumulated coupons**

Disclose debt-like features in equity instruments

Classification

These notes are classified as **equity instruments** because Company X has the **unconditional contractual right to defer** coupons and principal repayments until liquidation of Company X.

Disclose the terms and conditions of the financial instrument that determine its classification

2 Nature of claims disclosure

Proposal

- Disclose nature and priority of claims on liquidation from **all financial liabilities and equity instruments in the scope of IAS 32**
- Categorise claims—distinguish between **secured/unsecured** and **contractually subordinated/unsubordinated**, and separately disclose instruments issued by **the parent** and those issued by **subsidiaries** in the consolidated financial statements

Summary of feedback

- **Some** respondents said the disclosure would help understand the entity's capital structure and its potential solvency
- **Most** respondents were concerned about operational challenges and questioned the usefulness such as
 - a) how to consider local legislation for entities operating in multiple jurisdictions
 - b) difficulty at a consolidated entity level to rank the instruments in order of priority
 - c) information about liquidation is available only for each individual entity
 - d) for regulated financial institutions, resolution is the most likely outcome

IASB tentative decision: Retain the proposed disclosure requirements set out in the ED subject to refinements highlighted in red boxes

2 Nature of claims illustrative disclosure

Nature and priority of claims on liquidation

As at 31 Dec 2020 (CU million)	Issued / owed by		
	Consolidated	Parent	Subsidiaries
Secured and unsubordinated			
Senior secured debt (a)	1,200	–	1,200
Lease liabilities (a)	500	500	–
Unsecured and unsubordinated			
Trade and other payables	1,450	320	1,130
Senior unsecured debt (a)	450	–	450
Unsecured and subordinated			
Subordinated liabilities	590	480	110
Classified as financial liabilities	4,190	1,300	2,890
Unsecured and subordinated			
Perpetual notes	200	200	–
Irredeemable preference shares	400	400	–
Non-controlling interest	1,350	–	1,350
Other reserves	–	–	–
Ordinary share capital	8,500	8,500	–
Classified as equity	10,450	9,100	1,350
Total	14,640	10,400	4,240

Disclose nature of claims based on contractual terms at the reporting date instead of on liquidation

Scope:

- non-derivative financial liabilities subject to IFRS 7 liquidity risk disclosures;
- non-derivative equity instruments that are issued

(a) Included in the “Borrowings” line item in the statement of financial position.

2

Nature of claims illustrative disclosure

Potential changes in nature—perpetual notes

According to the contractual terms, if Company X's Common Equity Tier 1 ratio drops below 5.125%, the perpetual notes classified as equity will either be converted into ordinary shares or written down.

Intra-group arrangements—subordinated liabilities

Parent company X has provided a guarantee to Z Bank for CU50 million of subordinated liabilities owed by Subsidiary A.

Information about terms and conditions that could lead to a change in nature and intra-group arrangements such as guarantees are required

3 Maximum dilution disclosure

Proposal

- **Disclose maximum dilution** of ordinary shares from financial instruments that could be settled in ordinary shares, **including key terms and conditions** to understand likelihood of maximum dilution and possibility for unknown dilution. Subtotals for
 - a) **total maximum number** of additional ordinary shares **the entity might be required to deliver**
 - b) **net maximum number** of additional ordinary shares the entity might be required to deliver, calculated after **subtracting the minimum number** of ordinary **shares the entity is required to repurchase**

Summary of feedback

- **Some** respondents supported the proposals to enable users of financial statements to assess potential dilution
- **Most** respondents were concerned about practical difficulties and questioned the usefulness such as:
 - a) proposals would overlap with IAS 33 and cause confusion
 - b) disclosing detailed information would impose significant burden on preparers
 - c) including anti-dilutive instruments and not disclosing information about the probability of maximum dilution could be misleading
- **Some** respondents suggested adding the proposals to IAS 33 for consistency

