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## International Accounting Standards Board (IASB) and International Sustainability Standards Board (ISSB) Technical Update

European Accounting Association  
Annual Congress Prague May 2026

Florian Esterer, IASB member  
Anne McGeachin, Ana Simpson, IASB technical staff  
Richard Barker, ISSB member  
Laura Girella, ISSB academic liaison

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# Trust in financial systems and capital markets

## \$74.6tn is invested cross-border, growing 7.5%pa<sup>(1)</sup>

- IFRS Accounting Standards provide a shared reference point for capital markets worldwide.
- Consistency in reporting is not just a technical matter—it has economic consequences.
- Better information supports efficient capital allocation, more accurate risk assessment and more stable markets.

### **Consistency**

*Standards applied faithfully across markets*

### **Comparability**

*Investors can evaluate opportunities across borders*

### **Credibility**

*Reliable reporting underpins confidence in capital markets*

(1) IMF Dataset: Portfolio Investment Positions by Counterpart Economy ([Data Explorer](#))

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# IFRS Foundation

## Better information for better decisions

### Mission

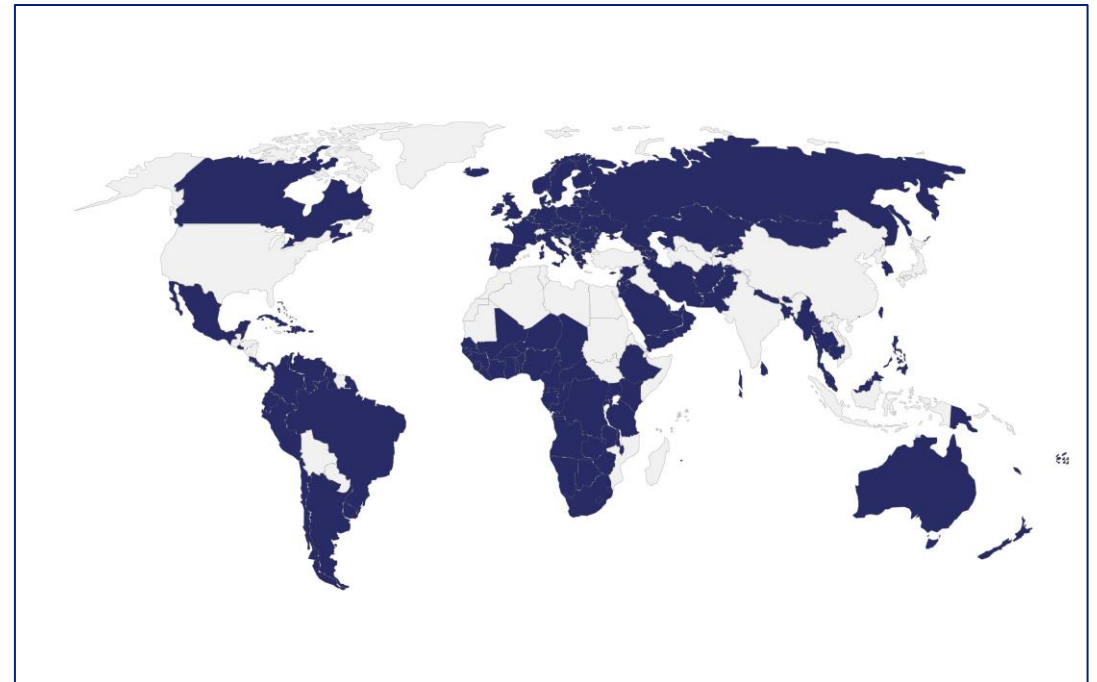
Develop high-quality IFRS Accounting Standards that bring transparency, accountability and efficiency to capital markets around the world.

### Our work

Serves the public interest by fostering trust, growth and long-term financial stability in the global economy.

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Required application of IFRS Accounting Standards  
for domestic public companies



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# Adopting IFRS Accounting Standards increases financial market efficiency and international inflows

**Improved transparency**



**Better comparability**



**Increased following by foreign analysts**



**More in-bound investments**

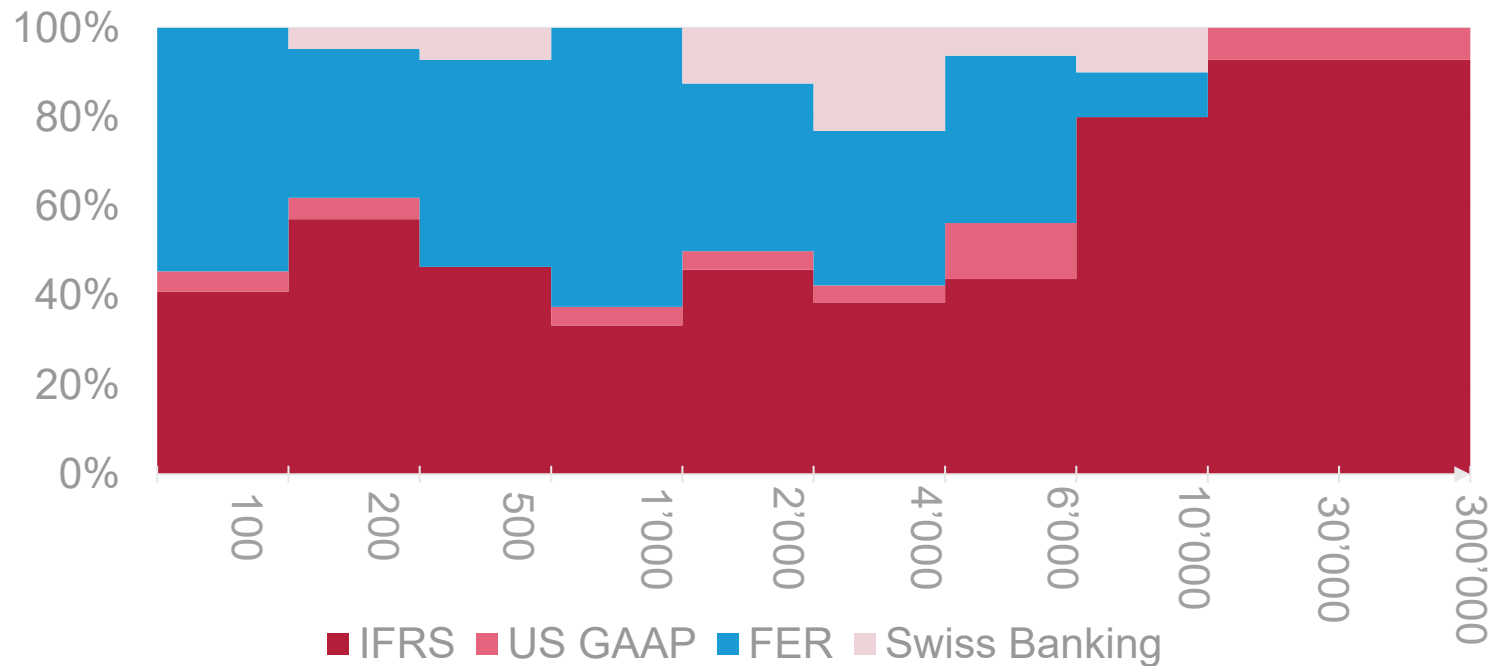


**Lower cost of capital**

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# The voluntary Swiss equilibrium: local or global?

Accounting standard used by market cap (Mio CHF)



- Below CHF 6bn significant percentage of FER reporters
- Between CHF4-6bn still difference in analyst coverage (6.3 vs 5.5)
- Below CHF4bn little difference in coverage

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# How we set IFRS Standards

*Three principles govern every decision we take.*

1

## Evidence first

We require demonstrated need before any project is added to our work plan.

2

## Consultation

All our stakeholders shape our priorities.

3

## Proportionate

Every decision we take weighs cost against benefits.

