
IASB Technical Update

June 2025

Overview

This update is prepared as of 30 June 2025

- Update on current work plan
- Post-implementation reviews
- Standard-setting projects
- Maintenance projects
- New requirements

Highlights from May 2025

The IFRS Foundation published an [updated version of its educational material](#) to support the consistent application of IFRS Accounting Standards related to going concern assessments.

Going concern—
A focus on disclosure

The IFRS Foundation has published its [12th Compilation of Agenda Decisions](#) by the IFRS Interpretations Committee, covering the period from November 2024 to April 2025.

Compilation of Agenda
Decisions Volume 12

The IFRS Foundation has published [new educational materials](#) to support the application of Section 11 *Financial Instruments* of the third edition of the *IFRS for SMEs* Accounting Standard.

IFRS for SMEs
Accounting Standard

Highlights from June 2025

- The IASB decided to proceed with illustrative examples that aim to improve the reporting of uncertainties in the financial statements
- The IASB plans to publish a near-final draft of the examples early in Q3 2025 and expects to issue the final document in October 2025

Climate-related and
Other Uncertainties in
the Financial
Statements

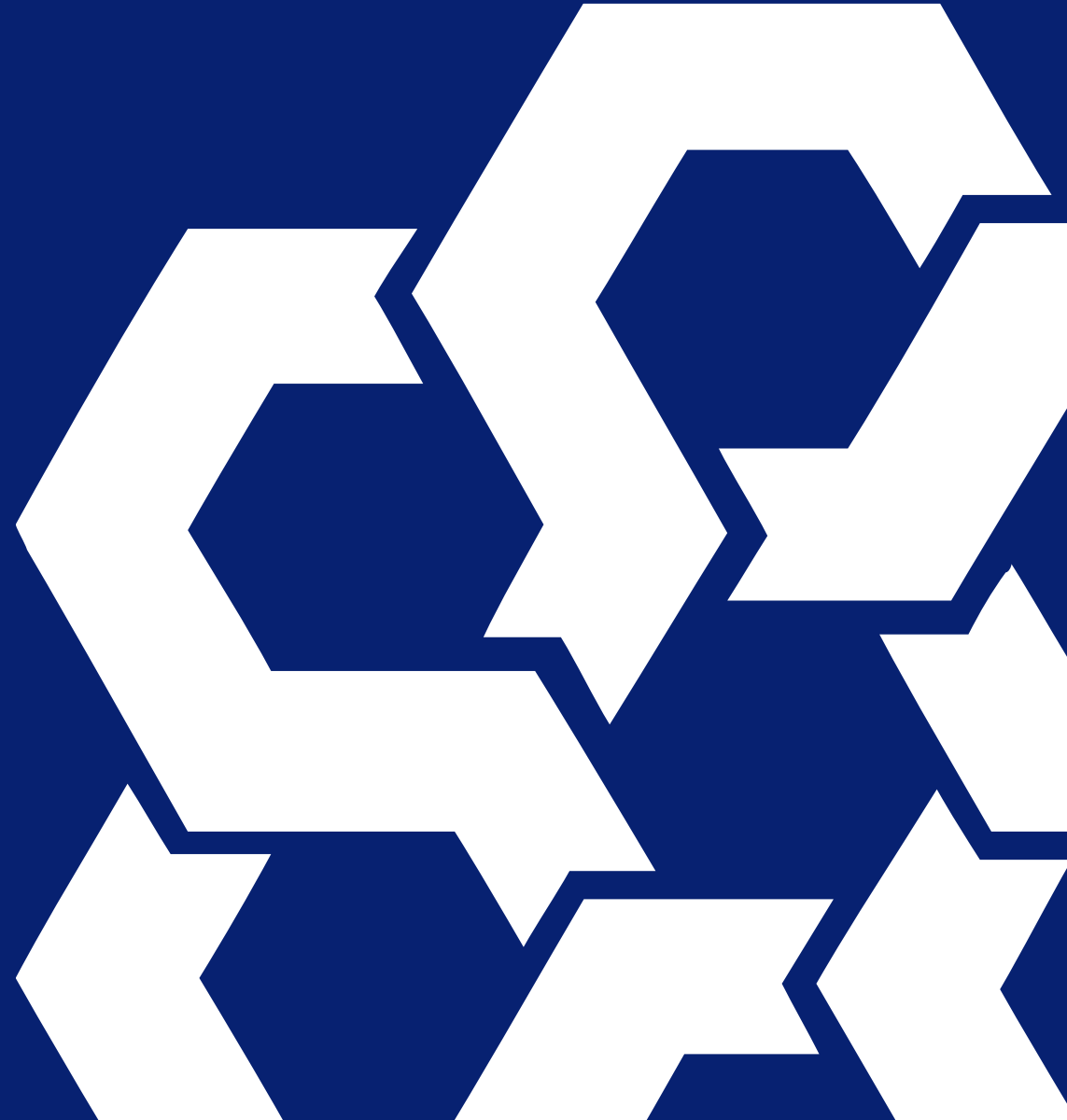
- The IASB has published a [Request for Information \(RFI\)](#) as part of its Post-implementation Review of IFRS 16 *Leases*
- The RFI is open for comment until 15 October 2025

Post-implementation
Review of IFRS 16
Leases

- The IASB has issued a [revised Practice Statement on management commentary](#). The revised Practice Statement supports improvements to and greater global alignment in management commentary and narrative reports accompanying the financial statements

Management
Commentary

Update on current IASB work plan



Consultations

Forthcoming in 2025 

Q4 2025: Exposure Draft proposing amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures* in relation to Dynamic Risk Management

