January 2026

31 December 2025 Year-End IFRS Accounting Standards Update

International Financial Reporting Bulletin

IFRB 2026/01

CONTENTS

Background

During 2025, the International Accounting Standards Board (IASB) issued the third edition of the *IFRS for SMEs®* Accounting Standard, alongside an updated IFRS Practice Statement on management commentary. The IASB also issued several amendments to existing IFRS® Accounting Standards during 2025. During the year, the Board also made notable progress across various standard-setting, maintenance, and research projects.

This IFR Bulletin summarises the activities in standard setting as they relate to entities that apply IFRS® Accounting Standards. It also includes summaries of standards that have been issued but are not yet effective. Entities must prepare for the implementation of these new standards and amendments and prepare disclosures of these future changes and known or reasonably estimable information about how the financial statements will be affected in the period of initial application (IAS 8.30).

This IFR Bulletin also contains summaries of recent publications and resources issued by BDO, which may assist entities in preparing their financial statements in accordance with IFRS.

Information in this IFR Bulletin is current as of 31 December 2025. Although it is comprehensive, this summary is not exhaustive and does not include all standard setting activities of the IASB. For further information and guidance, please refer to BDO's Global IFRS and Corporate Reporting Micro-site.

EXECUTIVE SUMMARY

The IASB issued the third edition of the *IFRS for SMEs* Accounting Standard, as well as an updated IFRS Practice Statement on management commentary.

The IASB's active project portfolio continued to progress steadily, laying the groundwork for future exposure drafts and new IFRS Accounting Standards—some of which are anticipated in the first half of 2026.

Standards and Amendments Mandatorily Effective from 1 January 2025

IFRS ACCOUNTING STANDARD	SUMMARY	MORE INFORMATION
Lack of Exchangeability (Amendment to IAS 21)	On 15 August 2023, the IASB issued Lack of Exchangeability which amended IAS 21 *The Effects of Changes in Foreign Exchange Rates* (the Amendments). The Amendments arose as a result of a submission received by the IFRS Interpretations Committee about the determination of the exchange rate when there is a long-term lack of exchangeability. IAS 21, prior to the Amendments, did not include explicit requirements for the determination of the exchange rate when a currency is not exchangeable into another currency, which led to diversity in practice. The Committee recommended that the IASB develop narrow-scope amendments to IAS 21 to address this issue. After further deliberations, the IASB issued an exposure draft of the proposed amendments to IAS 21 in April 2021, and the final amendments were issued in August 2023. The Amendments introduce requirements to assess when a currency is exchangeable into another currency and when it is not. The Amendments require an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency.	IFRB 2023/08 IASB Issues Amendments to IAS 21 – Lack of Exchangeability
Disclosures about Uncertainties in the Financial Statements	In July 2024, the IASB published the Exposure Draft *Climate-related and Other Uncertainties in the Financial Statements*. The exposure draft proposes eight examples illustrating how an entity applies the requirements in IFRS Accounting Standards to report the effects of climate-related and other uncertainties in its financial statements. After starting the project, the IASB decided to change the project's objective to cover uncertainties in general. The principle-based nature of IFRS Accounting Standards meant that any actions the IASB were to take as part of the project would apply not only to uncertainties arising from climate-related risks but to uncertainties in general. In response, the name of the project was also changed. During May 2025, the IASB discussed the feedback received on the exposure draft. In its June 2025 meeting, the IASB tentatively decided to proceed with issuing examples 1-4 and 6-8, with changes to address specific concerns raised by respondents and not to proceed with example 5. The IASB also tentatively decided to explain that the illustrative examples would not have an effective date, but the IASB expects an entity to be entitled to sufficient time to implement any changes. To support timely and informed application, the IASB published a near-final draft of the examples early in July 2025. The IASB issued the illustrative examples in November 2025. In the final version some changes were made to the basis of conclusion of the near-final draft.	IFRB 2025/10 IASB publishes illustrative examples: *Disclosures about Uncertainties in the Financial Statements*

Practice Statement effective from 23 June 2025 (voluntary adoption)