3 Maximum dilution illustrative disclosure

Instruments	Maximum number of additional ordinary shares	Key terms and conditions
Convertible bonds (A and C)	600	Holder holds an option to convert the bond at a specified conversion date using a specified conversion ratio of CU15 per share and CU12 per share for Convertible Bonds A and C respectively. The par values are CU5,250 and CU3,000 respectively. Both bonds are not included in the diluted earnings per share calculation because they are anti-dilutive.
Convertible bonds B	250	In the event of a change of control of Company X prior to the conversion date, the conversion ratio is adjusted downwards to a pre-determined strike price of CU8 per share. The par value is CU2,000.
Convertible bonds D	350	Issuer holds an option to settle in shares at a conversion ratio of CU15 per share or cash (equal to the value of the shares). The par value is CU5,250.
Mandatorily convertible note G	100	Issuer to deliver shares equal to the par value of CU1,000. Subject to a cap of 100 shares and a floor of 10 shares.

Examples of information entities could disclose to increase understanding of maximum dilution and likelihood of it occurring

3 Maximum dilution illustrative disclosure

Instruments	Maximum number of additional ordinary shares	Key terms and conditions
Number of share options in the scope of IFRS 2 outstanding at reporting date	100	Refer to note x (IFRS 2 disclosures on share options).
Number of known unvested shares from share awards in the scope of IFRS 2 at reporting date	100	Refer to note y (IFRS 2 disclosures on share awards).
Standby facility agreement	200	Issuer and potential shareholders enter into an agreement where issuer can sell up to 200 shares.
Maximum number of additional ordinary shares	1,700	

Include 'off-balance sheet' commitments that could result in dilution of ordinary shares

3 Maximum dilution illustrative disclosure

Instruments	Maximum number of additional ordinary shares	Key terms and conditions
Share-settled bond F	Unknown number of additional ordinary shares	The par value is CU500. The number of shares will depend on the share price at settlement date.
Total maximum number of additional ordinary shares	1,700 + unknown dilution from Share-settled Bond F	
Less: minimum reduction in the number of ordinary shares		
Share buy-back arrangement H	Unknown reduction in ordinary shares	Commitment to buy shares up to CU5,000.
Share buy-back arrangement I	(100)	Commitment to buy 100–500 shares.
Net maximum number of additional ordinary shares	1,600 + unknown dilution from Share-settled Bond F – unknown reduction from share buy-back arrangement H	Disclose ‘unknown’ where number of shares is unknown due to cap on amount spent

Effects of relevant laws or regulations



Recap of proposals

Consider only contractual rights and obligations that are enforceable by laws or regulations and are in addition to those created by relevant laws or regulations

Explicitly Stated Contractual Terms

Generally applicable regulatory requirements **Example:** General regulator powers in bail-in instrument

Not consider in classification

Contract terms in addition to those required by regulation **Example:** Specific loss absorption feature of bail-in instrument

Consider in classification

Terms not found in the contract

Laws prevent enforceability of contract terms **Example:** Law prohibits redemption feature

Consider in classification

Laws create obligations **Example:** Law mandates 10% of profits to be distributed as dividends

Not consider in classification

Recap of feedback

- Some support for an ‘all-inclusive approach’ with/without exceptions
- Some suggested keeping the status quo until a fundamental review of IAS 32
- Concerns raised included:
 - diversity across jurisdictions and potentially within the same consolidated group resulting in inconsistent classification for economically similar instruments
 - unintended consequences on classification
 - uncertainty about scope of laws or regulations
- Requests for illustrative examples, additional guidance and additional disclosures

* [Agenda Paper 5](#) for the May 2024 IASB meeting and [Agenda Paper 5A](#) for the July 2025 IASB meeting include further details

IASB tentative decisions

- Not proceed with proposed requirements related to effects of relevant laws or regulations on the classification of financial instruments because:
 - lack of consensus on the underlying principles
 - solving concerns would involve addressing the matter in a more fundamental manner and would be beyond the scope of the FICE project