New Standards, Amendments and Other Publications

Issued in 2025

Third edition of the *IFRS for SMEs* Accounting Standard

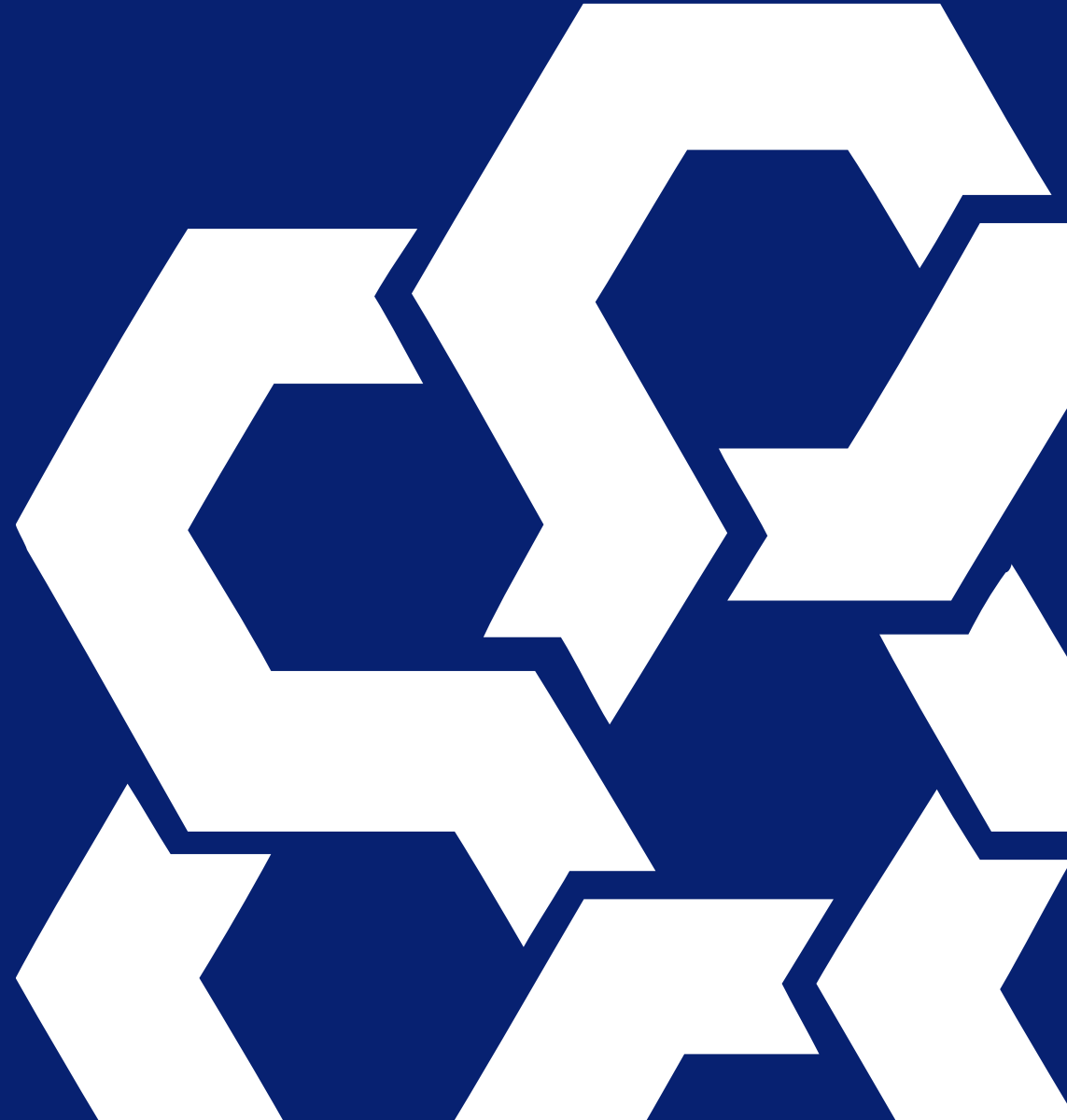
Revised Practice Statement
Management Commentary

Expected in 2025

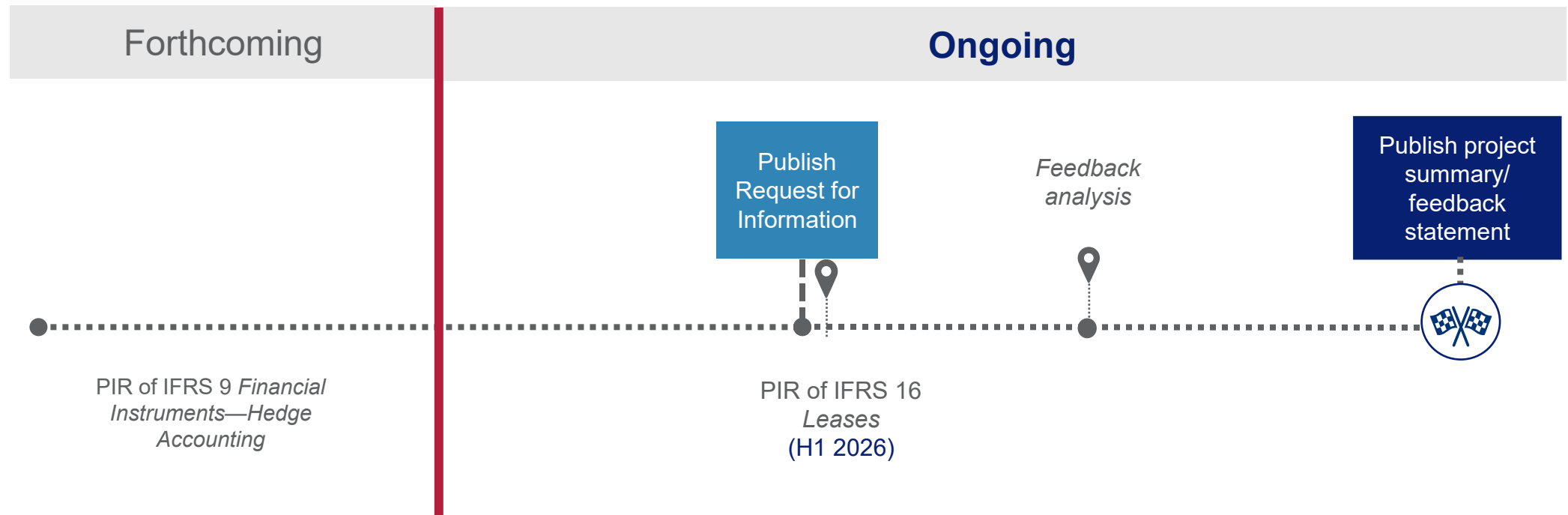
(subject to the Board's approval)