IFRS ACCOUNTING STANDARD	SUMMARY	MORE INFORMATION
IFRS Practice Statement 1 *Management Commentary*	On 23 June 2025, the IASB issued IFRS Practice Statement 1 *Management Commentary* to replace the previous IFRS Practice Statement 1 *Management Commentary* that was issued in December 2010. The revised Practice Statement was introduced to better meet the needs of users of management commentary and to address common shortcomings in practice, including insufficient focus on key matters, overly generic information, fragmented presentation of information, and challenges in making comparisons over time or across similar entities. The revised Practice Statement emphasises the importance of focusing on key matters that influence the company's prospects, drawing on material information used in internal management. The Practice Statement supports consistency across financial reports and requires a coherent, fact-based narrative structured around six core content areas: business model, strategy, resources and relationships, risks, external environment, and financial performance and position.	IASB project page

Standards and Amendments Mandatorily Effective from 1 January 2026

IFRS ACCOUNTING STANDARD	SUMMARY	MORE INFORMATION
Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	In response to matters that had been raised to the IFRS Interpretations Committee as well as matters that arose during the post-implementation review of classification and measurement requirements of IFRS 9 *Financial Instruments*, in May 2024, the IASB issued *Amendments to the Classification and Measurement of Financial Instruments*. The Amendments modify the following requirements in IFRS 9 and IFRS 7 *Financial Instruments: Disclosures*: **Derecognition of financial liabilities** ▶ Derecognition of financial liabilities settled through electronic transfers. **Classification of financial assets** ▶ Elements of interest in a basic lending arrangement (the solely payments of principal and interest assessment – 'SPPI test') ▶ Contractual terms that change the timing or amount of contractual cash flows ▶ Financial assets with non-recourse features ▶ Investments in contractually linked instruments. **Disclosures** ▶ Investments in equity instruments designated at fair value through other comprehensive income ▶ Contractual terms that could change the timing or amount of contractual cash flows. The Amendments may significantly affect how entities account for the derecognition of financial liabilities and how financial assets are classified. The Amendments permit an entity to early adopt only the amendments related to the classification of financial assets and the related disclosures and apply the remaining amendments later. This would be particularly useful to entities that wish to apply the Amendments early for financial instruments with ESG (Environmental, Social and Governance)-linked or similar features.	IFRB 2025/07 – *Amendments to the Classification and Measurement of Financial Instruments* IFRB 2024/07 – IASB Issues *Amendments to the Classification and Measurement of Financial Instruments*

<table>
<tr><th>IFRS ACCOUNTING STANDARD</th><th>SUMMARY</th><th>MORE INFORMATION</th></tr>
<tr><td>Annual Improvements to IFRS Accounting Standards – Volume 11</td><td>Annual improvements are limited to changes that either clarify the wording in an IFRS Accounting Standard, or correct relatively minor unintended consequences, oversights or conflicts between requirements of the Accounting Standards. The proposed improvements are packaged together in one document. This cycle of annual improvements addresses the following:
▶ Hedge Accounting by a First-time Adopter (Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards)
▶ Disclosure of Deferred Difference between Fair Value and Transaction Price (Amendments to Guidance on implementing IFRS 7)
▶ Gain or Loss on Derecognition (Amendments to IFRS 7)
▶ Introduction and Credit Risk Disclosures (Amendments to Guidance on implementing IFRS 7)
▶ Derecognition of Lease Liabilities (Amendments to IFRS 9)
▶ Transaction Price (Amendments to IFRS 9)
▶ Determination of a 'De Facto Agent' (Amendments to IFRS 10 Consolidated Financial Statements)
▶ Cost Method (Amendments to IAS 7 Statement of Cash Flows).
The final amendments were issued in July 2024.</td><td>IASB project page</td></tr>
<tr><td>Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)</td><td>On 18 December 2024, the IASB issued amendments to improve the reporting by companies of the financial effects of nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs).
Nature-dependent electricity contracts assist companies to secure their electricity supply from wind and solar power sources. Since the amount of electricity generated under these contracts may vary based on uncontrollable factors related to weather conditions, current accounting requirements may not adequately capture how these contracts affect a company's performance. In response, the IASB has made targeted amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures to improve the disclosure of these contracts in the financial statements. The amendments include:
▶ Clarifying the application of the 'own-use' requirements;
▶ Permitting hedge accounting if these contracts are used as hedging instruments; and
▶ Adding new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.
These amendments are effective for annual reporting periods beginning on or after 1 January 2026. Early application of the amendments is permitted. However, for certain jurisdictions the amendments must be endorsed prior to application.</td><td>IFRB 2025/02 IASB issues Contracts Referencing Nature-dependent Electricity</td></tr>
</table>