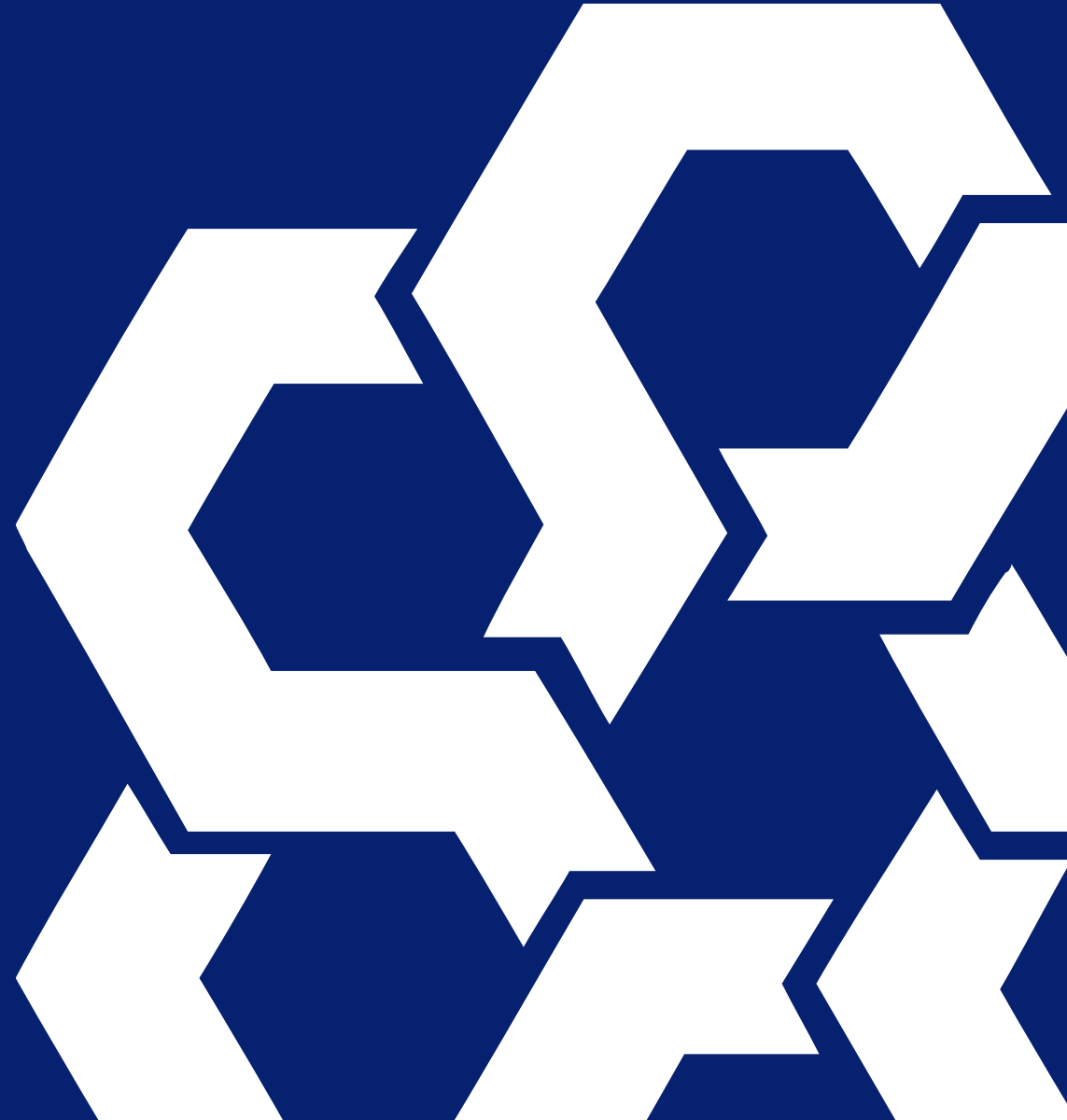
# Topics

- IASB general update
- IFRS 20 *Regulatory Assets and Regulatory Liabilities*
- Intangible assets
- Statement of Cash Flows and Related Matters
- ISSB general update
- Nature-related disclosures



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# IASB general update



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What will be of  
importance?

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# What is required when?

## 1 January 2026

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

## 1 January 2027

- IFRS 18: *Presentation and Disclosure in Financial Statements*
- IFRS 19: *Subsidiaries without Public Accountability: Disclosures* and amendments
- Third edition of the *IFRS for SMEs Accounting Standard*
- *Translation to a Hyperinflationary Presentation Currency* (Amendments to IAS 21)

# New Standards, Amendments and Other Publications

## Issued in 2025

Third edition of the *IFRS for SMEs Accounting Standard*

Revised Practice Statement *Management Commentary*

Amendments to IFRS 19 *Subsidiaries without Public Accountability: Disclosures*

Amendments to IAS 21 *Translation to a Hyperinflationary Presentation Currency*

*Disclosures about Uncertainties in the Financial Statements—Illustrative examples*

## Expected in 2026

✓ **May 2026:** Accounting Standard *Regulatory Assets and Regulatory Liabilities*

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# Consultations

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## Forthcoming in 2026

**May 2026:** Exposure Draft proposing narrow-scope amendments to the *IFRS for SMEs Accounting Standard*

**H2 2026:** Request for Information for Post-implementation Review of *IFRS 9—Hedge Accounting*

**H2 2026:** Exposure Draft proposing amendments to IFRS 9 *Financial Instruments* in relation to the project *Amortised Cost Measurement*

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# Agenda Consultation

## Objective

An agenda consultation is a five-yearly process to consult stakeholders to determine its technical strategy and work plan.

## Status

The IASB will undertake its next agenda consultation at the same time as the ISSB (concurrent agenda consultation)—work is expected to start in late 2026, with plans to consult with stakeholders in 2027.

Benefits of a concurrent agenda consultation include:

- less burdensome for stakeholders to easily consider each board's work plan at the same time
- providing holistic feedback about priorities, both separate and joint

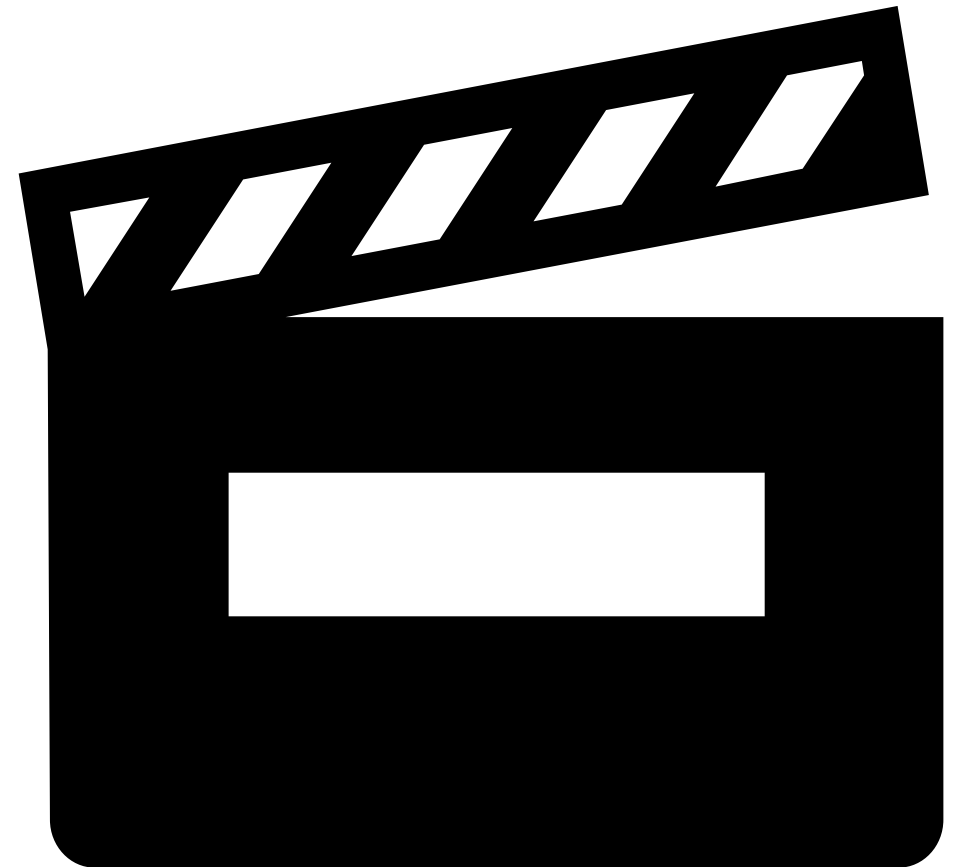
In the meantime, the IASB will continue to progress existing projects and start new projects as capacity becomes available.