- ✓ **August 2025:** Amendments to IFRS 19 *Subsidiaries without Public Accountability: Disclosures*
- ✓ **Q4 2025:** Final Illustrative Examples: *Disclosures about Uncertainties in the Financial Statements Illustrated using Climate-related Examples*
- ✓ **Q4 2025:** Translation to a Hyperinflationary presentation currency (IAS 21)
- ✓ **H2 2025:** Accounting Standard *Regulatory Assets and Regulatory Liabilities*

Post-implementation reviews



Post-implementation review projects



PIR of IFRS 16—*Leases*

Objective

Assess whether the effects of applying IFRS 16 on users of financial statements, preparers, auditors and regulators are as intended when the Standard was issued

Matters to examine in the public consultation

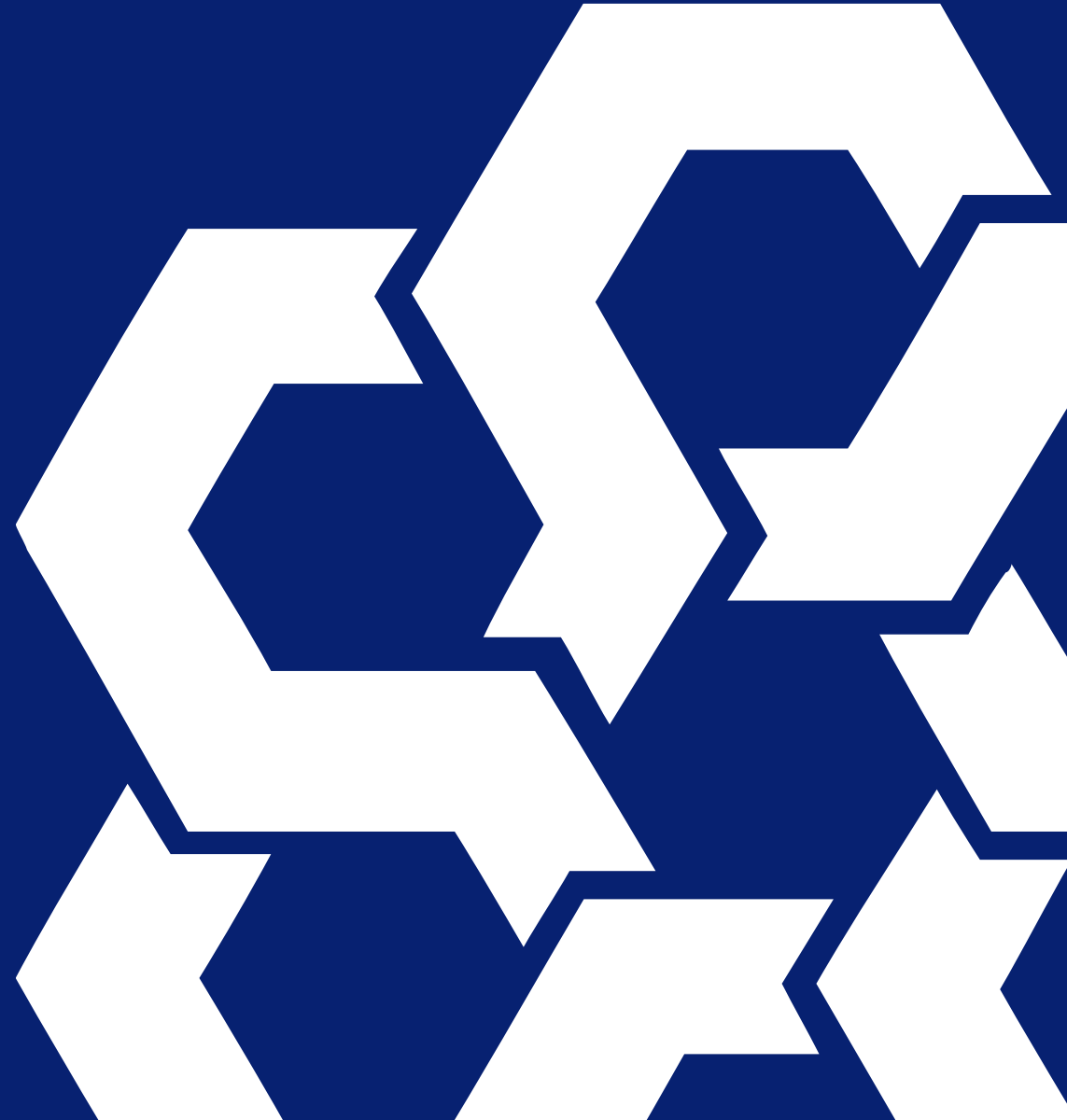
- Overall assessment of IFRS 16
- Usefulness of information resulting from lessees' application of judgement in determining lease term, discount rates and which variable lease payments to include in (or exclude from) the measurement of the lease liability
- Usefulness of information about lessees' lease-related cash flows
- Ongoing costs of applying the requirements for discount rates and subsequent measurement of the lease liability
- Potential improvements to future transition requirements
- Other matters (including the effects of applying IFRS 16 with IFRS 9 and IFRS 15)



