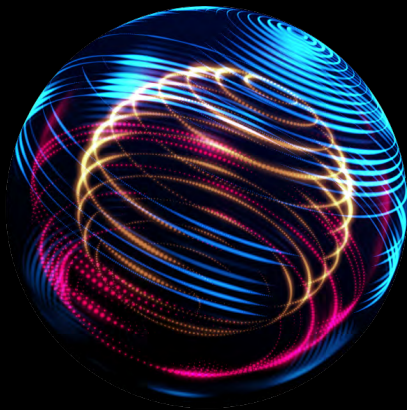


Deloitte.



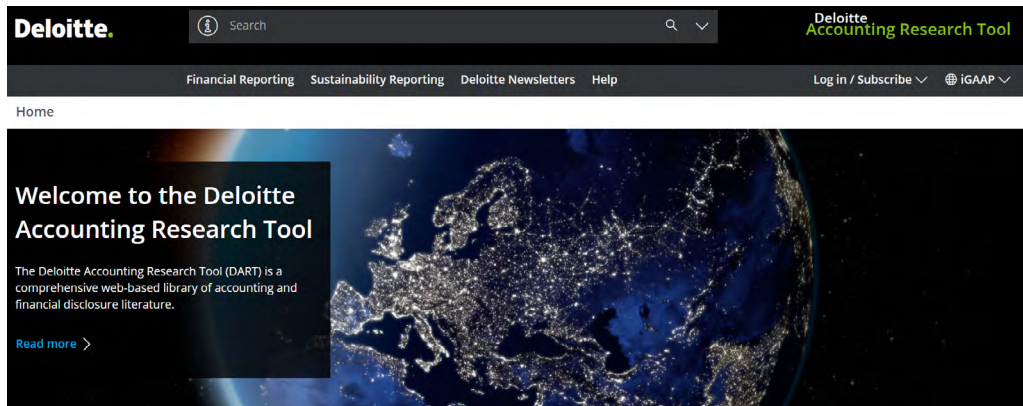
IFRS in your pocket
2025

Introduction

IFRS in your pocket is a comprehensive summary of current IFRS Standards and Interpretations along with details of projects on the standard-setting agenda of the IASB and ISSB. Backing this up is information about the IASB, the ISSB and an analysis of the use of IFRS Standards around the world.

The information included in this edition of *IFRS in your pocket* reflects developments until 31 August 2025.

Deloitte Accounting Research Tool (DART)



Deloitte Accounting Research Tool (DART)

The Deloitte Accounting Research Tool (DART) is a comprehensive online library of accounting and financial disclosure literature.

iGAAP on DART gives quick access to:

- Deloitte's authoritative, regularly updated, practical guidance on all the IFRS Standards
- illustrative and real-life disclosure examples to help navigate recent changes in IFRS Standards
- full text of IFRS Standards
- practical issues faced by reporting entities
- clear explanations of IFRS requirements
- interpretation and commentary when IFRS Standards are silent, ambiguous or unclear
- illustrative financial statements for IFRS reporters.

iGAAP deals comprehensively with IFRS Standards issued by the IFRS Foundation and includes:

- *Volume A: A guide to IFRS reporting*, which covers all IFRS Accounting Standards other than those dealing exclusively with financial instruments or insurance contracts
- *Volume B: Financial Instruments—IFRS 9 and related Standards*, which provides guidance on the application of IFRS Accounting Standards dealing with financial instruments for entities that have adopted, or are planning to adopt, IFRS 9
- *Volume C: Financial Instruments—IAS 39 and related Standards*, which provides guidance on the application of IFRS Accounting Standards dealing with financial instruments for entities that have not yet adopted IFRS 9
- *Volume D: IFRS 17 Insurance Contracts*, which provides guidance on the application of IFRS 17, effective for periods beginning on or after 1 January 2023
- *Volume E: Sustainability Reporting (Global)*, which provides guidance on the disclosure requirements of the IFRS Sustainability Disclosure Standards and related reporting requirements

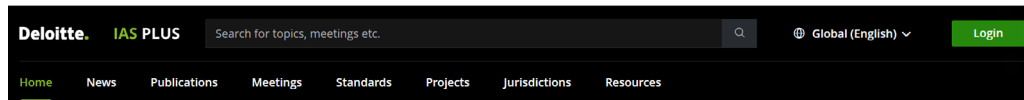
Deloitte Accounting Research Tool (DART)

- *Volume F: Sustainability Reporting (EU)*, which provides guidance on the sustainability reporting requirements in the EU which affect a range of entities that are incorporated, listed, located or have activity in the EU
- *Volume G: Sustainability Reporting (GHG Protocol)*, which considers the guidance provided in the GHG Protocol regarding the measurement and disclosure of greenhouse gas (GHG) emissions within corporate reporting frameworks.

To apply for a subscription to DART, click [here](#) to start the application process and select the iGAAP package.

For more information about DART, including pricing of subscription packages, click [here](#).

Our IAS Plus website



Viewing: all categories ▾

Latest News

DPOC | 09 Sep 2025

Summary of the July 2025 DPOC meeting

The IFRS Foundation has released a summary of the Due Process Oversight Committee (DPOC) meeting on 24 July 2025.

AASB | 09 Sep 2025

Statement of cash flows and related matters – AASB research report

The Australian Accounting Standards Board (AASB) has released 'Statement of Cash Flows and Related Matters – Australian Listed Entities'.



Amendments to IFRS 19

IASB catches up with disclosures developed between 28 February 2021 and 1 May 2024 that were not considered when IFRS 19 was first issued



Our IAS Plus website

Deloitte's IAS Plus (www.iasplus.com) is a comprehensive source of global financial and sustainability reporting news, including information on the IFRS Foundation as well as global and regional organisations involved in financial reporting, sustainability and integrated reporting, and other topics. The site, which is also available in German, includes portals tailored to the United Kingdom and Canada (available in English and French), each with a focus on local generally accepted accounting principles (GAAP) and jurisdiction-specific corporate reporting requirements.

IAS Plus features:

- **news** about global reporting developments, presented intuitively with related news, publications, events and more
- **summaries of all IFRS Standards, Interpretations and projects**, with complete histories of developments and standard-setter discussions together with related news and publications
- **rich jurisdiction-specific information**, including background and reporting requirements, links to country-specific resources, related news and publications and a comprehensive history of the adoption of IFRS Accounting Standards around the world
- detailed personalisation of the site, which is available by selecting particular topics of interest and tailored views of the site
- **dedicated resource pages** for the IASB and the ISSB, including their advisory bodies
- important dates highlighted throughout the site for upcoming meetings, deadlines and more
- **a library of IFRS-related publications** available for download and subscription including our popular iGAAP in Focus newsletters and other publications
- **IFRS Illustrative Financial Statements** that illustrate the application of the presentation and disclosure requirements of IFRS Accounting Standards

Our IAS Plus website

- Deloitte comment letters to the IASB, ISSB and numerous other bodies
- an extensive electronic library of both global and jurisdiction-specific IFRS resources
- **e-learning modules** for most IFRS Accounting Standards
- enhanced search functionality, allowing easy access to topics of interest by tags, categories or free text searches, with search results intuitively presented by category with further filtering options
- a mobile-friendly interface.

IFRS Standards around the world

IFRS Accounting Standards

Most jurisdictions have reporting requirements for listed and other types of entities that include presenting financial statements that are prepared in accordance with a set of generally accepted accounting principles. IFRS Accounting Standards provide such a set of principles and are used extensively around the world.

We maintain an up-to-date summary of the adoption of IFRS Accounting Standards around the world on IAS Plus at: www.iasplus.com/en/resources/ifrs-topics/use-of-ifrs

The IFRS Foundation publishes individual jurisdictional profiles which can be found in: <https://www.ifrs.org/use-around-the-world/use-of-ifrs-standards-by-jurisdiction/>

Europe

43¹ jurisdictions in Europe require IFRS Accounting Standards to be applied by all or most of their domestic publicly accountable entities. Switzerland permits the use of IFRS Accounting Standards.

The EU has a strong endorsement process which requires each new IFRS Accounting Standard or Interpretation, or amendments to an IFRS Accounting Standard or Interpretation, to be endorsed for use in the EU. That process involves:

- translating the IFRS Accounting Standards into all EU languages
- the private-sector EFRAG giving its endorsement advice to the European Commission (EC)
- the EC's Accounting Regulatory Committee (ARC) making an endorsement recommendation
- the EC submitting the endorsement proposal to the European Parliament and to the Council of the EU.

IFRS Standards around the world

Both the Parliament and the Council must not oppose (or in certain circumstances must approve) endorsement within three months, otherwise the proposal is sent back to the EC for further consideration. Further information on endorsement is available from Deloitte: www.iasplus.com/en/resources/ifrs-topics/europe. The most recent status on EU endorsement of IFRS Accounting Standards can be found at: <https://www.efrag.org/en/financial-reporting/endorsement-status>.

In the UK, the UK Endorsement Board (UKEB) influences, endorses and adopts new or amended IFRS Accounting Standards issued by the IASB for use by UK companies. The UKEB consults publicly with stakeholders that have an interest in financial reporting in the UK so that it can develop and represent evidence-based UK views with the aim of acting as the UK voice on IFRS Accounting Standards financial reporting. The most recent status on UK endorsement of IFRS Accounting Standards can be found at: <https://www.endorsement-board.uk/standards/adoption-status-report/>

The Americas

27¹ jurisdictions in the Americas require IFRS Accounting Standards to be applied by all or most of their domestic publicly accountable entities. A further six jurisdictions permit or require IFRS Accounting Standards for at least some domestic publicly accountable entities.

In the United States, foreign private issuers are permitted to submit financial statements prepared using IFRS Accounting Standards as issued by the IASB without having to include a reconciliation of the IFRS figures to US GAAP. The SEC does not permit its domestic issuers to use IFRS Accounting Standards in preparing their financial statements; rather, they are required to use US GAAP.

Asia-Oceania

28¹ jurisdictions in Asia-Oceania require IFRS Accounting Standards to be applied by all or most of their domestic publicly accountable entities. Two further 2 jurisdictions permit or require IFRS Accounting Standards for at least some domestic publicly accountable entities.

IFRS Standards around the world

Africa

37¹ jurisdictions in Africa require IFRS Accounting Standards to be applied by all or most of their domestic publicly accountable entities. Two further jurisdictions permit or require IFRS Accounting Standards for at least some domestic publicly accountable entities.

Middle East

12¹ jurisdictions in the Middle East require IFRS Accounting Standards to be applied by all or most of their domestic publicly accountable entities and one permits or requires IFRS Accounting Standards for at least some domestic publicly accountable entities.

Filing requirements

The IASB is also gathering information about the filing requirements for financial statements prepared in accordance with IFRS Accounting Standards. This includes an assessment of requirements to file electronic versions of the financial statements, and the form of those filings.

There is an increasing use of structured data filings using the XML-based language called XBRL.

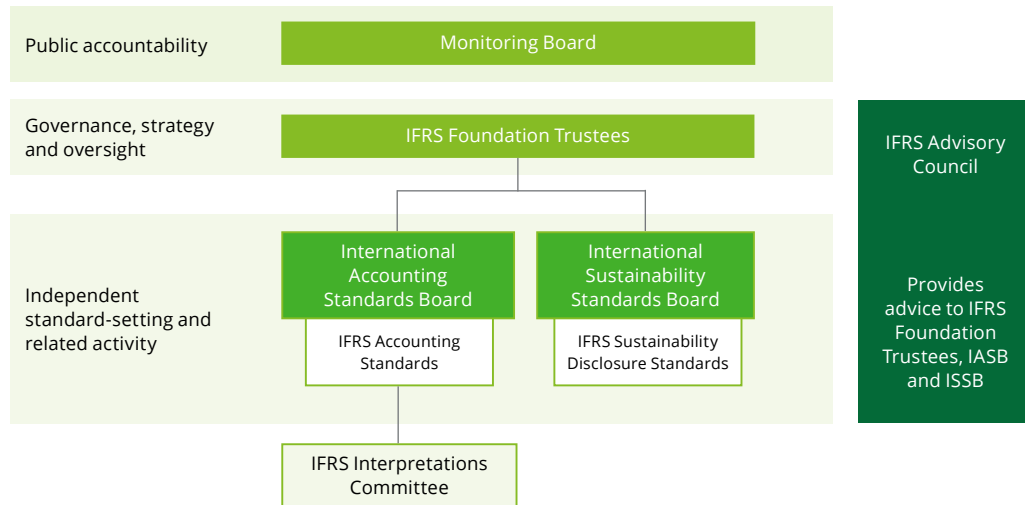
More information on the IFRS Taxonomy maintained by the IASB is available at www.ifrs.org/issued-standards/ifrs-taxonomy/.

IFRS Sustainability Disclosure Standards

An overview of jurisdictions that have adopted or are in the process of adopting the ISSB standards is available on IAS Plus: <https://iasplus.com/en/publications/global/special-topics/sustainability/issb-adoption-tracker>.

¹Source: <https://www.ifrs.org/use-around-the-world/use-of-ifrs-standards-by-jurisdiction/#analysis-of-the-169-profiles>; last updated May 2025

The IFRS Foundation and its boards



NB: There are other consultative bodies that are not displayed in this diagram that inform the work of the IASB and ISSB.

The IFRS Foundation and its boards

IFRS Foundation

The IFRS Foundation is the organisation that develops IFRS Standards for the public interest. It has a staff of around 370 people and has its main office in London.

Within the IFRS Foundation are the IASB and the ISSB, independent bodies of accounting and sustainability reporting professionals. The IASB and the ISSB are responsible for the technical content of IFRS Standards. The staff of the IFRS Foundation supports the work of the IASB and the ISSB. The boards have technical staff members who analyse issues and help the IASB (and its interpretations body—the IFRS Interpretations Committee (IFRS IC)) as well as the ISSB to make technical decisions. Other functions include engagement, adoption, capacity building, revenue generation, communications, finance, human resources and legal.

The IFRS Foundation and its boards

International Accounting Standards Board

The IASB is a technical standard-setting body.

Membership	<p>The IASB has 13 members. Most are full-time, so that they commit all of their time to paid employment as an IASB member. Up to three can be part-time, but they are expected to spend most of their time on IASB activities.</p> <p>All members of the IASB are required to commit themselves formally to acting in the public interest in all matters.</p>
Global balance	<p>Up to four members are appointed from each of Asia-Oceania, Europe and the Americas, and one member is appointed from Africa.</p> <p>One additional member can be appointed from any area, subject to maintaining overall geographical balance.</p>
Qualifications of IASB members	<p>Members are selected to ensure that at all times the IASB has the best available combination of technical expertise and diversity of international business and market experience to develop high quality, global financial reporting standards. Members include people who have experience as auditors, preparers, users, academics and market and/or financial regulators.</p>
Term	<p>The maximum term is 10 years—an initial term of five years and a second term of three to five years (five years for the Chair and Vice-Chair).</p>
Meetings	<p>The IASB meets in public to discuss technical matters, usually once a month.</p>

The current members of the IASB are profiled at <https://www.iasplus.com/en/resources/ifrsf/iasb-ifrs-ic/iasb-board>

The IFRS Foundation and its boards

IFRS Interpretations Committee (IFRS IC)

The IFRS IC is responsible for developing interpretations of IFRS Accounting Standards.

Membership	The IFRS IC has 14 members, appointed because of their experience with IFRS Accounting Standards. They are not paid, but the IFRS Foundation reimburses members for out-of-pocket costs. The Trustees appoint a member of the IASB, the Executive Technical Director or another senior member of the IASB staff, or another appropriately qualified individual, to chair the IFRS IC. The Chair has the right to speak to the technical issues being considered but not to vote.
Meetings	The IFRS IC meets in public to consider requests to interpret IFRS Accounting Standards. It meets up to six times a year.
Interpretations	<p>If the IFRS IC decides that an IFRS Accounting Standard is not clear and that it should provide an interpretation of the requirements it either develops an interpretation or, in consultation with the IASB, develops narrow-scope amendments to the IFRS Accounting Standard.</p> <p>Deciding to develop an interpretation, or amendments to an interpretation, means that the IFRS IC has taken the matter onto its agenda. The development of an interpretation follows a similar process to the development of an IFRS Accounting Standard. They are developed in public meetings and the draft interpretation is exposed for public comment. Once the interpretation has been completed it must be ratified by the IASB before it can be issued. Interpretations become part of IFRS Accounting Standards, so have the same weight as any standard.</p>

The IFRS Foundation and its boards

Agenda decisions

Along with developing formal interpretations of IFRS Accounting Standards and proposing that the IASB make amendments to IFRS Accounting Standards, the IFRS IC regularly publishes summaries of issues that it has decided not to add to its agenda, often accompanied by a discussion of the accounting issue submitted. The IFRS IC requests comments on tentative agenda decisions, the comment period for which is normally 60 days. Before an agenda decision is published, the IASB is asked—at its first public meeting at which it is practicable to present the agenda decision—whether it objects to the agenda decision. If four or more IASB members object, the agenda decision is not published and the IASB decides how to proceed.

The IFRS Foundation has clarified that the explanatory material in the agenda decisions published by the IFRS IC derives its authority from the IFRS Accounting Standards themselves and, therefore, its application is required.

The IFRS Foundation *Due Process Handbook* also notes that it is expected that an entity would be entitled to sufficient time to make that determination and implement any necessary accounting policy change (for example, an entity may need to obtain new information or adapt its systems to implement a change). Determining how much time is sufficient to make an accounting policy change is a matter of judgement that depends on an entity's particular facts and circumstances. Nonetheless, an entity would be expected to implement any change on a timely basis and, if material, consider whether disclosure related to the change is required by IFRS Accounting Standards.

The IFRS Foundation and its boards

Due process

The IASB and the IFRS IC follow a comprehensive and open due process built on the principles of transparency, full and fair consultation and accountability. The IFRS Foundation Trustees, through its Due Process Oversight Committee, is responsible for overseeing all aspects of the due process procedures of the IASB and the IFRS IC, and for ensuring that those procedures reflect best practice.

The IFRS Foundation's *Due Process Handbook* sets out the following due process requirements:

Transparency	All technical discussions are held in public (and usually via webcast) and the staff-prepared agenda papers are publicly available. The purpose of the agenda papers is to ensure that the IASB and the IFRS IC have sufficient information to be able to make decisions based on the staff recommendations. A final standard or interpretation must be approved by at least 8 members if the IASB has 13 or less members or 9 members if the IASB has 14 members.
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The IFRS Foundation and its boards

Full and fair consultation

The IASB must:

- hold a public consultation on its technical work programme every five years
- evaluate all requests received for possible interpretation or amendments of a standard
- debate all potential standard-setting proposals in public meetings
- expose for public comment any proposed new standard, amendments to a standard or interpretation
- explain its rationale for proposals in a basis for conclusions, and individual IASB members who disagree publish their alternative views
- consider all comment letters received on the proposals, which are placed on the public record, in a timely manner
- consider whether the proposals should be exposed again
- consult the Accounting Standards Advisory Forum (ASAF) and the Advisory Council on the technical work programme, major projects, project proposals and work priorities
- ratify any interpretations developed by the IFRS IC
- decide whether it objects to an IFRS IC agenda decision.

Additionally, the IASB must undertake the following steps, or explain why they do not consider them to be necessary for a specific project:

- publish a discussion document (for example, a discussion paper before specific proposals are developed)
- establish a consultative group or other types of specialist advisory group
- hold public hearings
- undertake fieldwork.

The IFRS Foundation and its boards

Accountability	<p>An effects analysis and basis for conclusions (and dissenting views) are published with each new standard.</p> <p>The IASB is committed to conducting post-implementation reviews of each new standard or major amendments of an existing standard.</p>
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Further information on the IASB's due process can be found at www.ifrs.org/about-us/how-we-set-standards/.

International Sustainability Standards Board

The ISSB is a technical standard-setting body.

Membership	<p>The ISSB has 14 members. Most are full-time, so that they commit all of their time to paid employment as an ISSB member. A minority of the members can be part-time, but they are expected to spend most of their time on ISSB activities.</p> <p>All members of the ISSB are required to commit themselves formally to acting in the public interest in all matters.</p>
Global balance	<p>Up to three members are appointed from each of Asia-Oceania, Europe and the Americas and one member is appointed from Africa.</p> <p>Four additional members can be appointed from any area, subject to maintaining overall geographical balance.</p>

The IFRS Foundation and its boards

Qualifications of ISSB members	Members are selected to ensure that at all times the ISSB has the best available combination of technical expertise and diversity of international business and market experience to develop high quality, global sustainability reporting standards. Members include people who have experience as auditors, preparers, users, academics and market and/or financial regulators. Collectively, ISSB members are expected to demonstrate expert knowledge, relevant industry expertise in sustainability reporting and share practical, relevant and up-to-date experience of sustainability reporting so that the ISSB as a group can contribute to the development of high-quality, global sustainability disclosure standards.
Term	The maximum term is 10 years—an initial term of five years and a second term of three to five years (five years for the Chair and Vice-Chairs).
Meetings	The ISSB meets in public to discuss technical matters, usually once a month.

The ISSB currently does not have an interpretations committee.

Due process

The transparent due process practices of the IFRS Foundation were a critical factor in stakeholders' support for establishing the ISSB under the IFRS Foundation, and stakeholders noted that the ISSB's due process should largely be based on that of the IASB, but not necessarily identical. However, the IFRS Foundation has stated that the ISSB would need to be clear about the reason for any differences.

Until such time as the IFRS Foundation's *Due Process Handbook* is revised to reflect the process and practices of the ISSB, the ISSB's due process is expected to reflect the same principles as for the IASB (see above).