Standards and Amendments Mandatorily Effective from 1 January 2027

IFRS ACCOUNTING STANDARD	SUMMARY	MORE INFORMATION
IFRS 18 *Presentation and Disclosure in Financial Statements*	IFRS 18 *Presentation and Disclosure in Financial Statements* replaces IAS 1 *Presentation of Financial Statements* and is mandatorily effective for annual reporting periods beginning on or after 1 January 2027. IFRS 18, which was published by the IASB on 9 April 2024, sets out significant new requirements for how financial statements are presented, with particular focus on: ▶ The statement of profit or loss, including requirements for mandatory sub-totals to be presented. IFRS 18 introduces requirements for items of income and expense to be classified into one of five categories in the statement of profit or loss. This classification results in certain sub-totals being presented, such as the sum of all items of income and expense in the operating category comprising the new mandatory 'operating profit or loss' sub-total. ▶ Aggregation and disaggregation of information, including the introduction of overall principles for how information should be aggregated and disaggregated in financial statements. ▶ Disclosures related to management-defined performance measures (MPMs), which are measures of financial performance based on a total or sub-total required by IFRS Accounting Standards with adjustments made (e.g. 'adjusted profit or loss'). Entities will be required to disclose MPMs in the financial statements with disclosures, including reconciliations of MPMs to the nearest total or sub-total calculated in accordance with IFRS Accounting Standards. The aim of the IASB in publishing IFRS 18 is to improve comparability and transparency of companies' performance reporting. IFRS 18 has also resulted in narrow changes to the statement of cash flows.	IFRS Accounting Standards In Practice - IFRS 18 *Presentation and Disclosure in Financial Statements* (Presentation in the Statement of Profit or Loss) IFRB 2024/04 – IASB Publishes IFRS 18 *Presentation and Disclosure in Financial Statements* BDO Online training
IFRS 19 *Subsidiaries without Public Accountability: Disclosures*	On 9 May 2024, the IASB issued IFRS 19 *Subsidiaries without Public Accountability: Disclosures*. Stakeholders have asked the IASB to permit a subsidiary reporting to a parent applying IFRS Accounting Standards in its consolidated financial statements to apply IFRS Accounting Standards with reduced disclosure requirements in its own financial statements. Considering this feedback, the IASB added a project to its research pipeline to provide reduced disclosure requirements for subsidiaries without public accountability. The project has culminated in the issuance of IFRS 19, which permits eligible subsidiaries to apply reduced disclosure requirements while applying the recognition, measurement and presentation requirements in IFRS Accounting Standards. For example, under IFRS 19, an entity that has transactions within the scope of IFRS 2 *Share-based Payment* would not apply the disclosure requirements in IFRS 2.44-52, which are	IFRB 2024/06 – IASB issues IFRS 19 *Subsidiaries without Public Accountability: Disclosures*

<table>
<tr><th>IFRS ACCOUNTING STANDARD</th><th>SUMMARY</th><th>MORE INFORMATION</th></tr>
<tr><td></td><td>extensive. Instead, an entity would disclose only the information contained in paragraphs 31-34 of IFRS 19, which include a description of share-based payment arrangements, the number and weighted average exercise prices of share options, how an entity measures the fair value of equity-settled share-based payment transactions and other general information about transactions in the scope of IFRS 2.

As an indication of the scope of the reduction in disclosure requirements, IFRS 2 currently contains 991 words in its disclosure requirements, whereas IFRS 19 contains only 250 words relating to IFRS 2 disclosures.

The eligibility criteria for an entity to apply IFRS 19 are:
▶ The entity is a subsidiary (as defined in Appendix A of IFRS 10 Consolidated Financial Statements);
▶ The entity does not have public accountability; and
▶ The entity has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

An entity has public accountability if:
▶ Its debt or equity instruments are traded in a public market, or it is in the process of issuing such instruments for trading in a public market; or
▶ It holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses.</td><td></td></tr>
<tr><td>Translation to a Hyperinflationary Presentation Currency (IAS 21)</td><td>The IASB added this project to its maintenance workplan to respond to an accounting matter—the use of a hyperinflationary presentation currency by an entity whose functional currency is not hyperinflationary—submitted to the IFRS Interpretations Committee.