* [Agenda Paper 5A](#) for the July 2025 IASB meeting includes further details

Reclassification



Recap of proposals

IAS 32 requirements

- Paragraph 15 requires an issuer of a financial instrument to classify the instrument, or its component parts, on initial recognition
- No general reclassification requirements
- Paragraphs 16E-16F contain specific requirements for reclassifying puttable instruments and obligations arising on liquidation

Diversity in practice when there is a change in the substance of the contractual arrangement without a modification of the contract

Change in circumstances external to the contractual arrangement

Reclassification required prospectively from the date the change in circumstances occurs

Changes when an existing contractual term becomes or stops being effective **with the passage of time**

Reclassification not permitted, disclosure required

Recap of feedback

- General support for:
 - reclassification when substance of contractual arrangement changes because of change in external circumstances
 - measurement and timing of reclassification
- Many suggested reclassifying when the substance of the contractual arrangement changes because contractual term starts/ceases to be effective with the passage of time
- Requests for more illustrative examples and additional guidance

* [Agenda Paper 5](#) for the May 2024 IASB meeting and [Agenda Paper 5B](#) for the July 2025 IASB meeting include further details

IASB tentative decisions

Finalise the proposed requirements subject to refinements

- reclassification applies to changes in the substance of a contractual arrangement that do not
 - create or extinguish contractual rights or obligations; or
 - modify the contractual terms
- ‘circumstances external to the contractual arrangement’ are events that
 - arise after a financial instrument is classified; and
 - are significant to the entity’s operations, demonstrable to external parties and generally expected to occur infrequently
- reclassify a financial liability containing an obligation to deliver own equity when the substance of the contractual arrangement changes because a contractual terms stops being effective

Shareholder discretion



Recap of proposals

Paragraph 19 of IAS 32

If an entity does not have an **unconditional right to avoid** delivering cash or another financial asset to settle a contractual obligation, the obligation meets the definition of a financial liability [...]

What is the question?

When settlement of a contractual obligation is at the discretion of the issuer's shareholders, **is a decision of shareholders treated as a decision of the entity?**

The IASB proposed a factors-based approach to help entities apply judgement

- Factors required to consider:
 - decision is routine in nature
 - decision relates to an action proposed or transaction initiated by the entity's management for shareholder approval
 - different classes of shareholders benefit differently from a shareholder decision
 - exercise of a shareholder decision-making right enables a shareholder to require the entity to redeem or pay a return on its shares
- Weightings applied to each factor depend on specific facts and circumstances
- Different factors may provide more persuasive evidence in different circumstances

Recap of feedback

- Overall agreement that judgement is required
- General support for factors-based approach but concerns about
 - how judgement should be applied
 - practical difficulty
 - potential inconsistency in application
 - unintended consequences
- Requests for illustrative examples and additional guidance

