Staff paper

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IASB® meeting

Date	**November 2026**
Project	**Statement of Cash Flows and Related Matters**
Topic	**Cover paper**
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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*.

Introduction and purpose

1. At its May 2025 meeting, the International Accounting Standards Board (IASB) decided on the topics it will include in the project plan and discussed a draft timeline for work on the project, including its approach to the statement of cash flows for financial institutions. At its January 2026 meeting, the IASB decided to move the project from the research programme to its standard setting work plan. The appendix to this paper includes a summary of the IASB tentative decisions to date, including the topics included in the project plan.

2. At its July 2026 meeting, the IASB discussed planned work on developing potential ways to improve the statement of cash flows for financial institutions. In September 2026, the IASB launched a survey to understand how investors use cash flow information when analysing the financial statements of financial institutions.

3. The purpose of this meeting is for the IASB to discuss the survey findings, feedback from recent consultative group meetings and how both support and inform future work on this topic. The papers do not ask the IASB to make any decisions but invite IASB members' comments and questions on the findings and planned work.

Overview of agenda papers for this meeting

4. The agenda papers for this meeting are:

   (a) Agenda Paper 20A *Statement of cash flows for financial institutions—Background to investors survey*;

   (b) Agenda Paper 20B *Statement of cash flows for financial institutions—Results from investors survey*;

   (c) Agenda Paper 20C *Statement of cash flows for financial institutions—Overview of survey findings and planned work*; and

   (d) Agenda Paper 20D *Statement of cash flows for financial institutions—Investors survey questions*.

Agenda Paper 20A **Statement of cash flows for financial institutions—Background to investors survey**

5. Agenda Paper 20A explains the objectives and content of the survey, as well as providing an overview of who responded to it. The paper is intended to assist the IASB in considering the survey results and findings and does not ask any questions.

Agenda Paper 20B **Statement of cash flows for financial institutions—Results from investors survey**

6. Agenda Paper 20B presents the results from the survey. The paper also explains the terms we have used to quantify respondents' views in Agenda Paper 20A and Agenda Paper 20C. The paper is intended to assist the IASB in considering the survey findings and does not ask any questions.

Agenda Paper 20C **Statement of cash flows for financial institutions—Overview of survey findings and planned work**

7. Agenda Paper 20C provides an overview of the findings from the survey relevant to our current work on this topic, based on the results presented in Agenda Paper 20B. The paper also provides an overview of feedback from the Financial Instruments Consultative Group and Accounting Standards Advisory Forum meetings in

October 2026. The paper then analyses how both support and inform future work. The paper does not ask the IASB to make any decisions but invites IASB members to ask questions and comment on the survey findings and planned work.

Agenda Paper 20D Statement of cash flows for financial institutions—Investors survey questions

8. Agenda Paper 20D contains a copy of the survey questions and is provided for information only.

Next steps

9. At future IASB meetings, we will continue to assess potential ways to improve financial reporting for each of the topics included in the project plan. We plan to bring the IASB papers discussing:

   (a) the nature and scope of any potential exemptions for financial institutions from IAS 7 *Statement of Cash Flows*;

   (b) consideration of amending the principle for classifying cash flows in paragraph 11 of IAS 7;

   (c) consideration of developing requirements for classification of deferred payments and classification and presentation of cash flows involving third-party finance providers; and

   (d) various smaller outstanding matters to complete the proposals.

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Appendix A—Summary of the IASB's tentative decisions to date

Topic	Staff condensed summary of the IASB's tentative decisions
	A full record of the IASB's tentative decisions is available from the May 2025–September 2026 IASB updates.
Project direction January 2026 AP20A: Moving to the standard-setting agenda	The IASB decided: 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.
Project scope on non-financial institutions May 2025 AP20 Cover paper and questions for the IASB	The IASB decided that it will assess potential ways to improve: a. the disaggregation of cash flow information in financial statements; b. the reporting of information about non-cash transactions in financial statements; c. the transparency of information communicated about cash flow measures not specified in IFRS Accounting Standards; d. the consistent application of requirements to classify cash flows as operating, investing or financing; and e. the consistent application of the definition of cash equivalents. The IASB tentatively decided it will not: a. aim to redefine the operating, investing and financing categories; b. aim to align the classification of cash flows in the statement of cash flows with the classification of related income and expenses in the statement of profit or loss, which is set out in IFRS 18 *Presentation and Disclosure in Financial Statements*; c. define 'growth and maintenance capital expenditures'; d. define the measures 'free cash flows' or 'net debt'; e. expand the definition of cash and cash equivalents; f. develop new requirements for cash flow information by segment; g. develop specific requirements for offsetting cash flows; h. develop alternatives to a statement of cash flows; or i. amend the requirement in IAS 7 *Statement of Cash Flows* for an entity to present operating activities using the direct or the indirect method.