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## Call to action

Over the next five years the IASB will need research on:

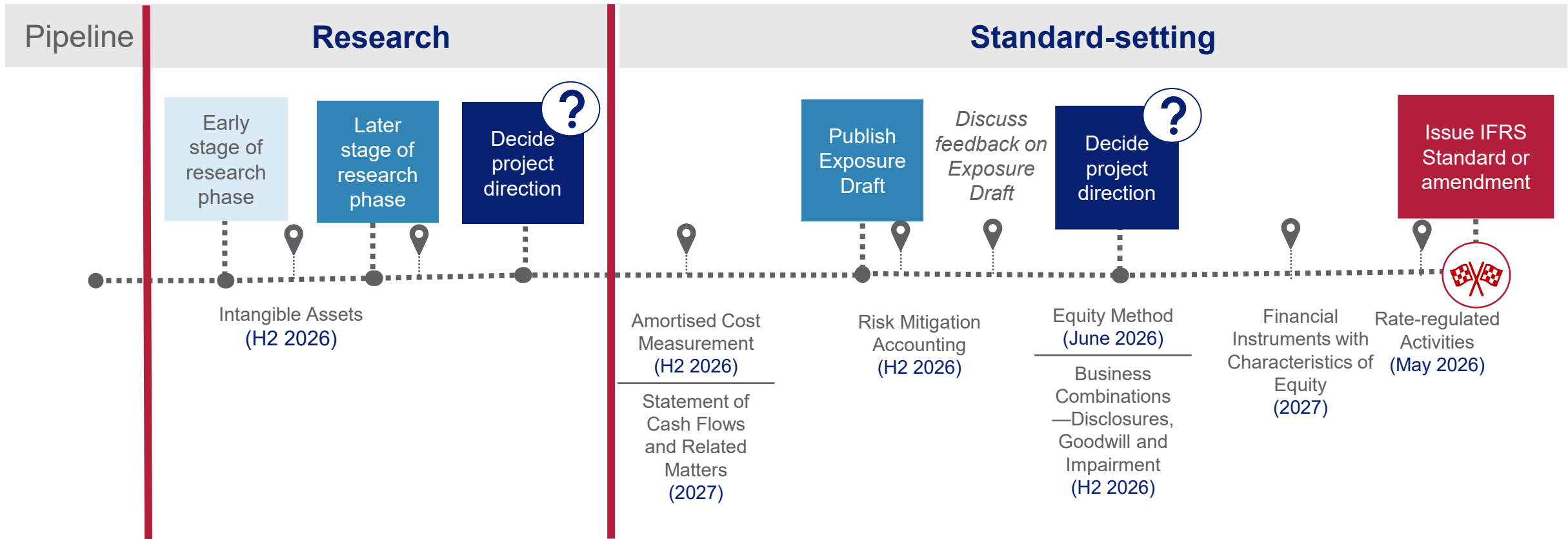
- Post-implementation review IFRS18,
- Post-implementation review IFRS17 *Insurance Contracts*,
- Cash flows post-exposure draft in 2027,
- Intangible assets post-consultative document in 2028,
- Research on overarching issues:
  - digital consumption;
  - use of genAI;
  - IFRS for SMEs; and
- Research on pipeline projects
  - Operating Segments
  - Pollutant Pricing Mechanisms
  - Hyperinflationary accounting
  - Cryptoassets



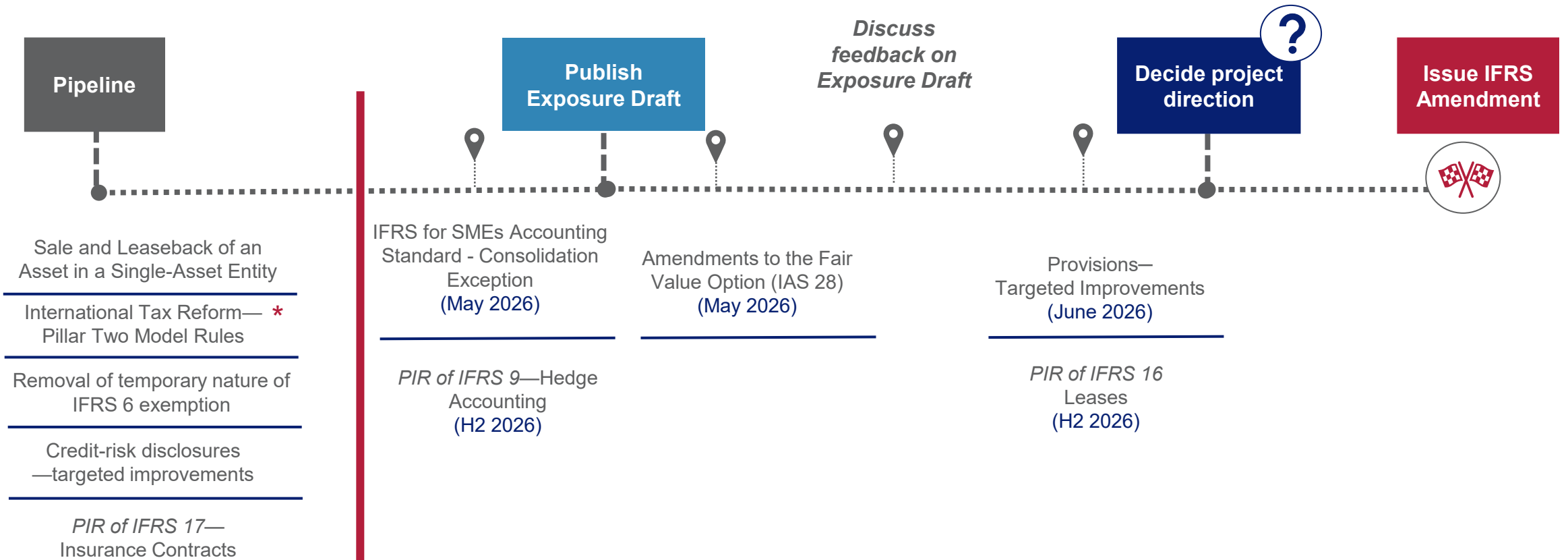
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## Our technical work plan

# Research and standard-setting projects - status



# Maintenance projects - status



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

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## Our academic activities

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## IASB's initiatives to engage with academic research (1)

### **Academic Liaison Team**

A dedicated academic liaison team (a board member and two staff members) to maintain links with academia and summarise academic research.

### **Annual Research Forum**

Since 2014, the IASB hosts an annual Research Forum in partnership with an academic journal where academics, standard setters, and practitioners discuss research relevant to the IASB's projects. See open call for [2026 Research Forum with \*Review of Accounting Studies\*](#).

### **KPMG/IAAER Research Programme**

Nine rounds of research programme encourage studies that inform IASB's work, including practitioner feedback for improved relevance.

### **Workshops with EAA and EFRAG/UKEB**

Starting 2020, workshops with academic contributors that focus on relevant academic evidence for IASB projects.

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## IASB's initiatives to engage with academic research (2)

### Summaries of academic evidence

Prepared for discussion by the IASB for every consultation document and at other appropriate times. See academic literature reviews [here](#).

### Seeking academic input on demand

- 2022 call for national standard-setters and academics to investigate the effects of changes to guidance on materiality
- call for research on credit risk disclosures following post-implementation review of IFRS 9 Impairment

### Special Issues in academic journals

IASB collaborates with journals to publish special issues on topics of interest, for example for IFRS 9 *Financial Instruments* post-implementation reviews, enhancing research relevance.

### Call for Registered reports

IASB's 2025 [Special issue with \*European Accounting Review\*](#) calls for research proposals before data collection and analysis on topics relevant to the IASB's work agenda.

## Relevant Research



Research helpful if it provides evidence on:

- Prevalence of an issue
- Extent of diversity
- Effect on investors
- Type of companies and jurisdictions affected



Sample—Which companies have been affected by the Accounting Standard?