On 25 July 2024, the IASB published the Exposure Draft Translation to a Hyperinflationary Presentation Currency. The Exposure Draft proposes to amend IAS 21 to require an entity to translate all amounts (assets, liabilities, equity items, income and expenses, including comparative amounts) to a hyperinflationary presentation currency at the closing rate at the date of the most recent statement of financial position.

During May 2025, the IASB discussed the feedback received on the Exposure Draft. The IASB tentatively decided:
▶ not to include this project in its broader considerations regarding a possible hyperinflation project,
▶ when to translate amounts using the closing rate of the most recent statement of financial position and when exceptions apply, and
▶ which information to disclose.

The final amendments were issued in November 2025.</td><td>IFRB 2025/09 – IASB issues Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21)</td></tr>
</table>

IFRS ACCOUNTING STANDARD	SUMMARY	MORE INFORMATION
IFRS for SMEs Accounting Standard - Third Edition	During February 2025, the IASB issued the third edition of the *IFRS for SMEs Accounting Standard*. The following topics contain major amendments, with a number of accounting areas aligned with IFRS Accounting Standards: ▶ Section 2 *Concepts and Pervasive Principles* ▶ Section 9 *Consolidated and Separate Financial Statements* ▶ Section 11 *Financial Instruments* (renamed) ▶ Section 12 *Other Financial Instruments* (new) ▶ Section 19 *Business Combinations and Goodwill* ▶ Section 23 *Revenue from contracts with customers* (renamed). The accounting treatment of leases has however not been aligned with IFRS 16 *Leases*.	The *IFRS for SMEs* Accounting Standard
Updating IFRS 19 *Subsidiaries without Public Accountability: Disclosure*	In July 2024, the IASB published the Exposure Draft *Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures*. The exposure draft: ▶ Proposes to reduce disclosure requirements to only include disclosure requirements reflecting principles for reducing disclosure requirements. The Exposure Draft covers disclosure requirements issued between 28 February 2021 and 1 May 2024, which were not addressed by the first version of IFRS 19 published in May 2024. The final amendments were issued in August 2025. The amendments reduce disclosure requirements for eligible subsidiaries for Standards and amendments issued between February 2021 and May 2024, specifically: ▶ IFRS 18 Presentation and Disclosure in Financial Statements; ▶ Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7); ▶ International Tax Reform—Pillar Two Model Rules (Amendments to IAS 12); ▶ Lack of Exchangeability (Amendments to IAS 21); and ▶ Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7). Once these amendments are included, IFRS 19 reflects the changes to IFRS Accounting Standards that take effect up to the effective date of IFRS 19. Going forward, IFRS 19 will be amended at the same time as the other IFRS Accounting Standards are issued or revised.	IASB project page IASB issues amendments to IFRS 19

IASB Activities

New IFRS Accounting Standards and Amendments Issued in 2025

The following is a list of new IFRS Accounting Standards, amendments to existing IFRS Accounting Standards and revisions to IFRS Practice Statements issued during 2025. A description of each item is included in the earlier section, organised by the effective date of each IFRS and amendment.

IFRS ACCOUNTING STANDARDS AND AMENDMENTS	EFFECTIVE DATE	MORE INFORMATION
IFRS for SMEs Accounting Standard - Third Edition	Annual reporting periods beginning on or after 1 January 2027 (mandatory for entities applying *IFRS for SMEs* Accounting Standard)	The IFRS for SMEs Accounting Standard
IFRS Practice Statement 1 *Management Commentary*	Annual reporting periods beginning on or after 23 June 2025 (voluntary adoption)	IASB project page
Updating IFRS 19 *Subsidiaries without Public Accountability: Disclosure*	Annual reporting periods beginning on or after 1 January 2027.	IASB project page
Translation to a Hyperinflationary Presentation Currency (Amendment to IAS 21)	Annual reporting periods beginning on or after 1 January 2027.	IASB project page
Disclosures about Uncertainties in the Financial Statements	No effective date.	IASB project page

Standard-setting Projects

The following is a list and brief description of standard-setting projects ongoing in 2025, which may eventually lead to the publication of new IFRS Accounting Standards or significant amendments to existing IFRS Accounting Standards. The projects are presented in alphabetical order as it is uncertain as to when the projects may be completed.