Topic	Staff condensed summary of the IASB's tentative decisions
Project scope on financial institutions May 2025 AP20 Cover paper and questions for the IASB July 2026 AP20B Approach to the statement of cash flows for financial institutions	The IASB decided it will approach the statement of cash flows for financial institutions by considering: a. improvements to the statement of cash flows generally before deciding how any changes might apply to the requirements for financial institutions; b. exemptions for financial institutions from some or all of the requirements for presenting a statement of cash flows; and c. any presentation or supplementary disclosure requirements specific to financial institutions that might enhance the usefulness of information about cash flows for such entities.
Disaggregation of cash flow information September 2025 AP20A Approach to disaggregation December 2025 AP20C Presentation of cash flows from continuing and discontinued operations May 2026 AP20A Improving disaggregation of cash flow information by strengthening the link with other information October 2026	The IASB tentatively decided to develop potential requirements to strengthen the link between the statement of cash flows and information presented or disclosed in other parts of the financial statements in accordance with IFRS Accounting Standards other than IAS 7. Specifically, the IASB tentatively decided to propose adding: a. application guidance on aggregating and disaggregating line items in the statement of cash flows that requires an entity: i. to use, as the basis for disaggregating line items in the statement of cash flows, the disaggregation of related line items of assets or liabilities presented in the statement of financial position; and ii. to disclose how the disaggregation of line items in the statement of cash flows differs from the disaggregation of related line items in the statement of financial position, if applicable; b. application guidance on labelling and describing line items that requires an entity to use similar labels for items with similar characteristics and different labels for items with different characteristics; and c. application guidance specifying that if the information in a note relates to more than one primary financial statement, an entity would be required to cross-refer to that note in each related primary financial statement. The IASB also tentatively decided to propose requiring an entity to present cash flows from discontinued operations in a separate category of the statement of cash flows. The IASB tentatively decided to propose amending paragraph 53(g) of IFRS 16 Leases to require lessees to disclose: a. the total cash outflow during the period for payments made by a lessee to a lessor relating to the right to use an underlying asset; b. the amounts of those payments: i. classified as operating activities in the statement of cash flows; ii. included in each related line item presented in the statement of cash flows as investing or financing activities; and c. a description of the types of payments included in (b)(i).

Topic	Staff condensed summary of the IASB's tentative decisions
AP20A Disaggregation of specific cash flow information	The IASB tentatively decided not to develop specific requirements for an entity to disclose disaggregated information about cash flows from: a. derivatives; b. government grants; or c. dividends received from associates and joint ventures.
Cash flow measures not specified in IFRS Accounting Standards July 2025 AP20A Improving the transparency of information about cash flow measures December 2025 AP20A Improving the transparency of information about cash flow measures	The IASB tentatively decided to propose extending the requirements for management-defined performance measures (MPMs) in IFRS 18 to also apply to measures relating to the statement of cash flows not specified in IFRS Accounting Standards (cash flow measures). The proposed requirements would be proposed to be included in IFRS 18 and not in IAS 7. The IASB tentatively decided to propose: a. applying to cash flow measures, unchanged, the parts of the IFRS 18 definition of an MPM that describe an MPM as a measure that: i. an entity uses in public communications outside financial statements; and ii. an entity uses to communicate to users of financial statements management's view of an aspect of the financial performance of the entity as a whole; b. extending the rebuttable presumption for MPMs in IFRS 18 so it also applies to cash flow measures; c. extending the definition of MPMs in paragraph 117 of IFRS 18 from 'a subtotal of income and expenses' to 'a subtotal of income and expenses or a subtotal of cash inflows and outflows'; d. including application guidance to clarify that subtotals combining income and expenses and cash flows are MPMs; e. including application guidance requiring an entity to disclose the effects of tax and non-controlling interest for reconciling items if reconciling an MPM that is a subtotal of income and expenses and cash flows to a subtotal in the statement of profit or loss; and f. specifying that some subtotals of cash inflows and outflows are not MPMs, namely: i. the subtotal of the operating activities category; ii. the subtotal of the investing activities category; and iii. the subtotal of the financing activities category. The IASB tentatively decided to propose extending the disclosure objective for MPMs and the disclosure requirements for MPMs in IFRS 18 to also apply to cash flow measures. The IASB will further consider any drafting changes required when these disclosure requirements are applied to those measures. The IASB tentatively decided to propose extending the requirement in B137(a) of IFRS 18 so that, for each reconciling item, an entity be required to disclose the amount(s) related to each line item in the statement to which the MPM is reconciled—that is: a. to disclose amounts related to line items in the statement of profit or loss if the MPM is reconciled to that statement; and b. to disclose amounts related to line items in the statement of cash flows if the MPM is reconciled to that statement.

