

EFRAG UPDATE



FEBRUARY 2026

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The EFRAG Update is published on a monthly basis to inform constituents about due process publications, public technical discussions and decisions taken that month.



1.1 EFRAG runs the 20km of Brussels

EFRAG is getting ready once again for the 20km de Bruxelles - 20km door Brussel on 31 of May 2026! This year, we're running for a new cause close to our hearts: L'Ilot ASBL!

L'Ilot's mission is to meet the needs of homeless people and those in extremely precarious situations by organizing essential services, temporary shelter and accommodation, creating and finding decent and sustainable housing solutions, and providing guidance at home for people who have recently been rehoused. Every step they take helps bring support, stability, and care where it's needed most.

[Donate now and be part of the difference!](#)

1.2 EFRAG Administrative Board

The EFRAG Administrative Board had its regular monthly meeting on 24 February. In the meeting as a recurring item an update on the EC grants was provided. The EFRAG Administrative Board also received an update on the activities of its Nominating Committee (extended with EFRAG Reporting Board members.) on the progress on the 2026 EFRAG Reporting TEGs rotations, The EFRAG Administrative Board agreed to a written procedure to agree the recommendation to the EFRAG FRB on the composition of EFRAG FR TEG effective from 1 April 2026. In addition the EFRAG Administrative Board discussed the progress on the appointment of the EFRAG SRB Chair.

1.3 New composition of the EFRAG User Panel

EFRAG is happy to announce the new composition of its [User Panel](#) as approved on 11 February by its Financial Reporting Technical Expert Group (EFRAG FR TEG). The Panel provides input, from a user perspective, on corporate reporting issues considered by EFRAG FR TEG, where relevant, enhanced with sustainability reporting considerations.

For further information, read our [news item](#).

1.4 EFRAG General Assembly

No meetings were held in February of the EFRAG General Assembly.

1.5 EFRAG January Podcast Highlights

Tune into the new episode of the EFRAG Update podcast to learn about the latest developments in sustainability and financial reporting.

Highlights of this episode include:

- **The survey** for preparers from rate-regulated non-energy sectors on expected IFRS X impacts
- **The consultation** on the Draft Endorsement Advice for Amendments to IAS 21
- **The Final Endorsement Advice on Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures**
- The publication of the **discussion paper on connectivity** and the supplemental document with 17 real-world illustrations from company reports
- **Due Process Procedures for the Financial Reporting Activities**

Sustainability Reporting Podcast Episode #9

This month's sustainability reporting episode is hosted by Chiara Del Prete, EFRAG SR TEG Chair, and provides insights into the developments in sustainability reporting.

- [Spotify](#)
- [YouTube](#)

Financial Reporting Podcast Episode #10

The Financial reporting episode is hosted instead by Sapna Heeralall, FR Senior Technical Manager, and Juan José Gómez de la Calzada, FR Senior Technical Manager.

- [Spotify](#)
- [YouTube](#)

Prefer reading instead? Download our [EFRAG Update December 2025 & January 2026](#).

EFRAG'S FINANCIAL REPORTING ACTIVITIES



2

EFRAG'S FINANCIAL REPORTING ACTIVITIES



2.1 Publications

2.1.1 FINAL ENDORSEMENT ADVICE

EFRAG ISSUES ENDORSEMENT ADVICE ON AMENDMENTS TO IAS 21

EFRAG has submitted its [final endorsement advice letter](#) to the European Commission on the proposed EU adoption of [Amendments to IAS 21 Translation to a Hyperinflationary Presentation Currency](#) ('Amendments to IAS 21'), issued by the IASB on 13 November 2025.

The Amendments to IAS 21 change the translation procedures for entities that present their financial statements in a hyperinflationary currency. The changes apply when translating the results and financial position of:

- an entity whose functional currency is non-hyperinflationary, but whose presentation currency is hyperinflationary.
- a foreign operation whose functional currency is non-hyperinflationary.

The translation procedure is straightforward and can be applied consistently, thereby improving the relevance and comparability of reported information.

In its overall assessment, EFRAG concludes that the **Amendments to IAS 21 meet the criteria for endorsement in the European Union and therefore recommends their adoption**. To this end, [EFRAG has also updated its Endorsement Status Report](#).