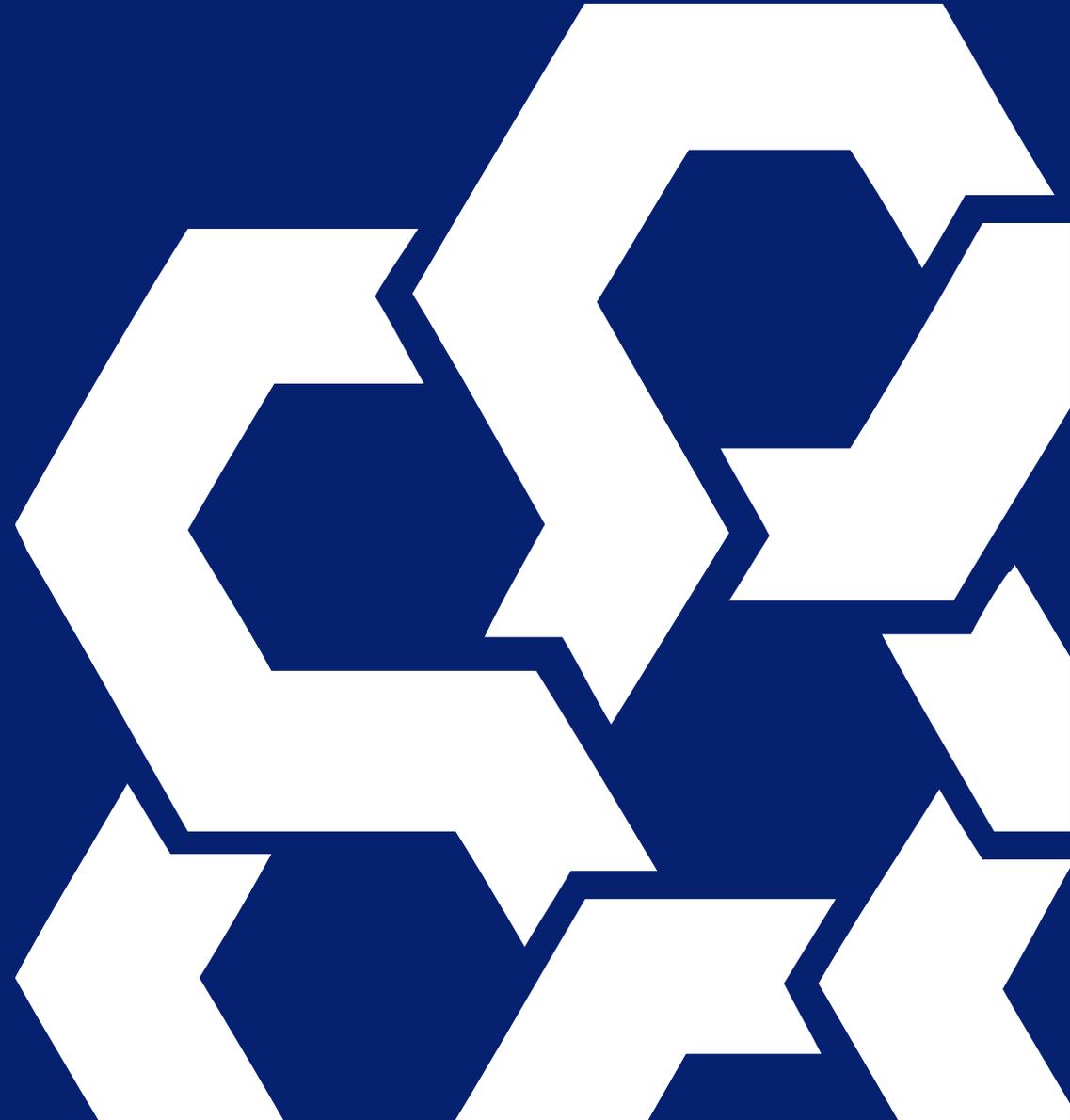
* [Agenda Paper 5](#) for the May 2024 IASB meeting and [Agenda Paper 5B](#) for the September 2025 IASB meeting include further details

IASB tentative decisions

- Finalise the proposed factors-based approach subject to clarifications of the underlying principles and minor drafting improvements
- An entity applies judgement when considering:
 - the contractual terms of the financial instrument
 - the facts and circumstances applicable to the reporting entity
 - the capacity in which shareholders act when making decisions by applying the proposed factors and any other relevant factors
 - the weightings to be applied to each factor, taking into account that no factor is conclusive on its own
 - the interaction of multiple shareholder decision-making rights and their effects on the classification of the financial instrument

* [Agenda Paper 5C](#) for the September 2025 IASB meeting includes further details

Fixed-for-fixed condition



Recap of proposals



For a contract to be classified as an equity instrument, the amount of consideration to be exchanged for each of an entity's own equity instruments shall be in the entity's **functional currency** and be either:

- fixed (will not vary under any circumstances); or
- variable solely as a result of either a preservation adjustment or passage-of-time adjustment or both