Review of

- Financial statements
- Investor and analyst reports
- Publications of accounting firms
- Academic literature



Interviews /Surveys /Experiments

- Preparers, auditors and regulators
- Investors and analysts

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# Appendix

# IASB members

**Andreas Barckow**  
Chair



From: Germany  
Region: At large  
First term ends  
30 June 2026

**Linda Mezon-Hutter**  
Vice-Chair



From: Canada  
Region: Americas  
First term ends  
31 August 2027

**Nick Anderson**



From: United Kingdom  
Region: Europe  
Second term ends  
31 August 2027

**Patrina Buchanan**



From: Ireland  
Region: Europe  
First term ends  
30 November 2027

**Tadeu Cendon**



From: Brazil  
Region: Americas  
Second term ends  
30 June 2029

**Yu Chen**



From: China  
Region: Asia-Oceania  
Location: London  
First term ends  
31 December 2030

**Florian Esterer**



From: Switzerland  
Region: Europe  
First term ends  
31 March 2028

**Zach Gast**



From: United States  
Region: Americas  
Second term ends  
31 July 2028

**Hagit Keren**



From: Israel  
Region: Asia-Oceania  
First term ends  
29 February 2028

**Bruce Mackenzie**



From: South Africa  
Region: Africa  
Second term ends  
30 September 2030

**Bertrand Perrin**



From: France  
Region: Europe  
Second term ends  
30 June 2029<sup>1</sup>

**Rika Suzuki**



From: Japan  
Region: Asia-Oceania  
Second term ends  
30 June 2029

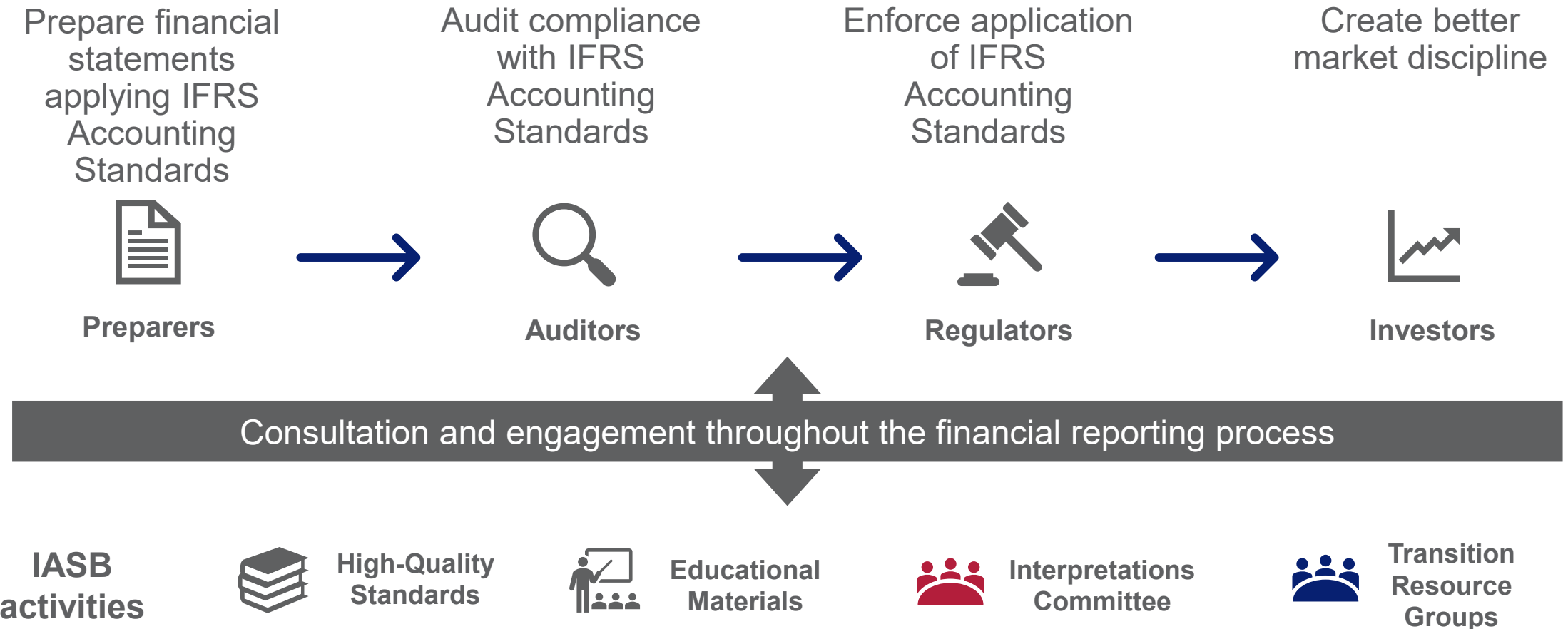
**Robert Uhl**



From: United States  
Region: Americas  
First term ends  
31 August 2027

<sup>1</sup> Bertrand Perrin was reappointed in 2025 to serve a second three-year term starting in 2026.

# IASB's role in the financial reporting ecosystem



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## *IFRS 20 Regulatory Assets and Regulatory Liabilities*



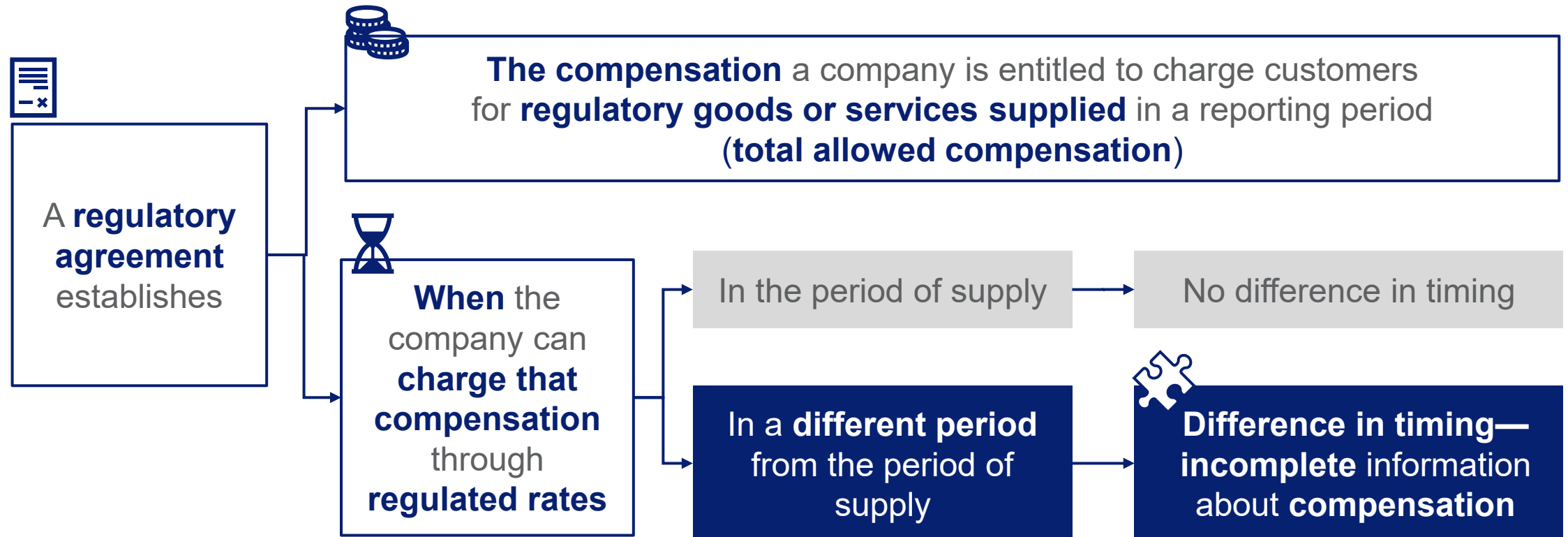
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## IFRS 20 *Regulatory Assets and Regulatory Liabilities*



- **Published:** May 2026
- **Effective date:** 1 January 2029
- Early application permitted
- IFRS 20 replaces IFRS 14 *Regulatory Deferral Accounts*

## The problem—incomplete information about compensation for regulatory goods or services



## The problem illustrated through an example

Statement of profit or loss <i>In CU*</i>	Year 1	Year 2
IFRS 15 revenue**	100	120
Input costs	(120)	(100)
<b>Profit (loss)</b>	<b>(20)</b>	<b>20</b>

IFRS 15 revenue in Year 2 includes compensation for the under-recovered input costs of CU20 in Year 1

Investors might conclude that the company underperformed in Year 1 and overperformed in Year 2.