2.1.2 DRAFT COMMENT LETTER

EFRAG RELEASES DRAFT COMMENT LETTER ON IASB'S PROPOSED AMENDMENTS TO IAS 28 ON THE FAIR VALUE OPTION FOR INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

EFRAG has published its [Draft Comment Letter](#) ('DCL') on the IASB's Exposure Draft (ED) [Amendments to the Fair Value Option for Investments in Associates and Joint Ventures - Proposed amendments to IAS 28](#). **Stakeholders are invited to comment on EFRAG's DCL by 7 April 2026.**

EFRAG supports the IASB's proposed amendments as they would address insurers' concerns over the diverse interpretation of the wording on entities eligible to apply the fair value option in paragraphs 18 and 19 of [IAS 28 Investments in Associates and Joint Ventures](#), and the subsequent impact on classification between operating and investing categories under [IFRS 18 Presentation and Disclosure in Financial Statements](#).

[View Draft Comment Letter](#)

[Submit your feedback](#)

EFRAG RELEASES DRAFT COMMENT LETTER ON THE IASB'S EXPOSURE DRAFT RISK MITIGATION ACCOUNTING

EFRAG has published its [Draft Comment Letter](#) ('DCL') on the IASB's Exposure Draft (ED) [Risk Mitigation Accounting-Proposed amendments to IFRS 9 and IFRS 7](#) ('RMA'). **Stakeholders are invited to comment on EFRAG's DCL by 22 June 2026.**

At this stage, EFRAG has not yet reached a position on several aspects and is seeking additional evidence and feedback before finalising its response to the IASB. To support this process, the DCL includes a series of questions for constituents, which will help shape EFRAG's final views.

On the objective of RMA, some stakeholders see merit in considering both a faithful representation to reflect an entity's risk management activities and eliminating accounting mismatches to be equal objectives of RMA. EFRAG notes that if the primary objective of RMA is for an entity to faithfully reflect its repricing risk management activities, EFRAG questions why certain financial instruments would be excluded from being eligible to be included in the underlying portfolios. This includes, for instance, financial assets measured at fair value through profit or loss, which are managed as part of an entity's interest risk management strategy.

While significant uncertainties exist as to how the **risk mitigation adjustment excess test** should be performed in practice, EFRAG suggests that additional guidance on the indicators would be very useful.

EFRAG also notes that the treatment of unexpected changes, currently undefined within the RMA model, as well as the operability of the time bands, may present challenges, and therefore seeks feedback based on field testing.

Furthermore, views among constituents are mixed on the **proposed effective date of the RMA model and on when IAS 39 should be withdrawn**. There is, however, broad agreement that the transition period should be relatively long.

Additionally, EFRAG generally welcomes the proposed **disclosure requirements**, as these would be a significant improvement compared to current IFRS Accounting requirements, particularly for those applying the EU IAS 39 carve-out.

Finally, EFRAG emphasises the importance of developing an accounting solution that better reflects the **dynamic interest rate risk management of entities issuing insurance contracts as per IFRS 17**, compared to current requirements.

[View Draft Comment Letter](#)

[Submit your feedback](#)

2.1.3 EFRAG PUBLISHES DUE PROCESS PROCEDURES FOR FINANCIAL REPORTING ACTIVITIES

EFRAG has issued the [Due Process Procedures for the Financial Reporting Activities \(FR DPP\)](#), formalising the process it already applies to its work in financial reporting.

The DPP set out the steps EFRAG must follow in developing European perspectives for the IASB's standard-setting process, undertaking proactive research, and providing technical advice on the endorsement of IFRS accounting standards.

The document therefore **enhances transparency and provides clarity on the processes and procedures** EFRAG follows in developing its technical positions.

The FR DPP was approved by the EFRAG General Assembly on 29 January 2026.

2.3 Open consultations

TITLE AND DESCRIPTION	CLOSING DATE
Survey for preparers from rate-regulated non-energy sectors on expected IFRS 20 impacts	30 April 2026
EFRAG's Draft Comment Letter on the IASB ED <i>Risk Mitigation Accounting-Proposed amendments to IFRS 9 and IFRS 7</i>	22 June 2026
EFRAG's Discussion Paper ' <i>Connectivity of Financial and Sustainability Reporting</i> '	30 June 2026

For more information, please see [EFRAG's consultations page](#).



2.4 Meetings

2.4.1 EFRAG FINANCIAL REPORTING BOARD (EFRAG FRB) AND EFRAG FINANCIAL REPORTING TECHNICAL EXPERT GROUP (EFRAG FR TEG)

[Webcast meeting 26 February 2026](#)

The EFRAG FRB and EFRAG FR TEG jointly held a webcast session on [26 February 2026](#) and discussed the following topic:

AMENDMENTS TO THE FAIR VALUE OPTION (IAS 28)

EFRAG FR TEG recommended EFRAG's Draft Comment Letter to be approved by the EFRAG FRB and the EFRAG FRB approved it on the same day. In its Draft Comment Letter, EFRAG supported the IASB's proposed amendments and raised a question to constituents on their interpretation of the scope of the option.

