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## Global Preparers Forum Meeting

Date           Friday 20 March 2026  
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This document summarises a meeting of the Global Preparers Forum (GPF), a group whose members have considerable practical experience of financial reporting. The group's members are also established commentators on accounting matters in their own right, or through working with the representative bodies in which they are involved. The GPF supports the IFRS Foundation and the International Accounting Standards Board (IASB) in their objectives, and contributes towards the development, in the public interest, of high-quality, understandable, enforceable and globally accepted IFRS Accounting Standards

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### GPF members who attended the meeting.

Region	Members
Africa	Keshni Kuni*
Asia-Oceania	Lily Hu* Srinath Rajanna* Kazuhiro Sakaguchi* Amrita Srikanth* Feifei Wang*
Europe	Frédéric Agnès* Ernesto Escarabajal Baadenhuijsen Ian Bishop Emmanuelle Guyomard* Stephen Morris Carolina Rubio Oset* Elena Poeschl* Nico Wegmann*
The Americas	Jeff Davidson* Sallie Deysel Maria Alejandra Hryszkiewicz* Patrick Matos*

\*Remote participation via videoconference.

## IASB and IFRS Interpretations Committee Update

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

## Statement of Cash Flows and Related Matters (Topic1)

2. The purpose of this session was to ask GPF members for their views on potential new disclosures for improving information about:

- (a) non-cash transactions; and
- (b) other non-cash changes in specified assets and liabilities.

### Non-cash transactions

3. To facilitate the discussion, the staff illustrated two examples of potential new disclosures for information about the non-cash investing and financing transactions referred to in paragraphs 43 and 44 of IAS 7 *Statement of Cash Flows*—investing and financing transactions that do not have a direct impact on current cash flows although they do affect the capital and asset structure of an entity.
4. The first example (Alternative 1) includes narrative information about non-cash transactions and shows their effect alongside 'equivalent' cash transactions following the structure of the statement of cash flows. The second example (Alternative 2) also includes narrative information but then disaggregates the effect of non-cash transactions within existing reconciliations of the opening to closing balances of the assets and liabilities that are affected by these transactions.
5. GPF members questioned the objective and benefits of providing the additional (often duplicate) information about non-cash transactions in the ways included in both alternatives. Companies are already required to disclose information about some non-cash transactions. For example, companies provide detailed disclosures about leasing activities in accordance with IFRS 16 *Leases*. In members' view, such detailed disclosures are sufficient to enable knowledgeable investors to understand the effect of these transactions. Requiring the information as illustrated would, therefore, be an unnecessary duplication of information.

6. GPF members said that if companies were to be required to provide the information as illustrated, the extent of additional cost would depend on the current practice and ability of the company's accounting system and procedures to identify specific types of non-cash changes in balances. Not all companies separately identify amounts of non-cash transactions in the notes, as illustrated in Alternative 2. Members also noted that disclosing non-cash transactions in a reconciliation, as illustrated, requires a company to allocate all amounts, and not only material amounts, to a 'bucket' because amounts need to line up across the financial statements. Adding information to the financial statements based on such an allocation increases the pressure on allocation procedures and might also result in increased audit costs.
7. A few GPF members suggested that if more specific disclosure requirements are developed, the IASB would need to clarify:
  - (a) the scope of the non-cash transactions for which disclosures are required; and
  - (b) any measurement requirements that might be needed to quantify the numerical information.
8. A few GPF members also said that the 'Total' column and the subtotals by activity (operating, investing and financing) included in Alternative 1 might be misleading. They said investors and regulators might interpret these totals to include all non-cash transactions and other non-cash changes and not only material non-cash transactions that arise from investing and financing activities. A few members also found it difficult to understand why amounts are included in operating activities if non-cash transactions are only those that arise from investing and financing activities.
9. A few GPF members suggested that if the objective of providing the information is to enable investors to identify a company's non-cash transactions, other ways might be more efficient. For example, disaggregated information about non-cash transactions could be included in the disclosure of changes in liabilities from financing activities (or the possible disclosures about changes in trade and other receivables, inventories and trade and other payables). One GPF member said they report

information about such transactions on the same page as the statement of cash flows.

