
IFRS[®] Interpretations Committee meeting

Date	March 2026
Project	Fair Presentation and Compliance with IFRS Accounting Standards (IAS 1)
Topic	Comment letters on tentative agenda decision
Contacts	Rashida Abdryashitova (rabdryashitova@ifrs.org)

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Introduction

1. At its November 2025 meeting, the IFRS Interpretations Committee (Committee) published a [tentative agenda decision](#) about the application of the requirements in paragraphs 15–24 of IAS 1 *Presentation of Financial Statements* relating to fair presentation and compliance with IFRS Accounting Standards.¹
2. The objective of this paper is:
 - (a) to summarise and analyse comments on the tentative agenda decision; and
 - (b) to ask the Committee whether it agrees with our recommendation to finalise the agenda decision.

Structure

3. This paper includes:
 - (a) [background](#) (paragraphs 5–9);

¹ On issuance of IFRS 18 *Presentation and Disclosure in Financial Statements* in April 2024, paragraphs 15–24 of IAS 1 *Presentation of Financial Statements* have been carried forward unchanged as paragraphs 6A–6J of IAS 8 *Basis of Preparation of Financial Statements*. An entity will apply those amendments when it applies IFRS 18.

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- (b) [comment letter summary](#) (paragraphs 10–11);
 - (c) [staff analysis](#) (paragraphs 12–16);
 - (d) [staff recommendation](#) (paragraph 17); and
 - (e) [questions for the Committee](#).
4. The [appendix](#) to this paper sets out the proposed wording of the agenda decision.

Background

Fact pattern and question

5. Paragraph 15 of IAS 1 [to be carried forward as paragraph 6A of IAS 8 *Basis of Preparation of Financial Statements*] states:

Financial statements shall present fairly the financial position, financial performance and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the *Conceptual Framework for Financial Reporting (Conceptual Framework)*. The application of IFRS [Accounting Standard]s, with additional disclosure when necessary, is presumed to result in financial statements that achieve a fair presentation.

6. Paragraph 19 of IAS 1 [to be carried forward as paragraph 6E of IAS 8] states:

19 In the extremely rare circumstances in which management concludes that compliance with a requirement in an IFRS [Accounting Standard] would be so misleading that it would conflict with the objective of financial statements set out in the *Conceptual Framework*, the entity shall depart from that

requirement in the manner set out in paragraph 20 [to be carried forward as paragraph 6F of IAS 8] if the relevant regulatory framework requires, or otherwise does not prohibit, such a departure.

7. In the fact pattern described in the request, an entity applying paragraph 19 of IAS 1 departs from a requirement in an IFRS Accounting Standard. The request asks whether the entity is nonetheless required to comply with the requirement for fair presentation in paragraph 15 of IAS 1.
8. Evidence gathered by the Committee at the time it published the tentative agenda decision indicated that the fact pattern described in the request arises infrequently.
9. Based on its findings, the Committee concluded that the matter described in the request does not have widespread effect. Consequently, the Committee tentatively decided not to add a standard-setting project to the work plan and instead, published a tentative agenda decision.

Comment letter summary

10. We received ten comment letters by the comment letter deadline. All comment letters received, including any late comment letters, are available on our [website](#).² This agenda paper includes analysis of only the comment letters received by the comment letter deadline.
11. Eight respondents agree with the Committee's decision not to add a standard-setting project to the work plan for the reasons set out in the tentative agenda decision. One respondent while not explicitly agreeing or disagreeing with the Committee's findings said it did not have any specific comments on this agenda decision. One respondent disagrees with the Committee's decision and says the matter addressed in the tentative agenda decision does not arise only infrequently.

² At the date of posting this agenda paper, there were no late comment letters.