\* Monetary amounts are denominated in 'currency units' (CU)

\*\* Revenue from contracts with customers.

## The solution—accounting for differences in timing

Statement of profit or loss <i>In CU</i>	Year 1	Year 2
IFRS 15 revenue	100	120
<b>Regulatory income (regulatory expense)</b>	<b>20</b>	<b>(20)</b>
Total revenue	120	100
Input costs	(120)	(100)
<b>Profit (loss)</b>	<b>-</b>	<b>-</b>

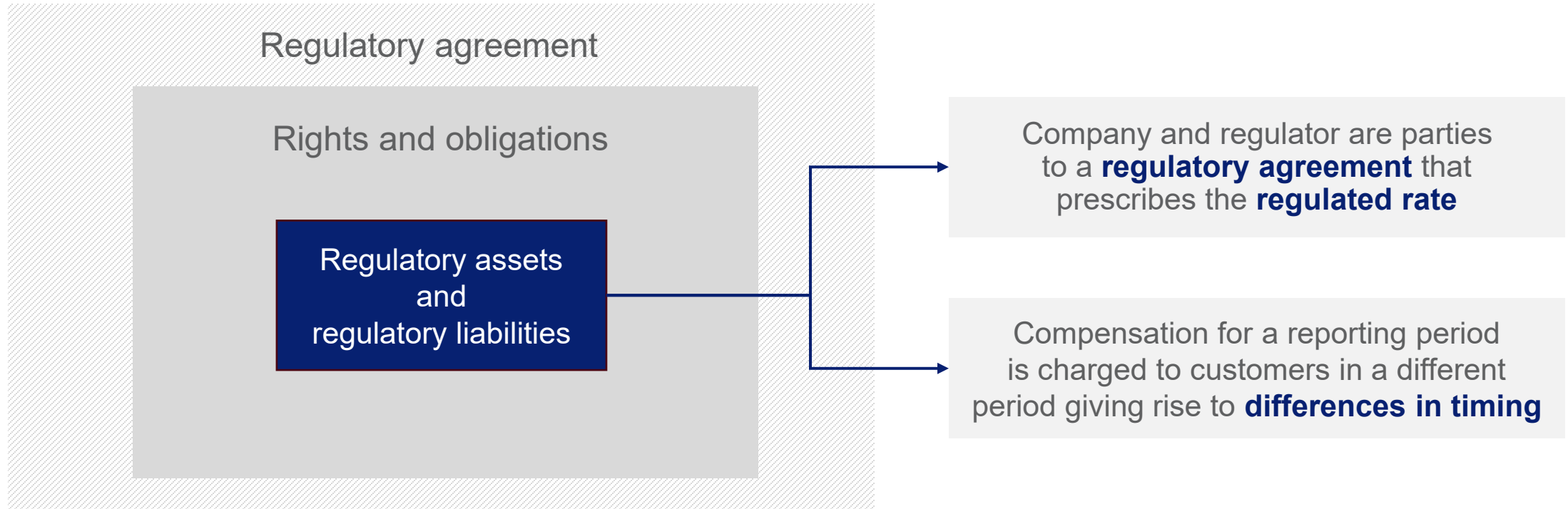
IFRS 15 revenue and regulatory income or regulatory expense reflect the company's total allowed compensation for regulatory goods or services supplied in a reporting period

Statement of financial position <i>In CU</i>	Year 1	Year 2
<b>Regulatory asset</b>	<b>20</b>	<b>-</b>

- Regulatory asset of CU20 in Year 1
- Regulatory asset of CU20 derecognised in Year 2

## Which companies does IFRS 20 apply to?

A company applies IFRS 20 to all its **regulatory assets** and all its **regulatory liabilities**



IFRS 20 mainly affects companies in industries such as utilities, energy and transportation

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## What are regulatory assets and regulatory liabilities?

### Regulatory asset

- An **enforceable present right** to **add an amount** to future regulated rates.
- That amount is compensation for regulatory goods or services already supplied that has not yet been included in IFRS 15 revenue.

### Regulatory liability

- An **enforceable present obligation** to **deduct an amount** from future regulated rates.
- That amount is compensation for regulatory goods or services to be supplied in the future that has already been included in IFRS 15 revenue.

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## Recognition



A company recognises regulatory assets and regulatory liabilities **existing** at the end of the reporting period.



If there is **existence uncertainty** a company recognises a regulatory asset or regulatory liability if it is **more likely than not** that it exists.



The **recognition** of some regulatory assets and regulatory liabilities is subject to **specified conditions** being met—for example, a direct relationship.

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## Measurement—cash-flow-based technique



A company includes an **up-to-date** estimate of all future cash flows arising from the recovery of a regulatory asset or fulfilment of a regulatory liability.



That estimate reflects **uncertainty** about the **amount** or **timing** of future cash flows.



A company **discounts** those cash flows using the **regulatory interest rate**—and updates that rate only if the regulatory agreement changes it.

## Presentation

**Statement of profit or loss\***

Regulatory income or regulatory expense

**Statement of financial position**

Regulatory assets and regulatory liabilities

<b>Statement of profit or loss <i>In CU</i></b>	<b>Year 1</b>
Revenue from contracts with customers	440
<b>Regulatory income (regulatory expense)</b>	<b>7</b>
<b>Revenue</b>	<b>447</b>
Other operating income	9
Operating expense	(300)
<b>Operating profit</b>	<b>156</b>
Investment income	19
<b>Profit before financing and income taxes</b>	<b>175</b>
Interest expense	(14)
<b>Profit before income taxes</b>	<b>161</b>
Income tax expense	(32)
<b>Profit</b>	<b>129</b>

\* In some cases, regulatory income or regulatory expense is included in other comprehensive income.

## Disclosure



Information about **regulatory income, regulatory expense, regulatory assets** and **regulatory liabilities**.

For example:

- Reconciliations
- Maturity analysis
- Unrecognised regulatory assets and regulatory liabilities

Reconciliation of regulatory assets <i>In CU</i>	Cost variances	Pension	Total
<b>Opening carrying amount</b>	<b>8</b>	<b>9</b>	<b>17</b>
<b>Profit or loss</b>			
Origination	7	6	13
Recovery	(5)	(2)	(7)
Regulatory interest income	—	1	1
<b>Other comprehensive income (OCI)</b>			
Remeasurement	—	2	2
<b>Changes that do not affect profit or loss or OCI</b>			
Business combination	—	4	4
<b>Closing carrying amount</b>	<b>10</b>	<b>20</b>	<b>30</b>

Regulatory  
income of CU7



Information about **the relationship between RCB and related items**.

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## Transition

### Retrospective

### Modified retrospective

Reliefs—for example:  
use of hindsight

Date of initial application: 1 January 2029

	2028	2027
Adjusted comparative information	✓	Permitted
Disclosures required by IFRS 20	✓	Permitted

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## To summarise

### Problem

**Investors** are unable to understand the **effects of differences in timing** on a company's **financial performance** and **financial position**.

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### Objective

Provide **information** about the **effects of regulatory income, regulatory expense, regulatory assets and regulatory liabilities** on a company's **financial performance** and **financial position**.

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### Principle

Reflect **compensation** for **regulatory goods or services supplied** in a **reporting period** in a company's **financial performance** for that **period**.