The IFRS Foundation and its boards

Consultative bodies

IFRS Foundation advisory groups	<p>The IFRS Advisory Council is the formal strategic advisory body to the IFRS Foundation Trustees, the IASB and the ISSB. It meets twice a year and its members give advice to the IASB and ISSB on their work programmes, inform the IASB and the ISSB of their views on major standard-setting projects and give other advice to the IASB, ISSB or the Trustees. The Advisory Council has at least 30 members (and currently has 55). Members are appointed by the Trustees and are organisations and individuals with an interest in international financial reporting from a broad range of geographical and functional backgrounds.</p> <p>The Integrated Reporting and Connectivity Council (IIRC) is an advisory body to the IFRS Foundation Trustees, the IASB and the ISSB. The Council provides guidance on how reporting required by the IASB and the ISSB could be integrated, and how the IASB and the ISSB could consider applying principles and concepts from the Integrated Reporting Framework to their projects.</p>
IASB advisory groups	<p>The Accounting Standards Advisory Forum (ASAF) meets with the IASB four times a year, in a public meeting, to discuss technical topics. It comprises national standard-setters and regional standard-setting bodies, contributing towards the goal of developing globally accepted high-quality accounting standards.</p>

The IFRS Foundation and its boards

IASB standing consultative groups	Capital Markets Advisory Committee (CMAC), Global Preparers Forum (GPF), Emerging Economies Group (EEG), IFRS Taxonomy Consultative Group (ITCG—also advises the ISSB), SME Implementation Group (SMEIG)
IASB project consultative groups	Consultative Group for Rate Regulation (CGRR), Management Commentary Consultative Group (MCCG)
ISSB advisory groups	<p>The Sustainability Standards Advisory Forum (SSAF) meets regularly with the ISSB to discuss sustainability topics. It comprises a group of nominated members from jurisdictional and regional authorities involved in sustainability-related reporting.</p> <p>The ISSB Investor Advisory Group (IIAG) is a group of leading asset owners and asset managers in various markets who are committed to improving the quality and comparability of sustainability-related financial disclosures. The IIAG serves as an advisory body to the ISSB in providing strategic guidance on developing IFRS Sustainability Disclosure Standards and helping to ensure that the investor perspective is articulated clearly and is considered in the ISSB's standard-setting process.</p> <p>The Sustainability Consultative Committee's (SCC) remit is to identify, inform and advise the ISSB on priority sustainability matters and related technical protocols, as well as significant interdependencies between sustainability matters. It will provide a consultative and advisory forum where members can constructively contribute towards the achievement of the ISSB's goal of developing globally accepted, high-quality sustainability disclosure standards.</p>

The IFRS Foundation and its boards

Transition Implementation Groups	The Transition Implementation Group on IFRS S1 and IFRS S2 (TIG) discusses, in a public forum, implementation questions that arise when entities implement IFRS S1 and IFRS S2.
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Governance

Monitoring Board

The Monitoring Board provides formal interaction between capital markets authorities and the IFRS Foundation. It provides public accountability of the IFRS Foundation through a formal reporting line from the Trustees of the IFRS Foundation to the Monitoring Board

Responsibilities	<ul style="list-style-type: none">• Approves the appointment of the Trustees• Reviews the adequacy and appropriateness of Trustee arrangements for financing the IASB• Reviews the Trustees' oversight of the IASB's and the ISSB's standard-setting process, particularly with respect to their due process arrangements• Confers with the Trustees regarding the responsibilities pertinent to the IFRS Foundation's oversight to the IASB and ISSB, particularly in relation to the regulatory, legal and policy developments• Can refer matters of broad public interest related to financial reporting to the IASB and ISSB through the IFRS Foundation
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The IFRS Foundation and its boards

Membership

The Monitoring Board currently comprises representatives of the Board of the International Organization of Securities Commissions (IOSCO), the IOSCO Growth and Emerging Markets Committee, the Financial Services Agency of Japan (JFSA), the European Commission (EC), the US Securities and Exchange Commission (SEC), the Brazilian Comissão de Valores Mobiliários (CVM), the Financial Services Commission of Korea (FSC), the Ministry of Finance of the People's Republic of China (China MOF) and the Financial Conduct Authority (FCA) of the UK. The Basel Committee on Banking Supervision is an observer.

The IFRS Foundation and its boards

Trustees of the IFRS Foundation

The IFRS Foundation's governing body is the Trustees of the IFRS Foundation.

Responsibilities	<ul style="list-style-type: none">• Appoint members of the IASB, the ISSB, the IFRS IC and the IFRS Advisory Council• Establish and amend the operating procedures, consultative arrangements and due process for the IASB, the ISSB, the IFRS IC and the IFRS Advisory Council• Review annually the strategy of the IASB and the ISSB, and assess its effectiveness• Ensure the financing of the IFRS Foundation and approve its budget annually <p>The Trustees ensure that the IASB and ISSB develop IFRS Standards in accordance with the IFRS Foundation due process requirements, through the Trustee Due Process Oversight Committee (DPOC).</p>
Membership	<p>There are 22 Trustees, each being appointed for a three-year term, renewable once. The exception is that a trustee can be appointed to serve as Chair or Vice-Chair for a term of three years, renewable once, provided that the total period of service does not exceed nine years.</p> <p>Trustees are selected to provide a balance of people from senior professional backgrounds who have an interest in promoting and maintaining transparency in corporate reporting globally. To maintain a geographical balance, six trustees are appointed from each of Asia-Oceania, Europe and the Americas, one Trustee is appointed from Africa and three Trustees are appointed from any area, subject to maintaining the overall geographical balance.</p>

The IFRS Foundation and its boards

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San Francisco

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San Francisco, CA 94111
USA

IFRS Accounting Standards, Interpretations and Practice Statements

The IASB was established in 2001, replacing the IASC. The IASC produced standards called International Accounting Standards (IAS standards) and its interpretations were called SIC interpretations. One of the first actions of the IASB was to adopt all of the IASC's IAS standards and SIC interpretations as its own. At the same time, the IASB started to develop new standards and interpretations, calling each new standard an IFRS Standard and each interpretation an IFRIC Interpretation.

The accounting standards issued by the IASB are referred to as a set as the IFRS Accounting Standards. They comprise:

- International Financial Reporting Standards
- International Accounting Standards
- IFRIC Interpretations
- SIC Interpretations.

To determine whether an IFRS Accounting Standard needs to be amended or whether a new IFRS Accounting Standard should be developed, the IASB undertakes projects. The IASB distinguishes the following types of projects:

Standard-setting projects	These are active projects on the standard-setting agenda to develop a new IFRS Accounting Standard or substantially amend an existing IFRS Accounting Standard.
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IFRS Accounting Standards, Interpretations and Practice Statements

Research projects	In developing new IFRS Accounting Standards and major amendments to IFRS Accounting Standards, the IASB first carries out a research project to gather evidence about the problem to be solved and assess whether a feasible solution can be found before starting a standard-setting project. The IASB determines which research projects to undertake by consulting with stakeholders about their priorities.
Maintenance projects	Maintenance projects focus on application questions about IFRS Accounting Standards. For such projects, the IASB develops narrow-scope amendments to IFRS Accounting Standards.
Research project pipeline	Research pipeline projects are projects that the IASB expects to start work on before its next five-yearly agenda consultation. Research pipeline projects arise from agenda consultations, post-implementation reviews and horizon-scanning.
Maintenance project pipeline	Maintenance pipeline projects include recommendations from the IFRS IC and those identified as part of the IASB's five-yearly agenda consultation. Maintenance pipeline projects are expected to be narrow in scope.
Reserve list	Projects on the reserve list will be added to the work plan if, and only if, additional capacity becomes available before the IASB's next five-yearly agenda consultation. Projects in the research pipeline will be prioritised over those on the reserve list.

IFRS Accounting Standards, Interpretations and Practice Statements

When the IASB amends or issues new IFRS Accounting Standards, it provides a period of transition before the new requirements are mandatory, but generally allows entities to apply the new requirements before the mandatory date. The effect is that there is sometimes a choice of requirements available to entities.

The IFRS Foundation produces two volumes of standards and interpretations—the Required and Issued IFRS Accounting Standards.

Required IFRS Accounting Standards	The standards and interpretations that an entity would apply if it elected not to apply any new requirements before the mandatory date. This volume does not include the versions of standards or interpretations that have an effective date after 1 January of that year.
Issued IFRS Accounting Standards	The standards and interpretations that an entity would apply if they applied all of the new requirements earlier than required. This volume does not include the versions of standards or interpretations that those new requirements are replacing.

The IFRS Foundation also produces annotated versions of these volumes that reproduce the agenda decisions published by the IFRS IC and cross-references to the basis for conclusions and related standards or interpretations.

IFRS Accounting Standards, Interpretations and Practice Statements

The IFRS Foundation provides registered users with **free access** to the PDF and HTML files of the current year's consolidated IFRS Accounting Standards, the official pronouncements as issued by the IASB, excluding the accompanying documents (illustrative examples, implementation guidance and bases for conclusions). These unaccompanied standards are updated every year and usually become available in May after the consolidated Issued IFRS Accounting Standards have been published.

The non-mandatory implementation and illustrative guidance and bases for conclusions that accompany the standards and interpretations are not freely available. IASB pronouncements and publications can be purchased in printed and electronic formats from the [IFRS Foundation shop](#).

IFRS Accounting Standards, Interpretations and Practice Statements

In the sections that follow, we have summarised the requirements of the standards and interpretations on issue at 31 August 2025, reflecting also amendments to these standards and interpretations up to that date. These summaries are intended as general information and are not a substitute for reading the entire standard or interpretation.

Preface to International Financial Reporting Standards

Covers, among other things, the objectives of the IASB, the scope of IFRS Accounting Standards, due process for developing standards and interpretations, equal status of 'bold type' and 'plain type' paragraphs, policy on effective dates and use of English as the official language.

IFRS Accounting Standards, Interpretations and Practice Statements

Conceptual Framework for Financial Reporting

Overview

Describes the objective of, and the concepts for, general purpose financial reporting.

Purpose and status

Assists the IASB to develop IFRS Accounting Standards that are based on consistent concepts; preparers to develop consistent accounting policies when no IFRS Accounting Standard applies to a particular transaction or other event, or when an IFRS Accounting Standard allows a choice of accounting policy; and all parties to understand and interpret the IFRS Accounting Standards.

It is not an IFRS Accounting Standard and sits outside of IFRS Accounting Standards. Nothing in the *Conceptual Framework* overrides any IFRS Accounting Standard or any requirement in an IFRS Accounting Standard.

The objective of general purpose financial reporting

The objective of general purpose financial reporting is to provide financial information about the reporting entity that is useful to existing and potential investors, lenders and other creditors in making decisions relating to providing resources to the entity.

Those decisions include buying, selling or holding equity and debt instruments, providing or settling loans and other forms of credit, exercising rights to vote on, or otherwise influence, management.

General purpose financial reports provide information about the resources of, and claims against, an entity and the effects of transactions and other events on those resources and claims.

IFRS Accounting Standards, Interpretations and Practice Statements

Qualitative characteristics of useful financial information

For financial information to be useful, it needs to meet the qualitative characteristics set out in the *Conceptual Framework*. The fundamental qualitative characteristics are relevance and faithful representation.

Financial reports represent economic phenomena in words and numbers. To be useful, financial information must not only represent relevant phenomena, but it must also faithfully represent the substance of the phenomena that it purports to represent.

Faithful representation means the information must be complete, neutral and free from error. Neutrality is supported by exercising caution when making judgements under conditions of uncertainty, which is referred to in the *Conceptual Framework* as prudence. Such prudence does not imply a need for asymmetry, for example, a systematic need for more persuasive evidence to support the recognition of assets or income than the recognition of liabilities or expenses. Such asymmetry is not a qualitative characteristic of useful financial information.

Financial information is also more useful if it is comparable, verifiable, timely and understandable.

IFRS Accounting Standards, Interpretations and Practice Statements

Financial statements and the reporting entity

Financial statements are prepared from the perspective of an entity as a whole, rather than from the perspective of any particular group of investors, lenders or other creditors (the entity perspective).

Financial statements are prepared on the assumption that the reporting entity is a going concern and will continue in operation for the foreseeable future.

A reporting entity is an entity that chooses, or is required, to prepare financial statements. Obvious examples include a single legal structure, such as an incorporated entity, and a group comprising a parent and its subsidiaries.

A reporting entity need not be a legal entity, although this makes it more difficult to establish clear boundaries when it is not a legal entity, or a parent-subsidiary group. When a reporting entity is not a legal entity, the boundary should be set by focusing on the information needs of the primary users. A reporting entity could also be a portion of a legal entity, such as a branch or the activities within a defined region.

The *Conceptual Framework* acknowledges combined financial statements. These are financial statements prepared by a reporting entity comprising two or more entities that are not linked by a parent-subsidiary relationship. However, the *Conceptual Framework* does not discuss when or how to prepare them.

IFRS Accounting Standards, Interpretations and Practice Statements

The elements of financial statements

An **asset** is a present economic resource controlled by the entity as a result of past events.

An economic resource is a set of rights—the right to use, sell, or pledge the object, as well as other undefined rights. In principle, each right could be a separate asset. However, related rights will most commonly be viewed collectively as a single asset that forms a single unit of account.

Control links a right to an entity and is the present ability to direct how a resource is used so as to obtain the economic benefits from that resource (power and benefits). An economic resource can be controlled by only one party at any point in time.

A **liability** is a present obligation of the entity to transfer an economic resource as a result of past events. An obligation is a duty or responsibility that an entity has no practical ability to avoid.

An entity may have no practical ability to avoid a transfer if any action that it could take to avoid the transfer would have economic consequences significantly more adverse than the transfer itself. The going concern basis implies that an entity has no practical ability to avoid a transfer that could be avoided only by liquidating the entity or by ceasing to trade.

If new legislation is enacted, a present obligation arises only when an entity obtains economic benefits, or takes an action, within the scope of that legislation. The enactment of legislation is not in itself sufficient to give an entity a present obligation.

IFRS Accounting Standards, Interpretations and Practice Statements

The elements of financial statements (ct'd)

The focus is on the existence of an asset or liability. It does not need to be certain, or even likely that the asset will produce (or the obligation will require an entity to transfer) economic benefits. It is only necessary that in at least one circumstance it would produce (or require an entity to transfer) economic benefits, however remote that occurrence might be. The unit of account is the right or the group of rights, the obligation or the group of obligations, or the group of rights and obligations, to which recognition criteria and measurement concepts are applied.

The unit of account, recognition and measurement requirements for a particular item are linked and the IASB will consider these aspects together when developing standards. It is possible that the unit of account for recognition will differ from that used for measurement for a particular matter—e.g. a standard might require contracts to be recognised individually but measured as part of a portfolio.

Equity is the residual interest in the assets of the entity after deducting all its liabilities.

Income is increases in assets, or decreases in liabilities, that result in increases in equity, other than those relating to contributions from holders of equity claims.

Expenses are decreases in assets, or increases in liabilities, that result in decreases in equity, other than those relating to distributions to holders of equity claims.

IFRS Accounting Standards, Interpretations and Practice Statements

Recognition and derecognition

Recognition is the process of capturing for inclusion in the statement of financial position or the statement(s) of financial performance an item that meets the definition of one of the elements of financial statements—an asset, a liability, equity, income or expenses.

The *Conceptual Framework* requires recognition when this provides users of financial statements with relevant information and a faithful representation of the underlying transaction.

The recognition criteria do not include a probability or a reliable measurement threshold. Uncertainty about the existence of an asset or liability or a low probability of a flow of economic benefits are circumstances when recognition of a particular asset or liability might not provide relevant information.

There is also a trade-off between a more relevant measure that has a high level of estimation uncertainty and a less relevant measure that has lower estimation uncertainty. Some uncertainties could lead to more supplementary information being required. In limited circumstances the measurement uncertainty associated with all relevant measures could lead to the IASB concluding that the asset or liability should not be recognised.

Derecognition is the removal of all or part of a recognised asset or liability from an entity's statement of financial position and normally occurs when that item no longer meets the definition of an asset or of a liability. The derecognition principles aim to represent faithfully any assets and liabilities retained, and any changes in the entity's assets and liabilities, as a result of that transaction. Sometimes an entity will dispose of only part of an asset or a liability, or retain some exposure. The *Conceptual Framework* sets out the factors that the IASB should consider when assessing whether full derecognition is achieved, when derecognition supported by disclosure is necessary and when it might be necessary for an entity to continue to recognise the transferred component.

IFRS Accounting Standards, Interpretations and Practice Statements

Measurement

Describes two measurement bases: historical cost and current value. It asserts that both bases can provide predictive and confirmatory value to users but one basis might provide more useful information than the other under different circumstances.

Historical cost reflects the price of the transaction or other event that gave rise to the related asset, liability, income or expense. A current value measurement reflects conditions at the measurement date. Current value includes fair value, value in use (for assets) and fulfilment value (for liabilities), and current cost.

In selecting a measurement basis it is important to consider the nature of the information that the measurement basis will produce in both the statement of financial position and the statement of financial performance. The relative importance of the information presented in these statements will depend on facts and circumstances.

The characteristics of the asset or liability and how it contributes to future cash flows are two of the factors that the IASB will consider when it decides which measurement basis provides relevant information. For example, if an asset is sensitive to market factors, fair value might provide more relevant information than historical cost. However, depending on the nature of the entity's business activities, and thus how the asset is expected to contribute to future cash flows, fair value might not provide relevant information. This could be the case if the entity holds the asset solely for use or to collect contractual cash flows rather than for sale.

A high level of measurement uncertainty does not render a particular measurement basis irrelevant. However, as explained in the recognition section, there can be a trade-off between relevance and faithful representation.

IFRS Accounting Standards, Interpretations and Practice Statements

Measurement
(ct'd)

The *Conceptual Framework* does not preclude the use of different measurement bases for an asset or a liability in the statement of financial position and the related income and expenses in the statement of financial performance. However, it notes that in most cases, using the same measurement basis in both statements would provide the most useful information.

It would be normal for the IASB to select the same measurement basis for the initial measurement of an asset or a liability that will be used for its subsequent measurement, to avoid recognising a 'day-2 gain or loss' due solely to a change in measurement basis.

IFRS Accounting Standards, Interpretations and Practice Statements

Presentation and disclosure	<p>Presentation and disclosure objectives in standards can support effective communication. The <i>Conceptual Framework</i> requires the IASB to consider the balance between giving entities the flexibility to provide relevant information and requiring information that is comparable.</p> <p>The statement of profit or loss is the primary source of information about an entity's financial performance for the reporting period. The <i>Conceptual Framework</i> presumes that all income and expenses are presented in profit or loss. Only in exceptional circumstances will the IASB decide to exclude an item of income or expense from profit or loss and include it in OCI (other comprehensive income), and only for income or expenses that arise from a change in the current value of an asset or liability.</p> <p>The <i>Conceptual Framework</i> also presumes that items presented in OCI will eventually be reclassified from OCI to profit or loss, but reclassification must provide more relevant information than not reclassifying the amounts.</p>
Concepts of capital and capital maintenance	Sets out some high-level concepts of physical and financial capital.
Changes effective this year	None
Pending changes	None

IFRS Accounting Standards, Interpretations and Practice Statements

List of standards, interpretations and practice statements

Standards

IFRS 1	First-time Adoption of International Financial Reporting Standards
IFRS 2	Share-based Payment
IFRS 3	Business Combinations
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations
IFRS 6	Exploration for and Evaluation of Mineral Resources
IFRS 7	Financial Instruments: Disclosures
IFRS 8	Operating Segments
IFRS 9	Financial Instruments
IFRS 10	Consolidated Financial Statements
IFRS 11	Joint Arrangements
IFRS 12	Disclosure of Interests in Other Entities
IFRS 13	Fair Value Measurement
IFRS 14	Regulatory Deferral Accounts
IFRS 15	Revenue from Contracts with Customers
IFRS 16	Leases

IFRS Accounting Standards, Interpretations and Practice Statements

IFRS 17	Insurance Contracts
IFRS 18	Presentation and Disclosure in Financial Statements
IFRS 19	Subsidiaries without Public Accountability: Disclosures
IAS 1	Presentation of Financial Statements
IAS 2	Inventories
IAS 7	Statement of Cash Flows
IAS 8	Basis of Preparation of Financial Statements
IAS 10	Events after the Reporting Period
IAS 12	Income Taxes
IAS 16	Property, Plant and Equipment
IAS 19	Employee Benefits
IAS 20	Accounting for Government Grants and Disclosure of Government Assistance
IAS 21	The Effects of Changes in Foreign Exchange Rates
IAS 23	Borrowing Costs
IAS 24	Related Party Disclosures
IAS 26	Accounting and Reporting by Retirement Benefit Plans

IFRS Accounting Standards, Interpretations and Practice Statements

IAS 27	Separate Financial Statements
IAS 28	Investments in Associates and Joint Ventures
IAS 29	Financial Reporting in Hyperinflationary Economies
IAS 32	Financial Instruments: Presentation
IAS 33	Earnings per Share
IAS 34	Interim Financial Reporting
IAS 36	Impairment of Assets
IAS 37	Provisions, Contingent Liabilities and Contingent Assets
IAS 38	Intangible Assets
IAS 39	Financial Instruments: Recognition and Measurement
IAS 40	Investment Property
IAS 41	Agriculture

IFRS Accounting Standards, Interpretations and Practice Statements

Interpretations

IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IFRIC 2	Members' Shares in Co-operative Entities and Similar Instruments
IFRIC 5	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IFRIC 6	Liabilities arising from Participating in a Specific Market—Waste Electrical and Electronic Equipment
IFRIC 7	Applying the Restatement Approach under IAS 29 <i>Financial Reporting in Hyperinflationary Economies</i>
IFRIC 10	Interim Financial Reporting and Impairment
IFRIC 12	Service Concession Arrangements
IFRIC 14	IAS 19—The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
IFRIC 16	Hedges of a Net Investment in a Foreign Operation
IFRIC 17	Distributions of Non-cash Assets to Owners
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine
IFRIC 21	Levies
IFRIC 22	Foreign Currency Transactions and Advance Consideration
IFRIC 23	Uncertainty over Income Tax Treatments

IFRS Accounting Standards, Interpretations and Practice Statements

- SIC-7** Introduction of the Euro
- SIC-10** Government Assistance—No Specific Relation to Operating Activities
- SIC-25** Income Taxes—Changes in the Tax Status of an Entity or its Shareholders
- SIC-29** Service Concession Arrangements: Disclosures
- SIC-32** Intangible Assets—Web Site Costs

Practice statements

- PS 1** Management Commentary
- PS 2** Making Materiality Judgements

IFRS Accounting Standards, Interpretations and Practice Statements

New requirements for annual reporting periods beginning on or after 1 January 2025

Amendments

IAS 21 Lack of Exchangeability

New requirements for annual reporting periods beginning on or after 1 January 2026

Amendments

IFRS 1/IFRS 7/IFRS 9/IFRS 10/IAS 7 Annual Improvements to IFRS Accounting Standards—Volume 11

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

IFRS 9/IFRS 7 Contracts Referencing Nature-dependent Electricity

New requirements for annual reporting periods beginning on or after 1 January 2027

Standards

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 19 Subsidiaries without Public Accountability: Disclosures

IFRS Accounting Standards, Interpretations and Practice Statements

Further information on the effective dates of standards, amendments to standards and interpretations can be found at www.iasplus.com/en/standards/effective-dates/effective-ifs.

Summaries of standards, interpretations and practice statements in effect at 1 January 2025

This section contains the standards and interpretations that an entity preparing financial statements for annual periods beginning on 1 January 2025 would apply if it elected not to apply any new requirements before the mandatory date.

New standards often include consequential amendments to other standards. In the summaries, only significant consequential amendments are identified as new or pending changes.

IFRS Accounting Standards, Interpretations and Practice Statements

IFRS 1	<i>First-time Adoption of International Financial Reporting Standards</i>
Overview	Sets out the procedures when an entity adopts IFRS Accounting Standards for the first time as the basis for preparing its general purpose financial statements.
Selection of accounting policies	An entity that adopts IFRS Accounting Standards for the first time (by an explicit and unreserved statement of compliance with IFRS Accounting Standards) in its annual financial statements for the year ended 31 December 2025 would be required to select accounting policies based on IFRS Accounting Standards effective at 31 December 2025 (with the early application of any new IFRS Accounting Standard not yet mandatory being permitted).

IFRS Accounting Standards, Interpretations and Practice Statements

Presentation of financial statements

The entity presents an opening statement of financial position that is prepared at 1 January 2024. That opening statement of financial position is the entity's first IFRS financial statements. Therefore, at least, three statements of financial position are presented.

The entity can report selected financial data on an IFRS basis for periods prior to 2024. As long as they do not purport to be full financial statements, the opening IFRS statement of financial position would still be 1 January 2024.

The opening statement of financial position, the financial statements for the 2025 financial year and the comparative information for 2024 are prepared as if the entity had always used the IFRS accounting policies it has selected. However, IFRS 1 contains some exceptions and relief from full retrospective application that an entity can elect to apply.