2.4.2 EFRAG FINANCIAL REPORTING BOARD (EFRAG FRB)

[Webcast meeting 26 February 2026](#)

The EFRAG FRB held a webcast meeting on [26 February 2026](#) and discussed the following topics:

IASB PROJECT: USE OF A HYPERINFLATIONARY PRESENTATION CURRENCY BY A NON-HYPERINFLATIONARY ENTITY (IAS 21)

The EFRAG FRB discussed and approved EFRAG's final endorsement advice ('FEA') on the amendments to IAS 21 ('Translation to a Hyperinflationary Presentation Currency'). Members agreed with the FEA that is supportive of the amendments.

IASB PROJECT: STATEMENT OF CASH FLOWS AND RELATED MATTERS

The EFRAG FRB received an update on the IASB's project on *Statement of Cash Flows and Related Matters*. Members were generally supportive of the IASB's tentative decisions taken so far. However, they were concerned if the reporting needs of financial institutions were only to be considered later in the project.

KPIs FOR SMES

The EFRAG FRB received an update on the interest in a voluntary template for SMEs (including startups) and the planned publication of the draft assessment report end of March / beginning of April 2026. Members provided their views on the content and structure of the draft assessment report.

NEXT MEETING

The next EFRAG FRB meeting was held on [25 March 2026](#).

2.4.3 EFRAG FINANCIAL REPORTING TECHNICAL EXPERT GROUP (EFRAG FR TEG)

Webcast meeting 11 February 2026

EFRAG FR TEG held a webcast meeting on [11 February 2026](#) and discussed the following topics:

IASB PROJECT: USE OF A HYPERINFLATIONARY PRESENTATION CURRENCY BY A NON-HYPERINFLATIONARY ENTITY (IAS 21)

EFRAG FR TEG discussed and recommended EFRAG's final endorsement advice ('FEA') on the amendments to IAS 21 ('Translation to a Hyperinflationary Presentation Currency') to the EFRAG FRB for approval. Members agreed with the FEA that is supportive of the amendments.

KPIs FOR SMES

EFRAG FR TEG considered the input received from interviews with stakeholders on the interest in a voluntary template for SMEs (including startups). It was noted that for a limited number of types of stakeholders, additional interviews would be useful. However, the additional interviews should be performed while the draft assessment would be out for consultation.

IASB PROJECT: RISK MITIGATION ACCOUNTING

EFRAG FR TEG members were provided with an update of the project status and were informed about the upcoming activities.

AMENDMENTS TO THE FAIR VALUE OPTION (IAS 28)

EFRAG FR TEG discussed the IASB's tentative decisions on the project in order to provide input for EFRAG's draft comment letter. There was a general agreement with the IASB proposal of having a restricted scope of the fair value option and linking the eligibility of entities to the IFRS 18 paragraphs related to assets held as a main business activity, to address the concerns by insurers on a timely basis. However, a few members also suggested tightening the wording on eligible entities within IAS 28. Mixed views were also expressed on whether banks would be in the scope of the amendments.

NEXT MEETING

The next EFRAG FR TEG meeting was held on [20 March 2026](#).



EFRAG'S SUSTAINABILITY REPORTING ACTIVITIES



3

EFRAG'S SUSTAINABILITY REPORTING ACTIVITIES

3.1 EFRAG releases conference report on Draft Simplified ESRS

In the first week of February, EFRAG has published the summary report on its conference "[*EFRAG unveils Draft Simplified ESRS: A European Milestone for Sustainability Reporting*](#)", which took place on 4 December 2025 in Brussels. The report summarises key points on the new simplified ESRS, as delivered to the European Commission, drawing on presentations by speakers and discussions during the panel sessions.

For further information about the panel sessions, please consult the related [news item](#) as well as the [summary report](#).

3.2 EFRAG's workshops on the New GRI Labor Standards Exposure Drafts

EFRAG collected input from European stakeholders with an interest in the GRI Labor Standards Exposure Drafts via online workshops that took place on 17 and 19 February 2026.

As part of its aim of Europe speaking with one single voice in corporate reporting, and to enhance interoperability, EFRAG submitted a comment letter to GRI setting out its position on the exposure drafts currently under consultation. To inform this position, EFRAG invited European stakeholders to share their views through these dedicated workshops.