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## Resources<sup>(\*)</sup>

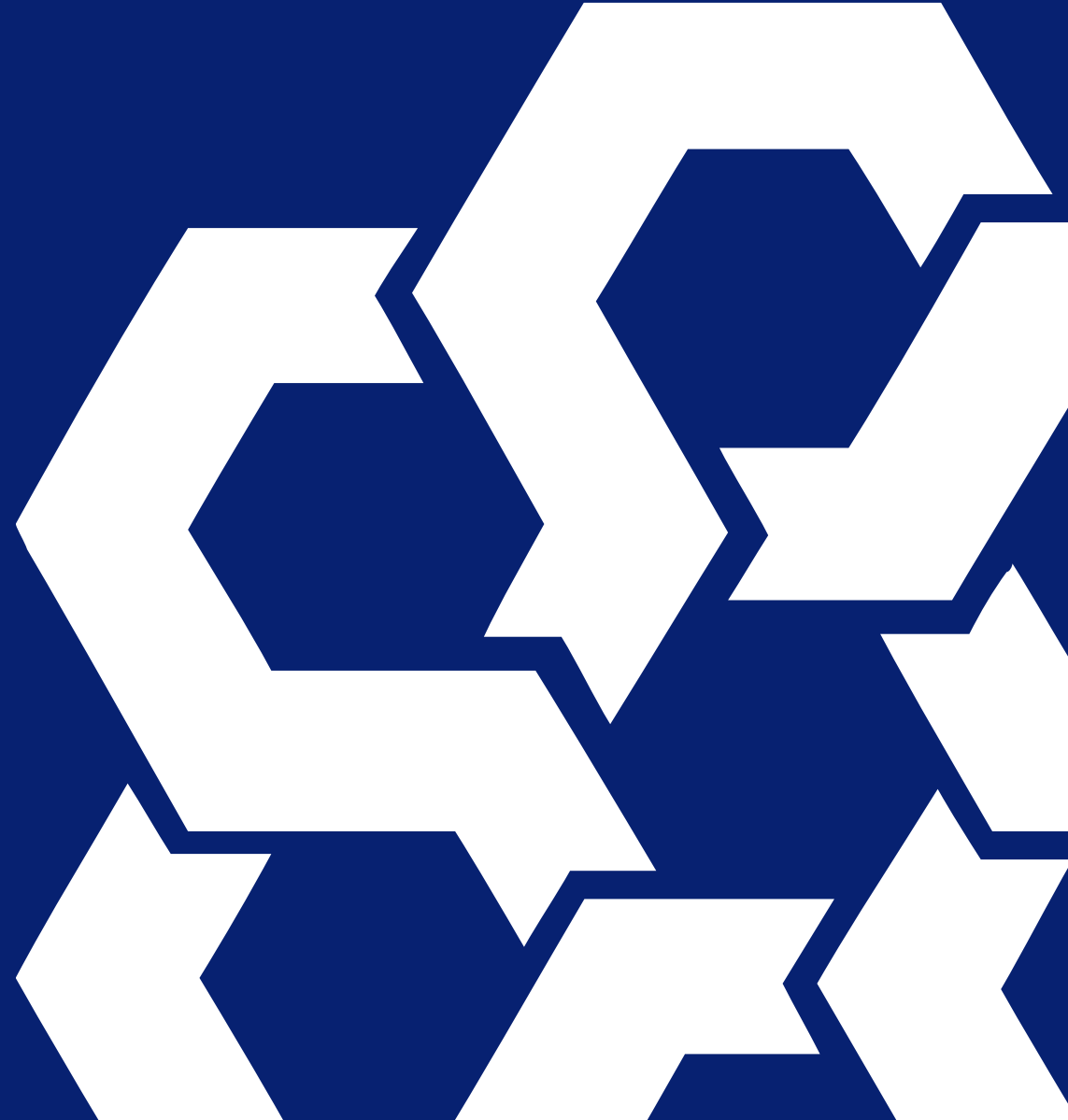


- Final Standard: IFRS 20 *Regulatory Assets and Regulatory Liabilities*
- Basis for Conclusions: IFRS 20 *Regulatory Assets and Regulatory Liabilities*
- Illustrative Examples: IFRS 20 *Regulatory Assets and Regulatory Liabilities*
- Effects Analysis: IFRS 20 *Regulatory Assets and Regulatory Liabilities*
- Project Summary: IFRS 20 *Regulatory Assets and Regulatory Liabilities*
- Feedback Statement: IFRS 20 *Regulatory Assets and Regulatory Liabilities*
- Video: Linda Mezon-Hutter introduces IFRS 20
- IFRS 20 on one page
- Webcast: [Overview of the forthcoming IFRS Accounting Standard—IFRS 20](#)

<sup>(\*)</sup> Resources can be found in the 'Published documents' and 'Supporting material' tabs on the Rate-regulated Activities project website.

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# Intangible assets





# May 2025 IASB decisions

## Objectives

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

## Approach

-  Starting a comprehensive review in a targeted way
-  Regular reflection points to assess additional evidence



## Topics the project will explore

<ul style="list-style-type: none"> <li>☑ Investor information needs</li> <li>☑ Potential changes to some aspects of the definition and recognition requirements (using test cases)</li> </ul>	<i>Initial streams</i>
<ul style="list-style-type: none"> <li>☑ Intangible assets held for investment</li> <li>☑ Broader review of recognition</li> <li>☑ Disclosure requirements</li> <li>☑ Comparability of information about acquired and internally generated intangible assets</li> </ul>	<i>Later streams (subject to change)</i>
<ul style="list-style-type: none"> <li>⊕ Broader intangible items</li> </ul>	<i>TBC</i>

# Initial streams of work



Exploring investor  
information needs

**Cross-cutting stream**—would contribute to all topics

-  explore investor information needs in more detail particularly whether they differ by sector or type of intangible asset
-  consider whether changes in the definition, recognition, measurement and/or disclosure requirements would be necessary to provide more useful information

Exploring potential  
changes to some  
aspects of the  
definition of an  
intangible asset and  
recognition  
requirements based  
on test cases

**Good entry point**—explores fundamental aspects of IAS 38 and could inform other aspects of the project

-  explore underlying causes of application issues based on test cases related to newer types of intangible assets and new ways of using them
-  develop potential solutions using the *Conceptual Framework for Financial Reporting* as a starting point and consider the effects of any potential amendments on the broader population of intangible assets

# Exploring investor information needs



## Building on input received to date

During the initial phase:

- investors provided a **wide range of suggestions** for information they would find useful – no prevalent theme
- many investors said they **adjust financial statements** in relation to intangible assets – their reasons varied



## Exploring investor information needs further

Explore – **by sector and by type** of intangible asset:

- what information about recognised and unrecognised intangible assets and associated expenditure investors are trying to understand
- what investors are doing with that information
- where investors are getting that information today

- **Desktop research:** the staff reviewed samples of companies' annual reports in intangible-intense sectors (healthcare, technology, consumer discretionary and consumer staples, industrials and communication services) to understand what information companies provide
- **Further outreach:** the staff tested their findings and inferences on what financial statements information might be useful in in-depth conversations with investors

The IASB discussed the findings in May 2026

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# Outreach activities in the last year

 **Outreach**

<b>IFRS Foundation bodies</b> <ul style="list-style-type: none"><li>• Capital Markets Advisory Committee</li><li>• Accounting Standards Advisory Forum</li><li>• Emerging Economies Group</li></ul>	<b>Investors</b> <ul style="list-style-type: none"><li>• 22 in-depth discussions with equity analysts</li><li>• Several credit analysts and creditors and lenders feedback from investor survey (November 2025)</li></ul>
<b>Other evidence</b> <ul style="list-style-type: none"><li>• World Intellectual Property Organization report <i>2025 Moving IP Finance from the Margins to the Mainstream</i></li><li>• CFA Institute research <i>2025 Investor Perspectives: Intangible Assets</i></li></ul>	<b>Other stakeholder groups</b> <ul style="list-style-type: none"><li>• EFRAG workshops on investor needs by intangible asset type in December 2025</li><li>• Corporate Reporting Users' Forum UK</li></ul>

# Key messages from investor outreach

## Valuation approach

- Investors do not seek to value individual recognised or unrecognised intangible assets.
- Instead, they focus on intangible activities as drivers of future cash flows and economic performance.
- Analysis is anchored at the overall-business level, focusing on growth prospects, margin profile, cash-flow durability and risk.

## How investors consider intangible activities in valuations

- Investors focus on the most value-relevant intangible activities in each sector.
- Most investors consider qualitative information and sector-specific metrics, not a single universal metric set.
- Many investors rely on past performance and management track record as proxies for future value creation when intangible-related information is limited, aggregated or commercially constrained.