Interpretations

None

Changes effective this year

None

Pending changes

In July 2024, the IASB published *Annual Improvements to IFRS Accounting Standards—Volume 11*, including amendments to IFRS 1 on hedge accounting by a first-time adopter. They address an inconsistency between the wording in IFRS 1:B6 and the requirements for hedge accounting in IFRS 9. The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted.

IFRS Accounting Standards, Interpretations and Practice Statements

IFRS 2	<i>Share-based Payment</i>
Overview	Sets out the accounting for transactions in which an entity receives or acquires goods or services either as consideration for its equity instruments or by incurring liabilities for amounts based on the price of its shares or other equity instruments.
Share-based payments	<p>All share-based payment transactions are recognised in the financial statements, using a fair value measurement basis.</p> <p>An expense is recognised when the goods or services received are consumed (including transactions for which the entity cannot specifically identify some or all of the goods or services received).</p>
Fair value	<p>Transactions in which goods or services are received are measured at the fair value of the goods or services received. However, if the fair value of the goods or services cannot be measured reliably, the fair value of the equity instruments is used.</p> <p>Transactions with employees and others providing similar services are measured at the fair value of the equity instruments granted, because it is typically not possible to estimate reliably the fair value of employee services received.</p> <p>Fair value is defined as the “amount for which an asset could be exchanged, a liability settled, or an equity instrument granted could be exchanged, between knowledgeable, willing parties in an arm’s length transaction.” Because this definition differs from that in IFRS 13, the specific guidance in IFRS 2 is followed.</p>

IFRS Accounting Standards, Interpretations and Practice Statements

Measurement date	<p>The fair value of the equity instruments granted (such as transactions with employees) is estimated at grant date, being when the entity and the counterparty have a shared understanding of the terms and conditions of the arrangement.</p> <p>The fair value of the goods or services received is estimated at the date of receipt of those goods or services.</p>
Equity-settled share-based payments	<p>Equity-settled share-based payment transactions are recorded by recognising an increase in equity and the corresponding goods or services received at the measurement date.</p>
Cash-settled share-based payments	<p>A cash-settled share-based payment transaction is a share-based payment transaction in which the entity acquires goods or services by incurring a liability to transfer cash or other assets to the supplier of those goods or services for amounts that are based on the price (or value) of equity instruments (including shares or share options) of the entity or another group entity.</p> <p>Cash-settled share-based payment transactions are recorded by recognising a liability and the corresponding goods or services received at fair value at the measurement date. Until the liability is settled, it is measured at the fair value at the end of each reporting period and at the date of settlement, with any changes in fair value recognised in profit or loss for the period.</p>

IFRS Accounting Standards, Interpretations and Practice Statements

Vesting conditions	IFRS 2 uses the notion of vesting conditions for service conditions and performance conditions only. If a condition does not meet the definition of these two types of conditions but nevertheless needs to be satisfied for the counterparty to become entitled to the equity instruments granted, this condition is called a non-vesting condition.
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A service condition requires the counterparty to complete a specified period of service to the entity.

Performance conditions require the completion of a specified period of service and specified performance targets to be met that are defined by reference to the entity's own operations or activities (non-market conditions) or the price of the entity's equity instruments (market conditions). The period for achieving the performance target must not extend beyond the end of the service period.

When determining the grant date fair value of the equity instruments granted, the vesting conditions (other than market conditions) are not taken into account. However, they are taken into account subsequently by adjusting the number of equity instruments included in the measurement of the transaction.

Market-based vesting conditions and non-vesting conditions are taken into account when estimating the fair value of the shares or options at the relevant measurement date, with no subsequent adjustments made in respect of such conditions.

Group transactions	IFRS 2 includes specific guidance on the accounting for share-based payment transactions among group entities.
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IFRS Accounting Standards, Interpretations and Practice Statements

Interpretations	None
Changes effective this year	None
Pending changes	None

IFRS Accounting Standards, Interpretations and Practice Statements

IFRS 3	<i>Business Combinations</i>
Overview	An acquirer of a business recognises the assets acquired and liabilities assumed at their acquisition-date fair values and discloses information that enables users to evaluate the nature and financial effects of the acquisition.
Business combination	<p>A business combination is a transaction or event in which an acquirer obtains control of one or more businesses.</p> <p>A business is defined as an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing goods or services to customers, generating investment income (such as dividends or interest) or generating other income from ordinary activities.</p>
Recognition of assets and liabilities	<p>The acquisition method is used for all business combinations.</p> <p>The acquirer recognises the identifiable assets acquired, the liabilities assumed and any non-controlling interest (NCI) in the acquiree.</p> <p>Intangible assets, including in-process research and development, acquired in a business combination are recognised separately from goodwill if they arise as a result of contractual or legal rights, or if they are separable from the business. In these circumstances the recognition criteria are always considered to be satisfied (see also IAS 38).</p>

IFRS Accounting Standards, Interpretations and Practice Statements

Measurement	<p>Assets and liabilities are measured at their fair values (with a limited number of specified exceptions) at the date the entity obtains control of the acquiree. If the initial accounting for a business combination can be determined only provisionally by the end of the first reporting period, the combination is accounted for using provisional values. Adjustments to provisional values relating to facts and circumstances that existed at the acquisition date are permitted within one year.</p> <p>The acquirer can elect to measure the components of NCI in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in liquidation either at fair value or at the NCI's proportionate share of the net assets.</p>
Contingent consideration	<p>Among the items recognised will be the acquisition-date fair value of contingent consideration. Changes to contingent consideration resulting from events after the acquisition date are recognised in profit or loss.</p>
Goodwill and bargain purchases	<p>If the consideration transferred exceeds the net of the assets, liabilities and NCI, that excess is recognised as goodwill. If the consideration is lower than the net assets acquired, a bargain purchase gain is recognised in profit or loss.</p>
Acquisition costs	<p>All acquisition-related costs (e.g. finder's fees, professional or consulting fees, costs of internal acquisition department) are recognised in profit or loss except for costs to issue debt or equity, which are recognised in accordance with IFRS 9 and IAS 32.</p>

IFRS Accounting Standards, Interpretations and Practice Statements

Business combinations achieved in stages	If the acquirer increases an existing equity interest so as to achieve control of the acquiree, the previously-held equity interest is remeasured at acquisition-date fair value and any resulting gain or loss is recognised in profit or loss.
Other guidance	IFRS 3 includes guidance on business combinations achieved without the transfer of consideration, reverse acquisitions, identifying intangible assets acquired, unreplaced and voluntarily replaced share-based payment awards, pre-existing relationships between the acquirer and the acquiree (e.g. reacquired rights); and the reassessment of the acquiree's contractual arrangements at the acquisition date.
Interpretations	None
Changes effective this year	None
Pending changes	In March 2024, the IASB published exposure draft ED/2024/1 <i>Business Combinations—Disclosures, Goodwill and Impairment</i> . The IASB proposes that for business combinations that meet specified thresholds (strategic business combinations) an entity would be required to provide information about its acquisition-date key objectives and related targets for the business combination and whether these key objectives and related targets are being met. The ED also proposes other amendments to the disclosure requirements in IFRS 3, including the disclosure of quantitative information about expected synergies in the year of acquisition. The IASB will decide the project direction in the second half of 2026.

IFRS Accounting Standards, Interpretations and Practice Statements

IFRS 5	
<i>Non-current Assets Held for Sale and Discontinued Operations</i>	
Overview	Sets out the accounting for non-current assets held for sale and the presentation and disclosure of discontinued operations.
Non-current assets held for sale	<p>Non-current assets are 'held for sale' either individually or as part of a disposal group when the entity has the intention to sell them, they are available for immediate sale and disposal within 12 months is highly probable.</p> <p>A disposal group is a group of assets to be disposed of in a single transaction, including any related liabilities that will also be transferred.</p> <p>Assets and liabilities of a subsidiary are classified as held for sale if the parent is committed to a plan involving loss of control of the subsidiary, regardless of whether the entity will retain a non-controlling interest after the sale.</p> <p>IFRS 5 applies to a non-current asset (or disposal group) that is classified as held for distribution to owners.</p>
Discontinued operations	A discontinued operation is a component of an entity that has either been disposed of or is classified as held for sale. It must represent a separate major line of business or major geographical area of operations, be part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations.

IFRS Accounting Standards, Interpretations and Practice Statements

Measurement	<p>Non-current assets 'held for sale' are measured at the lower of the carrying amount and fair value less costs to sell (or costs to distribute). The non-current assets are no longer depreciated.</p> <p>Immediately before the initial classification of the asset (or disposal group) as held for sale, the carrying amounts of the assets (or all the assets and liabilities in the group) are measured in accordance with applicable IFRS Accounting Standards.</p>
Statement of comprehensive income	<p>When there are discontinued operations, the statement of comprehensive income is divided into continuing and discontinued operations.</p> <p>The sum of the post-tax profit or loss from discontinued operations for the period and the post-tax gain or loss arising on the disposal of discontinued operations (or on their reclassification as held for sale) is presented as a single amount.</p>
Statement of financial position	<p>Non-current assets, and the assets and liabilities in a disposal group, are presented separately in the statement of financial position.</p>
Relationship with other standards	<p>IFRS 5 has its own disclosure requirements. Consequently, disclosures in other standards do not apply to such assets (or disposal groups) unless those standards specifically require disclosures or the disclosures relate to the measurement of assets or liabilities within a disposal group that are outside the scope of the measurement requirements of IFRS 5.</p>

IFRS Accounting Standards, Interpretations and Practice Statements

Interpretations	None
Changes effective this year	None
Pending changes	None

IFRS Accounting Standards, Interpretations and Practice Statements

IFRS 6	<i>Exploration for and Evaluation of Mineral Resources</i>
Overview	Prescribes the financial reporting for the exploration for and evaluation of mineral resources until the IASB completes a comprehensive project in this area.
Continued use of existing policies	<p>An entity can continue to use its existing accounting policies provided that they result in information that is reliable and is relevant to the economic decision-making needs of users. It does not require or prohibit any specific accounting policies for the recognition and measurement of exploration and evaluation assets.</p> <p>The standard gives a temporary exemption from applying IAS 8:11-12— which specify a hierarchy of sources of authoritative guidance in the absence of a specific IFRS Accounting Standard.</p>
Impairment	<p>Exploration and evaluation assets must be assessed for impairment when there is an indication that their carrying amount exceeds their recoverable amount. Exploration and evaluation assets must also be tested for impairment before they are reclassified as development assets.</p> <p>IFRS 6 allows impairment to be assessed at a level higher than the 'cash-generating unit' under IAS 36, but requires measurement of the impairment in accordance with IAS 36 once it is assessed.</p>
Disclosure	IFRS 6 requires disclosure of information that identifies and explains amounts arising from exploration and evaluation of mineral resources.

IFRS Accounting Standards, Interpretations and Practice Statements

Interpretations	None
Changes effective this year	None
Pending changes	As part of its next volume of <i>Annual Improvements to IFRS Accounting Standards</i> , the IASB will propose to remove the temporary nature of the exemption in IFRS 6 from the application of IAS 8:11-12.

IFRS Accounting Standards, Interpretations and Practice Statements

IFRS 7	
<i>Financial Instruments: Disclosures</i>	
Overview	Prescribes disclosures to help the primary users of the financial statements evaluate the significance of financial instruments to the entity, the nature and extent of their risks and how the entity manages those risks.
Significance of financial instruments	Requires disclosure of information about the significance of financial instruments to an entity's financial position and performance, including its accounting policies and application of hedge accounting.
Financial position	Entities must disclose information about financial assets and financial liabilities by category; special disclosures when the fair value option or fair value through OCI option is used; reclassifications; offsetting of financial assets and liabilities; collateral; allowance accounts; compound financial instruments with embedded derivatives; defaults and breaches and transfers of financial assets.
Financial performance	Information must be disclosed about financial instruments-related recognised income, expenses, gains and losses; interest income and expense; fee income; and impairment losses.

IFRS Accounting Standards, Interpretations and Practice Statements

Other disclosures	The significant accounting policies on financial instruments must be disclosed. When hedge accounting is applied, extensive information about the risk management strategy, the amount, timing and uncertainty of future cash flows and the effects of hedge accounting on financial position and performance must be disclosed. This information is required regardless of whether an entity has applied hedge accounting in accordance with IAS 39 or IFRS 9. Fair values must be disclosed for each class of financial instrument and IFRS 13 also requires information to be disclosed about the fair values.
Risk	Entities must disclose the nature and extent of risks arising from financial instruments. This includes qualitative information about exposures to each class of risk and how those risks are managed and quantitative information about exposures to each class of risk. Extensive disclosures are required for credit risk to assess expected credit losses. This includes reconciliations of the loss allowance and gross carrying amounts and information about credit quality. Additional disclosure requirements relate to liquidity risk and market risk (including sensitivity analyses for market risk).
Interpretations	None
Changes effective this year	None

IFRS Accounting Standards, Interpretations and Practice Statements

Pending changes In May 2024, the IASB published *Amendments to the Classification and Measurement of Financial Instruments*. The key amendments to IFRS 7 related to the information to be disclosed in respect of:

- investments in equity instruments designated at fair value through other comprehensive income (FVTOCI)
- contractual terms that could change the timing or amount of contractual cash flows.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026 with earlier application permitted.

In July 2024, the IASB published *Annual Improvements to IFRS Accounting Standards—Volume 11*, which includes the following amendments to IFRS 7:

- updated the obsolete cross-reference in IFRS 7:B38 and aligned the wording of this paragraph with the terms used in IFRS 13
- amended IFRS 7:IG14 to make the wording of that paragraph consistent with IFRS 7:28 and improve the internal consistency of the wording in the example in IFRS 7:IG14
- amended IFRS 7:IG1 to add a statement clarifying that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7
- amended IFRS 7:IG20B to simplify the explanation of the aspects of the requirements that are not illustrated.

IFRS Accounting Standards, Interpretations and Practice Statements

Pending changes (ct'd)

The amendments are effective for annual reporting periods beginning on or after 1 January 2026. Early application of the amendments is permitted.

In December 2024, the IASB published *Contracts Referencing Nature-dependent Electricity*, which includes amendments to IFRS 7 to introduce disclosure requirements about contracts for nature-dependent electricity with specified characteristics. The amendments are effective for annual reporting periods beginning on or after 1 January 2026. Early application is permitted.

In November 2023, the IASB published exposure draft ED/2023/5 *Financial Instruments with Characteristics of Equity* to address challenges that arise from the classification of financial instruments by clarifying the principles in IAS 32 and to enhance presentation and disclosure requirements. With regard to disclosure requirements, the IASB proposes to expand the objective and scope of IFRS 7 to include equity instruments that are within the scope of IAS 32. The IASB also proposes additional disclosure requirements based on its deliberations on the classification and presentation topics. The final amendments are expected in 2026.

The IASB has added a project on credit risk disclosures to its maintenance project pipeline. If undertaken, this project will explore targeted improvements to the credit risk disclosure requirements in IFRS 7 that have been identified through the post-implementation review of the IFRS 9 impairment requirements.

IFRS Accounting Standards, Interpretations and Practice Statements

IFRS 8	<i>Operating Segments</i>
Overview	Requires entities to disclose segmental information that is consistent with how it is reported internally to the chief operating decision maker.
Scope	This standard applies only to entities with debt or equity instruments traded in a public market or that is in the process of issuing instruments in a public market.
Operating segments	<p>An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the entity's chief operating decision maker and for which discrete financial information is available.</p> <p>Generally, separate information is required if the revenue, profit or loss, or assets of a segment are 10 per cent or more of the equivalent total for all of the operating segments.</p> <p>At least 75 per cent of the entity's revenue must be included in reportable segments.</p>
Disclosure	<p>A measure of profit or loss and a measure of total assets and liabilities must be presented for each reportable segment. Additional measures such as revenue from external customers, interest revenue and expense, depreciation and amortisation expense and tax is required to be presented if they are included in the measure of profit or loss reviewed by the chief operating decision maker or provided to them separately.</p> <p>The segment information needs not be prepared in conformity with the accounting policies adopted for the entity's financial statements.</p>

IFRS Accounting Standards, Interpretations and Practice Statements

Entity-wide disclosures	<p>Some entity-wide disclosures are required even when an entity has only one reportable segment. These include information about each product and service or groups of products and services, geographical areas, major customers (10 per cent or more of the entity's revenue) and judgements made by management in applying the aggregation criteria for operating segments.</p> <p>Analyses of revenues and some non-current assets by geographical area are required from all entities—with an expanded requirement to disclose revenues/non-current assets by individual foreign country (if material), irrespective of how the entity is organised.</p>
Reconciliation	A reconciliation of the total assets to the entity's assets should only be provided if the segment assets are regularly provided to the chief operating decision maker.
Interpretations	None
Changes effective this year	None
Pending changes	A project on operating segments has been added to the IASB's reserve list. If undertaken, this project would aim to research the underlying causes of users' concerns about the granularity of segment information that entities provide and the feasibility (including costs to preparers) of potential solutions that could be implemented without reconsidering whether to use the management approach to determine an entity's operating segments.

IFRS Accounting Standards, Interpretations and Practice Statements

IFRS 9	<i>Financial Instruments</i>
Overview	Sets out requirements for recognition and measurement of financial instruments, including impairment, derecognition and general hedge accounting.
Initial measurement	All financial instruments are initially measured at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs.
Equity investments	Equity investments held are measured at fair value. Changes in the fair value are recognised in profit or loss (FVTPL). However, if an equity investment is not held for trading, an entity can make an irrevocable election at initial recognition to recognise the fair value changes in OCI (FVTOCI) with only dividend income recognised in profit or loss. There is no reclassification to profit or loss on disposal. The impairment requirements do not apply to equity instruments.

IFRS Accounting Standards, Interpretations and Practice Statements

Classification of financial assets

Financial assets with contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding (the contractual cash flows test) are classified according to the objective of the business model of the entity.

If the objective is to hold the financial assets to collect the contractual cash flows, they are measured at amortised cost, unless the entity applies the fair value option. Interest revenue is calculated by applying the effective interest rate to the amortised cost (which is the gross carrying amount minus any loss allowance) for credit-impaired financial assets while for all other instruments, it is calculated based on the gross carrying amount.

If the objective is to both collect contractual cash flows and sell financial assets, they are measured at FVTOCI (with reclassification to profit or loss on disposal), unless the entity applies the fair value option.

All other financial assets must be measured at fair value through profit or loss (FVTPL).

Fair value option

An entity may, at initial recognition, irrevocably designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency (accounting mismatch) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

IFRS Accounting Standards, Interpretations and Practice Statements

Financial liabilities	<p>Financial liabilities held for trading are measured at FVTPL.</p> <p>All other financial liabilities are measured at amortised cost unless the fair value option is applied. The fair value option can be elected at initial recognition if doing so eliminates or significantly reduces an accounting mismatch. In addition, financial liabilities can be designated as at FVTPL if a group of financial instruments is managed on a fair value basis or if the designation is made in relation to embedded derivatives that would otherwise be bifurcated from the liability host.</p> <p>Changes in fair value attributable to changes in credit risk of the liability designated as at FVTPL are presented in OCI (and there is no reclassification to profit or loss).</p>
Derivatives	<p>All derivatives in the scope of IFRS 9, including those linked to unquoted equity investments, are measured at fair value. Value changes are recognised in profit or loss unless the entity has elected to apply hedge accounting by designating the derivative as a hedging instrument in an eligible hedging relationship.</p>
Embedded derivatives	<p>The contractual cash flows of a financial asset are assessed in their entirety, including those of an embedded derivative that is not closely related to its host. The financial asset as a whole is measured at FVTPL if the contractual cash flow characteristics test is not passed.</p> <p>For financial liabilities, an embedded derivative not closely related to its host is accounted for separately at fair value in the case of financial liabilities not designated at FVTPL.</p> <p>For other non-financial asset host contracts, an embedded derivative not closely related to its host is accounted for separately at fair value.</p>

IFRS Accounting Standards, Interpretations and Practice Statements

Hedge accounting	<p>The hedge accounting requirements in IFRS 9 are optional. If the eligibility and qualification criteria are met, hedge accounting allows an entity to reflect risk management activities in the financial statements by matching gains or losses on hedging instruments with losses or gains on the risk exposures they hedge.</p> <p>There are three types of hedging relationships: (i) fair value hedge; (ii) cash flow hedge and (iii) hedge of a net investment in a foreign operation.</p> <p>A hedging relationship qualifies for hedge accounting only if the hedging relationship consists only of eligible hedging instruments and eligible hedged items, the hedging relationship is formally designated and documented (including the entity's risk management objective and strategy for undertaking the hedge) at inception and the hedging relationship is effective.</p> <p>To be effective there must be an economic relationship between the hedged item and the hedging instrument, the effect of credit risk must not dominate the value changes that result from that economic relationship and the hedge ratio of the hedging relationship must be the same as that actually used in the economic hedge.</p>
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IFRS Accounting Standards, Interpretations and Practice Statements

Impairment

The impairment model in IFRS 9 is based on expected credit losses. It applies to financial assets measured at amortised cost or FVTOCI, lease receivables, contract assets within the scope of IFRS 15 and specified written loan commitments (unless measured at FVTPL) and financial guarantee contracts (unless they are accounted for in accordance with IFRS 17).

Expected credit losses (with the exception of purchased or original credit-impaired financial assets) are required to be measured through a loss allowance at an amount equal to the 12-month expected credit losses. If the credit risk has increased significantly since initial recognition of the financial instrument, full lifetime expected credit losses are recognised. This is equally true for credit-impaired financial assets for which interest income is based on amortised cost rather than gross carrying amount.

IFRS 9 requires expected credit losses to reflect an unbiased and probability-weighted amount, the time value of money and reasonable and supportable information about past events, current conditions and forecasts of future economic conditions.

IFRS Accounting Standards, Interpretations and Practice Statements

Interpretations

IFRIC 16 *Hedges of a Net Investment in a Foreign Operation* clarifies that the presentation currency does not create an exposure to which an entity may apply hedge accounting. A parent entity may designate as a hedged risk only the foreign exchange differences arising from a difference between its own functional currency and that of its foreign operation.

The hedging instrument(s) can be held by any entity within the group as long as the designation, effectiveness and documentation requirements are satisfied.

On derecognition of a foreign operation, IFRS 9 must be applied to determine the amount that needs to be reclassified to profit or loss from the foreign currency translation reserve in respect of the hedging instrument, while IAS 21 must be applied in respect of the hedged item.

IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments* clarifies that when a borrower agrees with a lender to issue equity instruments to the lender to extinguish all or part of a financial liability, the issue of equity instruments is the consideration paid. Those equity instruments issued must be measured at their fair value on the date of extinguishment of the liability. If that fair value is not reliably measurable they are measured using the fair value of the liability extinguished.

IFRS Accounting Standards, Interpretations and Practice Statements

Interpretations (ct'd)	Any difference between the carrying amount of the liability (or the part) extinguished and the fair value of equity instruments issued is recognised in profit or loss. When consideration is partly allocated to the portion of a liability which remains outstanding, that part is included in the assessment as to whether there has been an extinguishment or a modification of that portion of the liability. If the remaining liability has been substantially modified, the entity should account for the modification as the extinguishment of the original liability and the recognition of a new liability as required by IFRS 9.
Changes effective this year	None

IFRS Accounting Standards, Interpretations and Practice Statements

Pending changes In May 2024, the IASB published *Amendments to the Classification and Measurement of Financial Instruments*, which amended IFRS 9 for the following topics:

- derecognition of a financial liability settled through electronic transfer
- classification of financial assets—contractual terms that are consistent with a basic lending arrangement
- classification of financial assets—financial assets with non-recourse features
- classification of financial assets—contractually linked instruments.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026 with earlier application permitted.