PROJECT	SUMMARY	MORE INFORMATION
Amortised cost measurement	The IASB plans to make targeted improvements to IFRS 9 *Financial Instruments* to clarify the underlying principles of the amortised cost measurement requirements and add accompanying application guidance. During February 2025, the IASB met to discuss the project's objectives, approach, scope and timeline. In June 2025, the IASB decided to move the project from the research programme to the standard-setting work plan. The IASB met in September 2025 to start deliberating issues within the scope of the project: ▶ to take no further action on determining effective interest rate at initial recognition. ▶ considered potential alternatives to clarifying requirements IFRS 9.B5.4.5 - B5.4.6 regarding subsequent changes to the effective interest rate. The IASB expects to release the Exposure Draft in the second half of 2026.	IASB project page

PROJECT	SUMMARY	MORE INFORMATION
Business Combinations – Disclosures, Goodwill and Impairment	In March 2024, the IASB issued an Exposure Draft proposing amendments to IFRS 3 *Business Combinations* and IAS 36 *Impairment of Assets*, following stakeholder concerns about acquisition disclosures and the impairment testing of goodwill. The draft introduces new requirements for entities to disclose the strategic rationale, expected synergies, and post-acquisition performance of business combinations. It also proposes targeted changes to IAS 36 to improve and simplify the impairment test, aiming to reduce the shielding of goodwill from impairment being recognised. After the comment period closed in July 2024, the IASB began redeliberations. The IASB met in December 2025 to continue deliberating feedback and tentatively agreed on the following: ▶ to retain the proposal to replace the phrase 'goodwill is monitored' in paragraph 80(a) with 'business associated with the goodwill is monitored'; ▶ to retain the proposal to clarify that paragraph 80(b) acts as a ceiling to the level an entity determines by applying paragraph 80(a); ▶ to retain proposed paragraph 80A(b) with some wording changes; and ▶ to make no other changes to the proposed amendments. A decision on the project's direction is expected in the second half of 2026.	IFRB 2024/03 IASB Publishes Exposure Draft – *Business Combinations – Disclosures, Goodwill and Impairment* BDO comment letter on exposure draft IASB project page
Equity Method	On 19 September 2024, the IASB published the Exposure Draft *Equity Method of Accounting* – IAS 28 *Investments in Associates and Joint Ventures (revised 202x)*. The exposure draft proposes: ▶ Amendments to IAS 28 to address questions about how to apply the equity method of accounting; and ▶ Improvements to the disclosure requirements in IFRS 12 *Disclosure of Interests in Other Entities* and IAS 27 *Separate Financial Statements*. The IASB is also proposing to re-order the requirements in IAS 28 to be more logical and consistent as part of its work to improve the understandability of IFRS Accounting Standards. During May 2025, the IASB discussed the feedback received on this Exposure Draft. In its June 2025 meeting, the IASB decided to keep the project's objective unchanged and proceed with redeliberations. In its November 2025 meeting, the IASB continued redeliberating and tentatively decided on the following: ▶ to proceed with its proposals regarding • measurement of the cost of an associate or a joint venture; • purchases of an additional ownership interest; and • disposal of a portion of an investment in an associate. ▶ to define contingent consideration based on the definition set out in IFRS 3.	IFRB 2024/10 IASB issues Exposure Draft *Equity Method of Accounting* IASB project page

PROJECT	SUMMARY	MORE INFORMATION
	A decision on the project's direction is expected in the first quarter of 2026.	
Financial Instruments with Characteristics of Equity	The IASB published the Exposure Draft *Financial Instruments with Characteristics of Equity* in November 2023. The IASB has proposed amendments to address the existing challenges in companies' financial reporting on financial instruments with characteristics of equity. In its November 2025 meeting, the IASB tentatively decided to proceed with the proposed requirements on the reclassification of financial liabilities and equity instruments set out in the Exposure Draft, subject to some targeted refinements. The IASB also tentatively decided to proceed with the proposed factors-based approach set out in the Exposure Draft for assessing at initial recognition whether shareholder decisions are treated as entity decisions, subject to minor drafting improvements. The IASB also tentatively decided to clarify the principles underlying the proposed factors-based approach. The final amendments are expected to be issued in the second half of 2026.	BDO comment letter on exposure draft IASB project page
Rate-Regulated Activities	The IASB is exploring a project to develop an accounting model that will require rate-regulated companies to provide information about their incremental rights to add amounts and incremental obligations to deduct amounts, in determining the future rates to be charged to customers as a result of goods or services already supplied. An example of such operations includes many public utilities. In January 2021, the IASB published the Exposure Draft *Regulatory Assets and Regulatory Liabilities*, which proposes the requirement to recognise regulatory assets and regulatory liabilities in the balance sheet, and related regulatory income and regulatory expense in the income statement. The IASB is redeliberating proposals in the Exposure Draft *Regulatory Assets and Regulatory Liabilities*. If issued as a new IFRS Accounting Standard, the proposals would replace IFRS 14 *Regulatory Deferral Accounts*. The IASB continued to discuss feedback on the exposure draft throughout 2025. A final IFRS Accounting Standard is expected in the second quarter of 2026.	IFRB 2021/04 IASB publishes Exposure Draft – *Regulatory Assets and Regulatory Liabilities* BDO comment letter on Exposure Draft IASB project page
Risk Mitigation Accounting	This project is expected to eventually result in amendments to the hedge accounting requirements of IFRS 9. This project is sometimes referred to as 'macro hedging', as it relates to the hedging of risks on a portfolio basis. The IASB developed and refined 'core areas' that are central to an accounting model (core model) that might enable investors to understand the effect of a company's dynamic risk management. The model's development reflects information gathered at meeting with banks that use dynamic risk management for repricing risk due to changes in interest rate.	IASB project page