## Information sources and role of financial statements

- Most investors use multiple sources of information
- Financial statements are typically used as a starting point and sense-check—for example, as a historical anchor or confirmation of previous assumptions—rather than as a primary source.
- Investors commonly supplement financial statements with information from narrative reports (eg Management Discussion & Analysis or strategic reports), investor relations and external sources.



## Four broad themes of investor challenges

- Linking spend to outcomes.
- Linking information provided outside the financial statements and amounts in the financial statements.
- Comparability across entities.
- Insufficient information on recognised intangible assets.

# Key messages from investor outreach



<p>Requested improvements</p>	<ul style="list-style-type: none"> <li>• <b>Linking spend and outcomes:</b> Disaggregation of intangible-related spend (mostly expensed amounts) and better information on outcomes, disclosure of total spend, more detail on capitalised amounts.</li> <li>• <b>Current period linkage:</b> Expenses, and where relevant revenue, to be disaggregated in a way that aligns with how entities discuss significant programmes, projects, products or activities in narrative reporting.</li> <li>• <b>Comparability across entities:</b> Clearer information on the basis of reported amounts, including what is capitalised versus expensed and the judgements applied.</li> <li>• <b>Recognised assets:</b> Better information on useful lives, amortisation and impairment judgements and on purchase price allocation and post-acquisition performance of assets acquired in a business combination.</li> </ul>
<p>Constraints and mitigations</p>	<ul style="list-style-type: none"> <li>• <b>Constraints:</b> Investors recognised practical constraints, especially commercial sensitivity and competitive harm risks—particularly for granular, entity-specific disclosures</li> <li>• <b>Suggested mitigations:</b> <ul style="list-style-type: none"> <li>• Appropriate level of aggregation</li> <li>• Threshold or trigger-based requirements</li> <li>• Focusing on concentration-style indicators (eg the most significant programmes or projects)</li> </ul> </li> </ul>
<p>Hypothetical idea: recognition as a way to communicate outcomes</p>	<ul style="list-style-type: none"> <li>• Most investors preferred enhanced disclosures and transparency rather than expanding recognition of internally generated intangible assets.</li> <li>• Investors expressed limited appetite for broader recognition, mainly because of concerns about judgement, auditability, earnings-management risk and comparability.</li> </ul>

## Potential changes to aspects of the definition and recognition requirements – the approach

-  Explore potential changes to IAS 38 to improve some of the requirements in the Standard and its applicability to newer types of intangibles assets and new ways of using them
-  Ensure that the requirements are grounded in the most up to date thinking



**Improve the information entities provide about all intangible assets (new and otherwise)**

-  Based on **test cases**:
  - intended to make the work more manageable—used to **identify principles and topics** that may need improvement and to develop potential solutions
  - not intended to solve specific application issues** related to selected newer types of intangible assets
-  Any potential solutions will be tested on a broader population of intangible assets to avoid unintended consequences

## Potential changes to aspects of the definition and recognition requirements – progress to date



### **Selected test cases—software as a service (SaaS) arrangements and agile software development**

- most commonly raised by stakeholders
- the underlying causes are likely to be relevant for a wide range of newer types of intangible assets and new ways of using them
- insights may be helpful in exploring later work streams, for example, in a broader review of recognition



### **Identified principles and topics to explore further** for selected test cases—focus on:

- identifying the nature of the asset and unit of account
- determining control
- considering the requirement to classify the generation of an asset into two distinct phases (research and development) and related recognition criteria

The IASB also considered whether to use data resources and AI as test cases. Most application issues related to them are similar to those related to SaaS and agile development. Therefore, the IASB will consider data resources and AI when exploring similar principles and topics and testing potential solutions

## Next steps

### Investor information needs

To discuss findings in this workstream and potential implications for the direction of the project with IASB's consultative groups in Q3 2026



Potential changes to some aspects of the definition of an intangible asset, related guidance and recognition requirements

Now working on potential solutions, the IASB to discuss in Q3–Q4 2026



### After completing work, the IASB will be able to:

- assess whether there is an opportunity to make discrete meaningful improvements to IAS 38 or whether further work is needed before the IASB could consult on any changes to IAS 38
- assess how its findings may affect other topics and their prioritisation (see slide 2)

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# Cash Flows and Related Matters



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## Topics the project is exploring

Based on the initial research identifying three topics as clear investor priorities, the IASB decided to explore potential ways to improve:

- the **disaggregation** of cash flow information in financial statements;
- the reporting of information about **non-cash transactions**; and
- the transparency of information about **cash flow measures not specified in IFRS Accounting Standards**

In response to initial research findings indicating diversity in application—which might not be apparent to investors and was a priority of other stakeholders—the IASB decided to explore potential ways to improve:

- the consistent application of requirements to **classify cash flows** as operating, investing, or financing; and
- the consistent application of the **definition of cash equivalents**.

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## IASB approach to financial institutions

Based on the feedback in the initial research the IASB decided there was not sufficient demand to reconsider the form of the statement of cash flows for financial institutions

However, because there might be useful enhancements arising from the work on other areas of the project the IASB decided to approach the statement of cash flows for financial institutions by considering:

- improvements to the statement of cash flows generally before deciding how changes might apply to financial institutions (the IASB will consider a specific cost-benefit analysis to making any changes);
- any possible exemptions from the requirements; and
- presentation or supplementary disclosure requirements that might enhance the usefulness of information about cash flows

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# Disaggregation of cash flow information

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## Disaggregation

The IASB has tentatively decided to explore strengthening the link between the statement of cash flows and information **presented or disclosed in other parts of the financial statements**, this might include requirements to improve ([see AP20A of May 2026 IASB meeting](#)):

- disclosure of how line items in the statement of cash flows relate to items in the statement of financial position
- consistency in labelling of related items presented in the statement of cash flows or disclosed in related notes
- cross-referencing of cash flow information between notes and primary financial statements
- disaggregation of specific items when material

The IASB has also tentatively decided to propose an entity be required to **present cash flows from discontinued operations** in a **separate category** of the statement of cash flows providing consistency in presentation

# Changes in liabilities from financing activities

IAS 7 *Statement of Cash Flows* requires an entity to **disclose information about changes in liabilities arising from financing activities**. One way for entities to provide this information is in a reconciliation table

The IASB has tentatively decided to develop requirements to better enable investors to understand the **link between the disclosure and cash receipts and payments** in the statement of cash flows

The IASB has been exploring possible requirements (see [AP20B of May 2026 IASB meeting](#)):

- to **reconcile** opening to closing balances;
- **disaggregate** balances considering the **line items of related liabilities** in the statement of financial position; and
- **disaggregate** major classes of **gross cash receipts** and **gross cash payments** presented in the statement of cash flows

**Reconciliation of liabilities arising from financing activities**

	Borrowings	Lease liabilities	Total liabilities
Opening balance	1,140		1,140
Cash flows from operating activities			
Cash flows from investing activities			
Cash flows from financing activities, which consist of:	250	-90	160
Proceeds from borrowings	250		250
Payment of lease liabilities		-90	-90
Proceeds from issue of share capital			
Dividends paid			
Adjustment for cost of net liabilities	35	5	40
Assumed as part of business combinations (Note X)	290		290
Non-cash transactions (Note Y)	10	900	910
Closing balance	<u>1,725</u>	<u>815</u>	<u>2,540</u>

---

# The reporting of non-cash information

# Non-cash transactions possible new disclosures

IAS 7 **requires an entity to disclose** all the relevant information about non-cash transactions but **isn't specific about where and how** the information is disclosed

The IASB has tentatively decided to develop requirements to specify **the content and location** of information an entity discloses about **non-cash transactions**

The IASB has been exploring possible forms of disclosure that:

- include non-cash transactions in a single location; and
- include them beside similar cash transactions

- include non-cash transactions in the context of related notes

Line items presented in the statement of cash flows	Cash transactions	Non-cash transactions
<b>Cash flows from operating activities</b>		
Adjustments for non-cash items	150	-50
Decrease in trade and other payables (Note B)	-1,740	-800
<i>Net cash from operating activities</i>	<i>1,650</i>	<i>-850</i>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment (Note C)	-350	-900
<i>Net cash used in investing activities</i>	<i>-520</i>	<i>-900</i>
<b>Cash flows from financing activities</b>		
Proceeds from issue of share capital	250	50
Proceeds from borrowings	250	1,700
<i>Net cash used in financing activities</i>	<i>-1,060</i>	<i>1,750</i>