In July 2024, the IASB published *Annual Improvements to IFRS Accounting Standards—Volume 11*, which includes the following amendments to IFRS 9:

- amendments on derecognition of lease liabilities, which amend IFRS 9:2.1(b)(ii) to add a cross-reference to IFRS 9:3.3.3—the amendments clarify that, when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply IFRS 9:3.3.3 and therefore to recognise any resulting gain or loss in profit or loss
- amendments on transaction price, which delete the reference to ‘transaction price’ (as defined in IFRS 15) in Appendix A of IFRS 9 as there are no remaining uses of that term in IFRS 9 that relate to the way ‘transaction price’ is defined in IFRS 15.

IFRS Accounting Standards, Interpretations and Practice Statements

Pending changes (ct'd)

The amendments are effective for annual reporting periods beginning on or after 1 January 2026. Early application of the amendments is permitted.

In December 2024, the IASB published *Contracts Referencing Nature-dependent Electricity*, which includes amendments to IFRS 9 that are aimed at enabling entities to include information in their financial statements that in the IASB's view more faithfully represents contracts referencing nature-dependent electricity. These contracts expose the entity to variability in the underlying amount of electricity because the source of electricity generation depends on uncontrollable natural conditions. The IASB added application guidance to IFRS 9 to address specifically whether a contract to buy electricity generated from a source dependent on natural conditions is held for the entity's own-use expectations. The amendments also permit an entity to designate a variable nominal amount of electricity as the hedged item when an entity applies the hedge accounting requirements in IFRS 9 and designates a contract referencing nature-dependent electricity with a variable nominal amount as the hedging instrument. The amendments are effective for annual reporting periods beginning on or after 1 January 2026. Early application is permitted.

The IASB is undertaking a standard-setting project on dynamic risk management. In the project, the IASB explores whether it can develop an accounting model that will enable investors to understand the effect of an entity's dynamic risk management of repricing risk due to changes in interest rate (which is predominately used in the banking industry) and to evaluate the effectiveness of that risk management. A discussion paper was published in 2014. An exposure draft is expected Q4 of 2025.

The IASB is also undertaking a standard-setting project on amortised cost measurement. This project aims to make targeted improvements to the amortised cost measurement requirements in IFRS 9 by clarifying their underlying principles and adding accompanying application guidance. An exposure draft is expected in the second half of 2026.

IFRS Accounting Standards, Interpretations and Practice Statements

IFRS 10 *Consolidated Financial Statements*

Overview

Sets out the requirements for determining whether an entity (a parent) controls another entity (a subsidiary).

Control

An investor controls an investee when it has power over the investee, exposure, or rights, to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the returns.

An investor has power when it has existing rights that give it the current ability to direct the *relevant activities* of the investee—the activities that significantly affect the investee's returns.

Sometimes assessing power is straightforward, such as when power over an investee is obtained directly and solely from the voting rights granted by equity instruments such as shares, and can be assessed by considering the voting rights from those shareholdings. It is possible to have control with less than half the voting rights (sometimes referred to as de-facto control).

In other cases, the assessment will be more complex and require more than one factor to be considered, for example when power results from one or more contractual arrangements.

IFRS Accounting Standards, Interpretations and Practice Statements

Control (ct'd)	<p>The standard includes guidance on distinguishing between rights that give the holder power and rights that are intended to protect the investor's interest in the entity. Protective rights might include a right to vote on major transactions such as significant asset purchases or to approve borrowings above a specified level. Distinguishing between rights that give power and rights that are protective requires an understanding of the relevant activities of the entity.</p> <p>Sometimes an entity will delegate its power to an agent. The standard emphasises the importance of identifying when a party that appears to have control over an entity is only exercising power as an agent or a principal.</p>
Consolidated financial statements	<p>When a parent-subsidiary relationship exists, consolidated financial statements are required. These are financial statements of a group (parent and subsidiaries) presented as those of a single economic entity.</p> <p>There are two exceptions to this requirement. If, on acquisition, a subsidiary meets the criteria to be classified as held for sale in accordance with IFRS 5, it is accounted for under that standard. The other exception is for investment entities.</p>

IFRS Accounting Standards, Interpretations and Practice Statements

Investment entities	<p>An entity that obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services; commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and measures and evaluates the performance of substantially all of its investments on a fair value basis is an investment entity.</p> <p>An investment entity does not (with the exception of subsidiaries that are not themselves investment entities and whose main purpose and activities are providing services that relate to the investment entity's investment activities) consolidate its subsidiaries. Instead it measures the investment at fair value through profit or loss in accordance with IFRS 9.</p>
Consolidation procedures	<p>Intragroup balances, transactions, income and expenses are eliminated.</p> <p>All entities in the group use the same accounting policies and, if practicable, the same reporting date.</p> <p>Non-controlling interests (NCI) are reported in equity separately from the equity of the owners of the parent. Total comprehensive income is allocated between NCI and the owners of the parent even if this results in the NCI having a deficit balance.</p>
Changes in the ownership interest	<p>A change in the ownership interest of a subsidiary, when control is retained, is accounted for as an equity transaction and no gain or loss is recognised.</p> <p>Partial disposal of an investment in a subsidiary that results in loss of control triggers remeasurement of the residual holding to fair value at the date control is lost. Any difference between fair value and carrying amount is a gain or loss on the disposal, recognised in profit or loss.</p>

IFRS Accounting Standards, Interpretations and Practice Statements

Interpretations	None
Changes effective this year	None
Pending changes	<p>Amendments published in September 2014 were intended to clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed are a business. The IASB decided in December 2015 to defer indefinitely the effective date of the amendments, although entities may elect to apply them.</p> <p>In July 2024, the IASB published <i>Annual Improvements to IFRS Accounting Standards—Volume 11</i>, which includes amendments to IFRS 10 on determination of a ‘de facto’ agent. In particular, IFRS 10:B74 is amended to use less conclusive language and to clarify that the relationship described in IFRS 10:B74 is just one example of a circumstance in which judgement is required to determine whether a party is acting as a de facto agent. The amendments are effective for annual reporting periods beginning on or after 1 January 2026. Early application of the amendments is permitted.</p> <p>The IASB has added a project on sale and leaseback of an asset in a single-asset entity to its maintenance project pipeline. If undertaken, this narrow-scope project would specify how an entity accounts for the sale of a subsidiary when the entity leases back one or more of the assets held by the subsidiary.</p>

IFRS Accounting Standards, Interpretations and Practice Statements

IFRS 11

Joint Arrangements

Overview

Sets out principles for identifying whether an entity has a joint arrangement, and if it does whether it is a joint venture or joint operation.

Definitions

A joint arrangement is one in which two or more parties have joint control over activities.

A joint venture is a joint arrangement in which the venturers have rights to the net assets of the venture.

A joint operation is a joint arrangement whereby each joint operator has rights to assets and obligations for the liabilities of the operation.

The distinction between a joint operation and a joint venture requires assessment of the structure of the joint arrangement, the legal form of any separate vehicle, the terms of the contractual arrangement and any other relevant facts and circumstances.

IFRS Accounting Standards, Interpretations and Practice Statements

Accounting

A joint venturer applies the equity method, as described in IAS 28, except joint ventures where the investor is a venture capital firm, mutual fund or unit trust, and it elects or is required to measure such investments at fair value through profit or loss in accordance with IFRS 9.

A joint operator accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the IFRS applicable to the particular asset, liability, revenue and expense.

The acquisition of an interest in a joint operation in which the activity constitutes a business should be accounted for using the principles of IFRS 3.

Interpretations

None

Changes effective this year

None

Pending changes

None

IFRS Accounting Standards, Interpretations and Practice Statements

IFRS 12	<i>Disclosure of Interests in Other Entities</i>
Overview	Requires an entity to disclose information to help users of its financial statements evaluate the nature of, and risks associated with, its interests in other entities as well as the effects of those interests on its financial position, financial performance and cash flows.
Judgement	Significant judgements and assumptions such as how control, joint control and significant influence has been determined.
Subsidiaries	Details of the structure of the group, the risks associated with consolidated entities such as restrictions on the use of assets and settlement of liabilities. Some summarised financial information is required to be presented for each subsidiary that has non-controlling interests that are material to the group.
Joint arrangements and associates	Details of the nature, extent and financial effects of interests in joint arrangements and associates. The name and summarised financial information is required for each joint arrangement associate that is material to the group.
Structured entities	The nature and extent of interests in structured entities, particularly the extent of potential support the parent might be required to provide.
Investment entities	Information about significant judgements and assumptions it has made in determining that it is an investment entity, and information when an entity becomes, or ceases to be, an investment entity.

IFRS Accounting Standards, Interpretations and Practice Statements

Interpretations	None
Changes effective this year	None
Pending changes	None

IFRS Accounting Standards, Interpretations and Practice Statements

IFRS 13

Fair Value Measurement

Overview

Defines fair value and provides guidance, how to estimate it and the required disclosures about fair value measurements.

IFRS 13 applies when another standard requires or permits fair value measurements or disclosures about fair value measurements (and measurements such as fair value less costs to sell) but does not stipulate which items should be measured or disclosed at fair value.

Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

A fair value measurement assumes that the asset or liability is exchanged in an orderly transaction between market participants, under current market conditions.

IFRS Accounting Standards, Interpretations and Practice Statements

Fair value hierarchy	<p>When an entity estimates fair value, the estimate is classified on the basis of the nature of the inputs the entity has used.</p> <p>Level 1 inputs are quoted prices in active markets for identical assets and liabilities that the entity can access at the measurement date.</p> <p>Level 2 inputs are those other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and interest rates and yield curves observable at commonly quoted intervals.</p> <p>Level 3 inputs are unobservable for the asset or liability. Examples include an entity using its own data to forecast the cash flows of a cash-generating unit (CGU) or estimating future volatility on the basis of historical volatility.</p> <p>Entities are required to use valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. However, the objective of estimating the exit price at the measurement date remains the same regardless of the extent to which unobservable inputs are used.</p>
Disclosure	<p>The disclosures depend on the nature of the fair value measurement (e.g. whether it is recognised in the financial statements or merely disclosed) and the level in which it is classified.</p> <p>The disclosure requirements are most extensive when level 3 inputs are used, including sensitivity analysis.</p>

IFRS Accounting Standards, Interpretations and Practice Statements

Interpretations	None
Changes effective this year	None
Pending changes	None

IFRS Accounting Standards, Interpretations and Practice Statements

IFRS 14	
<i>Regulatory Deferral Accounts</i>	
Overview	<p>Permits an entity that adopts IFRS Accounting Standards after IFRS 14 was issued to continue to account, with some limited changes, for 'regulatory deferral account balances' in accordance with its previous GAAP.</p> <p>IFRS 14 was issued as a temporary solution pending a more comprehensive review of rate regulation by the IASB.</p>
Regulatory deferral account balances	<p>Regulatory deferral account balances relate to the provision of goods or services to customers at a price or rate that is subject to rate regulation.</p> <p>Regulatory deferral account balances are presented separately in the statement of financial position and movements in these account balances must also be presented separately in the statement of profit or loss and other comprehensive income. Specific disclosures are also required.</p> <p>The requirements of other IFRS Accounting Standards are required to be applied to regulatory deferral account balances, subject to specific exceptions, exemptions and additional requirements as noted in the standard.</p>
Interpretations	None

IFRS Accounting Standards, Interpretations and Practice Statements

Changes effective this year	None
Pending changes	<p>In January 2021, the IASB published exposure draft ED/2021/1 <i>Regulatory Assets and Regulatory Liabilities</i> proposing a new standard that is intended to replace IFRS 14 by introducing a comprehensive accounting model for regulatory assets and liabilities.</p> <p>The new standard would apply when the entity is party to a regulatory agreement that determines the regulated rate the entity can charge for the goods or services it supplies to customers.</p> <p>Regulatory assets and liabilities arise when part or all of the total allowed compensation for goods or services supplied in one period is charged to customers through the regulated rates for goods or services supplied in a different past or future period. An entity recognises all regulatory assets and liabilities as defined under the proposals, and as a result, regulatory income and expense.</p> <p>Regulatory assets and liabilities would be measured at historical cost, modified for subsequent measurement by using updated estimates of the amount and timing of future cash flows. The estimated future cash flows of a regulatory asset or liability would be discounted to their present value by using the regulatory interest rate.</p> <p>The final standard is expected in Q4 of 2025.</p>

IFRS Accounting Standards, Interpretations and Practice Statements

IFRS 15 ***Revenue from Contracts with Customers***

Overview	<p>Prescribes the accounting for revenue from sales of goods and rendering of services to a customer.</p> <p>The standard applies only to revenue that arises from a contract with a customer. Other revenue such as from dividends received would be recognised in accordance with other standards.</p>
Contract with a customer	<p>A contract with a customer is within the scope of this standard when it has commercial substance, the parties have approved it, the rights of the parties regarding the goods or services to be transferred and the payment terms can be identified, the parties are committed to perform their obligations and enforce their rights and it is probable that the entity will collect the consideration to which it is entitled.</p>
Core principle	<p>The standard uses a control model.</p> <p>An entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.</p>

IFRS Accounting Standards, Interpretations and Practice Statements

Five steps

The standard sets out five steps an entity applies to meet the core principle.

Step 1: Identify the contract with a customer. It is the contract that creates enforceable rights and obligations between the entity and its customer.

Step 2: Identify the performance obligations in the contract. Each promise to transfer to a customer a good or service that is distinct is a performance obligation and is accounted for separately.

Step 3: Determine the transaction price. The transaction price is the amount of consideration to which the entity expects to be entitled in exchange for transferring promised goods or services to the customer. It could be a fixed or variable amount or in a form other than cash. If the consideration is variable, the entity must estimate the amount to which it expects to be entitled but recognises it only to the extent that it is highly probable that a significant reversal will not occur when the uncertainty is resolved. The transaction price is adjusted for the effects of the time value of money if the contract includes a significant financing component.

Step 4: Allocate the transaction price to the performance obligations in the contract. The transaction price is allocated to each performance obligation on the basis of the relative stand-alone selling prices of each distinct good or service promised in the contract. If a stand-alone selling price is not observable, an entity estimates it.

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation. Revenue is recognised when (or as) the performance obligation is satisfied and the customer obtains control of that good or service. This can be at a point in time (typically for goods) or over time (typically for services). The revenue recognised is the amount allocated to the satisfied performance obligation.

IFRS Accounting Standards, Interpretations and Practice Statements

Application guidance	<p>The standard includes application guidance for specific transactions such as performance obligations satisfied over time, methods for measuring progress of performance obligations, sales with a right of return, warranties, principal versus agent considerations, customer options for additional goods or services, non-refundable upfront fees, bill and hold arrangements and customers unexercised rights, licensing, repurchase agreements, consignment arrangements and customer acceptance.</p> <p>The standard also includes guidance on variable consideration and time value of money and specific disclosure requirements.</p>
Interpretations	None
Changes effective this year	None
Pending changes	None

IFRS Accounting Standards, Interpretations and Practice Statements

IFRS 16	<i>Leases</i>
Overview	<p>Sets out the recognition, measurement, presentation and disclosure requirements for leases.</p> <p>A lessee recognises a leased asset and lease obligation for all leases that are not subject to specific exemptions. Lessors continue to distinguish between operating and finance leases.</p>
Summary	<p>A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed when the customer has the right to direct the identified asset's use and to obtain substantially all economic benefits from that use.</p>

IFRS Accounting Standards, Interpretations and Practice Statements

Accounting by a lessee

The standard has a single lessee accounting model, requiring lessees to recognise a right-of-use asset and a lease liability. The right-of-use asset is measured initially at the amount of the lease liability plus any initial direct costs incurred by the lessee.

After lease commencement, the right-of-use asset is accounted for in accordance with IAS 16 (unless specific conditions apply).

The lease liability is measured initially at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease if that can be readily determined. If that rate cannot be readily determined, the lessee uses its incremental borrowing rate. Lease payments are allocated between interest expense and repayment of the lease liability.

When the lease payments are variable the lessee does not include those when measuring the right-of-use asset and the lease liability, but instead recognises the amounts payable as they fall due. The exception is variable payments that depend on an index or a rate, which are included in the initial measurement of a lease liability and the right-of-use asset.

There are optional recognition exemptions when the lease term is 12 months or less or when the underlying asset has a low value when new. If applied, the lease payments are recognised on a basis that represents the pattern of the lessee's benefit (e.g. straight-line over the lease term).

IFRS Accounting Standards, Interpretations and Practice Statements

Accounting by a lessor

The IFRS 16 approach to lessor accounting is substantially unchanged from its predecessor, IAS 17.

Lessors classify each lease as an operating lease or a finance lease.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise, a lease is classified as an operating lease.

A lessor recognises assets held under a finance lease as a receivable at an amount equal to the net investment in the lease upon lease commencement.

For sale and leaseback transactions, the seller is required to determine whether the transfer of an asset is a sale by applying the requirements of IFRS 15. If it is a sale the seller measures the right-of-use asset at the proportion of the previous carrying amount that relates to the right of use retained. As a result, the seller only recognises the amount of gain or loss that relates to the rights transferred to the buyer.

Interpretations

None

**Changes
effective this
year**

None

IFRS Accounting Standards, Interpretations and Practice Statements

Pending changes In June 2025, the IASB published Request for Information (RFI) *Post-implementation Review of IFRS 16 Leases* to seek stakeholders' feedback on its post-implementation review of IFRS 16. The RFI is open for public comment until 15 October 2025.

The IASB has added a project on sale and leaseback of an asset in a single-asset entity to its maintenance project pipeline. If undertaken, this narrow-scope project would address how an entity accounts for the sale of a subsidiary when the entity leases back one or more of the assets held by the subsidiary.

IFRS Accounting Standards, Interpretations and Practice Statements

IFRS 17	<i>Insurance Contracts</i>
Overview	Establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts.
Insurance and reinsurance contracts	<p>IFRS 17 specifies how an entity recognises, measures, presents and discloses insurance contracts, reinsurance contracts and investment contracts with discretionary participation features.</p> <p>An insurance contract is one in which the issuer accepts significant insurance risk by agreeing to compensate the policyholder for the insured event.</p> <p>A reinsurance contract is an insurance contract issued by the reinsurer to compensate another entity for claims arising from one or more insurance contracts it holds as an issuer.</p>
Aggregation of insurance contracts	<p>Entities must identify portfolios of insurance contracts, being those contracts that have similar risks and are managed together, such as within a product line.</p> <p>Each portfolio is divided into groups of insurance contracts on the basis of, at a minimum, those that at initial recognition are onerous, have no significant possibility of becoming onerous subsequently or do not fall into either category.</p> <p>Groups of insurance contracts cannot include contracts issued more than one year apart.</p>

IFRS Accounting Standards, Interpretations and Practice Statements

Recognition	<p>A group of insurance contracts is recognised from the earlier of the beginning of its coverage period or the date when the first payment from a policyholder in the group becomes due, or for a group of onerous contracts, when the group becomes onerous.</p>
Initial measurement	<p>On initial recognition, an entity measures a group of insurance contracts at the total of the group's fulfilment cash flows (FCF) and the contractual service margin (CSM).</p> <p>The FCF comprises an estimate of future cash flows, an adjustment to reflect the time value of money and the financial risks associated with the future cash flows and a risk adjustment for non-financial risk.</p> <p>The CSM is the unearned profit of the group of insurance contracts that the entity will recognise as it provides services in the future. The CSM of a group of onerous contracts is nil and the group's measurement consists entirely of fulfilment cash flows. The net outflow expected from a group of contracts determined to be onerous on initial recognition is recognised at that date in profit or loss.</p> <p>For profitable contracts, the CSM is measured on initial recognition at an amount that results in no income or expenses arising from the initial recognition of the FCF, the derecognition at that date of any asset or liability recognised for insurance acquisition cash flows and any cash flows arising from the contracts in the group at that date.</p>

IFRS Accounting Standards, Interpretations and Practice Statements

Initial
measurement
(ct'd)

IFRS 17 also requires an entity to include in the initial measurement of the CSM of a group of insurance contracts the effect of the derecognition of any asset or liability previously recognised for cash flows related to that group paid or received before the group is recognised. This also applies to assets and liabilities previously recognised because of the requirements of another IFRS Accounting Standard even if no cash flows have been paid or received.

An entity is required to use a systematic and rational method to allocate the insurance acquisition cash flows that are directly attributable to a group of insurance contracts to that group and to groups that will include insurance contracts that are expected to arise from renewals of the insurance contracts in that group.

Insurance acquisition cash flows that are directly attributable to a portfolio of insurance contracts, but that are not directly attributable to individual contracts or groups of contracts, are allocated based on a systematic and rational method to groups in the portfolio.

An entity recognises those cash flows as an asset until the groups of related contract renewals or groups expected to be in the portfolio are recognised.

IFRS Accounting Standards, Interpretations and Practice Statements

Subsequent measurement

The carrying amount of a group of insurance contracts at the end of each reporting period is the sum of the liability for remaining coverage (comprising the FCF related to future services and the CSM at that date) and the liability for incurred claims.

The CSM is adjusted at the end of each reporting period to reflect the change in fulfilment cash flows on a group of insurance contracts that relates to the future service to be provided. Revenue is comprised of the amount of premium that compensates for insurance service expense (as expected at the beginning of the reporting period) and the release of CSM based on the amount of service provided in the period expressed in coverage units. The CSM is allocated to coverage units considering the quantities of benefits and expected period of both insurance coverage and any investment-return or investment-related service. The CSM is released in full over the coverage period.

Direct participating contracts are contracts that create an obligation for the entity to pay to the policyholder an amount equal to the underlying items less a variable fee. The variable fee comprises the entity's share of the fair value of the underlying items less amounts payable to the policyholder that do not vary based on the underlying items. The general measurement model is modified for such contracts. This modification is referred to as the Variable Fee Approach.

For groups of contracts with a coverage period of less than one year, or where it is reasonably expected to produce a liability measurement that would not differ materially from the general approach under IFRS 17, a simplified Premium Allocation Approach can be applied.

Specific measurement requirements apply to onerous insurance contracts, reinsurance contracts and investment contracts with discretionary participation features.

IFRS Accounting Standards, Interpretations and Practice Statements

Presentation in the statement of financial performance

Amounts recognised in the statement of financial performance are disaggregated into an insurance service result and insurance finance income or expenses.

The insurance service result is presented in profit or loss and comprises revenue and insurance service expenses.

Revenue arises from the provision of insurance contract services and the recognition of insurance acquisition cash flows.