PROJECT	SUMMARY	MORE INFORMATION
	An exposure draft was published in December 2025, which is now open for comments. The deadline for comments is 31 July 2026.	

Maintenance Projects

The following is a list and brief description of maintenance projects ongoing in 2025, which are generally targeted or narrow-scope amendments to existing IFRS Accounting Standards. The IASB has many maintenance projects ongoing, and this is only a summary of some of the most significant projects. A complete list may be accessed here.

PROJECT	SUMMARY	MORE INFORMATION
Provisions – Targeted Improvements	On 12 November 2024, the IASB published the Exposure Draft *Provisions – Targeted Improvements*. The exposure draft proposes three changes to the requirements of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*: ▶ when an entity recognises provisions for obligations it could avoid through its future actions; ▶ whether rates used to discount provisions reflect non-performance risk; and ▶ which costs to include in the measure of a provision. The amendments are expected to replace IFRIC 21 *Levies* with new application requirements that demonstrate how the revised recognition requirements apply to levies. The Exposure Draft was open for comment until 12 March 2025. In December 2025, the IASB redeliberated proposals in the Exposure Draft related to recognition and measurement of provisions. A decision on the project's direction is expected in the first quarter of 2026.	IASB project page
Amendments to the Fair Value Option (IAS 28)	The IASB is exploring narrow-scope amendments to broaden the scope of investments in an associate or joint venture that can be measured using the fair value option. In its December 2025 meeting, the IASB discussed: ▶ Potential amendments to the scope of the fair value option (IAS 28) ▶ Due process and permission to begin balloting. The IASB expects to publish the Exposure Draft in February 2026.	IASB Project Page

Research Projects

The following is a list and brief description of research projects ongoing in 2025, which are projects in the early stage before the IASB develops a new IFRS Accounting Standard or an amendment. It is during the research stage that many significant and fundamental decisions are made about standard setting. The IASB has many research projects ongoing, and this is only a summary of some of the most significant projects. A complete list may be accessed here.

<table>
<tr><th>PROJECT</th><th>SUMMARY</th><th>MORE INFORMATION</th></tr>
<tr><td>Intangible assets</td><td>The IASB launched a comprehensive review of the accounting requirements for intangible assets in April 2024.

The project will assess whether the requirements of IAS 38 Intangible Assets remain relevant and continue to fairly reflect current business models or whether the IASB should improve the requirements.

During the IASB's Third Agenda Consultation, stakeholders identified this as a high priority project. In its meeting held in April 2024, the IASB started the project and discussed the initial work it will do on the project.

During May 2025, the IASB decided to:
▶ begin working on the project by exploring two initial streams (assessing the needs for information of recognised and unrecognised intangible assets and considering whether to update definition, guidance and recognition criteria of intangible assets considering newer types of intangible assets)
▶ explore accounting for intangibles held as investments (including carbon credits and cryptocurrencies)
▶ explore improvement of disclosure requirements
▶ consider exploring the potential improvement of comparability of information about acquired and internally generated intangible assets and the usefulness of information of intangible assets acquired in a business combination.</td><td>IASB project page</td></tr>
<tr><td>Post-implementation Review of IFRS 16 Leases</td><td>The IASB began the post-implementation review of IFRS 16 in June 2024.