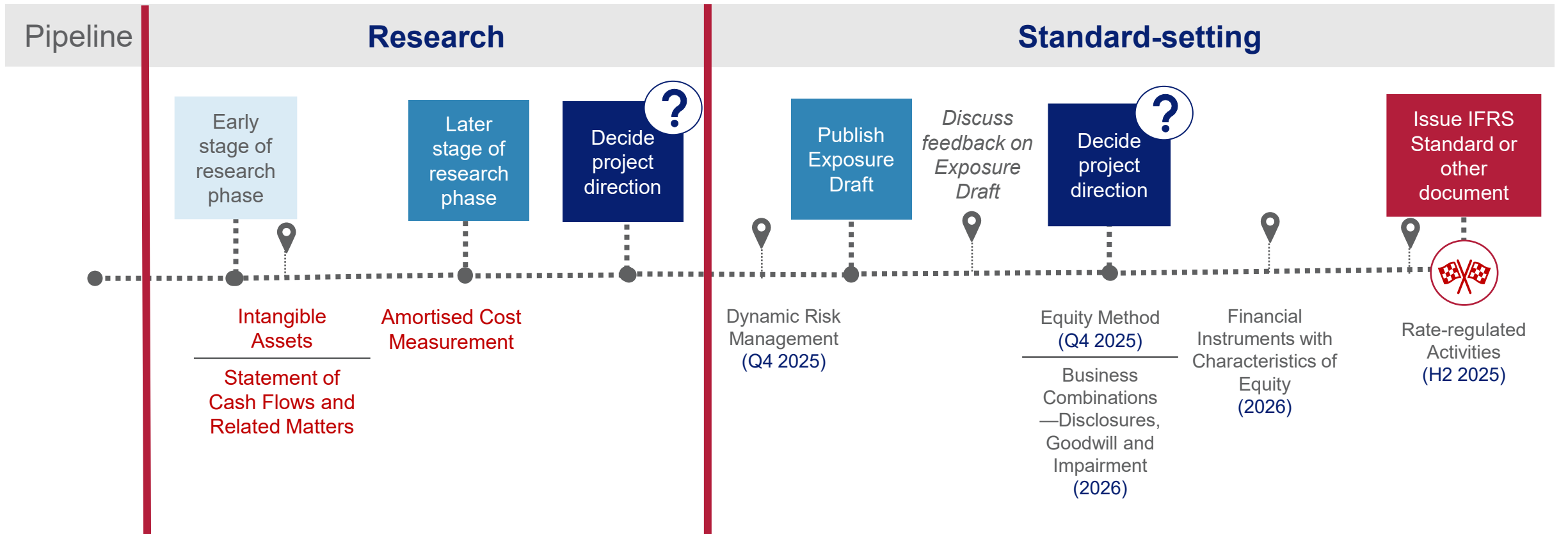
Next milestone

Request for information feedback in Q1 2026

Standard-setting projects



Research and standard-setting projects - status



Statement of Cash Flows and Related Matters

Objective

Assess potential ways to improve the requirements of IAS 7 *Statement of Cash Flows* in response to feedback on the Third Agenda
Consultation and initial project research

Topics the project will explore

- Disaggregation of cash flow information
- Reporting of information about non-cash transactions
- Transparency of information communicated about cash flow measures not specified in IFRS Accounting Standards
- Consistent application of requirements to classify cash flows as operating, investing or financing
- Consistent application of the definition of cash equivalents
- Applicability of the statement of cash flows and any possible improvements for financial institutions



Next milestone

Decide project direction in Q4 2025

Intangible Assets

Objectives

- Improve the usefulness of information entities provide about intangible items in their financial statements
- Update IAS 38, in particular to make it more suitable for newer types of intangible items and new ways of using them

Approach



Starting a comprehensive review in a targeted way



Regular reflection points to assess additional evidence

Topics the project will explore

<input checked="" type="checkbox"/>	User information needs	} Initial streams
<input checked="" type="checkbox"/>	Potential changes to the definition and some recognition criteria (using test cases)	
<input checked="" type="checkbox"/>	Intangible assets held for investment	} Later streams (subject to change)
<input checked="" type="checkbox"/>	Broader aspects of recognition	
<input checked="" type="checkbox"/>	Disclosure requirements	
<input checked="" type="checkbox"/>	Comparability of information about acquired and internally generated intangible assets	
<input type="checkbox"/>	Broader intangible items	TBC



Next milestone

Explore initial streams and decide project direction in 2026

Amortised Cost Measurement

Objectives

- to **clarify principles** underlying the amortised cost measurement requirements in IFRS 9, addressing application issues that are widespread and have a material effect on entities' financial statements; and
- to **improve specific information** provided to **users** of financial statements about financial instruments

Project Approach

- Targeted improvements** to amortised cost measurement requirements
- Not a fundamental review** of those requirements

Targeted improvements for:



Mechanics of effective interest method



Modification, derecognition, write-off



Interaction with impairment



Next milestone

Exposure Draft in 2026

Dynamic Risk Management

Objectives

The DRM method:

- Better reflects the effects of dynamic interest rate risk management activities in an entity's financial statements
- Addresses challenges of current accounting models with respect to transparency, eligible items, dynamic nature and performance management

Proposals

The DRM method aims to:

- better reflect the **risk management** perspective
- enables **designation** of an interest rate **risk exposure**
- aligns to the risk management perspective through the **designation** of additional eligible items (ie a stable portion of demand deposits)
- Achieves transparency through new **presentation** and **measurement** requirements



Next milestone

Exposure Draft is expected in Q4 2025

Equity Method

Objectives

- Reduce diversity in practice by answering application questions
- Reorder requirements in IAS 28 *Investments in Associates and Joint Ventures* to improve understandability