Insurance service expenses comprise:

- Incurred claims (excluding repayments of investment components) and other incurred insurance service expenses
 - Amortisation of insurance acquisition cash flows
 - Changes that relate to past service, i.e. changes in fulfilment cash flows relating to the liability for incurred claims
 - Changes that relate to future service, i.e. losses on groups of contracts and reversals of such losses
-

IFRS Accounting Standards, Interpretations and Practice Statements

Presentation in the statement of financial performance (ct'd)	<p>Income or expenses from reinsurance contracts held are presented separately from the expenses or income from insurance contracts issued.</p> <p>Insurance finance income or expenses reflects changes from the effect of the time value of money and financial risk (excluding any such changes for groups of insurance contracts with direct participating insurance contracts that would instead adjust the CSM). Entities can choose to present all insurance finance income or expenses in profit or loss or to present in profit or loss only an amount determined by a systematic allocation of the expected total insurance finance income or expenses over the duration of a group of contracts. If the latter option is taken, the remaining insurance finance income or expense is presented in other comprehensive income.</p>
Presentation in the statement of financial position	<p>Separate presentation is required of insurance and reinsurance contracts issued, further separated into those that are assets and those that are liabilities.</p> <p>The presentation in the statement of financial position is on a portfolio level.</p>
Disclosure	<p>Quantitative and qualitative information is required about the amounts recognised in the financial statements that arise from insurance contracts, the significant judgements, and changes in those judgements, made when applying IFRS 17 and the nature and extent of risks arising from insurance contracts.</p>

IFRS Accounting Standards, Interpretations and Practice Statements

Interpretations	None
Changes effective this year	None
Pending changes	None

IFRS Accounting Standards, Interpretations and Practice Statements

IAS 1

Presentation of Financial Statements

Overview

Sets out the overall framework for presenting general purpose financial statements, including guidelines for their structure and the minimum content.

Complete set of financial statements

A complete set of financial statements comprises:

- A statement of financial position
- A statement of profit or loss and other comprehensive income
- A statement of changes in equity
- A statement of cash flows
- Notes

Entities may use titles for the individual financial statements other than those used above.

Comparative information for the prior period is required for amounts shown in the financial statements and the notes.

Financial statements are generally prepared annually. If the end of the reporting period changes, and financial statements are presented for a period other than one year, additional disclosures are required.

A third statement of financial position is required when an accounting policy has been applied retrospectively or items in the financial statements have been restated or reclassified.

IFRS Accounting Standards, Interpretations and Practice Statements

Materiality	<p>IAS 1 defines what makes information material to the primary users of the financial statements. It also sets out the line items to be presented in each of the statements (with the exception of the statement of cash flows, for which IAS 7 sets out the requirements) and has guidance for when an entity presents additional line items or subtotals.</p> <p>IFRS Practice Statement 2 <i>Making Materiality Judgements</i> provides guidance on making materiality judgements when preparing general purpose financial statements in accordance with IFRS Accounting Standards.</p>
Statement of financial position	<p>In the statement of financial position, assets and liabilities are required to be classified as current or non-current, unless presenting them in order of liquidity provides reliable and more relevant information. Assets and liabilities may not be offset unless offsetting is permitted or required by another IFRS Accounting Standard.</p>
Statement of profit or loss and other comprehensive income	<p>The statement of profit or loss and other comprehensive income includes all items of income and expense. It can be presented as either a single statement, with a subtotal for profit or loss, or as separate statements of profit or loss and other comprehensive income. Within the profit or loss section, expenses are presented either by their nature (e.g. depreciation) or by function (e.g. cost of sales). If they are presented by function, additional disclosures about their nature are required to be presented in the notes. Items can only be presented in other comprehensive income if permitted by an IFRS Accounting Standard and are grouped based on whether or not they are potentially reclassifiable to profit or loss at a later date. Income and expenses may not be offset unless offsetting is permitted or required by another IFRS Accounting Standard.</p> <p>There are special presentation requirements for discontinued activities and assets held for sale—see IFRS 5.</p>

IFRS Accounting Standards, Interpretations and Practice Statements

Statement of changes in equity	The statement of changes in equity is required to show the total comprehensive income for the period; the effects on each component of equity of retrospective application or retrospective restatement in accordance with IAS 8; and for each component of equity, a reconciliation between the opening and closing balances, disclosing each change separately.
Notes	The notes must include information about the accounting policies followed; the judgements that management has made in the process of applying the entity's accounting policies that have the most significant effect on the amounts recognised in the financial statements; sources of estimation uncertainty; and management of capital and compliance with capital requirements.
Fundamental principles	IAS 1 also sets out the fundamental principles for the preparation of financial statements, including the going concern assumption, consistency in presentation and classification and the accrual basis of accounting.
Interpretations	None
Changes effective this year	None

IFRS Accounting Standards, Interpretations and Practice Statements

Pending changes In April 2024, the IASB published IFRS 18 *Presentation and Disclosure in Financial Statements*. The new standard replaces IAS 1 while carrying forward many of the requirements in IAS 1. Some of the requirements in IAS 1 are moved to IAS 8 and IFRS 7. An entity is required to apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027 with earlier application permitted.

In November 2023, the IASB published exposure draft ED/2023/5 *Financial Instruments with Characteristics of Equity*. In the ED, the IASB proposes amendments to IAS 32, IFRS 7 and IAS 1 to address challenges that arise from the classification of financial instruments. The amendments to IAS 1 would require an entity to provide additional information about amounts attributable to ordinary shareholders. The final amendments are expected in 2026.

IFRS Accounting Standards, Interpretations and Practice Statements

IAS 2	<i>Inventories</i>
Overview	Prescribes the accounting for inventories.
Initial measurement of inventory	<p>Inventories are stated at the lower of cost and net realisable value (NRV).</p> <p>Costs include purchase cost, conversion cost (materials, labour and overheads), and other costs to bring inventory to its present location and condition, but not foreign exchange differences (see IAS 21).</p> <p>For inventory that is not interchangeable, specific costs are attributed to the specific individual items of inventory. For interchangeable items, cost is determined on either a first in first out (FIFO) or weighted average basis. Last in first out (LIFO) is not permitted.</p>
Cost of goods sold	When inventory is sold, the carrying amount is recognised as an expense in the period in which the related revenue is recognised.
Impairment	Write-downs to NRV are recognised as an expense in the period the loss occurs. Reversals arising from an increase in NRV are recognised as a reduction of the inventory expense in the period in which they occur.

IFRS Accounting Standards, Interpretations and Practice Statements

Interpretations	IFRIC 20 <i>Stripping Costs in the Production Phase of a Surface Mine</i> considers when and how to account separately for the benefits arising from the removal of mine waste materials ('overburden') to gain access to mineral ore deposits, as well as how to measure these benefits both initially and subsequently.
Changes effective this year	None
Pending changes	None

IFRS Accounting Standards, Interpretations and Practice Statements

IAS 7	<i>Statement of Cash Flows</i>
Overview	Requires a statement of cash flows to present information about changes in cash and cash equivalents, classified as operating, investing and financing activities.
Cash and cash equivalents	Cash equivalents include investments that are short-term (less than three months from date of acquisition), readily convertible to a known amount of cash, and subject to an insignificant risk of changes in value.
Operating, investing and financing cash flows	<p>Operating activities are the principal revenue-producing activities of the entity and other activities that are not investing or financing activities. Operating cash flows are reported using either the direct (recommended) or the indirect method. Cash flows from taxes on income are classified as operating unless they can be specifically identified with financing or investing activities. Investing activities are the acquisition and disposal of long-term assets and other investments not included in cash equivalents. Financing activities are activities that result in changes in the size and composition of the contributed equity and borrowings of the entity.</p> <p>Aggregate cash flows from obtaining or losing control of subsidiaries are presented separately and classified as investing activities.</p> <p>Investing and financing transactions that do not require the use of cash are excluded from the statement of cash flows but need to be disclosed.</p>
Reconciliation of financing balances	Entities must reconcile the opening and closing amounts in the statement of financial position for items classified as financing activities.

IFRS Accounting Standards, Interpretations and Practice Statements

Interpretations	None
Changes effective this year	None
Pending changes	<p>In April 2024, the IASB published IFRS 18 <i>Presentation and Disclosure in Financial Statements</i> which also made the following minor amendments to IAS 7:</p> <ul style="list-style-type: none">• all entities will be required to use the operating profit subtotal as the starting point for the indirect method of reporting cash flows from operating activities• the presentation alternatives for cash flows related to interest and dividends paid and received are removed. <p>An entity is required to apply IFRS 18, and any consequential amendments to other standards, for annual reporting periods beginning on or after 1 January 2027 with earlier application permitted.</p> <p>The IASB has initiated a research project on statement of cash flows and related matters. In the initial phase, the IASB will perform research on the nature and extent of perceived deficiencies in the requirements of IAS 7. The IASB plans to decide the project direction in Q4 of 2025.</p>

IFRS Accounting Standards, Interpretations and Practice Statements

IAS 8	<i>Basis of Preparation of Financial Statements</i>
Overview	Prescribes the criteria for selecting and changing accounting policies, together with the accounting treatment and disclosure of changes in accounting policies, changes in estimates and correction of errors.
Selecting accounting policies	Entities must apply the standards and interpretations issued by the IASB. In the absence of a directly applicable IFRS Accounting Standard, entities must look to the requirements in IFRS Accounting Standards that address similar and related issues and, failing that, to the <i>Conceptual Framework</i> . Entities may also consider the most recent pronouncements of other standard-setting bodies that use a similar conceptual framework, other accounting literature and accepted industry practice.
Changes in accounting policies	<p>Accounting policies must be applied consistently to similar transactions. Voluntary changes can be made only if the change results in reliable and more relevant information.</p> <p>When a change in accounting policy is required by an IFRS Accounting Standard, the pronouncement's transitional requirements are followed. If the new requirement is not yet mandatory, and the entity has not early-applied the change, the entity must provide information it knows, or can reasonably estimate, about the possible effect that application will have on its financial statements when it plans to apply the new requirements.</p> <p>If the entity makes a change voluntarily, the new policy must be applied retrospectively and prior periods are restated. The standard provides relief from retrospective application when it is impracticable to determine period-specific effects.</p>

IFRS Accounting Standards, Interpretations and Practice Statements

Changes in accounting estimates	Changes in accounting estimates (e.g. change in useful life of an asset) are accounted for prospectively, in the current year, or future years, or both. The comparative information is not restated.
Prior period errors	All material prior period errors are corrected by restating comparative prior period amounts and, if the error occurred before the earliest period presented, by restating the opening statement of financial position.
Interpretations	None
Changes effective this year	None
Pending changes	In April 2024, the IASB published IFRS 18 <i>Presentation and Disclosure in Financial Statements</i> . The new standard replaces IAS 1 while carrying forward many of the requirements in IAS 1. Some of the requirements in IAS 1 are moved to IAS 8. To reflect the extended content of IAS 8, the IASB also changed the title of the standard from <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> . An entity is required to apply IFRS 18, and any consequential amendments to other standards, for annual reporting periods beginning on or after 1 January 2027 with earlier application permitted.

IFRS Accounting Standards, Interpretations and Practice Statements

IAS 10	
<i>Events after the Reporting Period</i>	
Overview	Prescribes when financial statements must be adjusted for events after the end of the reporting period and what information must be disclosed.
Events after the end of the reporting period	Events after the end of the reporting period are those that occur between the end of the reporting period and the date when the financial statements are authorised for issue.
Adjusting events	The financial statements are adjusted for events that provide evidence of conditions that existed at the end of the reporting period (such as the resolution of a court case after the end of the reporting period).
Non-adjusting events	<p>The financial statements are not adjusted for events that arose after the end of the reporting period (such as a decline in market prices after year end). The nature and effect of such events are disclosed. However, if the events after the end of the reporting period indicate that the going concern assumption is not appropriate, those financial statements are not prepared on a going concern basis.</p> <p>Dividends proposed or declared after the end of the reporting period are not recognised as a liability at the end of the reporting period.</p>

IFRS Accounting Standards, Interpretations and Practice Statements

Interpretations	None
Changes effective this year	None
Pending changes	None

IFRS Accounting Standards, Interpretations and Practice Statements

IAS 12	<i>Income Taxes</i>
Overview	Sets out the accounting for current and deferred tax.
Current and deferred tax	<p>Current tax liabilities and assets are recognised for current and prior period taxes, measured at the rates that have been enacted or substantively enacted by the end of the reporting period.</p> <p>Deferred tax assets and liabilities are the income taxes recoverable or payable in future periods as a result of differences between the amounts attributed to assets and liabilities from applying IFRS Accounting Standards and the amounts those assets and liabilities are attributed for tax purposes (called temporary differences).</p>
Deferred tax liabilities	<p>Deferred tax liabilities are recognised for the future tax consequences of all taxable temporary differences with three exceptions:</p> <p>A deferred tax liability is not recognised when the temporary difference arises from the initial recognition of goodwill; when, at the time of the transaction, the initial recognition of an asset or liability does not affect either the accounting or the taxable profit (unless it is a business combination); and for differences arising from investments in subsidiaries, branches, associates and joint arrangements (e.g. due to undistributed profits) when the entity is able to control the timing of the reversal of the difference and it is probable that the reversal will not occur in the foreseeable future.</p>

IFRS Accounting Standards, Interpretations and Practice Statements

Deferred tax assets

A deferred tax asset is recognised for deductible temporary differences, unused tax losses and unused tax credits, but only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised.

There are two exceptions: a deferred tax asset is not recognised for temporary differences related to the initial recognition of an asset or liability, other than in a business combination, which, at the time of the transaction, does not affect the accounting or the taxable profit; and deferred tax assets arising from deductible temporary differences associated with investments in subsidiaries, branches and associates, and interests in joint arrangements are recognised only to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available to utilise the difference.

A reassessment of unrecognised deferred tax assets must be made at the end of each reporting period.

Measurement of deferred tax

Deferred tax liabilities and assets are measured at the tax rates expected to apply when the liability is settled or the asset is realised, based on tax rates or laws that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The measurement must reflect the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities. There is a rebuttable presumption that recovery of the carrying amount of an investment property measured at fair value will be through sale.

IFRS Accounting Standards, Interpretations and Practice Statements

Presentation of current and deferred tax	<p>Current and deferred tax is recognised as income or expense in profit or loss unless it relates to a transaction or event that is recognised outside profit or loss or to a business combination.</p> <p>Deferred tax assets and liabilities are classified as non-current items.</p>
Interpretations	<p>SIC-25 <i>Income Taxes—Changes in the Tax Status of an Entity or its Shareholders</i> clarifies that the current and deferred tax consequences of changes in tax status are included in profit or loss even when they relate to transactions or events that were previously recognised outside profit or loss.</p> <p>IFRIC 23 <i>Uncertainty over Income Tax Treatments</i> clarifies that entities must assess whether it is probable that a tax authority (with full knowledge of all relevant information) will accept an uncertain tax treatment used in tax filings. If so, tax accounting should be consistent with that treatment. If not, the effect of uncertainty should be reflected in the tax accounting applied (using whichever of a ‘most likely amount’ or ‘expected value’ approach is expected to better predict the resolution of the uncertainty).</p>
Changes effective this year	None
Pending changes	The IASB has added a project on International Tax Reform—Pillar Two Model Rules to its maintenance project pipeline. The IASB continues to monitor developments related to the implementation of the Pillar Two model rules. It plans to undertake further work to determine whether to remove the temporary exception—or to make it permanent—after there is sufficient clarity about how jurisdictions implemented the rules and the related effects on entities.

IFRS Accounting Standards, Interpretations and Practice Statements

IAS 16	<i>Property, Plant and Equipment</i>
Overview	Sets out the principles for accounting for property, plant and equipment (PP&E).
Initial recognition and measurement	<p>PP&E is recognised as an asset when it is probable that its future economic benefits will flow to the entity, and its cost can be measured reliably. This includes bearer plants used in the production or supply of agricultural produce.</p> <p>Initial recognition is at cost, which includes all costs necessary to get the asset ready for its intended use. Interest on amounts borrowed for the purposes of constructing an asset are included in its cost—see IAS 23.</p> <p>Exchanges of PP&E are measured at fair value, including exchanges of similar items, unless the exchange transaction lacks commercial substance or the fair value of neither the asset received, nor the asset given up can be measured reliably.</p>
Subsequent measurement	<p>After initial recognition PP&E is either carried at cost less accumulated depreciation and impairment (the cost model) or measured at fair value less accumulated depreciation and impairment between revaluations (the revaluation model). Any revaluation surplus on disposal of an asset remains in equity and is not reclassified to profit or loss.</p> <p>Impairment of PP&E is assessed under IAS 36.</p>

IFRS Accounting Standards, Interpretations and Practice Statements

Depreciation

Depreciation is charged systematically over the useful life of the asset, using a method that reflects the pattern of benefit consumption, to its residual value. Different depreciation methods are acceptable (including straight-line, diminishing balance and units of production), but not a method that is based on the revenue the asset generates.

Components of an asset with differing patterns of benefits are depreciated separately.

The residual value is the amount the entity would receive currently if the asset were already of the age and condition expected at the end of its useful life. Useful life and the residual value are reviewed annually.

Major inspections

If operation of an item of PP&E (e.g. an aircraft) requires regular major inspections, the cost of each major inspection is recognised in the carrying amount of the asset, if the recognition criteria are satisfied.

Previously rented PP&E

Entities that routinely sell items of PP&E that they have previously held to rent must transfer the PP&E to inventory, at its carrying amount, when it becomes held for sale. The proceeds from the sale of such assets are recognised in accordance with IFRS 15.

IFRS Accounting Standards, Interpretations and Practice Statements

Interpretations	<p>IFRIC 1 <i>Changes in Existing Decommissioning, Restoration and Similar Liabilities</i> clarifies that the carrying amount of an asset is adjusted when there is a change in the estimated decommissioning or restoration liability related to that asset.</p> <p>IFRIC 20 <i>Stripping Costs in the Production Phase of a Surface Mine</i> addresses recognition of production stripping costs and measurement (initial and subsequent) of that stripping activity asset.</p>
Changes effective this year	None
Pending changes	None

IFRS Accounting Standards, Interpretations and Practice Statements

IAS 19	<i>Employee Benefits</i>
Overview	Sets out the accounting and disclosure requirements for employee benefits, including short-term benefits (wages, annual leave, sick leave, annual profit-sharing, bonuses and non-monetary benefits), pensions, post-employment life insurance and medical benefits, other long-term employee benefits (long-service leave, disability, deferred compensation, and long-term profit-sharing and bonuses); and termination benefits.
Basic principle	The cost of providing employee benefits is recognised in the period in which the entity receives services from the employee, rather than when the benefits are paid or payable.
Short-term benefits	Short-term employee benefits (expected to be settled wholly before 12 months after the annual period in which the services were rendered) are recognised as an expense in the period in which the employee renders the service. Unpaid benefit liability is measured at an undiscounted amount. Profit-sharing and bonus payments are recognised only when the entity has a legal or constructive obligation to pay them and the costs can be estimated reliably.
Post-employment benefits	Post-employment benefit plans (such as pensions and health care) are categorised as either defined contribution plans or defined benefit plans.
Defined contribution plans	Expenses are recognised in the period in which the contribution is payable.

IFRS Accounting Standards, Interpretations and Practice Statements

Defined benefit plans

A liability (or asset) is recognised equal to the net of the present value of the obligations under the defined benefit plan and the fair value of the plan assets at the end of the reporting period. The present value is calculated using a rate determined with reference to market yields on high-quality corporate bonds.

Plan assets include assets held by a long-term employee benefit fund and qualifying insurance policies.

A defined benefit asset is limited to the lower of the surplus in the defined benefit plan and present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The change in the defined benefit liability or asset is separated into the service cost, net interest and remeasurements.

The service cost is the increase in the present value of the defined benefit obligation resulting from the service of employees in the current period and any change in the present value related to employee service in prior periods that results from plan amendments. The service cost is recognised in profit or loss.

Net interest is the change in the liability (asset) caused by the passage of time and is recognised in profit or loss.

Remeasurements include actuarial gains or losses (such as changes in actuarial assumptions) and the return on plan assets and are recognised in other comprehensive income.

For group plans, the net cost is recognised in the separate financial statements of the entity that is legally the sponsoring employer unless a contractual agreement or stated policy for allocating the cost exists.

IFRS Accounting Standards, Interpretations and Practice Statements

Other long-term and termination benefits

Other long-term employee benefits are recognised and measured in the same way as post-employment benefits under a defined benefit plan. However, unlike defined benefit plans, remeasurements are recognised immediately in profit or loss.

Termination benefits are recognised at the earlier of when the entity can no longer withdraw the offer of the benefits and when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits.

IFRS Accounting Standards, Interpretations and Practice Statements

Interpretations	IFRIC 14 IAS 19— <i>The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction</i> addresses when refunds or reductions in future contributions should be regarded as being 'available', how a minimum funding requirement might affect the availability of reductions in future contributions and when a minimum funding requirement might give rise to a liability.
Changes effective this year	None
Pending changes	None

IFRS Accounting Standards, Interpretations and Practice Statements

IAS 20

Accounting for Government Grants and Disclosure of Government Assistance

Overview

Prescribes the accounting for, and disclosure of, government grants and other forms of government assistance.

Recognition of government grants

A government grant is recognised only when there is reasonable assurance that the entity will comply with the conditions attached to the grant and it will be received. Non-monetary grants are usually recognised at fair value, although recognition at nominal value is permitted.

The benefit of government loans with a below-market rate of interest is a government grant—measured as the difference between the initial carrying amount of the loan determined in accordance with IFRS 9 and the proceeds received.

Presentation

Grants are recognised in profit or loss over the periods necessary to match them with the related costs.

Income-related grants are either presented separately as income or as a reduction of the related expense.

Asset-related grants are either presented as deferred income in the statement of financial position or deducted in arriving at the carrying amount of the asset.

IFRS Accounting Standards, Interpretations and Practice Statements

Interpretations	SIC-10 <i>Government Assistance—No Specific Relation to Operating Activities</i> clarifies that government assistance to entities that is aimed at encouragement or long-term support of business activities either in specific regions or industry sectors is a government grant.
Changes effective this year	None
Pending changes	None

IFRS Accounting Standards, Interpretations and Practice Statements

IAS 21	<i>The Effects of Changes in Foreign Exchange Rates</i>
Overview	Prescribes the accounting for foreign currency transactions and foreign operations.
Functional currency	An entity's functional currency is the currency of the primary economic environment in which the entity operates. All foreign currency items are translated into that currency.
Exchange differences on transactions	Transactions are recognised on the date that they occur using the exchange rate on that date for initial recognition and measurement.
Exchange differences on translation at the end of a reporting period	At the end of a reporting period non-monetary items carried at historical amounts continue to be measured using transaction-date exchange rates, monetary items are retranslated using the closing rate and non-monetary items carried at fair value are measured at valuation-date exchange rates. Exchange differences arising on settlement or translation of monetary items are included in profit or loss, with one exception. Exchange differences arising on monetary items that are part of the reporting entity's net investment in a foreign operation are recognised in the consolidated financial statements that include the foreign operation in other comprehensive income. Such differences are reclassified from equity to profit or loss on disposal of the net investment.

IFRS Accounting Standards, Interpretations and Practice Statements

Translation of the financial statements into the presentation currency

When an entity has a presentation currency that is different from its functional currency, the results and financial position are translated into that presentation currency.

Assets (including goodwill arising on the acquisition of a foreign operation) and liabilities for each statement of financial position presented (including comparatives) are translated at the closing rate at the date of each statement.

Income and expenses for each period presented (including comparatives) are translated at exchange rates at the dates of the transactions.

All resulting exchange differences are recognised as other comprehensive income and the cumulative amount is presented in a separate component of equity until disposal of the foreign operation.

Special rules exist for translating the results and financial position of an entity whose functional currency is hyperinflationary.