Staff analysis

Reasons for disagreement

Respondent's comments

12. One respondent—The Accounting Methodological Centre (AMC)—disagrees with the Committee's decision. It says the fact pattern described in the tentative agenda decision does not arise only infrequently and says:
- (a) paragraph 15 of IAS 8 (reproduced in paragraph 5 of this paper) is unclear. The respondent says that even if the application of paragraph 19 is infrequent, questions about how to apply the requirements in paragraph 15 affect a wider population and arise whenever requirements in other IFRS Accounting Standards themselves permit or require 'non-application of particular requirements' (for example, because the effect of applying a requirement is immaterial, or because of practical expedients or impracticability exemptions and alternative treatments allowed by a Standard).
 - (b) even if the application of paragraph 19 of IAS 1 is infrequent, the Committee should, through standard-setting, clarify the interaction of paragraph 15 and paragraph 19 and 'specify the required form of compliance statement and disclosures in such circumstances'.

Staff Analysis

Prevalence of fact pattern

13. The AMC does not provide evidence of the fact pattern described in the request—that is, an entity applying paragraph 19 of IAS 1 departs from a requirement in an IFRS Accounting Standard—arising more than infrequently.
14. All other respondents agree—or do not comment on—the Committee's findings (see paragraph 11). In our view, evidence gathered by the Committee (including feedback on the tentative agenda decision) continues to confirm the Committee's findings as

described in the tentative agenda decision (and reproduced in paragraph 8 of this paper), given that:

- (a) all 16 respondents to our initial outreach request—comprising eight national accounting standard-setters, five accounting firms, two regulators and one preparer—as well as an association of preparers who separately provided feedback, said the fact pattern arises infrequently;³
 - (b) no Committee member or observer reported the fact pattern arising frequently when discussing the matter at the Committee’s November 2025 meeting; and
 - (c) all but one of the respondents to the tentative agenda decision agree—or do not comment on—the Committee’s findings.
15. Therefore, we recommend no change to the description of the Committee’s findings in the tentative agenda decision.

Other questions

16. The respondent that disagrees says there are broader questions about the requirements in paragraph 15 of IAS 1 (see paragraph 12)—however, considering those questions goes beyond the scope of the question asked to the Committee.

Staff recommendation

17. Based on our analysis, we recommend finalising the agenda decision, as published in [IFRIC Update](#) in November 2025, with changes to the wording of the tentative agenda decision as marked in the appendix to this paper. If the Committee agrees with our recommendation, we will ask the IASB whether it objects to the agenda decision at the first IASB meeting at which it is practicable to present the agenda decision.

³ See paragraphs 9–15 of [Agenda Paper 3](#) for the Committee’s November 2025 meeting.

Questions for the Committee

1. Does the Committee agree with our recommendation to finalise the agenda decision as explained in paragraph 17?
2. Do Committee members have any comments on the wording of the agenda decision in the [appendix](#) to this paper?
3. Do Committee members have additional observations they would like to report to the IASB regarding this matter?

Appendix—Proposed wording of the agenda decision

A1. We propose the following wording for the final agenda decision (new text is underlined and deleted text is struck through).

Fair Presentation and Compliance with IFRS Accounting Standards (IAS 1 *Presentation of Financial Statements*)

The Committee received a request about the application of the requirements in paragraphs 15–24 of IAS 1 *Presentation of Financial Statements* [paragraphs 6A–6J of IAS 8 *Basis of Preparation of Financial Statements*] relating to fair presentation and compliance with IFRS Accounting Standards.

Fact pattern and question

In the fact pattern described in the request, an entity applying paragraph 19 of IAS 1 [paragraph 6E of IAS 8] departs from a requirement in an IFRS Accounting Standard. The request ~~asked asks~~ whether the entity is nonetheless required to comply with the requirement for fair presentation in paragraph 15 of IAS 1 [paragraph 6A of IAS 8].

Findings

Evidence gathered by the Committee indicated ~~[to date] indicates~~ that the fact pattern described in the request arises infrequently.

Conclusion

Based on its findings, the Committee concluded that the matter described in the request does not have widespread effect. Consequently, the Committee ~~[decided]~~ not to add a standard-setting project to the work plan.