Proposals

Measurement:

- clarify the cost of the investment
- add requirements for purchases or disposals of an additional interest
- clarify impairment requirements
- delete requirement to restrict gains and losses on transactions with associates or joint ventures

Presentation: add requirements on the order of recognition of the investor's share of P&L and OCI

Disclosures: add requirements to improve information for investors, including reconciliation of carrying amounts of associates and joint ventures



Next milestone

- Redeliberate proposals in the [Exposure Draft](#)

Business Combinations—Disclosures, Goodwill and Impairment

Objective

Improve information entities provide about their acquisitions at a reasonable cost

Proposals

Proposed changes to IFRS 3:

- Disclose information reviewed by key management personnel about the performance of a strategic business combination
- Disclose quantitative information, in the year of acquisition, about expected synergies
- Exempt an entity from disclosing some information in specific circumstances
- Other improvements to IFRS 3 disclosure requirements

Proposed changes to IAS 36:

- Clarify how an entity allocates goodwill to cash-generating units
- Require an entity to disclose in which reportable segment a cash-generating unit containing goodwill is included
- Simplify and improve calculation of value in use



Next milestone

Redeliberate proposals in the [Exposure Draft](#) and decide project direction in 2026

Financial Instruments with Characteristics of Equity

Objectives

- Improve information entities provide in their financial statements about financial instruments they have issued
- Address challenges with applying IAS 32 *Financial Instruments: Presentation*

Approach

- Clarify IAS 32 classification principles to address practice issues:
 - fixed-for-fixed condition
 - effects of laws or regulations
 - obligations to purchase own equity instruments
 - contingent settlement provisions
 - shareholder discretion
 - reclassification
- Improve presentation and disclosure
- Provide application guidance and illustrative examples



Next milestone

- Redeliberate proposals in the [Exposure Draft](#)
- Final Amendments are expected in 2026

Rate-regulated Activities

Objectives

Provide information about the effects of:

- regulatory income,
- regulatory expense,
- regulatory assets, and
- regulatory liabilities

on entities' financial performance and financial position

Proposals

In some cases, rate regulation creates differences in timing that arise when compensation for regulatory goods or services supplied in one period is included in the regulated rate charged in a different period.

The forthcoming Accounting Standard will require the entities:

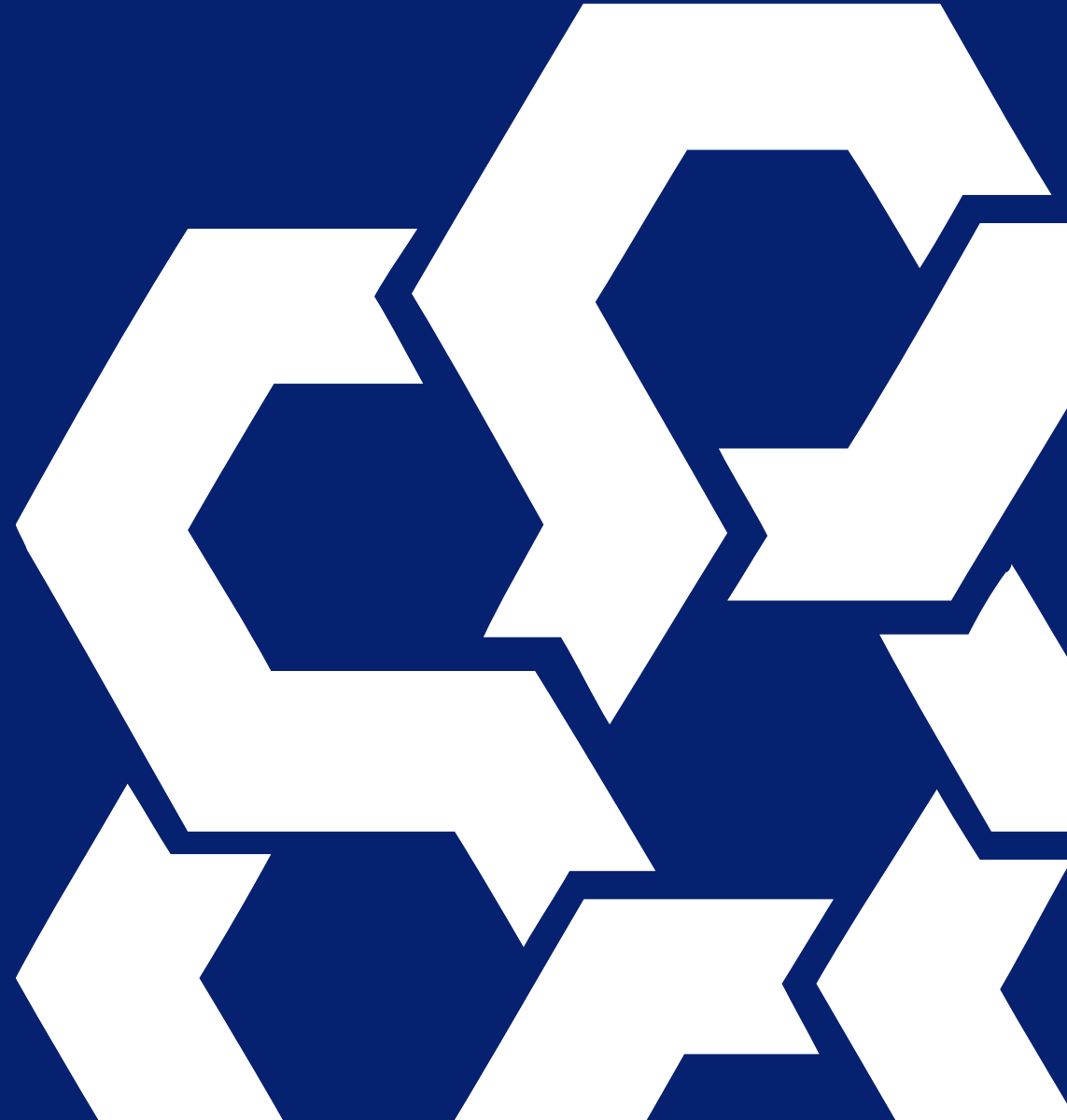
- to reflect compensation for regulatory goods or services in the period goods or services are supplied;
- to recognise regulatory assets, regulatory liabilities, regulatory income and regulatory expense