IFRS Accounting Standards, Interpretations and Practice Statements

Interpretations	<p>SIC-7 <i>Introduction of the Euro</i> explains how IAS 21 applied when the Euro was first introduced, and when new EU Members join the Eurozone.</p> <p>The IFRS 9 summary includes a summary of IFRIC 16 <i>Hedges of a Net Investment in a Foreign Operation</i>.</p> <p>IFRIC 22 <i>Foreign Currency Transactions and Advance Consideration</i> clarifies that when consideration denominated in a foreign currency is paid or received in advance, the exchange rate to use on initial recognition is the rate on the date on which the payment in advance is initially recognised.</p>
Changes effective this year	<p>In August 2023, the IASB published amendments to IAS 21 titled <i>Lack of Exchangeability</i> that specify how to assess whether a currency is exchangeable and how to determine the exchange rate when it is not. Entities are required to apply the amendments for annual reporting periods beginning on or after 1 January 2025 with earlier application permitted.</p>
Pending changes	<p>In July 2024, the IASB published exposure draft ED/2024/4 <i>Translation to a Hyperinflationary Presentation Currency</i>. In the ED, the IASB proposes to amend IAS 21 to require that an entity translates amounts from a functional currency that is the currency of a non-hyperinflationary economy to a presentation currency that is the currency of a hyperinflationary economy, including the comparative amounts, using the closing rate at the reporting date. The final amendments are expected in Q4 of 2025.</p>

IFRS Accounting Standards, Interpretations and Practice Statements

IAS 23	<i>Borrowing Costs</i>
Overview	Prescribes the accounting when borrowings are made to acquire or construct an asset.
Recognition of borrowing costs as a cost of construction	<p>Borrowing costs directly attributable to the acquisition or construction of a qualifying asset are included in the cost of that asset. All other borrowing costs are expensed when incurred.</p> <p>A qualifying asset is one that takes a substantial period of time to make it ready for its intended use or sale.</p> <p>If funds are borrowed generally and used for the purpose of obtaining a qualifying asset, a capitalisation rate (using a weighted average of the borrowing costs over the period) is used. The borrowing costs eligible for capitalisation cannot exceed the amount of borrowing costs incurred.</p>
Interpretations	None
Changes effective this year	None
Pending changes	None

IFRS Accounting Standards, Interpretations and Practice Statements

IAS 24

Related Party Disclosures

Overview

Sets out disclosure requirements to make investors aware that the financial position and results of operations may have been affected by the existence of related parties.

Related party

A related party is a person or entity that is related to the reporting entity.

A related party includes a person who has, or has a close family member who has, control or joint control of, or significant influence over, the reporting entity or is a member of its, or its parent's, key management personnel. Entities that such a person controls, jointly controls, has significant influence over or of which they are a member of the key management personnel are also related parties.

Another entity is related to the reporting entity if it is a member of the same group; either entity is an associate or a joint venture of the other, they are joint ventures of the same third party; one entity is a joint venture of a third entity and the other entity is an associate of the third entity; the other entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity; or the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

IFRS Accounting Standards, Interpretations and Practice Statements

Disclosure

The standard requires disclosure of relationships involving control, even when there have been no transactions.

For related party transactions, disclosure is required of the nature of the relationship and with sufficient information to enable an understanding of the potential effect on the transactions.

There is a partial exemption for government-related entities.

Interpretations

None

Changes effective this year

None

Pending changes

None

IFRS Accounting Standards, Interpretations and Practice Statements

IAS 26	<i>Accounting and Reporting by Retirement Benefit Plans</i>
Overview	Specifies the measurement and disclosure principles for the financial reports of retirement benefit plans.
Summary	Sets out the reporting requirements for the reporting by defined contribution and defined benefit plans, including the need for actuarial valuation of the benefits for defined benefits and the use of fair values for plan investments.
Interpretations	None
Changes effective this year	None
Pending changes	None

IFRS Accounting Standards, Interpretations and Practice Statements

IAS 27	
<i>Separate Financial Statements</i>	
Overview	Prescribes the accounting for investments in subsidiaries, joint ventures and associates in separate financial statements.
Accounting	In separate financial statements, investments in subsidiaries, associates and joint ventures are accounted for either at cost, at fair value in accordance with IFRS 9 or using the equity method as described in IAS 28.
Interpretations	None
Changes effective this year	None
Pending changes	None

IFRS Accounting Standards, Interpretations and Practice Statements

IAS 28	<i>Investments in Associates and Joint Ventures</i>
Overview	Sets out the accounting when an entity has an investment in an associate or joint venture.
Definition of an associate	<p>An associate is an entity over which the investor has significant influence. There is a rebuttable presumption that an investor that holds an investment, directly and indirectly, of 20 per cent or more of the voting power of the investee has significant influence.</p> <p>The guidance for assessing joint control and whether an entity has an investment in a joint venture is set out in IFRS 11.</p>
Accounting method	<p>The equity method is used to account for investments in associates and joint ventures.</p> <p>However, if the investor is a venture capital firm, mutual fund, unit trust or a similar entity, it can elect to measure such investments at fair value through profit or loss in accordance with IFRS 9.</p> <p>When the investor is presenting its separate financial statements it accounts for an investment in an associate or a joint venture in accordance with IAS 27.</p>

IFRS Accounting Standards, Interpretations and Practice Statements

The equity method	<p>The investment is recorded initially at cost and is subsequently adjusted by the investor's share of changes in the investee's net assets.</p> <p>The investor's statement of comprehensive income reflects its share of the investee's post-acquisition profit or loss.</p> <p>The accounting policies of the associate and joint venture need to be the same as those of the investor for like transactions and events in similar circumstances. However, if an entity that is not itself an investment entity but has an interest in an associate or joint venture that is an investment entity, the entity is permitted to retain the fair value measurements applied by an investment entity associate or joint venture to its interests in subsidiaries.</p> <p>The end of the reporting period of an associate or a joint venture cannot be more than three months different from the investor's end of the reporting period.</p>
Impairment	<p>Equity method investments are assessed for impairment in accordance with IAS 36. The impairment indicators in IFRS 9 apply. An investment in an associate or joint venture is treated as a single asset for impairment purposes.</p>
Discontinued use of the equity method	<p>If an investment in an associate or joint venture becomes a subsidiary, the entity applies IFRS 3 and IFRS 10.</p> <p>If an investment ceases to be an associate or a joint venture to become a financial asset in the scope of IFRS 9, the investment retained is remeasured to its fair value, with any gain or loss recognised in profit or loss.</p>

IFRS Accounting Standards, Interpretations and Practice Statements

Interpretations	None
Changes effective this year	None
Pending changes	<p>Amendments published in September 2014 clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed are a business. However, the IASB decided in December 2015 to defer indefinitely the effective date of the amendments, although entities may elect to apply them.</p> <p>In September 2024, the IASB published exposure draft IASB/ED/2024/7 <i>Equity Method of Accounting—IAS 28 Investments in Associates and Joint Ventures (revised 202x)</i>. In the ED, the IASB proposes amendments to IAS 28 to answer application questions about how an investor applies the equity method in certain scenarios. The IASB will decide the project direction in Q4 of 2025.</p>

IFRS Accounting Standards, Interpretations and Practice Statements

IAS 29	
<i>Financial Reporting in Hyperinflationary Economies</i>	
Overview	Sets out the requirements for entities reporting in the currency of a hyperinflationary economy.
Hyperinflation	Generally, an economy is hyperinflationary when the cumulative inflation rate over three years is approaching or exceeds 100 per cent.
Change in measurement basis	When an entity's functional currency is the currency of a hyperinflationary economy, its financial statements are restated so that all amounts are measured at current amounts at the end of the reporting period. The adjusting gain or loss on the net monetary position is recognised in profit or loss. Comparative figures for prior period(s) are also restated into the same current measuring unit.
When an economy is no longer hyperinflationary	When an economy ceases to be hyperinflationary, the amounts expressed in the measuring unit current at the end of the previous reporting period become the basis for the carrying amounts in subsequent financial statements.
Interpretations	IFRIC 7 <i>Applying the Restatement Approach under IAS 29</i> clarifies that when the economy of an entity's functional currency becomes hyperinflationary, the entity applies the requirements of IAS 29 as though the economy had always been hyperinflationary.
Changes effective this year	None
Pending changes	None

IFRS Accounting Standards, Interpretations and Practice Statements

IAS 32

Financial Instruments: Presentation

Overview

Prescribes the accounting for classifying and presenting financial instruments as liabilities or equity and for offsetting financial assets and liabilities.

Classification

Classification of an instrument is based on its substance rather than its form and the assessment is made at the time of issue and is not altered subsequently.

An equity instrument is an instrument that evidences a residual interest in the assets of the entity after deducting all of its liabilities. A financial liability is an instrument that obligates an entity to deliver cash or another financial asset, or the holder has a right to demand cash or another financial asset. Examples are bank loans and trade payables, but also mandatorily redeemable preference shares. Puttable instruments and instruments that impose on the entity an obligation to deliver a pro-rata share of net assets only on liquidation that are subordinate to all other classes of instruments and meet additional criteria, are classified as equity instruments even though they would otherwise meet the definition of a liability.

An issuer classifies separately the debt and equity components of a single compound instrument such as convertible debt, at the time of issue.

The cost of treasury shares is deducted from equity. Resales of treasury shares are accounted for as equity issuances.

IFRS Accounting Standards, Interpretations and Practice Statements

Cost	Costs of issuing or reacquiring equity instruments are accounted for as a deduction from equity.
Offsetting	Financial assets and liabilities can only be offset, and the net amount reported, when an entity has a legally enforceable right to set off the amounts and intends either to settle on a net basis or simultaneously.
Statement of financial performance	Interest, dividends, gains and losses relating to an instrument classified as a liability are reported as income or expense.
Interpretations	IFRIC 2 <i>Members' Shares in Co-operative Entities and Similar Instruments</i> clarifies that these are liabilities unless the co-op has the legal right not to redeem on demand.
Changes effective this year	None

IFRS Accounting Standards, Interpretations and Practice Statements

Pending changes In November 2023, the IASB published exposure draft ED/2023/5 *Financial Instruments with Characteristics of Equity*. In the ED, the IASB proposes amendments to IAS 32, IFRS 7 and IAS 1 to address challenges that arise from the classification of financial instruments by clarifying the principles in IAS 32 and to enhance presentation and disclosure requirements.

In particular, the IASB proposes amendments to IAS 32 to clarify:

- the effects of relevant laws or regulations (such as statutory or regulatory requirements applicable to a financial instrument) on the classification of financial instruments
- the 'fixed-for-fixed' condition for classifying a derivative that will or may be settled in an issuer's own equity instruments
- the requirements for classifying financial instruments containing an obligation for an entity to purchase its own equity instruments
- the requirements for classifying financial instruments with contingent settlement provisions
- the effect of shareholder discretion on the classification of financial instruments
- the circumstances in which a financial instrument (or a component of it) is reclassified as a financial liability or an equity instrument after initial recognition.

The final amendments are expected in 2026.

IFRS Accounting Standards, Interpretations and Practice Statements

IAS 33	<i>Earnings per Share</i>
Overview	Sets out the principles for measuring and presenting earnings per share (EPS).
Scope	Applies to publicly-traded entities, entities in the process of issuing such shares and any other entity voluntarily presenting EPS.
EPS	<p>Requires the presentation of basic and diluted EPS for each class of ordinary share that has a different right to share in profit for the period. The measures must be presented with equal prominence.</p> <p>EPS is reported for profit or loss attributable to equity holders of the parent entity, for profit or loss from continuing operations attributable to equity holders of the parent entity and for any discontinued operations. EPS on discontinued operations can be presented in the notes.</p>
Basic EPS calculation	<p>The numerator is earnings after deduction of all expenses including tax and after deduction of non-controlling interests and preference dividends.</p> <p>The denominator is the weighted average number of shares outstanding during the period.</p>

IFRS Accounting Standards, Interpretations and Practice Statements

Diluted EPS calculation

Dilution is a reduction in EPS on the assumption that convertible instruments are converted, that options or warrants are exercised or that ordinary shares are issued when specified conditions are met.

The numerator is the profit for the period attributable to ordinary shares, increased by the after-tax amount of dividends and interest recognised in the period in respect of the dilutive potential ordinary shares (such as options, warrants, convertible securities and contingent insurance agreements) and adjusted for any other changes in income or expense that would result from the conversion of the dilutive potential ordinary shares.

The denominator is adjusted for the number of shares that would be issued on the conversion of all of the dilutive potential ordinary shares into ordinary shares.

Anti-dilutive potential ordinary shares are excluded from the calculation.

Interpretations

None

Changes effective this year

None

IFRS Accounting Standards, Interpretations and Practice Statements

Pending changes In April 2024, the IASB published IFRS 18 *Presentation and Disclosure in Financial Statements* which also made minor amendments to IAS 33. These amendments permit an entity to disclose in the notes to the financial statements additional EPS calculated based on any component of the statement of comprehensive income, provided that the numerator is either a total or subtotal identified in IFRS 18, or a management-defined performance measure.

An entity is required to apply IFRS 18, and any consequential amendments to other standards, for annual reporting periods beginning on or after 1 January 2027 with earlier application permitted.

IFRS Accounting Standards, Interpretations and Practice Statements

IAS 34	
<i>Interim Financial Reporting</i>	
Overview	Prescribes the minimum content of an interim financial report and the recognition and measurement principles for an interim financial report.
Scope	<p>An interim financial report is a complete or condensed set of financial statements for a period shorter than an entity's full financial year.</p> <p>IAS 34 applies only when an entity is required by a regulator or elects to publish an interim financial report in accordance with IFRS Accounting Standards.</p>
Content	<p>The minimum components of an interim financial report are condensed versions of the primary financial statements.</p> <p>The notes in an interim financial report provide an explanation of events and transactions significant to understanding the changes since the last annual financial statements. IAS 34 lists specific items that are presumed to be necessary in understanding such changes.</p>
Principles	<p>Materiality is based on interim financial data, not forecast annual amounts.</p> <p>The accounting policies are the same as for the annual report.</p> <p>Revenue and costs are recognised when they occur, not if they are anticipated or deferred.</p>

IFRS Accounting Standards, Interpretations and Practice Statements

Interpretations	IFRIC 10 <i>Interim Financial Reporting and Impairment</i> clarifies that when an entity has recognised an impairment loss in an interim period in respect of goodwill or an investment in either an equity instrument or a financial asset carried at cost, that impairment is neither reversed in subsequent interim financial statements nor in annual financial statements.
Changes effective this year	None
Pending changes	<p>In April 2024, the IASB published IFRS 18 <i>Presentation and Disclosure in Financial Statements</i> which made consequential amendments to IAS 34. In its interim financial statements in the first year of applying IFRS 18, an entity is required to present in its condensed interim financial statements each heading and required subtotal it expects to use in applying that standard.</p> <p>An entity is required to apply IFRS 18, and any consequential amendments to other standards, for annual reporting periods beginning on or after 1 January 2027 with earlier application permitted.</p>

IFRS Accounting Standards, Interpretations and Practice Statements

IAS 36	<i>Impairment of Assets</i>
Overview	Sets out requirements to ensure that assets are carried at no more than their recoverable amount and to prescribe how recoverable amount and an impairment loss or its reversal are calculated.
Scope	<p>IAS 36 applies to assets that are not in the scope of other standards.</p> <p>Assets that have separate requirements are inventories (IAS 2), contract assets and costs to fulfil a contract (IFRS 15), deferred tax assets (IAS 12), assets from employee benefits (IAS 19), financial assets (IFRS 9), investment property measured at fair value (IAS 40), biological assets measured at fair value less costs to sell (IAS 41), contracts in the scope of IFRS 17 and non-current assets classified as held for sale (IFRS 5).</p>
Identifying impairments	<p>At the end of each reporting period, assets are reviewed to look for any indication that they may be impaired.</p> <p>Intangible assets with an indefinite useful life and goodwill must be tested annually irrespective of whether there is any indication of impairment.</p>
Recognition	<p>An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.</p> <p>An impairment loss is recognised in profit or loss for assets carried at cost and treated as a revaluation decrease for assets carried at the revalued amount.</p> <p>Reversal of prior years' impairment losses is required in some cases but is prohibited for goodwill.</p>

IFRS Accounting Standards, Interpretations and Practice Statements

Recoverable amount

Recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use.

Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. The discount rate used is the pre-tax rate of return that investors would require if they were to choose an investment that would generate cash flows equivalent to those expected from the asset. The discount rate must not reflect risks for which future cash flows have been adjusted.

Fair value is defined in IFRS 13. Examples for costs of disposal are set out in IAS 36, for example legal costs, costs of removing an asset and direct incremental costs to bring an asset into condition for its sale.

Cash-generating units (CGUs)

If it is not possible to determine the recoverable amount for an individual asset, then the recoverable amount of the CGU to which the asset belongs is determined. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

IFRS Accounting Standards, Interpretations and Practice Statements

Goodwill	The impairment test for goodwill is performed at the lowest level within the entity at which goodwill is monitored for internal management purposes, provided that the unit or group of units to which goodwill is allocated is not larger than an operating segment as reported in accordance with IFRS 8.
Interpretations	Refer to IAS 34 for a summary of IFRIC 10 <i>Interim Financial Reporting and Impairment</i> .
Changes effective this year	None
Pending changes	In March 2024, the IASB published exposure draft ED/2024/1 <i>Business Combinations—Disclosures, Goodwill and Impairment</i> . In the ED, the IASB proposes amendments to IFRS 3 and IAS 36. The proposed amendments to IAS 36 aim to mitigate the two main reasons for the concerns about the timeliness of impairment losses on goodwill (management over-optimism and shielding) by providing additional guidance on how to allocate goodwill to CGUs and requiring entities to disclose in which reportable segment a CGU containing goodwill is included. The IASB will decide the project direction in the second half of 2026.

IFRS Accounting Standards, Interpretations and Practice Statements

IAS 37

Provisions, Contingent Liabilities and Contingent Assets

Overview

Sets out recognition criteria and measurement bases for provisions, contingent liabilities, contingent assets and the related disclosure requirements.

Provisions

A provision is recognised when a past event (the obligation event) has created a legal or constructive obligation, an outflow of resources is probable and the amount of the obligation can be estimated reliably. The amount recognised is the best estimate of the settlement amount at the end of the reporting period. If the effect of the time value of money is material, such as might be the case for restoration or decommissioning costs that must be settled well into the future, the provision is measured at the present value of the expenditures expected to be required to settle the obligation. The unwinding of the discount is recognised in profit or loss as a finance cost.

Provisions are reviewed at the end of each reporting period to adjust for changes in the estimate, for other than the time value of money.

Planned future expenditure, even when authorised by the board of directors or equivalent governing body, is excluded from recognition, as are accruals for self-insured losses, general uncertainties and other events that have not yet taken place.

On a similar basis, future operating losses cannot be recognised as a provision, because there is no obligation at the end of the reporting period. The expectation of future operating losses will trigger the need for an impairment review (see IAS 36).

IFRS Accounting Standards, Interpretations and Practice Statements

Onerous contracts	<p>An executory contract is a contract (or a portion of a contract) that is equally unperformed—neither party has fulfilled any of its obligations, or both parties have partially fulfilled their obligations to an equal extent. Examples include maintenance or service contracts and employee contracts. The asset and liability are combined so that no asset or liability is recognised in the statement of financial position.</p> <p>An executory contract becomes onerous when the unavoidable costs of meeting the obligations exceed the expected economic benefits from it. This would be the case, for example, when an entity cannot cancel, and must continue to pay for, a cleaning contract even though it has vacated the premises to which the contract relates. An onerous contract gives rise to a provision. Care must be taken, however, not to include in the provision future operating losses.</p>
Contingent liabilities	<p>Contingent liabilities are not recognised, but are disclosed, unless the possibility of outflow is remote.</p> <p>They are not recognised because either it is only a possible obligation that is contingent on a future event that is outside the control of the entity or there is a present obligation, but it is not probable that an outflow of resources will be required or the amount cannot be measured with sufficient reliability (which will be rare).</p>
Contingent assets	<p>A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by future events not wholly within the control of the entity.</p> <p>Contingent assets require disclosure only. If the realisation of income is virtually certain, the related asset is not a contingent asset and recognition is required.</p>

IFRS Accounting Standards, Interpretations and Practice Statements

Interpretations

IFRIC 1 *Changes in Existing Decommissioning, Restoration and Similar Liabilities* clarifies that provisions are adjusted for changes in the amount or timing of future costs and for changes in the market-based discount rate.

IFRIC 5 *Rights to Interests Arising from Decommissioning, Restoration and Environmental Funds* addresses the accounting, in the financial statements of the contributor, for interests in decommissioning, restoration and environmental rehabilitation funds established to fund some or all of the costs of decommissioning assets or to undertake environmental rehabilitation.

IFRIC 6 *Liabilities arising from Participating in a Specific Market—Waste Electrical and Electronic Equipment* provides guidance on the accounting for liabilities for waste management costs. The event that triggers liability recognition is participation in the market during a measurement period.

IFRIC 21 *Levies* provides guidance on when to recognise a liability for a levy imposed by a government. The obligating event is the activity that triggers the payment of the levy. If that event occurs over a period of time the liability is recognised progressively. If the levy is triggered on reaching a minimum threshold, the liability is recognised when that minimum is reached.

Changes effective this year

None

IFRS Accounting Standards, Interpretations and Practice Statements

Pending changes In November 2024, the IASB published exposure draft ED/2024/8 *Provisions—Targeted Improvements (Proposed amendments to IAS 37)*. In the ED, the IASB proposes amendments to the criterion to recognise a provision in IAS 37, including:

- updating the definition of a liability in IAS 37 to align with the definition of a liability in the *Conceptual Framework*
- amending the requirements that support the present obligation recognition criterion
- withdrawing IFRIC 21 *Levies*, whose requirements are not consistent with those proposed in the ED, and replacing it with illustrative examples in the Guidance on implementing IAS 37

With regard to measurement of provisions, the IASB proposes to specify that:

- the expenditure to settle its present obligation comprises the costs that relate directly to the obligation, which include both the incremental costs of settling that obligation and an allocation of other costs that relate directly to settling obligations of that type
- the discount rate used should be a risk-free rate—that is, a rate that excludes non-performance risk.

IFRS Accounting Standards, Interpretations and Practice Statements

The IASB will decide the project direction in Q4 of 2025.

A project on pollutant pricing mechanisms has been added to the IASB's reserve list. If undertaken, the project will develop specific requirements for pollutant pricing mechanisms. Initial research would consider whether the project should aim to address all types of pollutant pricing mechanisms, or only some, such as emission trading schemes, and accounting by traders and scheme administrators or limit the project to entities that are required to (or choose to) participate in such schemes.