Adjustments	Requirements for equity classification
Preservation adjustments	Adjustments preserve economic interests of future shareholders to an equal or a lesser extent relative to economic interests of current shareholders
Passage-of-time adjustments	Adjustments: <ul style="list-style-type: none"> • are pre-determined at inception of the contract • vary only with the passage of time • have the effect of fixing on initial recognition the present value of the amount of consideration exchanged for each of the entity's own equity instruments

Recap of feedback

- Some disagreement that consideration must be fixed in the entity's functional currency and in the consolidated group determined based on the entity whose shares are being delivered
- General support for preservation adjustments but some concerns about down-round adjustments and volume weighted average price adjustments failing fixed-for-fixed condition
- General support for passage-of-time adjustments but large concerns about
 - criterion to require the adjustment to have the effect of fixing on initial recognition the amount of consideration per share in terms of a present value
 - adjustments linked to inflation and benchmark interest rates failing fixed-for-fixed condition
 - some adjustments linked to change of control failing fixed-for-fixed condition
- General support for proposals related to share-for-share exchanges and choice of settlement
- Some suggestions to rethink the fixed-for-fixed rule
- Requests for more illustrative examples and additional guidance

* [Agenda Paper 5](#) for the May 2024 IASB meeting and Agenda Papers [5](#), [5A](#), [5B](#), [5C](#) and [5D](#) for the December 2025 IASB meeting include further details

IASB tentative decisions

Finalise the proposed requirements subject to refinements:

- clarify that a derivative could meet the fixed-for-fixed condition if there is a fixed amount of consideration and either a fixed number of own equity instruments or a fixed exchange ratio.
- clarify that when a group entity issues a derivative on another group entity's shares, the derivative could meet the fixed-for-fixed condition in the consolidated financial statements, if the consideration amount is denominated in the functional currency of either the entity that issues the derivative or the entity whose shares are being delivered
- replace the term 'preservation adjustments' with 'adjustments that compensate the future holders of the equity instruments' and clarify that to qualify for fixed-for-fixed condition, the adjustments must
 - aim to place the future holders in an economic position comparable to that of the current holders after a specified trigger event; and
 - not expose the entity to any additional risks compared to issuing the underlying equity instruments

* [Agenda Papers 5A](#) and [5B](#) for the February 2026 IASB meeting include further details

IASB tentative decisions (continued)

- replace the term ‘passage-of-time adjustments’ with ‘adjustments that are solely a function of time’ and clarify that to qualify for fixed-for-fixed condition, the adjustments must:
 - be predetermined; and
 - vary solely with the passing of time between potential exercise or conversion dates and not expose the issuer to any other risks or variability—the adjustment is not related to the time value of money
- withdraw the proposed criterion in the ED related to fixing on initial recognition the present value of the amount of consideration exchanged for each of an entity’s own equity instruments
- clarify the meaning of ‘predetermined’
- clarify that if a contract specifies multiple adjustments that could affect the amount of consideration or number of own equity instruments, each individual adjustment must meet the fixed-for-fixed condition
- clarify that these permissible adjustments would also apply to share-for-share exchanges

* [Agenda Paper 5B](#) for the February 2026 IASB meeting includes further details