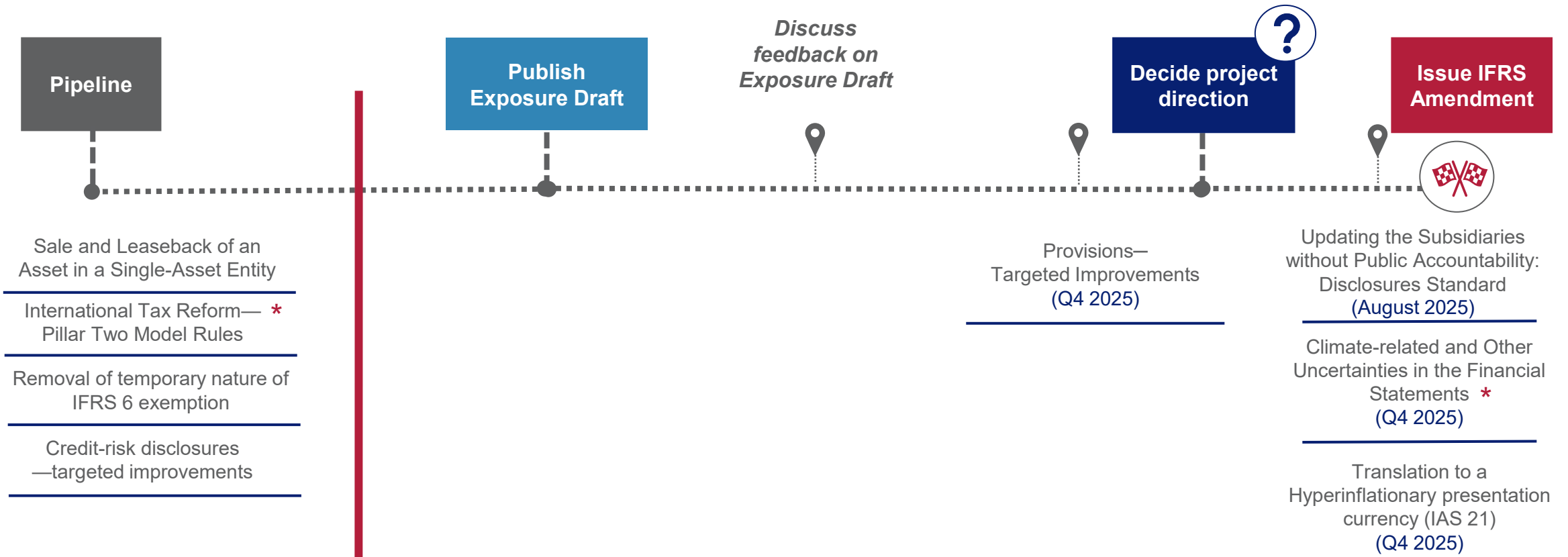
Next milestone

IFRS Accounting Standard *Regulatory Assets and Regulatory Liabilities* is expected in H2 2025

Maintenance projects



Maintenance projects - status



* To determine whether to remove or make permanent the temporary exception

* Publish Final Illustrative Examples

Provisions—Targeted Improvements

Objectives

- Clearer requirements on when to recognise a provision, with earlier recognition of some provisions
- More standardised measures of long-term provisions and greater transparency around inputs to the measures

Proposals

Amend IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*

- Clarify and amend the recognition criteria, applying the *Conceptual Framework*
- Specify the discount rates to use in measuring a long-term provision, and require disclosure of information about rates used
- Clarify the costs to include in measuring obligations to provide goods or services



Next milestone

Discuss a plan for the next stage of the project in Q4 2025

Climate-related and Other Uncertainties in the Financial Statements

Objective

Explore targeted actions to improve the reporting of the effects of climate-related and other uncertainties in the financial statements

Areas of focus

- Improve application of IFRS Accounting Standards, including by issuing illustrative examples
- Raise awareness of the requirements in IFRS Accounting Standards
- Work with the ISSB to ensure the work of both Boards is connected



Next milestone

Final Illustrative Examples expected to be issued in October 2025

Amendments to IAS 21: Use of a Hyperinflationary Presentation Currency by a Non-hyperinflationary Entity

Objective

Improve the usefulness of the financial information reported by entities that present financial statements in a hyperinflationary currency

Proposals

Provide a relevant translation method applicable to entities:

- whose functional currency is the currency of a non-hyperinflationary currency, but
- whose financial statements are presented in a currency of a hyperinflationary economy