IFRS Accounting Standards, Interpretations and Practice Statements

IAS 38	<i>Intangible Assets</i>
Overview	Prescribes the accounting treatment for recognising, measuring and disclosing intangible assets that are not addressed in another IFRS Accounting Standard.
Definition	An intangible asset is an identifiable non-monetary asset without physical substance. Examples include software, brands, music and film rights and development assets.
Recognition	<p>Intangible assets are recognised if it is probable that the future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. There are specific recognition criteria for internally-generated intangible assets. All research costs are charged to expense when incurred. Development costs are capitalised only after technical and commercial feasibility of the resulting product or service have been established. Internally-generated goodwill, brands, mastheads, publishing titles, customer lists, start-up costs, training costs, advertising costs and relocation costs are never recognised as assets.</p> <p>If an intangible item does not meet the definition and the recognition criteria, the costs are recognised as an expense when incurred.</p> <p>If an entity recognises a prepayment asset for advertising or promotional expenditure, it is only able to do so up to the point at which it has the right to access the goods purchased or up to the point of receipt of services. Mail order catalogues are specifically identified as a form of advertising and promotional activities, and are expensed when they are received.</p>

IFRS Accounting Standards, Interpretations and Practice Statements

Subsequent measurement	<p>Intangible assets are classified as having either a finite or indefinite life. Indefinite means that there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows, not infinite. Intangible assets may be accounted for using a cost model or, in limited cases, a revaluation model.</p>
Cost model	<p>Assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.</p> <p>Normally, subsequent expenditure on an intangible asset after its purchase or completion is recognised as an expense.</p> <p>The cost of an intangible asset with a finite useful life is amortised over that life, normally to a nil residual value. Impairment testing under IAS 36 is required whenever there is an indication that the carrying amount exceeds the recoverable amount of the intangible asset.</p> <p>Intangible assets with indefinite useful lives are not amortised but are tested for impairment on an annual basis. If the recoverable amount is lower than the carrying amount, an impairment loss is recognised. The entity also considers whether the intangible asset continues to have an indefinite life.</p>

IFRS Accounting Standards, Interpretations and Practice Statements

Revaluation model	<p>If an intangible asset has a quoted market price in an active market, a revaluation model can be used. The asset is carried at fair value at revaluation date less any subsequent amortisation or impairment.</p> <p>Revaluations must be carried out regularly. When the revaluation model is used, all items of a given class must be revalued. However, if there is no active market for a particular asset within that class that asset is measured using the cost model.</p> <p>Revaluation increases are recognised in other comprehensive income and accumulated in equity. Revaluation decreases are charged first against the revaluation surplus in equity related to the specific asset, and any excess against profit or loss. When the revalued asset is disposed of, the revaluation surplus remains in equity and is not reclassified to profit or loss.</p>
Interpretations	SIC-32 <i>Intangible Assets—Web Site Costs</i> clarifies which initial infrastructure development and graphic design costs incurred in web site development are capitalised.
Changes effective this year	None

IFRS Accounting Standards, Interpretations and Practice Statements

Pending changes The IASB has started a research project on intangible assets. The project aims to comprehensively review IAS 38. The IASB has started its review in a focused way, by exploring two initial streams:

- assessing user needs for information about recognised and unrecognised intangible assets and expenditure associated with them in the financial statements
- considering whether to update the definition of an intangible asset, associated guidance and some aspects of the recognition criteria, by initially using, as test cases, application issues related to newer types of intangible assets and new ways of using them; and then considering the effects of any potential amendments on the broader population of intangible assets.

Once work on the initial streams is completed, the IASB will consider whether it can make discrete meaningful improvements to IAS 38 or whether more work is needed before considering any changes to the standard.

IFRS Accounting Standards, Interpretations and Practice Statements

IAS 39

Financial Instruments: Recognition and Measurement

Overview

Sets out the requirements for hedge accounting. An entity can elect to apply these requirements or those in IFRS 9.

Hedge accounting

Hedge accounting (recognising the offsetting effects of both the hedging instrument and the hedged item in the same period's profit or loss) is permitted if the hedging relationship is clearly designated and documented, measurable and effective.

Because IFRS 9 includes only general hedge accounting requirements, the requirements on portfolio hedges in IAS 39 remain applicable.

Fair value hedge

When there is a hedge of a change in fair value of a recognised asset or liability or firm commitment, the change in fair values of both the hedging instrument and the hedged item for the designated risk are recognised in profit or loss when they occur and the carrying amount of the hedged item is adjusted to reflect changes in the hedged risk.

Cash flow hedge

When an entity hedges changes in the future cash flows relating to a recognised asset or liability or a highly probable forecast transaction that involves a party external to the entity, or a firm commitment in some cases, then the change in fair value of the hedging instrument is recognised in other comprehensive income to the extent that the hedge is effective until such time as the hedged future cash flows occur.

IFRS Accounting Standards, Interpretations and Practice Statements

Hedge of a net investment in a foreign entity	This relates to a net investment in a foreign operation (as defined in IAS 21), including a hedge of a monetary item that is accounted for as part of the net investment. The accounting for such a hedge is similar to a cash flow hedge.
Intragroup hedges	<p>The foreign currency risk of a highly probable forecast intragroup transaction can qualify as the hedged item in a cash flow hedge in the consolidated financial statements, provided that the transaction is denominated in a currency other than the functional currency of the entity entering into that transaction and the foreign currency risk will affect the consolidated profit or loss.</p> <p>If the hedge of a forecast intragroup transaction qualifies for hedge accounting, any gain or loss that is recognised in other comprehensive income in accordance with the hedging rules in IAS 39 is reclassified from equity to profit or loss in the same period or periods in which the foreign currency risk of the hedged transaction affects profit or loss.</p>
Portfolio hedge	A portfolio hedge of interest rate risk (hedging an amount rather than a specific asset or liability) can qualify as a fair value hedge or a cash flow hedge if specified conditions are met.
Interpretations	None
Changes effective this year	None

IFRS Accounting Standards, Interpretations and Practice Statements

Pending changes The IASB is undertaking a standard-setting project on dynamic risk management. In the project, 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 an entity'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. A discussion paper was published in 2014. An exposure draft is expected in Q4 of 2025.

IFRS Accounting Standards, Interpretations and Practice Statements

IAS 40	<i>Investment Property</i>
Overview	Prescribes the accounting when property is held to earn rentals or for capital appreciation rather than being occupied by the owner for the production or supply of goods or services or for administrative purposes.
Investment property	<p>An investment property is land or buildings (or part thereof) or both held (whether by the owner or by a lessee under a finance lease) to earn rentals or for capital appreciation or both.</p> <p>IAS 40 does not apply to owner-occupied property, property that is being constructed or developed on behalf of third parties, property held for sale in the ordinary course of business or property that is leased to another entity under a finance lease.</p> <p>Mixed-use property (partly used by the owner and partly held for rental or appreciation) must be split with components accounted for separately if these portions could be sold separately.</p> <p>A property interest held by a lessee under an operating lease can qualify as investment property if the lessee applies the fair value model. The lessee accounts for the lease as if it were a finance lease.</p> <p>Property can be transferred in or out of investment property, but only if the entity has actually changed its use—intention to change is not sufficient. When an investment property carried at fair value is transferred to owner-occupied property or inventories, the property's fair value is the deemed cost for subsequent accounting in accordance with IAS 16 or IAS 2.</p>
Initial measurement	An investment property is measured initially at cost. Transaction costs are included in the initial measurement.

IFRS Accounting Standards, Interpretations and Practice Statements

Subsequent measurement	<p>An entity chooses either the fair value model or the cost model after initial recognition. The chosen measurement model is applied to all of the entity's investment property.</p> <p>Change from one model to the other is permitted if it will result in a more appropriate presentation (which is highly unlikely for change from fair value to cost model).</p>
Fair value model	<p>Investment property is measured at fair value and changes in fair value are recognised in profit or loss.</p> <p>If an entity using the fair value model acquires a particular property for which there is clear evidence that the entity will not be able to determine fair value on a continuing basis, the cost model is used for that property—and it must continue to be used until disposal of the property.</p>
Cost model	<p>Investment property is measured at depreciated cost less any accumulated impairment losses unless it is classified as a non-current asset held for sale under IFRS 5. The fair value of the investment property must be disclosed.</p>
Interpretations	None
Changes effective this year	None
Pending changes	None

IFRS Accounting Standards, Interpretations and Practice Statements

IAS 41	<i>Agriculture</i>
Overview	Prescribes the accounting for agricultural activity.
Agricultural activity	<p>Agricultural activity is the management of the biological transformation and harvest of biological assets for sale or for conversion into agricultural produce or into additional biological assets.</p> <p>Bearer plants are living plants used in the production or supply of agricultural produce and expected to bear produce for more than one period. These include fruit trees and grape vines.</p>
Measurement	<p>All biological assets other than bearer plants are measured at fair value less costs to sell, unless fair value cannot be measured reliably.</p> <p>Agricultural produce is measured at fair value less costs to sell at the point of harvest. Because harvested produce is a marketable commodity, there is no 'measurement reliability' exception for produce. Fair value measurement stops at harvest, after which IAS 2 applies. Any change in the fair value of biological assets during a period is reported in profit or loss.</p> <p>Bearer plants are accounted for as property, plant and equipment, applying IAS 16. Produce growing on bearer plants is, however, measured at fair value less costs to sell.</p>
Interpretations	None
Changes effective this year	None
Pending changes	None

IFRS Accounting Standards, Interpretations and Practice Statements

Summaries of standards that are not yet in effect

IFRS 18	<i>Presentation and Disclosure in Financial Statements</i>
Overview	Sets out the requirements for the content, presentation and disclosure of information in general purpose financial statements, including how they should be structured.
Scope	IFRS 18 applies to all financial statements that are prepared and presented in accordance with IFRS Accounting Standards.
General requirements for financial statements	<p>The objective of financial statements is to provide financial information about an entity's assets, liabilities, equity, income and expenses that is useful to users of financial statements in assessing the prospects for future net cash inflows to the entity and management's stewardship of the entity's economic resources.</p> <p>A complete set of financial statements comprises:</p> <ul style="list-style-type: none">• primary financial statements:<ul style="list-style-type: none">– (a) statement(s) of financial performance for the reporting period– a statement of financial position as at the end of the reporting period– a statement of changes in equity for the reporting period– a statement of cash flows for the reporting period• notes for the reporting period

IFRS Accounting Standards, Interpretations and Practice Statements

General requirements for financial statements (ct'd)

- comparative information in respect of the preceding period (this applies both to the primary financial statements and the notes)
- a statement of financial position as at the beginning of the preceding period if the entity applies an accounting policy retrospectively, makes a retrospective restatement of items in its financial statements or reclassifies items in its financial statements and the change has a material effect on that statement of financial position

Except in limited circumstances, the presentation, disclosure and classification of items in the financial statements should be retained from one reporting period to the next.

Aggregation and disaggregation

IFRS 18 provides guidance on how information should be grouped (aggregated or disaggregated). Applying this guidance an entity:

- aggregates items based on shared characteristics and disaggregates items based on characteristics that are not shared
- ensures that the aggregation and disaggregation does not obscure material information
- labels and describes items presented in the primary financial statements or disclosed in the notes in a way that faithfully represents the characteristics of the item.

Assets and liabilities, and income and expenses, may not be offset unless required or permitted by an IFRS Accounting Standard.

IFRS Accounting Standards, Interpretations and Practice Statements

Statement of financial performance

The statement of performance includes all items of income and expense. It can be presented as either a single statement of profit or loss and other comprehensive income (each in a separate section) or as separate statements of profit or loss and comprehensive income.

Income and expenses presented in the statement of profit or loss are classified in one of five categories:

- the operating category
- the investing category
- the financing category
- the income taxes category
- the discontinued operations category.

The operating category includes all income and expenses presented in profit or loss that are not classified in another category. If one of the entity's main activities is investing in assets or providing financing to customers, the entity classifies within the operating category certain income and expenses that would otherwise be classified as investing or financing.

IFRS Accounting Standards, Interpretations and Practice Statements

Statement of financial performance (ct'd)	<p>Expenses included in the operating category should be classified and presented in line items in a manner that provides the most useful structured summary of the expenses, using the characteristics of:</p> <ul style="list-style-type: none">• the nature of expenses• the function of the expenses within the entity• both (i.e. a mixed presentation). <p>Items are presented in the statement presenting comprehensive income if this is permitted or required by an IFRS Accounting Standard and are grouped based on whether the item will or will not be reclassified to profit and loss in subsequent periods.</p>
Statement of financial position	<p>In the statement of financial position, assets and liabilities are required to be classified as current or non-current, unless presenting them in order of liquidity provides a more useful structured summary.</p>
Statement of changes in equity	<p>The statement of changes in equity presents:</p> <ul style="list-style-type: none">• total comprehensive income for the period, showing separately amounts attributable to owners of the parent and to non-controlling interests• the effects of any retrospective application of accounting policies or restatements made in accordance with IAS 8• reconciliations between the carrying amounts at the beginning and the end of the period for each component of equity.

IFRS Accounting Standards, Interpretations and Practice Statements

Notes to the financial statements	<p>In the notes, an entity is required to disclose:</p> <ul style="list-style-type: none">• information about the basis of preparation of the financial statements and the specific accounting policies used• information required by IFRS Accounting Standards that is not presented in the primary financial statements• additional information that is not presented elsewhere in the primary financial statements but is relevant to an understanding of any of them.
Management-defined performance measures (MPMs)	<p>An entity is required to include in the notes specific information about its MPMs, which are defined as a subtotal of income and expenses that:</p> <ul style="list-style-type: none">• is used in public communications outside financial statements• is used to communicate to investors management's view of an aspect of the financial performance of the entity as a whole• is not listed in IFRS 18 or specifically required by IFRS Accounting Standards.

IFRS Accounting Standards, Interpretations and Practice Statements

Interpretations	None
Changes effective this year	None
Pending changes	An entity is required to apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027 with earlier application permitted.

IFRS Accounting Standards, Interpretations and Practice Statements

IFRS 19	<i>Subsidiaries without Public Accountability: Disclosures</i>
Overview	Specifies reduced disclosure requirements that an eligible entity is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards.
Scope	<p>An entity may elect to apply IFRS 19 in its consolidated, separate or individual financial statements if, and only if, at the end of the reporting period:</p> <ul style="list-style-type: none">• it is a subsidiary• it does not have public accountability, and• it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards. <p>An entity has public accountability if:</p> <ul style="list-style-type: none">• 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.

IFRS Accounting Standards, Interpretations and Practice Statements

The reduced disclosure requirements

IFRS 19 is a disclosure-only standard and its disclosure requirements are a reduced version of the disclosure requirements set out in the other IFRS Accounting Standards.

An eligible subsidiary that applies IFRS 19 is required to apply the requirements in the other IFRS Accounting Standards for recognition, measurement and presentation requirements.

An entity is required to consider whether to provide additional disclosures when compliance with the specific requirements in IFRS 19 is insufficient to enable users of financial statements to understand the effect of transactions and other events and conditions on the entity's financial position and financial performance.

An entity whose financial statements comply with IFRS Accounting Standards and the requirements in IFRS 19 is required to make an explicit and unreserved statement of such compliance in the notes, stating that it has applied IFRS 19.

Interpretations

None

Changes effective this year

None

IFRS Accounting Standards, Interpretations and Practice Statements

Pending changes IFRS 19 is effective for reporting periods beginning on or after 1 January 2027. Earlier application is permitted.

In August 2025, the IASB published *Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures*. The amendments provide reduced disclosure requirements for new or recently amended IFRS Accounting Standards. In particular, 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 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.

IFRS Accounting Standards, Interpretations and Practice Statements

Additional interpretations

IFRIC 12 and IFRIC 17 are summarised separately, because they draw from several standards and are more complex than most interpretations.

IFRIC 12	<i>Service Concession Arrangements</i>
Overview	Addresses the accounting by private sector operators involved in the provision of public sector infrastructure assets and services. The interpretation does not address the accounting for the government (grantor) side of such arrangements.
Infrastructure assets	<p>Infrastructure assets that are not controlled by an operator are not recognised as property, plant and equipment of the operator.</p> <p>Instead, the operator recognises:</p> <ul style="list-style-type: none">• A financial asset when the operator has an unconditional right to receive a specified amount of cash or other financial asset over the life of the arrangement• An intangible asset when the operator's future cash flows are not specified (e.g. when they will vary according to usage of the infrastructure asset)• Both a financial asset and an intangible asset when the operator's return is provided partially by a financial asset and partially by an intangible asset

IFRS Accounting Standards, Interpretations and Practice Statements

Interpretations	SIC-29 <i>Service Concession Arrangements: Disclosures</i> sets out disclosure requirements for service concession arrangements.
Changes effective this year	None
Pending changes	None

IFRS Accounting Standards, Interpretations and Practice Statements

IFRIC 17	<i>Distributions of Non-cash Assets to Owners</i>
Overview	Addresses the accounting when non-cash assets are distributed to owners.
Dividends	<p>A dividend payable must be recognised when the dividend is appropriately authorised and is no longer at the discretion of the entity.</p> <p>An entity measures the non-cash dividend payable at the fair value of the assets to be distributed. The liability is measured at each reporting date with changes recognised directly in equity.</p> <p>The difference between the dividend paid and the carrying amount of the assets distributed is recognised in profit or loss.</p>
Changes effective this year	None
Pending changes	None

IFRS Accounting Standards, Interpretations and Practice Statements

Practice Statements

Practice Statement 1	<i>Management Commentary</i>
Overview	Sets out requirements for management commentary and explains how those requirements can be met.
Status	The practice statement is not an IFRS Accounting Standard or an IFRS Sustainability Disclosure Standard. Consequently, entities applying those standards are not required to comply with the practice statement, unless specifically required by their jurisdiction.
Authorisation	An entity should state the date on which the management commentary was authorised for issue and identify the body, bodies or individual(s) who gave that authorisation.
Statement of compliance	An entity that complies with all of the requirements of the practice statement when preparing its management commentary should include an explicit and unqualified statement of compliance.
Objective of management commentary	An entity's management commentary should provide information that enhances users' understanding of the entity's financial performance and financial position reported in its financial statements. It should also provide management's insight into factors, including sustainability-related factors, that could affect the entity's ability to create value and generate cash flows across all time horizons, including in the long term.

IFRS Accounting Standards, Interpretations and Practice Statements

Material information	In the context of management commentary, information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that investors make on the basis of general purpose financial reports, which include management commentary and the related financial statements and provide financial information about a specific entity.
Key matters	Much of the material information needed to meet the overall objective of management commentary and the disclosure objectives for the areas of content will likely relate to key matters—that is, matters fundamental to an entity's ability to create value and generate cash flows, including in the long term. However, not all information that is material relates to a key matter. Material information is included in management commentary even if it does not relate to a key matter.
Attributes of useful information	The required attributes of useful information are completeness, neutrality and freedom from error. The desired attributes of useful information are understandability, comparability and verifiability.
Coherence	The practice statement explains that the completeness, understandability and comparability of information in management commentary all rely on that information being presented as a well-integrated, coherent whole. Coherence requires that information is provided in a way that is clear about the relationships between related matters and the relationships between related pieces of information.
Metrics	Material information is likely to include metrics that management uses to monitor key matters and to measure progress in managing those matters. Metrics are measures that management uses to monitor a quantitative or qualitative aspect of an entity's financial or non-financial performance or position.

IFRS Accounting Standards, Interpretations and Practice Statements

Areas of content	<p>The practice statement specifies six areas of content to be included in management commentary:</p> <ul style="list-style-type: none">• the entity's business model—how the entity creates value and generates cash flows• management's strategy for sustaining and developing that business model, including the opportunities management has chosen to pursue• the resources and relationships on which the business model and strategy depend, including resources not recognised as assets in the entity's financial statements• risks that could disrupt the business model, strategy, resources or relationships• factors and trends in the external environment that have affected or could affect the business model, strategy, resources, relationships or risks• the entity's financial performance and financial position—including how they have been affected or could be affected in the future by the matters discussed for the other areas of content. <p>The practice statement includes disclosure objectives for each of those areas, accompanied by descriptions of the assessments investors make using the information provided for that area of content, together with examples of key matters, metrics and information that might be material.</p>
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IFRS Accounting Standards, Interpretations and Practice Statements

Interpretations	None
Changes effective this year	In June 2025, the IASB published the revised IFRS Practice Statement 1 <i>Management Commentary</i> to support improvements to management commentary and similar reports, including a greater global alignment in the requirements. The revised practice statement is effective for annual reporting periods beginning on or after 23 June 2025 with earlier application permitted.
Pending changes	None

IFRS Accounting Standards, Interpretations and Practice Statements

Practice Statement 2

Making Materiality Judgements

Overview	Assists management in presenting financial information about the entity that is useful to existing and potential investors, lenders and other creditors in making decisions about providing resources to the entity.
Status	The practice statement is not an IFRS Accounting Standard. Consequently, entities applying IFRS Accounting Standards are not required to comply with the practice statement, unless specifically required by their jurisdiction.
Definition of material	Information is material if omitting or misstating it could influence decisions that users make on the basis of financial information about a specific reporting entity. In other words, materiality is an entity-specific aspect of relevance based on the nature or magnitude, or both, of the items to which the information relates in the context of an individual entity's financial report.
Pervasiveness of materiality judgements	The practice statement notes that the need for materiality judgements is pervasive in the preparation of financial statements and affects recognition, measurement, presentation and disclosure. Thus, an entity is only required to apply recognition and measurement requirements when the effect of applying them is material and need not provide a disclosure specified by an IFRS Accounting Standard if the information resulting from that disclosure is not material.
Judgement	When assessing whether information is material, an entity considers its own specific circumstances and the information needs of the primary users of its financial statements. Materiality judgements are reassessed at each reporting date.

IFRS Accounting Standards, Interpretations and Practice Statements

Primary users and their information needs	Primary users of an entity's financial statements are existing and potential investors, lenders and other creditors. They can be expected to have a reasonable knowledge of business and economic activities and to review and analyse the information included in the financial statements diligently. The objective of financial statements is to provide these primary users with financial information that is useful to them in making decisions about providing resources to the entity. Therefore, an entity also needs to consider what type of decisions these users have to make. However, general purpose financial statements are not intended to address specialised information needs, they focus on common information needs.
Four-step process	<p>The practice statement notes that an entity may find it helpful to follow a systematic process in making materiality judgements and offers an example of such a process:</p> <ul style="list-style-type: none">• Step 1—The entity identifies information that has the potential to be material• Step 2—The entity assesses whether that information is material• Step 3—The entity organises the information within the draft financial statements in a manner that supports clear and concise communication• Step 4—The entity steps back and assesses the information provided in the draft financial statements as a whole

IFRS Accounting Standards, Interpretations and Practice Statements

Interpretations	None
Changes effective this year	None
Pending changes	None

IFRS Sustainability Disclosure Standards

Summaries of published standards

IFRS S1	<i>General Requirements for Disclosure of Sustainability-related Financial Information</i>
Overview	Sets out overall requirements with the objective of requiring an entity to disclose information about its sustainability-related risks and opportunities that is useful to the primary users of general purpose financial reports in making decisions relating to providing resources to the entity.
Scope	An entity applies IFRS S1 in preparing and reporting sustainability-related financial disclosures in accordance with IFRS Sustainability Disclosure Standards. An entity may apply IFRS Sustainability Disclosure Standards irrespective of whether the entity's related general purpose financial statements are prepared in accordance with IFRS Accounting Standards or other generally accepted accounting principles or practices.
Conceptual foundations	For sustainability-related financial information to be useful, it must be relevant and faithfully represent what it purports to represent. The usefulness of sustainability-related financial information is enhanced if the information is comparable, verifiable, timely and understandable.
Fair presentation	A complete set of sustainability-related financial disclosures presents fairly all sustainability-related risks and opportunities that could reasonably be expected to affect an entity's prospects, and their faithful representation. To achieve faithful representation, an entity is required to provide a complete, neutral and accurate depiction of those sustainability-related risks and opportunities.
Materiality	An entity is required to disclose material information about the sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects. Information is material if omitting, misstating or obscuring that information could reasonably be expected to influence decisions that primary users of general purpose financial reports make on the basis of those reports.

