

INVITATION TO COMMENT ON EFRAG'S ASSESSMENTS OF Amendments to IAS 21 *Translation to a Hyperinflationary Presentation Currency*

Once filled in, this form should be submitted by 2 February 2026 using the '[Submit your comment](#)' link, also available at the bottom of the respective news item. All open consultations can be found on EFRAG's website: [Open consultations: express your views](#).

EFRAG has been asked by the European Commission to provide it with advice and supporting material on the Amendments to IAS 21 *Translation to a Hyperinflationary Presentation Currency* ('the Amendments to IAS 21'). In order to do so, EFRAG has carried out an assessment of the Amendments to IAS 21 against the technical criteria for endorsement set out in Regulation (EC) No 1606/2002, and it has also assessed the costs and benefits that would arise from their implementation of this Standard in the European Union ('the EU') and the European Economic Area.

A summary of the Amendments to IAS 21 is set out in Appendix 1 of the accompanying *Draft Letter to the European Commission* regarding the endorsement of the Amendments to IAS 21.

Before finalising its assessment, EFRAG would welcome your views on the issues set out below. Please note that all responses received will be placed on the public record unless the respondents request confidentiality. In the interest of transparency, EFRAG will wish to discuss the responses it receives in a public meeting, so it is preferable that all responses be able to be published.

EFRAG's initial assessments, summarised in this questionnaire, will be updated for comments received from constituents when EFRAG is in the process of finalising its *Letter to the European Commission* regarding the endorsement of the Amendments to IAS 21.

Your details

1 Please provide the following details:

- (a) Your name or, if you are responding on behalf of an organisation or company, its name:

- (b) Are you a:

☐ Preparer ☐ User ☐ Other (please specify)

- (c) Please provide a short description of your activity:

- (d) Country where you are located:

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates ('Translation to a Hyperinflationary Presentation Currency')
Invitation to Comment on EFRAG's Initial Assessments

- (e) Contact details, including email address:

EFRAG's initial assessment with respect to the technical criteria for endorsement

- 2 EFRAG's initial assessment of the Amendments to IAS 21 is that they meet the technical criteria for endorsement. In other words, the Amendments to IAS 21 are not contrary to the principle of true and fair view, meet the criteria of understandability, relevance, reliability and comparability, and lead to prudent accounting. EFRAG's reasoning is set out in Appendix 2 of the accompanying *Draft Letter to the European Commission* regarding the endorsement of the Amendments to IAS 21.

- (a) Do you agree with this assessment?

☐ Yes ☐ No

If you do not agree, please provide your arguments and what you believe the implications of this could be for EFRAG's endorsement advice.

- (b) Are there any issues that are not mentioned in Appendix 2 of the *accompanying Draft Letter to the European Commission* regarding the endorsement of the Amendments to IAS 21 that you believe EFRAG should take into account in its technical evaluation of the Amendments to IAS 21? If there are, what are those issues, and why do you believe they are relevant to the evaluation?

The European public good

- 3 In its assessment of the impact of the Amendments to IAS 21 on the European public good, EFRAG has considered a number of issues that are addressed in Appendix 3 of the accompanying *Draft Letter to the European Commission* regarding the endorsement of the Amendments to IAS 21.

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates ('Translation to a Hyperinflationary Presentation Currency')
Invitation to Comment on EFRAG's Initial Assessments

Improvement in financial reporting

- 4 EFRAG has identified that, in assessing whether the endorsement of the Amendments to IAS 21 is conducive to the European public good, it should be considered whether the Amendments to IAS 21 are an improvement over current requirements across the areas which have been subject to changes (see paragraphs 50 to 51 of Appendix 3 of the accompanying *Draft Letter to the European Commission*). To summarise, EFRAG's initial assessment is that the Amendments to IAS 21 will streamline the consistent application of the requirements included in IAS 21 and will therefore improve the quality of financial reporting.

Do you agree with the assessment?

☐ Yes ☐ No

If you do not agree, please provide your arguments, and indicate how this could affect EFRAG's endorsement advice.

Costs and benefits

- 5 EFRAG is also assessing the costs that are likely to arise for preparers and for users following the implementation of the Amendments to IAS 21 in the EU, both in year one and in subsequent years. Some initial work has been carried out, and the responses to this invitation to comment will be used to complete the assessment.

The results of the initial assessment of costs are set out in paragraphs 53 to 59 of Appendix 3 of the accompanying *Draft Letter to the European Commission* regarding the endorsement of the Amendments to IAS 21. To summarise, EFRAG's initial assessment is that the Amendments to IAS 21 are not likely to result in increased costs for preparers (i.e. the amendments are likely to be cost saving or cost neutral) and are likely to result in cost savings for users, related to the implementation and ongoing costs of complying with these requirements.

Do you agree with this assessment?

☐ Yes ☐ No

If you do not, please explain why you do not, and if possible, explain broadly what you believe the costs involved will be?

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates ('Translation to a Hyperinflationary Presentation Currency')
Invitation to Comment on EFRAG's Initial Assessments

- 6 In addition, EFRAG is assessing the benefits that are likely to be derived from the Amendments to IAS 21. The results of the initial assessment of benefits are set out in paragraphs 60 to 62 of Appendix 3 of the accompanying *Draft Letter to the European Commission* regarding the endorsement of the Amendments to IAS 21. To summarise, EFRAG's initial assessment is that that both preparers and users are likely to benefit from the Amendments to IAS 21 by using a consistent approach when translating to a hyperinflationary presentation currency.

Do you agree with this assessment?

☐ Yes ☐ No

If you do not agree with this assessment, please provide your arguments, and indicate how this could affect EFRAG's endorsement advice.

- 7 EFRAG's initial assessment is that the benefits to be derived from implementing the Amendments to IAS 21 in the EU, as described in paragraph 6 above, are likely to outweigh the costs involved, as described in paragraph 5 above. The implementation of the Amendments to IAS 21 will improve financial information by being available on a more relevant, understandable and comparable basis.

Do you agree with this assessment?

☐ Yes ☐ No

If you do not agree with this assessment, please provide your arguments, and indicate how this could affect EFRAG's endorsement advice.

Overall assessment with respect to the European public good

- 8 EFRAG has initially concluded that the endorsement of the Amendments to IAS 21 would be conducive to the European public good (see paragraphs 64 to 66 of Appendix 3 of the accompanying *Draft Letter to the European Commission*).

*Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates ('Translation to a
Hyperinflationary Presentation Currency')
Invitation to Comment on EFRAG's Initial Assessments*

Do you agree with this conclusion?

☐ Yes ☐ No

If you do not agree, please explain your reasons.

--