Next milestone

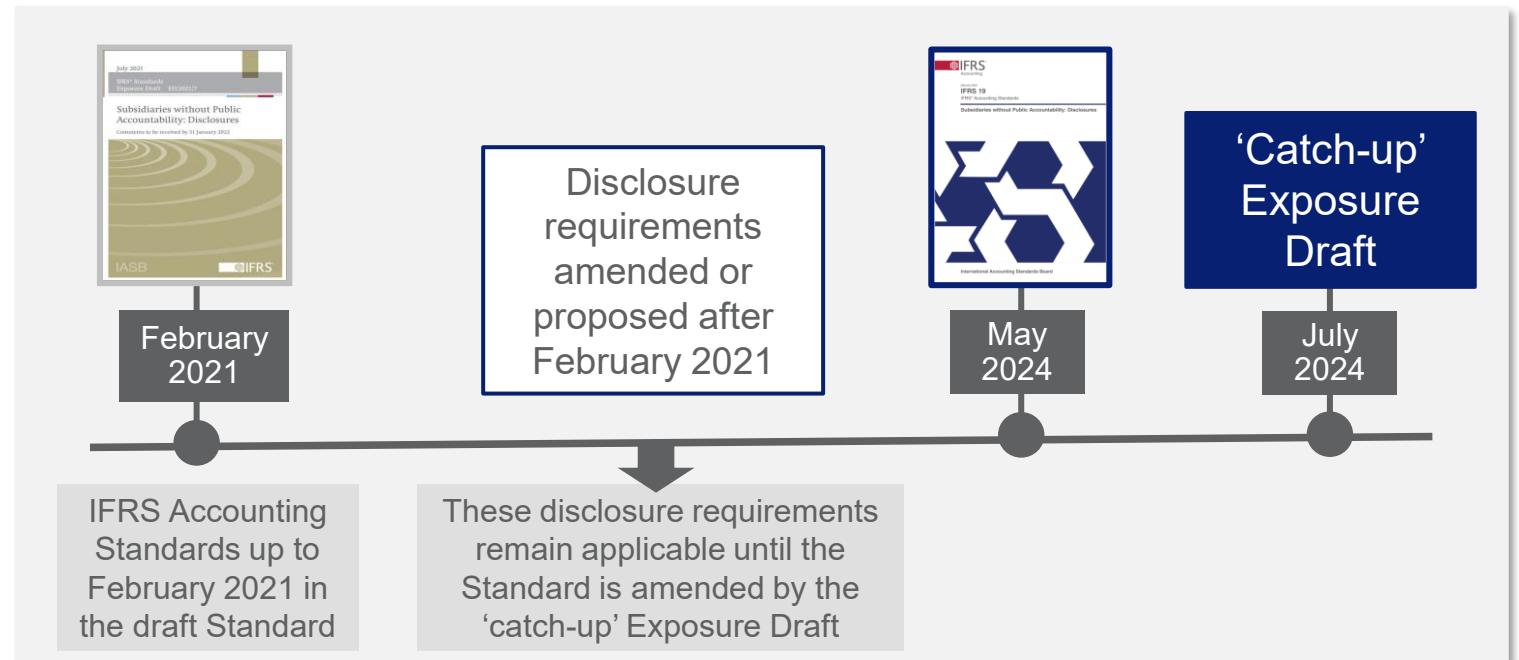

Final Amendment in Q4 2025

Updating IFRS 19 *Subsidiaries without Public Accountability: Disclosures*

Objective

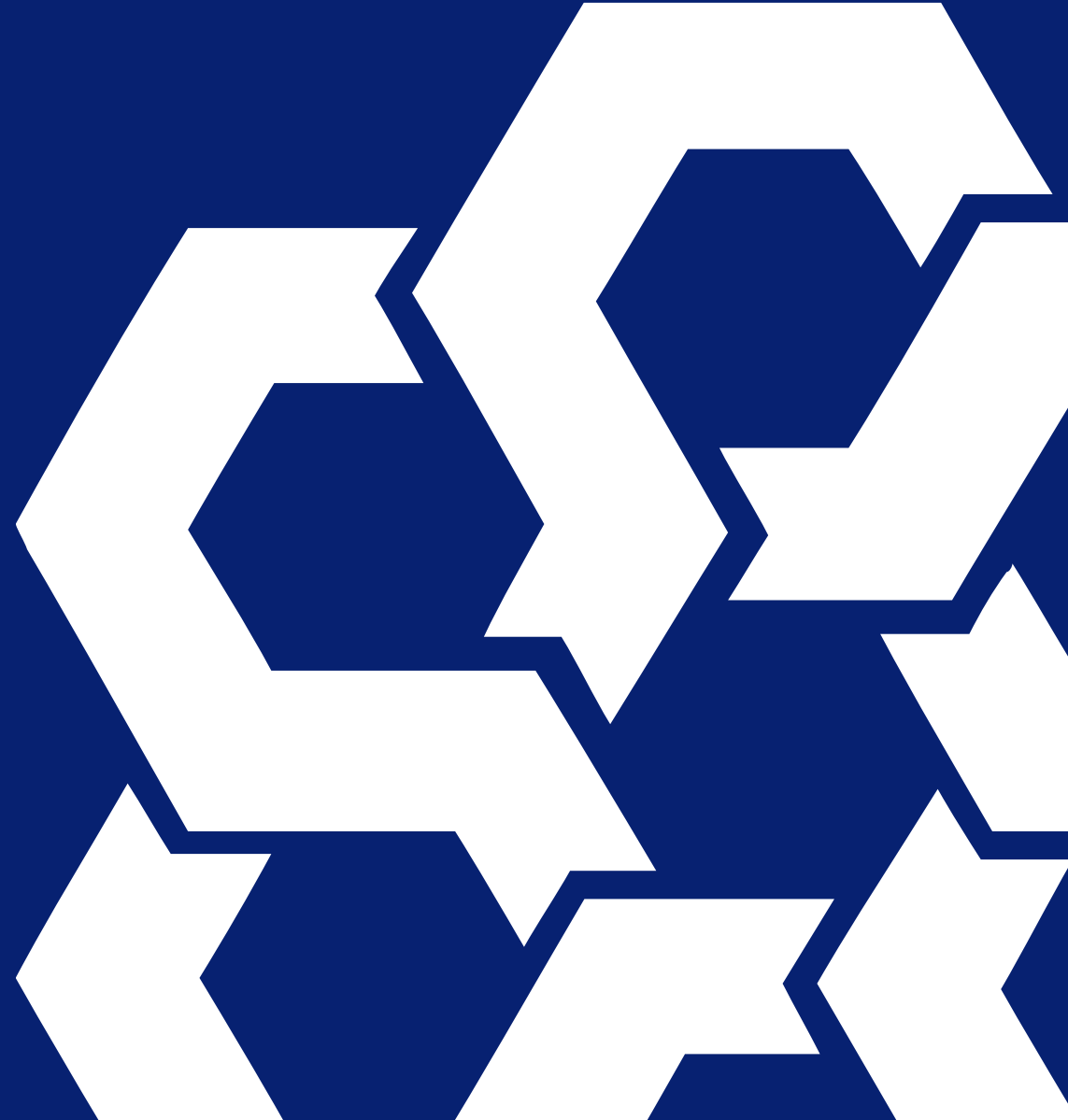
Propose amendments to IFRS 19 and consider reduced versions of disclosure requirements added to IFRS since March 2021:

- *Non-current Liabilities with Covenants*
- *Supplier Finance Arrangements*
- *Lack of Exchangeability*
- *Primary Financial Statements*
- *Rate Regulated Activities*
- *International Tax Reform—Pillar Two Model Rules*

Next milestone
Final Amendments in August 2025

New requirements



What is required when?

1 January 2025

- *Lack of Exchangeability* (Amendments to IAS 21)

1 January 2026

- *Amendments to the Classification and Measurement of Financial Instruments* (Amendments to IFRS 9 and IFRS 7)
- Annual Improvements to IFRS Accounting Standards—Volume 11
- *Contracts Referencing Nature-dependent Electricity*—Amendments to IFRS 9 and IFRS 7

1 January 2027

- IFRS 18: *Presentation and Disclosure in Financial Statements*
- IFRS 19: *Subsidiaries without Public Accountability: Disclosures*
- Third edition of the *IFRS for SMEs Accounting Standard*

Lack of Exchangeability

Objective

- Improve the usefulness of information provided to investors and fill a gap in IFRS Accounting Standards related to the effects of changes in foreign exchange rates

The amendments to IAS 21

- Require entities to apply a consistent approach in assessing whether a currency is exchangeable into another currency – and when a currency is not exchangeable, to estimate the spot exchange rate
- Provide disclosure requirements to enable investors to understand the financial statement effects of a currency not being exchangeable into another currency



Effective date

Annual reporting periods beginning on or after 1 January 2025, with earlier application permitted

Amendments to the Classification and Measurement of Financial Instruments (IFRS 9 and IFRS 7)

Objective

- Clarify requirements in response to feedback on the post-implementation review of the classification and measurement requirements in IFRS 9

The amendments to IFRS 9 and IFRS 7

- Derecognition of financial liabilities settled through electronic cash transfers
- Contractual cash flow characteristics of financial assets
- Disclosure requirements for equity instruments for which fair value changes are presented in other comprehensive income



Effective date

Annual reporting periods beginning on or after 1 January 2026, with earlier application permitted

Annual Improvements to IFRS Accounting Standards— Volume 11

Objective

- Improve the Standards through amendments that either:
 - clarify wording; or
 - correct relatively minor unintended consequences, oversights or conflicts between existing requirements

In scope

- IFRS 1 *First-time Adoption of International Financial Reporting Standards*
- IFRS 7 *Financial Instruments: Disclosures*
- IFRS 9 *Financial Instruments*
- IFRS 10 *Consolidated Financial Statements*
- IAS 7 *Statement of Cash Flows*



Effective date

Annual reporting periods beginning on or after 1 January 2026, with earlier application permitted

IFRS 18: *Presentation and Disclosure in Financial Statements*

Objective

- Improve communication in financial statements
- Focus on information included in the statement of profit or loss

Requirements

- New required subtotals in statement of profit or loss including ‘operating profit’
- Disclosures about management-defined performance measures (MPMs)
- Enhanced guidance on grouping of information (aggregation and disaggregation)



Effective date

Annual reporting periods beginning on or after 1 January 2027, with earlier application permitted

Contracts Referencing Nature-dependent Electricity

Objective

Better reflect the effects of contracts referencing nature-dependent electricity in entities' financial statements

The amendments to IFRS 9 and IFRS 7

- Apply to contracts referencing nature-dependent electricity. The amount of electricity generated under these contracts can vary based on uncontrollable factors such as weather conditions;
- Include application guidance for a purchaser of electricity when applying the own-use requirements of paragraph 2.4 of IFRS 9;
- Permit the designation of the hedged item as a variable nominal amount of a forecast transaction; and
- Add new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.



Effective date

Annual reporting periods beginning on or after 1 January 2026, with earlier application permitted

IFRS 19: *Subsidiaries without Public Accountability: Disclosures*

IFRS 19—at a glance

- A voluntary Standard for eligible subsidiaries that will permit applying IFRS Accounting Standards with reduced disclosure requirements
- IFRS 19 will simplify reporting systems and processes and thereby reduce the costs of preparing eligible subsidiaries' financial statements



Effective date

Annual reporting periods beginning on or after 1 January 2027, with earlier application permitted

How to apply IFRS 19

- IFRS 19 is a disclosure-only standard. It does not include:
 - recognition, measurement and presentation requirements
 - guidance on applying disclosure requirements
- For recognition, measurement and presentation requirements, a subsidiary will refer to the relevant IFRS Accounting Standard

Third edition of the *IFRS for SMEs* Accounting Standard

Objective

To improve the information provided to users of SMEs' financial statements while maintaining the simplicity of the *IFRS for SMEs* Accounting Standard.

Main changes to the Standard:

- A robust new model for recognising revenue from contracts with customers;
- Improved disclosures to help users of SMEs' financial statements assess credit risk, liquidity and expected cash flows; and
- Updated requirements for identifying and measuring a business combination.



Effective date

Annual reporting periods beginning on or after 1 January 2027, with earlier application permitted

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