The workshops aimed to collect practical feedback from European stakeholders on the exposure drafts, with a particular focus on their clarity, applicability, and interoperability with the European Sustainability Reporting Standards (ESRS) under the Corporate Sustainability Reporting Directive (CSRD) framework.

This call for participation was launched by EFRAG alongside [the Public comment period underway on the GRI exposure draft standards](#) developed as part of the GRI Topic Standard Project for Labor.

The current exposure drafts open for public comment and discussed in these workshops are:

- GRI LRBR: Labor Rights in Business Relationships
- GRI FACB: Freedom of Association and Collective Bargaining
- GRI CL: Child Labor
- GRI FL: Forced Labor

Access the [four exposure drafts](#).

For further information, please consult the related [news item](#).

EFRAG issued a comment letter on [19 March 2026](#).

3.3 EFRAG continued work on VSME ecosystem

UPDATE ON SME FORUM

EFRAG Secretariat held its [First SME Forum meeting of 2026 on 6 February](#), during which the 2026 priorities were presented, together with a summary of the results of the SME Forum plenary survey. The survey gathered feedback on how to support the implementation of the VSME at national level through the activities of the SME Forum Members. The meeting also included a presentation of the interactive VSME page on the [ESRS Knowledge Hub](#) and the launch of two calls for expressions of interest: one focused on mapping digital tools, platforms, and related sustainability reporting initiatives, and another on collecting VSME reports.

EFRAG Secretariat held three private split sessions with preparers, users and platforms of the SME Forum to facilitate a targeted exchange of information among specific stakeholder groups, focusing on shared concerns and perspectives. During each session, the participants presented their points of view in a set of discussion points regarding VSME implementations, VSME disclosures and asked on top and VSME benefits.

EFRAG Secretariat held an ad hoc private session as well for the VSME Community on 13 March where a summary for the results from the survey that was sent to the VSME Community will be presented. Finally, one last private ad hoc session was held with the National Standard Setters of the SME Forum on 25 March.

On 4 February 2026, EFRAG Secretariat released [three educational videos](#) on the three Supporting Guides: Supporting Guide C2 - Description of practices, policies and future initiatives for transitioning towards a more sustainable economy; Supporting Guide C3 – GHG reduction targets and climate transition; Supporting Guide C7 - Severe negative human rights incidents (paragraph 62 (c)) released in December 2025. AI-generated translations of the videos are available on [Vimeo](#) in 17 languages.

UPDATE ON VSME DIGITAL TEMPLATE

EFRAG Secretariat releases on 26 February 2026, an updated version of the [VSME Digital Template](#), expanding language support with Dutch and Irish and introducing a free Data Migration tool to make upgrades effortless.

The new Data Migration tool, embedded in the Converter, allows users to migrate, just with a few clicks, data inserted in previous versions of the VSME Digital Template to the latest one, minimising risk of errors compared to manual transfer of data, saving time for SMEs and allowing them to make use of latest functionalities of the VSME Digital Template.

The tools and videos are also available in the [ESRS Knowledge Hub](#) which provides a comprehensive VSME ecosystem.

For further information follow the related [news item](#).

EFRAG CALL FOR EXPRESSION OF INTERESTS ON VSME DIGITAL TOOLS AND PLATFORMS

EFRAG opened on 3 February 2026 two calls for expression of interest on VSME digital tools and platforms, to support the wider uptake of the VSME Standard across the EU market. Stakeholders can submit their responses by 5 April 2026. The calls are part of EFRAG's ongoing work on the VSME ecosystem, building on the feedback from stakeholders collected in the VSME Market Acceptance Progress Report. They build on the mappings of [digital platforms and initiatives](#), as well as [digital tools](#) that were released in 2025 to help Small- and Medium-sized enterprises (SMEs) with voluntary sustainability reporting.

For further information and to respond to the call please follow the related [news item](#).

3.4 EFRAG Sustainability Reporting Board (EFRAG SRB)

TOPICS COVERED	MEETING DATE
<ul style="list-style-type: none"> • Education session on GRI revised labour standards: Education session (public) • Early input of EFRAG Secretariat on GRI revised labour standards (public) • 2026 Workplan: to approve the deliverables and timelines for the first semester (closed) 	12 February 2026

EFRAG SRB 12 FEBRUARY

In the public sessions of 12 February on GRI revised labour standards, GRI's representatives presented the EFRAG SRB members with an overview of the GRI Labor Project. This presentation included a brief timeline overview of the GRI Labor Project and a brief overview of the key changes to the revised GRI Labor Topic Standards.