IFRS Sustainability Disclosure Standards

Reporting entity	An entity's sustainability-related financial disclosures are required to be for the same reporting entity as the related financial statements.
Connectivity	An entity is required to provide information in a manner that enables users of general purpose financial reports to understand the connections between the items to which the information relates and the connections between disclosures provided by the entity.
Core content	<p>An entity is required to provide disclosures about:</p> <ul style="list-style-type: none">• Governance—the governance processes, controls and procedures the entity uses to monitor and manage sustainability-related risks and opportunities• Strategy—the approach the entity uses to manage sustainability-related risks and opportunities• Risk management—the processes the entity uses to identify, assess, prioritise and monitor sustainability-related risks and opportunities• Metrics and targets—the entity's performance in relation to sustainability-related risks and opportunities, including progress towards any targets the entity has set, or is required to meet by law or regulation <p>IFRS S1 sets out objectives for each of these aspects, and disclosure requirements to achieve those objectives.</p>
Sources of guidance	IFRS S1 specifies which sources of guidance an entity should or may refer to and consider in addition to IFRS Sustainability Disclosure Standards.

IFRS Sustainability Disclosure Standards

Location of disclosures	An entity is required to provide disclosures required by IFRS Sustainability Disclosure Standards as part of its general purpose financial reports.
Timing of reporting	An entity is required to report its sustainability-related financial disclosures at the same time and for the same reporting period as its related financial statements.
Comparative information	Unless another IFRS Sustainability Disclosure Standard permits or requires otherwise, an entity is required to disclose comparative information in respect of the preceding period for all amounts disclosed in the reporting period. If such information would be useful for an understanding of the sustainability-related financial disclosures for the reporting period, the entity is also required to disclose comparative information for narrative and descriptive sustainability-related financial information.
Judgements, uncertainties and errors	<p>An entity is required to disclose information to enable users of general purpose financial reports to understand the judgements, apart from those involving estimations of amounts, that the entity has made in the process of preparing its sustainability-related financial disclosures and that have the most significant effect on the information included in those disclosures.</p> <p>In addition, an entity is required to disclose information to enable users of general purpose financial reports to understand the most significant uncertainties affecting the amounts reported in its sustainability-related financial disclosures.</p> <p>Furthermore, an entity is required to correct material prior period errors by restating the comparative amounts for the prior period(s) disclosed unless it is impracticable to do so.</p>

IFRS Sustainability Disclosure Standards

Interpretations	None
Changes effective this year	None
Pending changes	None

IFRS Sustainability Disclosure Standards

IFRS S2	<i>Climate-related Disclosures</i>
Overview	Sets out the requirements with the objective of requiring an entity to disclose information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.
Scope	IFRS S2 applies to climate-related risks to which the entity is exposed, which are climate-related physical and transition risks, and climate-related opportunities available to the entity.
Governance	The objective of climate-related financial disclosures on governance is to enable users of general purpose financial reports to understand the governance processes, controls and procedures an entity uses to monitor, manage and oversee climate-related risks and opportunities.
Strategy	The objective of climate-related financial disclosures on strategy is to enable users of general purpose financial reports to understand an entity's strategy for managing climate-related risks and opportunities.
Risk management	The objective of climate-related financial disclosures on risk management is to enable users of general purpose financial reports to understand an entity's processes to identify, assess, prioritise and monitor climate-related risks and opportunities, including whether and how those processes are integrated into and inform the entity's overall risk management process.
Metrics and targets	The objective of climate-related financial disclosures on metrics and targets is to enable users of general purpose financial reports to understand an entity's performance in relation to its climate-related risks and opportunities, including progress towards any climate-related targets it has set, and any targets it is required to meet by law or regulation.

IFRS Sustainability Disclosure Standards

Cross-industry metrics	An entity, regardless of the industry in which it operates, is required to provide information in a manner that enables users of general purpose financial reports to understand the connections between the items to which the information relates and the connections between disclosures provided by the entity.
Core content	<p>An entity, regardless of the industry in which it operates, is required to disclose specified metrics in respect of:</p> <ul style="list-style-type: none">• greenhouse gases• climate-related transition and physical risks• climate-related opportunities• capital deployment• internal carbon prices• remuneration.
Climate-related targets	An entity is required to disclose the quantitative and qualitative climate-related targets it has set to monitor progress towards achieving its strategic goals, and any targets it is required to meet by law or regulation, including any greenhouse gas emissions targets.
Industry-based metrics and guidance	An entity is required to disclosed metrics associated with business models, activities or other common features that characterise participation in an industry. An entity is required to refer to and consider the applicability of the information set out in the <i>Industry-based Guidance on Implementing IFRS S2</i> .
Interpretations	None

IFRS Sustainability Disclosure Standards

Changes effective this year	None
Pending changes	<p>In June 2025, the ISSB published exposure draft ISSB/ED/2025/1 <i>Amendments to Greenhouse Gas Emissions Disclosures</i> that proposes targeted amendments to IFRS S2 to provide additional relief and clarify existing relief from specific greenhouse gas (GHG) emissions disclosure requirements. Specifically, the ISSB proposes amendments to IFRS S2 to:</p> <ul style="list-style-type: none">• permit entities to exclude Scope 3 Category 15 GHG emissions associated with derivatives, facilitated emissions and insurance-associated emissions from the measurement and disclosure of Scope 3 Category 15 GHG emissions• provide relief from using the Global Industry Classification Standard (GICS) in some circumstances• clarify that the existing relief for an entity that is required by a jurisdictional authority or exchange on which it is listed to use a method for measuring GHG emissions other than the <i>Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004)</i> (GHG Protocol), is also available when such a requirement applies only to a part of the entity• permit the use of global warming potential (GWP) values that are not from the latest Intergovernmental Panel on Climate Change (IPCC) assessment if an entity, or part of an entity, is required by a jurisdictional authority or exchange on which it is listed to use those GWP values. <p>The ISSB will discuss the feedback on the ED in Q4 of 2025.</p>

IFRS Sustainability Disclosure Standards

In July 2025, the ISSB published exposure draft ISSB/ED/2025/2 *Proposed Amendments to the Industry-based Guidance on Implementing IFRS S2*. These amendments are proposed to maintain the alignment of the *Industry-based Guidance on Implementing IFRS S2* with the SASB standards, given the proposed amendments to nine SASB standards that are set out in SASB/ED/2025/1. The amendments to the *Industry-based Guidance on Implementing IFRS S2* relate to climate-related content only. The comment period for the ED is open until 30 November 2025.

IFRS Foundation projects

The IFRS Foundation updates its work plan each month, which can be viewed at www.ifrs.org/projects/work-plan/

You can follow progress of the IFRS Foundation's projects on IAS Plus. Previews of the agenda papers for the IASB and ISSB meetings are available on IAS Plus about a week before each meeting, and summaries of the discussions and decisions reached are available shortly after each meeting: www.iasplus.com/en/meeting-types/.

The information in the following tables reflects the work plan at 31 August 2025.

IFRS Foundation projects

Financial reporting

IFRS 3	Business combinations—disclosures, goodwill and impairment	In March 2024, the IASB published exposure draft ED/2024/1 <i>Business Combinations—Disclosures, Goodwill and Impairment</i> . The IASB proposes that for business combinations that meet specified thresholds (strategic business combinations), an entity would be required to provide information about its acquisition-date key objectives and related targets for the business combination and whether these key objectives and related targets are being met. The ED also proposes other amendments to the disclosure requirements in IFRS 3, including the disclosure of quantitative information about expected synergies in the year of acquisition. The IASB will decide the project direction in the second half of 2026.
IFRS 6	Extractive activities	As part of its next volume of <i>Annual Improvements to IFRS Accounting Standards</i> , the IASB will propose to remove the temporary nature of the exemption in IFRS 6 from the application of IAS 8:11-12.

IFRS Foundation projects

IFRS 7	Financial instruments with characteristics of equity	<p>In November 2023, the IASB published exposure draft ED/2023/5 <i>Financial Instruments with Characteristics of Equity</i> to address challenges that arise from the classification of financial instruments by clarifying the principles in IAS 32 and to enhance presentation and disclosure requirements. With regard to disclosure requirements, the IASB proposes to expand the objective and scope of IFRS 7 to include equity instruments that are within the scope of IAS 32. The IASB also proposes additional disclosure requirements based on its deliberations on the classification and presentation topics. The final amendments are expected in 2026.</p>
	Credit risk disclosures—targeted improvements	<p>If undertaken, this project in the IASB's maintenance project pipeline will explore targeted improvements to the credit risk disclosure requirements in IFRS 7 that have been identified through the post-implementation review of the IFRS 9 impairment requirements.</p>
IFRS 8	Operating segments	<p>If undertaken, this project on the IASB's reserve list would aim to research the underlying causes of users' concerns about the granularity of segment information that entities provide and the feasibility (including costs to preparers) of potential solutions that could be implemented without reconsidering whether to use the management approach to determine an entity's operating segments.</p>

IFRS Foundation projects

IFRS 9	Dynamic risk management	In this project, the IASB explores whether it can develop an accounting model that will enable investors to understand the effect of an entity's dynamic risk management of repricing risk due to changes in interest rate (which is predominately used in the banking industry) and to evaluate the effectiveness of that risk management. A discussion paper was published in 2014. An exposure draft is expected in Q4 of 2025.
	Amortised cost measurement	This project aims to make targeted improvements to the amortised cost measurement requirements in IFRS 9 by clarifying their underlying principles and adding accompanying application guidance. An exposure draft is expected in the second half of 2026.
IFRS 10	Sale and leaseback of an asset in a single-asset entity	If undertaken, this project in the IASB's maintenance project pipeline would specify how an entity accounts for the sale of a subsidiary when the entity leases back one or more of the assets held by the subsidiary.

IFRS Foundation projects

IFRS 14	Rate-regulated activities	<p>In January 2021, the IASB published exposure draft ED/2021/1 <i>Regulatory Assets and Regulatory Liabilities</i> proposing a new standard that is intended to replace IFRS 14 by introducing a comprehensive accounting model for regulatory assets and liabilities.</p> <p>The new standard would apply when the entity is party to a regulatory agreement that determines the regulated rate the entity can charge for the goods or services it supplies to customers.</p> <p>Regulatory assets and liabilities arise when part or all of the total allowed compensation for goods or services supplied in one period is charged to customers through the regulated rates for goods or services supplied in a different past or future period. An entity recognises all regulatory assets and liabilities as defined under the proposals, and as a result, regulatory income and expense.</p> <p>Regulatory assets and liabilities would be measured at historical cost, modified for subsequent measurement by using updated estimates of the amount and timing of future cash flows. The estimated future cash flows of a regulatory asset or liability would be discounted to their present value by using the regulatory interest rate.</p> <p>The final standard is expected in Q4 of 2025.</p>
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IFRS Foundation projects

IFRS 16	Post-implementation review	In June 2025, the IASB published Request for Information (RFI) <i>Post-implementation Review of IFRS 16 Leases</i> to seek stakeholders' feedback on its post-implementation review of IFRS 16. The RFI is open for public comment until 15 October 2025.
	Sale and leaseback of an asset in a single-asset entity	If undertaken, this project in the IASB's maintenance project pipeline would specify how an entity accounts for the sale of a subsidiary when the entity leases back one or more of the assets held by the subsidiary.
IAS 1	Financial instruments with characteristics of equity	In November 2023, the IASB published exposure draft ED/2023/5 <i>Financial Instruments with Characteristics of Equity</i> . In the ED, the IASB proposes amendments to IAS 32, IFRS 7 and IAS 1 to address challenges that arise from the classification of financial instruments. The amendments to IAS 1 would require an entity to provide additional information about amounts attributable to ordinary shareholders. The final amendments are expected in 2026.
IAS 7	Statement of cash flows and related matters	In the initial phase of this research project, the IASB will perform research on the nature and extent of perceived deficiencies in the requirements of IAS 7. The IASB plans to decide the project direction in Q4 of 2025.

IFRS Foundation projects

IAS 12	International tax reform— Pillar Two model rules	In this maintenance pipeline project, the IASB continues to monitor developments related to the implementation of the Pillar Two model rules. It plans to undertake further work to determine whether to remove the temporary exception—or to make it permanent—after there is sufficient clarity about how jurisdictions implemented the rules and the related effects on entities.
IAS 21	Use of a hyperinflationary presentation currency by a non-hyperinflationary entity	In July 2024, the IASB published exposure draft ED/2024/4 <i>Translation to a Hyperinflationary Presentation Currency</i> . In the ED, the IASB proposes to amend IAS 21 to require that an entity translates amounts from a functional currency that is the currency of a non-hyperinflationary economy to a presentation currency that is the currency of a hyperinflationary economy, including the comparative amounts, using the closing rate at the reporting date. The final amendments are expected in the fourth quarter of 2025.
IAS 28	Equity method	In September 2024, the IASB published exposure draft IASB/ED/2024/7 <i>Equity Method of Accounting—IAS 28 Investments in Associates and Joint Ventures (revised 202x)</i> . In the ED, the IASB proposes amendments to IAS 28 to answer application questions about how an investor applies the equity method in certain scenarios. The IASB will decide the project direction in Q4 of 2025.

IFRS Foundation projects

IAS 32	Financial instruments with characteristics of equity	<p>In November 2023, the IASB published ED/2023/5 <i>Financial Instruments with Characteristics of Equity</i>. In the ED, the IASB proposes amendments to IAS 32, IFRS 7 and IAS 1 to address challenges that arise from the classification of financial instruments by clarifying the principles in IAS 32 and to enhance presentation and disclosure requirements.</p> <p>In particular, the IASB proposes amendments to IAS 32 to clarify:</p> <ul style="list-style-type: none">• the effects of relevant laws or regulations (such as statutory or regulatory requirements applicable to a financial instrument) on the classification of financial instruments• the 'fixed-for-fixed' condition for classifying a derivative that will or may be settled in an issuer's own equity instruments• the requirements for classifying financial instruments containing an obligation for an entity to purchase its own equity instruments• the requirements for classifying financial instruments with contingent settlement provisions• the effect of shareholder discretion on the classification of financial instruments• the circumstances in which a financial instrument (or a component of it) is reclassified as a financial liability or an equity instrument after initial recognition. <p>The final amendments are expected in 2026.</p>
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IFRS Foundation projects

IAS 36	Business combinations—disclosures, goodwill and impairment	In March 2024, the IASB published exposure draft ED/2024/1 <i>Business Combinations—Disclosures, Goodwill and Impairment</i> . In the ED, the IASB proposes amendments to IFRS 3 and IAS 36. The proposed amendments to IAS 36 aim to mitigate the two main reasons for the concerns about the timeliness of impairment losses on goodwill (management over-optimism and shielding) by providing additional guidance on how to allocate goodwill to CGUs and requiring entities to disclose in which reportable segment a CGU containing goodwill is included. The IASB will decide the project direction in the second half of 2026.
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IFRS Foundation projects

IAS 37	Provisions—targeted improvements	In November 2024, the IASB published exposure draft ED/2024/8 <i>Provisions—Targeted Improvements (Proposed amendments to IAS 37)</i> . In the ED, the IASB proposes amendments to the criterion to recognise a provision in IAS 37, including:
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- updating the definition of a liability in IAS 37 to align with the definition of a liability in the *Conceptual Framework*
- amending the requirements that support the present obligation recognition criterion
- withdrawing IFRIC 21 *Levies*, whose requirements are not consistent with those proposed in the ED, and replacing it with illustrative examples in the Guidance on implementing IAS 37

With regard to measurement of provisions, the IASB proposes to specify that:

- the expenditure to settle its present obligation comprises the costs that relate directly to the obligation, which include both the incremental costs of settling that obligation and an allocation of other costs that relate directly to settling obligations of that type
- the discount rate used should be a risk-free rate—that is, a rate that excludes non-performance risk.

The IASB will decide the project direction in Q4 of 2025.

IFRS Foundation projects

	Pollutant pricing mechanisms	If undertaken, this reserve list project would aim to develop specific requirements for pollutant pricing mechanisms. Initial research would consider whether the project should aim to address all types of pollutant pricing mechanisms, or only some, such as emission trading schemes, and accounting by traders and scheme administrators, or limit the project to entities that are required to (or choose to) participate in such schemes.
IAS 38	Intangible assets	<p>The project aims to comprehensively review IAS 38. The IASB has started its review in a focused way, by exploring two initial streams:</p> <ul style="list-style-type: none">• assessing user needs for information about recognised and unrecognised intangible assets and expenditure associated with them in the financial statements• considering whether to update the definition of an intangible asset, associated guidance and some aspects of the recognition criteria, by initially using, as test cases, application issues related to newer types of intangible assets and new ways of using them; and then considering the effects of any potential amendments on the broader population of intangible assets. <p>Once work on the initial streams is completed, the IASB will consider whether it can make discrete meaningful improvements to IAS 38 or whether more work is needed before considering any changes to the standard.</p>

IFRS Foundation projects

IAS 39	Dynamic risk management	In this project, the IASB explores whether it can develop an accounting model that will enable investors to understand the effect of an entity's dynamic risk management of repricing risk due to changes in interest rate (which is predominately used in the banking industry) and to evaluate the effectiveness of that risk management. A discussion paper was published in 2014. An exposure draft is expected in Q4 of 2025.
Cross-cutting	Climate-related risks in the financial statements	In July 2024, the IASB published exposure draft ED/2024/6 <i>Climate-related and Other Uncertainties in the Financial Statements—Proposed illustrative examples</i> . In the ED, the IASB proposes to add eight examples to IFRS Accounting Standards to illustrate how an entity applies the requirements in those standards to report the effects of climate-related and other uncertainties in its financial statements. The proposed examples mostly focus on climate-related uncertainties, but the principles and requirements illustrated apply equally to other types of uncertainties. The final illustrative examples are expected in October 2025.
	Agenda consultation	In March 2025, the IASB started its fourth agenda consultation, in which the IASB determines its technical strategy and work plan by consulting with its stakeholders. The IASB will decide the project direction in September 2025.

IFRS Foundation projects

<i>IFRS for SMEs</i> Accounting Standard	International tax reform— Pillar Two model rules	In this maintenance pipeline project, the IASB continues to monitor developments related to the implementation of the Pillar Two model rules to determine when to do further work. Any further work would not necessarily coincide with the next periodic review of the standard.
IFRS Accounting Taxonomy	Updates	The IASB is continuously updating the IFRS Accounting Taxonomy for any changes in IFRS requirements.

IFRS Foundation projects

Sustainability reporting

IFRS S2	Amendments to GHG emissions disclosures	<p>In June 2025, the ISSB published exposure draft ISSB/ED/2025/1 <i>Amendments to Greenhouse Gas Emissions Disclosures</i> that proposes targeted amendments to IFRS S2 to provide additional relief and clarify existing relief from specific greenhouse gas (GHG) emissions disclosure requirements. Specifically, the ISSB proposes amendments to IFRS S2 to:</p> <ul style="list-style-type: none">• permit entities to exclude Scope 3 Category 15 GHG emissions associated with derivatives, facilitated emissions and insurance-associated emissions from the measurement and disclosure of Scope 3 Category 15 GHG emissions• provide relief from using the Global Industry Classification Standard (GICS) in some circumstances• clarify that the existing relief for an entity that is required by a jurisdictional authority or exchange on which it is listed to use a method for measuring GHG emissions other than the <i>Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004)</i> (GHG Protocol), is also available when such a requirement applies only to a part of the entity• permit the use of global warming potential (GWP) values that are not from the latest Intergovernmental Panel on Climate Change (IPCC) assessment if an entity, or part of an entity, is required by a jurisdictional authority or exchange on which it is listed to use those GWP values.
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IFRS Foundation projects

Amendments to the industry-based guidance		In July 2025, the ISSB published exposure draft ISSB/ED/2025/2 <i>Proposed Amendments to the Industry-based Guidance on Implementing IFRS S2</i> . These amendments are proposed to maintain the alignment of the <i>Industry-based Guidance on Implementing IFRS S2</i> with the SASB standards, given the proposed amendments to nine SASB standards that are set out in SASB/ED/2025/1. The amendments to the <i>Industry-based Guidance on Implementing IFRS S2</i> relate to climate-related content only. The comment period for the ED is open until 30 November 2025
New standards (research phase)	Biodiversity, ecosystems and ecosystem services	The ISSB is researching risks and opportunities associated with sustainability topics beyond climate for entities to meet the information needs of investors, to decide whether it should pursue standard setting for disclosure requirements on these topics. Following initial research to build foundational knowledge on the topic and determine how best to stage work to produce timely analysis, the ISSB is exploring the necessity and feasibility of standard-setting and expects to decide the project direction with discussions beginning in H2 2025.
	Human capital	The ISSB is researching disclosure about risks and opportunities associated with human capital. Human capital refers to the people who make up an entity's own workforce and the workers in its value chain. Such disclosure may include information about such matters as workforce size, composition, compensation, engagement, turnover, training and development, working conditions and health, safety and wellbeing, among other possible topics. The research project will help the ISSB decide whether it should pursue standard-setting for disclosure requirements on some or all of these topics.

IFRS Foundation projects

Cross-cutting	Enhancing the SASB standards	In July 2025, the ISSB published exposure draft SASB/ED/2025/1 <i>Proposed amendments to the SASB Standards</i> . In the ED, the ISSB proposes amendments to nine SASB standards that have been prioritised for comprehensive review. These are the eight standards in the <i>Extractives & Minerals Processing</i> sector and the <i>Processed Foods</i> SASB standard. The objective of the proposed amendments is to support the implementation of IFRS S1 and IFRS S2 through timely enhancements to the SASB standards. Beyond the amendments proposed to the nine prioritised SASB standards, the ISSB proposes that the corresponding metrics in other SASB standards should be aligned to maintain consistent disclosures on these common topics among industries where appropriate. The comment period for the ED is open until 30 November 2025.
IFRS Sustainability Disclosure Taxonomy	Updates	The ISSB is continuously updating the IFRS Sustainability Disclosure Taxonomy for any changes in IFRS requirements.

Deloitte IFRS resources

In addition to this publication, we have a range of tools and publications to assist in implementing and reporting under IFRS Standards.

Websites

www.deloitte.com

www.iasplus.com

Publications

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| iGAAP | Deloitte iGAAP publications set out comprehensive guidance for entities reporting under IFRS Standards and for entities considering whether to move to IFRS Standards in the near future. The publications are available online at dart.deloitte.com/iGAAP . |
| iGAAP in Focus | Published at the time of release of new and revised standards and interpretations, exposure drafts and discussion documents, including summaries of the documents and consideration of the principal amendments/proposals. |
| A Closer Look | <i>A Closer Look</i> provides detailed analysis of particular aspects of key projects and other developments of the IFRS Foundation, focusing on topics of wide interest. |
| IFRS on Point | A monthly summary of financial and sustainability reporting developments. |

Deloitte IFRS resources

Illustrative financial statements

Illustrative IFRS financial statements illustrate the application of the presentation and disclosure requirements of IFRS Accounting Standards.

Translated material

You will find Deloitte IFRS resources in various languages here: www.iasplus.com/en/tag-types/non-english

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