**Other non-cash changes in specified assets and liabilities**

10. To facilitate the discussion, the staff illustrated a possible way of disclosing information about non-cash changes in trade and other receivables, inventories and trade and other payables. These assets and liabilities typically make up a large portion of what companies consider to be their working capital. The possible disclosure responds to feedback that investors have difficulty understanding all the elements of the total change in the balances of these assets and liabilities reported in the balance sheet and the statement of cash flows.
11. GPF members understood the objective of providing additional information about some non-cash changes in specified assets and liabilities that are typically associated with a company's working capital. One member noted that if the information focuses on material non-cash changes in sufficiently aggregated balances, it would be possible to prepare such information.
12. However, members said that the extent of additional costs under both alternatives would depend on the ability of the company's accounting system and procedures to identify specific types of non-cash changes in balances. Unlike procedures to prepare the balance sheet and income statement (that is, a trial balance) companies have diverse ways of preparing the statement of cash flows—often calculating cash flow information requires judgement and allocation procedures. Identifying the information might also be more difficult for some balances, like inventory and contract assets and liabilities (within the scope of IFRS 15 *Revenue from Contracts with Customers*) because amounts frequently move between these categories.
13. Considering the population of the assets and liabilities for which the disclosure is provided, a few members said:
  - (a) prepayments, accruals and deferred income might also be important for the working capital of some companies;

- (b) the information might be aggregated based on the line items a company presents [under the indirect method] in its statement of cash flows;
  - (c) some trade payables relate to acquiring property, plant and equipment and, therefore, do not affect cash flows from operating activities; and
  - (d) it might result in better information if the IASB attempted to define working capital.
14. Considering the line items (reconciling items) in the example:
- (a) GPF members said that having a line item for 'other' does not, in itself, reduce preparation costs. Auditors and regulators would require companies to have procedures to support the amount disclosed.
  - (b) one member noted that the line item labelled 'translation adjustments' in the illustration typically includes all exchange differences that affect balances.
  - (c) one member said that they also have adjustments to these balances that arise from applying IAS 29 *Financial Reporting in Hyperinflationary Economies*.

### Next steps

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

## Post-Implementation Review of IFRS 9—Hedge Accounting

### Purpose of the session

16. The purpose of this session was to seek GPF members' views on the implementation and application of the hedge accounting requirements in IFRS 9 *Financial Instruments* and the related disclosure requirements in IFRS 7 *Financial Instruments: Disclosures*. This is part of the IASB's post-implementation review (PIR) of the IFRS 9 hedge accounting requirements.
17. The staff asked GPF members:

- (a) whether there are fundamental questions on the clarity and suitability of the core objectives or principles in the requirements that indicate they are not working as intended;
- (b) whether the costs of applying the requirements in IFRS 9 or IFRS 7 were significantly greater than expected;
- (c) whether GPF members think the disclosure requirements in IFRS 7 result in useful information being provided to users of financial statements; and
- (d) whether there any other matters the IASB should investigate during Phase 1 of the PIR.

### **Summary of the feedback**

#### ***Costs for preparers in applying the requirements***

- 18. Members said that the hedge accounting requirements in IFRS 9 are generally easier for entities to apply than those in IAS 39 *Financial Instruments: Recognition and Measurement* because the requirements in IFRS 9 are better aligned with an entity's risk management activities. However, one member said that IAS 39 had discouraged many entities from applying hedge accounting and that, although IFRS 9 is easier to apply, some of those entities might still consider hedge accounting too complex to apply relative to its benefits.
- 19. Some members said that removing the retrospective 80–125 per cent effectiveness test made it easier for entities to continue applying hedge accounting to hedging relationships, but that entities still need to exercise significant judgement in assessing hedge effectiveness and applying the requirements consistently.
- 20. Some members said that IFRS 9 has reduced the workload associated with preparing the supporting hedge documentation, while other members said that for some entities applying hedge accounting remains operationally burdensome and costly because:
  - (a) processes often remain highly manual (because systems cannot readily be configured to support hedge accounting); or

- (b) auditors' expectations regarding hedge documentation can create significant ongoing costs.
21. One member also said that the IASB should consider whether the hedge documentation requirements could be reduced in circumstances in which there has been no triggering event or other indication that the effectiveness of the hedge has changed.
22. Some members also said that applying the disclosure requirements in IFRS 7 was costly and burdensome.

#### ***Usefulness of disclosures for users of financial statements***

23. Some members questioned whether the benefits of users having information on an entity's hedge accounting activities outweigh the costs of preparing such information, in particular some members said:
- (a) preparing the disclosures can involve substantial effort and manual calculation; and
  - (b) they receive few, if any, questions from users on these disclosures.