Following this presentation, the EFRAG Secretariat also provided the SRB members with its early input on the GRI revised labour standards.

The four topical GRI revised labour standards are:

- Child labour,
- Forced labour,
- Collective Bargaining and Freedom of Association and
- Labour Rights in business relationships

3.5 EFRAG Sustainability Reporting Technical Expert Group (EFRAG SR TEG)

TOPICS COVERED	MEETING DATE
<ul style="list-style-type: none"> • Education session on GRI revised labour standards: Education session (public) • Early input of EFRAG Secretariat on GRI revised labour standards (public) 	5 February 2026

EFRAG SR TEG 5 FEBRUARY

In the public sessions of 5 February on GRI revised labour standards, GRI's representatives presented the EFRAG SR TEG members with an overview of the GRI Labor Project. This presentation included a brief timeline overview of the GRI Labor Project and a brief overview of the key changes to the revised GRI Labor Topic Standards.

Following this presentation, the EFRAG Secretariat also provided the SR TEG members with its early input on the GRI revised labour standards. The four topical GRI revised labour standards are:

- Child labour,
- Forced labour,
- Collective Bargaining and Freedom of Association and
- Labour Rights in business relationships

3.6 Friends of EFRAG

For information on the advantages, conditions and how to apply to become a [Friends of EFRAG – Sustainability Reporting](#), Please visit our [website](#) or contact us directly at friendsofefrag@EFRAG.ORG.

Entities can also become [Friends of EFRAG – Financial Reporting](#).

For more information, please see the [EFRAG website](#).

3.7 Visit the EFRAG ESRS Knowledge Hub

The ESRS Knowledge Hub launched early December 2025 gives you a wealth of information on ESRS and VSME and EFRAG's sustainability reporting activities. It provides an interactive online platform to support companies, practitioners and stakeholders in navigating ESRS, VSME standard and broader sustainability reporting materials developed by EFRAG and all key materials related to ESRS in a single comprehensive environment.

The platform provides access to the adopted 2023 ESRS as well as to the simplified ESRS, the VSME standard in an interactive way. The interactive feature has also been implemented for EFRAG's technical advice on simplified ESRS (to be replaced by the delegated act once adopted by the EC).

[Visit the ESRS Knowledge Hub!](#)

VACANCIES¹

Internships

EFRAG offers opportunities for university students and recent graduates in the form of internships lasting between six and twelve months. This will allow interns to acquire an understanding of EFRAG's work in the financial reporting and/or sustainability reporting fields.

Applicants for an internship are eager to keep learning to get a taste of professional life, discover how we make an impact that matters, and get ahead in your career!

You will gain:

- An overview of the EFRAG's objectives and activities;
- A first professional and personal experience in the dynamic world of corporate reporting standard setting and the identification of good reporting practices in a European and global environment;

¹ Applications, consisting of a letter of motivation and a detailed CV, should be sent via the form below (continuous recruitment). In applying for a function at EFRAG, the applicant agrees that EFRAG can process the data you have provided in your CV, cover letter and any other document. EFRAG will store your CV, cover letter and any other document in its database for one year.

- Working in a dynamic and multi-cultural environment as well as direct interaction with a rich network of corporate reporting stakeholders;
- The opportunity to work closely with experienced professionals and executives;
- Exposure to the European and global corporate reporting sectors; and
- Practical knowledge in your area of study.

You will work in the EFRAG offices in Brussels.

Next openings: at present with very limited places for financial reporting with a start from April to June. For sustainability reporting the next opportunity will be from September 2026 (applications open from May) .

Financial reporting

EFRAG continues to consider applications from experts with a financial reporting background with thorough IFRS knowledge and is specifically looking for technical manager and junior technical manager level. Applications require EEA nationality and reallocation to Brussels/Belgium. Applications, including a letter of motivation and a detailed CV, should be sent to Saskia Slomp, EFRAG CEO, at Rh@efrag.org

For our advertisements, please visit [EFRAG's website](#).

Sustainability reporting

SUSTAINABILITY REPORTING EXPERTS

EFRAG continues to consider applications from sustainability reporting experts from social and human rights specialists (employment and labour rights due diligence) with a senior profile. Positions are based in Brussels and require EEA nationality. Positions are based in Brussels. and require EEA nationality. Applications, including a letter of motivation and a detailed CV, should be sent to Saskia Slomp, EFRAG CEO, at Rh@efrag.org

For our advertisements, please visit [EFRAG's website](#).

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