In June 2025, the IASB published the Request for Information to seek stakeholders' views on the requirements in IFRS 16. The comment period closes on 15 October 2025.</td><td>IASB project page</td></tr>
<tr><td>Post-implementation Review of IFRS 9 – Hedge Accounting</td><td>In December 2025, the IASB decide to start a post-implementation review of the hedge accounting requirements in IFRS 9 Financial Instruments in the first quarter of 2026.</td><td>IASB project page</td></tr>
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PROJECT	SUMMARY	MORE INFORMATION
Statement of cash flows and related matters	In September 2024, the IASB initiated a project on the statement of cash flows and related matters in response to the feedback on its Third Agenda Consultation. Stakeholders identified this as a high priority project. The project will assess potential ways to improve: ▶ cash flow information disaggregation ▶ non-cash transactions reporting ▶ transparent communication of information about cash flow measures not specified in IFRS Accounting Standards; ▶ consistent application of classification requirements of cash flows as operating, investing or financing; and ▶ consistent application of the definition of 'cash equivalents'. The IASB expects to decide on the project direction by the fourth quarter of 2025.	IASB project page

IFRS Interpretation Committee Activities

The IFRS Interpretations Committee ('the Committee') publishes agenda decisions after it determines there is sufficient guidance within existing IFRS requirements to determine the appropriate accounting treatment. The Committee may also issue IFRIC® Interpretations, the most recent of which is IFRIC 23 Uncertainty over Income Tax Treatments, which became effective for annual periods beginning on or after 1 January 2019.

IFRIC agenda decisions typically contain an explanation of how the requirements of IFRS Accounting Standards are applied to a particular fact pattern. Consequently, agenda decisions set out the required approach to be followed, not an optional one, and regulators and enforcers worldwide take this view.

In August 2020, the IFRS Foundation's Due Process Handbook was amended. As part of those amendments, it is noted explicitly that although agenda decisions cannot add or change requirements in IFRS Accounting Standards, they explain how the applicable principles and requirements in IFRS Accounting Standards apply to the transaction or fact pattern that is described in the agenda decision. Because this explanation is derived from the principles and requirements in IFRS Accounting Standards, it follows that in order to assert compliance with IFRS Accounting Standards entities are required to apply the approach set out in agenda decisions.

The amendments also clarified how agenda decisions should be implemented by entities. Firstly, because the explanatory material in an agenda decision might change an entity's understanding of how the principles and requirements in IFRS Accounting Standards are required to be applied, it may be determined that an agenda decision results in a change in accounting policy for that entity (subject to the question of whether the previous accounting approach was clearly an error). Section 8.6 of the Due Process Handbook also states that it is expected that an entity would be entitled to sufficient time to make the determination of the effect that an agenda decision has and to implement any necessary changes in its accounting. Therefore, while agenda decisions do not have effective dates or transitional provisions, an entity would not be required to implement an agenda decision before it has had sufficient time to assess its impact and implement the appropriate changes to systems and processes. While the question of what constitutes 'sufficient time' is a matter of judgement, the Due Process Handbook is clear that an entity would be expected to implement any changes on a timely basis. We would expect that entities would implement any changes in their next annual or interim financial statements other than in circumstances, for example, when an agenda decision is published only a few weeks before a reporting date and where a significant amount of work is required to implement the required changes. If an agenda decision is not being implemented in the next annual or interim financial statements, disclosures need to be made about the existence of the agenda decision and the reason(s) why it is not being implemented immediately.

The amendments made to the Due Process Handbook in August 2020 also require that, in addition to the approval of the Committee, agenda decisions must also receive approval by the IASB to be published. If four or more Board members object, an agenda decision is not published, and the Board decides how to proceed. All of the agenda decisions below have been approved by the IFRS Interpretations Committee and there were no objections from IASB Board members to the agenda decisions that were considered in accordance with the revised Due Process Handbook. Consequently, they have all been published and are applicable for the purpose of financial statements prepared in accordance with IFRS Accounting Standards.