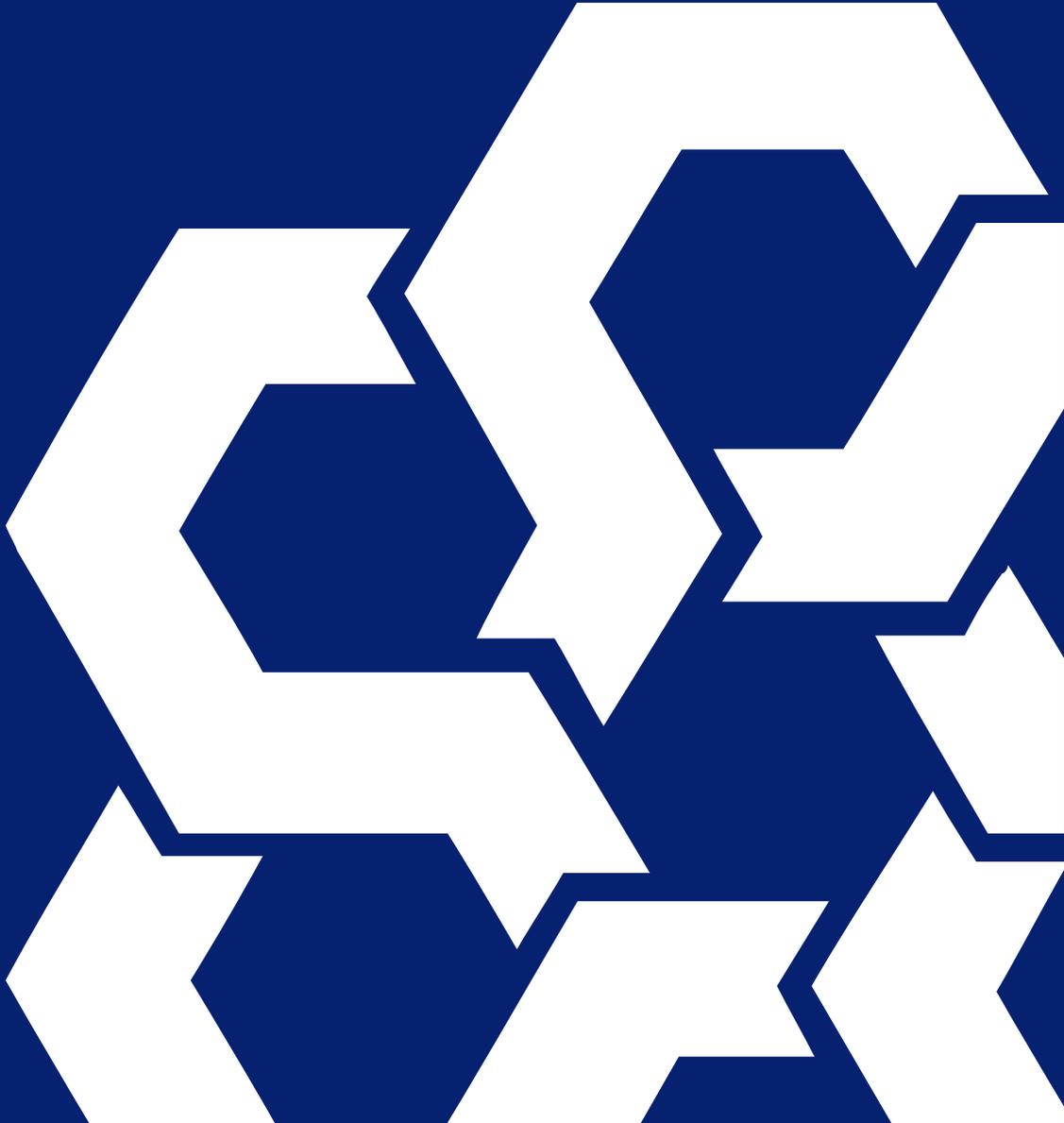
Next steps



Next steps

- The IASB will continue to redeliberate the remaining classification topics (financial instruments with contingent settlement provisions, obligations to purchase own equity instruments), other disclosures and transition, with the aim to finalise technical decisions by the end of 2026
- Thereafter the staff will ask the IASB for its permission to begin the balloting process of the package of amendments to IAS 32 *Financial Instruments: Presentation*, IFRS 7 *Financial Instruments: Disclosures*, IFRS 18 *Presentation and Disclosure in Financial Statements* and IFRS 19 *Subsidiaries without Public Accountability: Disclosures*
- The aim is to publish final amendments in 2027

Questions?



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