Topic	Staff condensed summary of the IASB's tentative decisions
	The IASB will further research the benefits and costs of applying this disclosure requirement to reconciling items that relate to operating activities in the statement of cash flows when reported using the indirect method. The IASB tentatively decided not to propose extending the requirement for MPMs in IFRS 18 for an entity to disclose the income tax effect and the effect on non-controlling interests for each item disclosed in the reconciliation between the MPM and the most directly comparable subtotal or total specified by IFRS Accounting Standards to cash flow measures.

Information about non-cash transactions and other non-cash changes October 2025 AP20A Approach to non-cash transactions and other changes in balances May 2026 AP20B Changes in liabilities arising from financing activities July 2026 AP20A Non-cash transactions September 2026 AP20B Specified changes in specific assets and liabilities	The IASB tentatively decided to propose: a. adding application guidance to clarify the non-cash transactions within the scope of paragraphs 43–44 of IAS 7. Specifically, the guidance would: i. explain that to identify non-cash transactions, an entity identifies non-cash additions and disposals of assets, and non-cash issuances and redemptions of liabilities and equity items, for which cash flows would be classified as investing or financing activities. ii. include examples of non-cash changes in the items described in (i) that are within the scope of the disclosure requirements and examples that are outside that scope. b. adding a disclosure objective that would require an entity to disclose information about non-cash transactions that enables investors to understand changes in the entity's net assets and its ability to generate future cash flows. c. requiring an entity to disclose information about non-cash transactions in a single note. d. adding requirements to paragraphs 43–44 of IAS 7 for an entity to disclose: i. a list of non-cash transactions and applicable cross-references that identify the location of any related information in other notes. ii. the transaction amount—that is, the consideration attributed to the transaction in accordance with IFRS Accounting Standards. The entity would also be required to disclose information about the related investing, financing and operating activities from which the transaction arises. Operating activities would only be included in the scope of these proposed requirements if involved in a transaction that involves both operating and investing or financing. iii. the effect of non-cash transactions on assets, liabilities and equity alongside the amounts of similar cash transactions. The entity would be required to add these amounts to show their combined effect on its activities in the statement of cash flows. e. requiring an entity to provide the information described in (d) in a structured format, like a table. f. requiring an entity to explain the nature of the information available in the related notes identified in cross-references disclosed as described in (d)(i) if the transaction amounts are not separately identifiable in those notes. The IASB tentatively decided to propose: a. introducing a disclosure objective in IAS 7 that requires an entity to disclose specified non-cash changes in assets and liabilities and that enables users of financial statements to better understand the relationship between: i. amounts reported in an indirect method reconciliation for changes in assets and liabilities; and ii. the same assets and liabilities presented in the statement of financial position. b. requiring an entity to satisfy the disclosure objective by disclosing—for each line item in the statement of financial position that includes assets and liabilities included in the indirect reconciliation—the amounts of non-cash changes from: i. translating the results and financial position of foreign operations; ii. obtaining or losing control of subsidiaries or other businesses; and iii. reclassifying assets and liabilities in the statement of financial position. c. requiring an entity to provide the information in (b) in a table.

