



iGAAP in Focus

Financial reporting

IASB issues amendments to IFRS 19 to reduce disclosure requirements for new or recently amended IFRS Accounting Standards

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This *iGAAP in Focus* outlines *Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures*, published by the International Accounting Standards Board (IASB) on 21 August 2025.

- The IASB published amendments to IFRS 19 that provide reduced disclosure requirements for new or recently amended IFRS Accounting Standards
- The IASB amended the disclosure requirements by:
 - excluding disclosure objectives relating to supplier finance arrangements, lack of exchangeability, Pillar Two model rules, classification and measurement of financial instruments, and non-current liabilities with covenants
 - reducing disclosure requirements relating to supplier finance arrangements
 - excluding material that sets out guidance instead of disclosure requirements
 - replacing disclosure requirements relating to management-defined performance measures with a cross-reference to IFRS 18 *Presentation and Disclosure in Financial Statements* for entities that use these measures
- The amendments share the same effective date as IFRS 19, i.e. annual periods beginning on or after 1 January 2027 with earlier application permitted.

Background

In May 2024, the IASB issued **IFRS 19**. An eligible subsidiary that chooses to apply IFRS 19 applies the requirements in other IFRS Accounting Standards except for the disclosure requirements, and instead applies the disclosure requirements in IFRS 19.

The disclosure requirements in IFRS 19 come from other IFRS Accounting Standards. IFRS 19 includes reduced disclosure requirements from IFRS Accounting Standards issued before 28 February 2021. Disclosure requirements in new or amended IFRS Accounting Standards issued between 28 February 2021 and 1 May 2024 have been included in IFRS 19 without reductions because the IASB had not consulted on reducing those requirements.

For more information please see the following websites:

www.iasplus.com

www.deloitte.com

The IASB has consulted on reducing those requirements in Exposure Draft (ED) *Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures* and has decided to update the disclosure requirements in IFRS 19 from these new or amended standards so that IFRS 19 will only include disclosure requirements that reflect the IASB's principles for developing reduced disclosure requirements.

Observation

IFRS 19 will continue to be amended as necessary to ensure it remains up to date and consistent with any new or amended disclosure requirements in the other IFRS Accounting Standards. When developing a new standard or amendments to a standard, the IASB will apply the principles for reducing disclosure requirements and assess costs and benefits for eligible subsidiaries. The IASB will then obtain feedback on the reduced disclosure requirements and will publish them as consequential amendments to IFRS 19, which will be included in an appendix to the new standard or the amendments.

The amendments

Supplier finance arrangements

The IASB decided to retain the disclosure requirements in IFRS 19 relating to supplier finance arrangements, with some amendments. The IASB deleted the disclosure objective previously included in IFRS 19, consistent with its decision not to include disclosure objectives in IFRS 19. It also removed a reference in IFRS 19 to the disclosure objective that has been deleted and deleted the requirement to disclose the range of payment due dates for both the financial liabilities it has disclosed and the comparable trade payables that are not part of a supplier finance arrangement.

Lack of exchangeability

The IASB decided to retain the disclosure requirements in IFRS 19 relating to the amendments for lack of exchangeability issued in August 2023. The IASB amended IAS 21 *The Effects of Changes in Foreign Exchange Rates* to require an entity to apply a consistent approach to:

- assessing whether a currency is exchangeable into another currency
- determining the exchange rate to use and the disclosures to provide if a currency is not exchangeable.

The only amendment is to remove from IFRS 19 the disclosure objective introduced by these amendments and the reference to the amount of detail necessary to satisfy that objective.

International tax reform—Pillar Two model rules

The IASB decided to retain the disclosure requirements in IFRS 19 relating to the amendments to IAS 12 *Income Taxes* that introduced:

- a temporary exception to the requirements to recognise and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes
- targeted disclosure requirements for affected entities.

The only amendment is to remove from IFRS 19 the disclosure objective introduced by these amendments and a reference to that objective. Instead, the IASB added some of the language of the disclosure objective to the disclosure requirement.

Classification and measurement of financial instruments

In May 2024, the IASB added disclosure requirements to IFRS 19 as consequential amendments deriving from *Amendments to the Classification and Measurement of Financial Instruments* (changes to IFRS 9 *Financial Instruments* published in May 2024). The requirements relate to the effect of contractual terms that could change the amount of contractual cash flows as a result of a contingent event that does not directly relate to basic lending risks and costs (such as the time value of money or credit risk).

The IASB decided to remove the requirement for an entity to consider how much detail to disclose, the appropriate level of aggregation or disaggregation, and whether users of financial statements need additional explanations to evaluate any quantitative information disclosed. The IASB also deleted an example of instruments whose cash flows change based on a contingent event.

Presentation and disclosure in financial statements

The IASB decided to retain most of the disclosure requirements in IFRS 19 relating to IFRS 18. The only substantial change is the deletion of the requirements relating to management-defined performance measures (MPMs). Instead, an eligible subsidiary that uses MPMs as defined in IFRS 18 would be required to apply the related (full) disclosure requirements in IFRS 18.

The IASB also decided to remove the disclosure objective in IFRS 19 relating to non-current liabilities with covenants.

Observation

In the ED, the IASB asked stakeholders whether they agree with not reducing the disclosure requirements that will be introduced by the forthcoming new standard *Regulatory Assets and Regulatory Liabilities*. Respondents agreed that in the first instance eligible entities should be required to provide all the disclosures required by the new standard. The IASB should then consult on reduced disclosure requirements through a separate exposure draft after the new standard is issued. In line with this feedback, the IASB decided not to develop reduced disclosure requirements for regulatory assets and regulatory liabilities at this point.

Effective date

The amendments are effective for annual periods beginning on or after 1 January 2027, the same effective date as IFRS 19, with early application permitted.

Further information

If you have any questions about the amendments, please speak to your usual Deloitte contact or get in touch with a contact identified in this *iGAAP in Focus*.

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