#### ***Application issues***

24. Some members said that, even under IFRS 9, hedge accounting outcomes do not always fully reflect an entity's risk management strategy, for example because:
- (a) credit risk generally does not qualify as an eligible hedged item;
  - (b) some instruments used in economic hedging strategies, such as written options, generally do not qualify as an eligible hedging instrument; or
  - (c) market movements can create volatility in hedge accounting outcomes even when the underlying risk management objective has not changed, although rebalancing is, to some extent, helpful in allowing entities to adjust hedging relationships without discontinuing and redesignating them.
25. One member also said that the IASB's recent amendment on contracts referencing nature-dependent electricity, which introduces an exception allowing entities to designate variable nominal amounts as the hedged item, will improve alignment

between the accounting treatment and an entity's risk management activities, but that practical difficulties might occur when the exception is applied to existing hedging relationships (that is, during the transition phase) because discontinuing and redesignating those relationships is likely to give rise to ineffectiveness.

### Next steps

26. The IASB will consider the feedback received from GPF members when developing the Request for Information for public consultation later in 2026.

### Statement of Cash Flows and Related Matters (Topic 2)

27. The purpose of this session was to ask GPF members for their views on possible improvements to requirements for:
  - (a) classifying cash flows from derivatives and receipts of government grants; and
  - (b) disclosing information about changes in liabilities from financing activities.

#### Classification of cash flows from derivatives

28. To facilitate the discussion, the staff identified two potential approaches to improve the consistency of classifying cash flows from derivatives:
  - (a) specify that classification of cash flows from derivatives used as an economic hedge would follow the classification of the cash flows of the underlying items whose identified risks are being managed; and
  - (b) specify that cash flows from derivatives used as an economic hedge would be classified in the operating category.
29. A few GPF members said they follow the first approach for the reasons provided in the staff presentation. These members said it would be helpful for the IASB to specify that if following the first approach requires undue cost or effort, the entity would classify cash flows from derivatives in the operating category.

30. One GPF member recommended not requiring disaggregation of cash flow from derivatives into separate line items because doing so might be arbitrary, and users might want to see the cash flows presented in one line. One GPF member recommended that cash flows from derivatives that are used for financing be presented in one line.

**Classification of cash flows from receipts of government grants**

31. To facilitate the discussion, the staff identified two potential approaches to improve the consistency of classifying receipts of government grants:
- (a) the first potential approach would specify that receipts of government grants are classified in the same category as the cash flows of the underlying asset, liability or expense to which the grant relates; and
  - (b) the second potential approach would specify that cash flows from receipts of government grants would be classified in the operating category.
32. Almost all GPF members that commented on this question said they follow the first approach for the reasons provided in the staff presentation. One of these members said that following the second approach would distort the operating category.
33. One GPF member said they generally present all government grants in a single line on the statement of cash flows for convenience and because there is not always a clear basis for doing otherwise.

**Improving information about changes in liabilities from financing activities**

34. To facilitate the discussion, the staff illustrated two examples of the disclosure of changes in liabilities from financing activities. IAS 7 requires disclosure of these changes, but our feedback suggests investors find it difficult to link the disclosures with the amounts presented in the primary financial statements, particularly the statement of cash flows.
35. The first example (Alternative 1) reconciles the opening balance to the closing balance of a company's liabilities from financing activities, disaggregated by the nature of the liabilities (for example, borrowings and lease liabilities) and includes a reconciliation of the company's cash and cash equivalents. The second example

(Alternative 2) reconciles the cash flows from operating activities reported in the statement of cash flows to the net change in liabilities from financing activities minus the change in cash and cash equivalents.

36. GPF members said that, in their experience, companies typically already provide the information (or similar information) in the way included in the illustrations.
37. A few GPF members said:
- (a) companies typically disclose more details about non-cash transactions (like inception of new leases) or other non-cash changes (like interest accruals and exchange differences) in reconciliations they provide (similar to Alternative 1); and
  - (b) companies might include different assets in their definition of 'net debt' (that is, not only cash and cash equivalents as defined in IAS 7).
38. A few GPF members said that, in their view, Alternative 1 does not add much—it mechanically performs a simple calculation by adding changes in cash and cash equivalents reported in the statement of cash flows to changes in the liabilities. One member said they prefer Alternative 1 over Alternative 2 because the format clearly shows the changes in liability balances. Another member said they preferred Alternative 2 because, in their experience, investors find the information useful in this format.

### **Next steps**

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

### **ISSB Update**

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