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	d. not providing an exemption from the general requirement for an entity to disclose material information beyond that specified in (b). The IASB tentatively decided to propose clarifying the disclosure objective in paragraph 44A of IAS 7. The clarified objective would refer to the ability of users of financial statements to link information disclosed about changes in liabilities arising from financing activities to the statement of financial position and the statement of cash flows. The IASB tentatively decided to propose requiring an entity to satisfy the disclosure objective in paragraph 44A of IAS 7 by: a. providing the information about changes in these liabilities using a reconciliation between the opening and closing balances in the statement of financial position; b. disclosing cash receipts, cash payments and related line items in the statement of cash flows as part of the reconciliation; and c. disaggregating the opening and closing balances in (a) on the basis of the line items of those liabilities in the statement of financial position and the items of those liabilities disclosed in the notes. The IASB also decided not to propose requiring an entity that discloses changes in liabilities arising from financing activities to disclose information about changes in additional assets and liabilities (for example, cash and cash equivalents).

Consistent application of classification requirements December 2025 AP20B Classification and presentation of cash flows June 2026 AP20A Classification and presentation of cash flows related to derivatives and government grants September 2026 AP20A Classification of acquisition-related payments	The IASB tentatively decided: a. to explore amending the principle for classifying cash flows in paragraph 11 of IAS 7 to help entities apply the principle more consistently; and b. to revisit two issues after the IASB has concluded its discussions on strengthening the disclosure requirements on non-cash transactions and other non-cash changes, namely: i. classification of deferred payments; and ii. classification and presentation of cash flows involving third-party finance providers. The IASB tentatively decided to propose amending the requirements in paragraph 39 of IAS 7 to state that 'cash flows arising from obtaining or losing control' include only payments of items included in 'consideration transferred' as described in paragraph 37 of IFRS 3 *Business Combinations*. As a result, in the statement of cash flows: a. payments of deferred and contingent consideration arising from a business combination would be classified as investing activities. b. payments of pre-existing debt of the acquiree in a business combination would be classified as financing activities. c. payments of transaction costs arising in a business combination would be classified as operating activities. The IASB tentatively decided to propose requiring an entity to classify cash flows from a derivative used to manage identified risks (and not designated in a hedging relationship in accordance with IFRS 9 *Financial Instruments*): a. in the same manner as the cash flows from the item(s) whose identified risks are being managed. This approach would align the classification with that for derivatives designated in a hedging relationship in accordance with IFRS 9. b. as cash flows from operating activities, if classifying the cash flows as described in (a) would involve undue cost or effort. The IASB also tentatively decided to propose requiring an entity to classify cash flows from a derivative not used to manage identified risks as cash flows from financing activities, if the derivative relates to a transaction that involves only the raising of finance. The IASB tentatively decided to propose requiring an entity: a. to classify receipts from government grants for a grant related to assets (as defined in IAS 20 Accounting for Government Grants and Disclosure of Government Assistance) as investing activities. b. to classify receipts from government grants for a grant related to income (as defined in IAS 20—that is, a grant other than one related to assets) as operating activities.

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	c. to present receipts from government grants related to assets on a gross basis—that is, the entity would present cash flows received from grants related to assets and payments for the related items as separate items in the statement of cash flows.
Consistent application of the definition of cash equivalents April 2026 AP20A Improving the consistent application of the definition of cash equivalents October 2026 AP20B Improving consistent application of the definition of cash equivalents	The IASB tentatively decided to propose including, in the definition of cash equivalents, the requirement for cash equivalents to be held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. The IASB also tentatively decided, subject to drafting changes, to propose amending paragraph 7 of IAS 7 to state that: a. an investment normally qualifies as a cash equivalent only if an entity has a right to obtain the cash flow from the investment within three months of the date of acquisition; and b. the entity considers all relevant contractual terms and conditions of the investment in assessing whether that condition is met. Some IASB members asked the staff to make clear—in finalising the drafting of the proposed amendments to paragraph 7 of IAS 7—that this decision does not change the requirement for an investment to meet all aspects of the definition of a cash equivalent to qualify as one.