The Committee has issued the following agenda decisions during 2025:

AGENDA DECISION	SUMMARY	MORE INFORMATION
Classification of Cash Flows related to Variation Margin Calls on 'Collateralised-to-Market' Contracts (IAS 7)	The Committee received a request regarding how the cash flows relating to variation margin call payments on 'Collateralised-to-Market' Contracts should be presented in the statement of cash flows. These contracts, which can be used for various purposes such as meeting commodity usage requirements, hedging price fluctuations, or trading, typically have a maturity of up to three years and can be settled physically or in cash. They are centrally cleared and collateralised-to-market, meaning daily payments are made or received based on the contract's fair value fluctuations. Based on evidence gathered, 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.	Agenda decision
Recognition of Revenue from Tuition Fees (IFRS 15 *Revenue from Contracts with Customers*)	The Committee received a request about the period over which an educational institution recognises revenue from tuition fees. In the fact pattern described, students attend the educational institution over a 10-month academic year, with a two-month summer break. During the summer break, academic staff take a four-week holiday and use the rest of the time to wrap up the previous academic year and prepare for the next academic year. The institution continues to operate and incur costs during the break. Applying IFRS 15, the educational institution recognises revenue from tuition fees over time. The request asked whether the institution is required to recognise that revenue evenly over the academic year (10 months), evenly over the annual reporting period (12 months), or over a different period. Evidence gathered by the Committee indicated little, if any, diversity in accounting for revenue from tuition fees. Any differences in the period over which revenue is recognised reflect differing facts and circumstances, rather than diversity in the application of IFRS 15. 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.	Agenda decision

AGENDA DECISION	SUMMARY	MORE INFORMATION
Assessing Indicators of Hyperinflationary Economies (IAS 29)	The Committee received a request about applying IAS 29 to identify when an economy becomes hyperinflationary. The request asked: ▶ Whether all indicators in paragraph 3 of IAS 29 should be considered in assessing when an economy becomes hyperinflationary, including whether to continue to consider all indicators even when one indicator in paragraph 3 has been met; ▶ Whether IAS 29 requires the consideration of indicators other than those listed in paragraph 3 of IAS 29 if relevant; and ▶ Whether IAS 29 requires both a subsidiary (in its financial statements) and a parent (in its consolidated financial statements) to reach the same conclusion on when an economy becomes hyperinflationary. Evidence gathered by the Committee indicates little, if any, diversity in understanding the requirements for assessing when an economy becomes hyperinflationary. Evidence gathered by the Committee indicates that stakeholders use judgement in assessing the indicators in paragraph 3 of IAS 29 and might assign different weights to those, or other, indicators. 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.	Agenda decision
Recognition of Intangible Assets Resulting from Climate-related Expenditure (IAS 38 *Intangible Assets*)	The Committee received a request about whether an entity's acquisitions of carbon credits and expenditure on research and development activities relating to reducing carbon emissions meet the recognition criteria in IAS 38. The entity had made a public commitment to reduce emissions by 2030 and undertook various actions, including investing in carbon credits and innovation programs. It concluded that its 2030 commitment and subsequent affirmative actions created a constructive or legal obligation under IAS 37. The Committee noted that the IASB is separately researching pollutant pricing mechanisms (PPMs), including carbon credits, and therefore considered only the accounting for research and development expenditure. Evidence indicated little diversity in practice. Based on its findings, the Committee concluded the matter does not have widespread effect and decided not to add a standard-setting project to the work plan.	Agenda decision

AGENDA DECISION	SUMMARY	MORE INFORMATION
Guarantees Issued on Obligations of Other Entities	The Committee received a request about how an entity accounts for guarantees it issues, specifically in its separate financial statements. The fact patterns involved guarantees on obligations of a joint venture, including payments to third parties if the joint venture fails to meet its contractual obligations. The request asked whether such guarantees are financial guarantee contracts under IFRS 9, and if not, which other IFRS Accounting Standards apply. The Committee observed that guarantees vary widely in terms and conditions, and no single IFRS Accounting Standard applies to all guarantees. Entities must apply judgement, considering the substance of the terms and relevant requirements of IFRS Accounting Standards, including scoping requirements, to determine the applicable Standard—whether IFRS 9, IFRS 17 *Insurance Contracts*, IFRS 15 *Revenue from Contracts with Customers*, or IAS 37. The Committee noted diversity in interpreting the term 'debt instrument' in IFRS 9 and that the IASB plans to consider broader questions on financial guarantee contracts in its next agenda consultation. Based on its findings, the Committee concluded that IFRS Accounting Standards provide an adequate basis for accounting for issued guarantees and decided not to add a standard-setting project to the work plan.	Agenda decision

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