### C. Property, plant and equipment

[Paragraph 73(e) of IAS 16 and paragraph 53(a) of IFRS 16]

	Owned plant	Right-of-use property	Total
Opening balance	350		350
Additions	350	900	1,250
Cash transactions	350		350
Non-cash transactions		900	900
Obtaining control of subsidiaries	650		650
Disposals	-20		-20
Depreciation	-98	-252	-350
Closing balance	1,232	648	1,880

## Non-cash changes possible new disclosures

IFRS Accounting Standards cover non-cash changes in working capital assets and liabilities, but the information is often **too aggregated** for investors to use effectively. Additionally, entities are **not required to link** these disclosures to other related information in the financial statements. The IASB has tentatively decided to develop requirements to disclose information about **specific types of non-cash changes** in specified assets and liabilities that make up **working capital**

The IASB has been exploring possible forms of disclosure that:

- reconciles changes in specific assets and liabilities reported in the statement of cash flows to the related carrying amounts in the balance sheet; and
- discloses specific non-cash changes in those assets and liabilities

Increase / (decrease)	Trade and other receivables	Inventories	Trade and other payables
Change reported in the statement of cash flows	1,500	-1,050	-1,740
Non-cash transactions (Note A)			-800
Obtaining control of subsidiaries	100	90	100
Impairment	-10	-140	-
Translation adjustments	15	-	-180
Other (unexplained differences)	-	10	-
Change reported in the statement of financial position	<b>1,605</b>	<b>-1,090</b>	<b>-2,620</b>

---

## Mixed feedback on initial non-cash transactions solutions

Investor feedback suggests they might benefit from:

- improved accessibility to information about non-cash transactions disclosed in single location
- potential to compare cash and economically similar non-cash transactions, including possible effects on future cash flows
- improved understanding of how specific assets and liabilities have changed over the period
- better contextual information provided by disaggregation of specific non-cash information in individual note disclosures

Preparers identified concerns about:

- potential for duplication of information
- manual effort required to gather some information
- detailed disclosure resulting in higher preparation and audit cost
- relevance of comparing cash and economically similar non-cash transactions
- limited opportunity for entity-specific information

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Extending MPMs to also  
include cash flow measures

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## Management-defined performance measures

The IASB has tentatively decided to **extend the management-defined performance** measure requirements in IFRS 18 *Presentation and Disclosure in Financial Statements* to also **include cash flow measures**, which is expected to:

- provide investors with consistent set of disclosure requirements in the financial statements providing transparency over adjusted cash flow measures
- align the requirements for adjusted measures of cash flows with requirements for adjusted measures of profit or loss

For entities that do not communicate adjusted measures in public communications additional disclosures would not be required

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## Updates to MPMs to include cash flow measures

The IASB's tentative decisions on MPMs include:

- Updating the definition of MPMs to subtotals of income and expenses **or subtotals of cash inflows and outflows** not required or specifically exempted by IFRS Accounting Standards (subtotals for categories of the statement of cash flows are specifically exempted)
- Adding **application guidance** clarifying that:
  - subtotals combining income and expenses and cash inflows and outflows are MPMs
  - the disclosure of the **income tax effect and the effect on non-controlling interests** for each item in the MPM reconciliation will **not apply to cash flow measures**
  - an entity is required to disclose the effects of **tax and non-controlling interest for an MPM** that is a subtotal of income and expenses or is **reconciled to a subtotal in the statement of profit or loss**

---

## Other MPM requirements are unchanged

No changes to IFRS 18 disclosure objective and requirements to **disclose in a single note:**

- **Reconciliation** back to IFRS-defined subtotal
- Explanation of **why** the MPM is reported
- Explanation of **how** the MPM is calculated
- Explanation of any **changes** to the MPM

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# Consistent application

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## Classifying cash flows as operating, investing, and financing

The IASB has tentatively decided to explore developing requirements to improve the consistent application of the classification requirements, including exploring requirements:

- to classify **acquisition-related payments in a business combination**;
- to classify and present **cash flows from derivatives**; and
- to classify and present **receipts of government grants**

The requirements are expected to improve consistency in classification of transactions which lack specific guidance and for which many stakeholders identified diversity

The IASB has also tentatively decided to explore amending the principle for classifying cash flows in paragraph 11 of IAS 7 to help entities apply the principle more consistently

**After** the IASB has concluded its discussions on strengthening the disclosure requirements on **non-cash transactions** and **other non-cash changes**, the IASB will revisit whether requirements are necessary for:

- classifying **deferred payments**; and
- classifying and presenting cash flows **involving a third-party finance provider**

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## Definition of ‘cash equivalents’

The IASB tentatively decided to improve the consistent application of the **definition of ‘cash equivalents’**, including clarifying that a cash equivalent be **held for the purpose of meeting short term cash commitments** rather than for investment purposes

The IASB is exploring alternatives to clarifying reference in IAS 7 to an investment with a **maturity of three months or less**

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## ISSB general update



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# Current priorities

## Adoption

**Advance jurisdictional use** of ISSB Standards through bilateral dialogue with governments and regulators to support them on their journey

**Advance market adoption** of ISSB Standards by companies choosing to use the Standards to communicate to investors

## Implementation

Continue to **support the implementation of IFRS S1 and IFRS S2**, including through **educational activities** and the **capacity building programme** to help prepare companies, regulators and other stakeholders to use ISSB Standards.

Ongoing work to **enhance the SASB Standards** as an essential resource for applying IFRS S1.

## Standard setting

Advance the ISSB's work to **build out the global baseline of sustainability-related disclosures**.

Incremental disclosure requirements on **nature-related risks and opportunities** not already covered by explicit requirements in IFRS S1 and IFRS S2

Research project on **human capital-related** disclosures.

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# Adoption of ISSB Standards



## Jurisdictional progress

### Americas

Bolivia, Brazil, Canada, Chile, Costa Rica, El Salvador, Mexico, Panama, Peru

### Asia-Oceania

Australia, Bangladesh, China, Hong Kong SAR, Indonesia, Japan, South Korea, Kyrgyzstan, Malaysia, Mongolia, Nepal, Pakistan, Philippines, Singapore, Sri Lanka, Chinese Taipei, Thailand, Uzbekistan

### EMEA

Ethiopia, EU, Ghana, Jordan, Kenya, Nigeria, Oman, Qatar, Rwanda, Switzerland, Tanzania, Türkiye, Uganda, UK, Zambia, Zimbabwe

# When to expect ISSB-based disclosures by jurisdictional effective dates

2025  
reporting year

Australia, Bangladesh, EU, Hong Kong SAR\*, Malaysia, Mexico, Pakistan, Singapore, Sri Lanka, Tanzania, Türkiye (2024) and Zambia

2026

Brazil\*, Chile, Jordan\*, Philippines, Qatar, Chinese Taipei and Zimbabwe

2027

Ghana, Indonesia, Kenya, Rwanda and Thailand

2028 or later

Mongolia\*, Nigeria\*, Oman\*, Peru and Uganda

To be  
determined

Bolivia, Canada, China, Costa Rica, El Salvador, Ethiopia, Japan, Kyrgyzstan, Nepal, Panama, South Korea, Switzerland, United Kingdom\*, Uzbekistan

*\* Jurisdictions that explicitly permit and have special guidelines for the use of ISSB Standards before regulatory action is completed*

# Transparency through jurisdictional profiles and snapshots

Building on the [Jurisdictional Guide](#) to provide information about:

- **jurisdictional approaches** to the adoption or other use of ISSB Standards, including the extent of application, entities subject to the requirements and the effective date
- **status of jurisdictions** in their adoption journeys



Updated 12 June 2025



**IFRS® SUSTAINABILITY DISCLOSURE STANDARDS (ISSB STANDARDS)— APPLICATION AROUND THE WORLD**

**JURISDICTIONAL PROFILE: Nigeria**

**Disclaimer**—The information in this profile is for general guidance only and may change from time to time. You should not act on the information in this profile, and you should obtain specific professional advice to help you in making any decisions or in taking any action in relation to this profile. If you believe that the information is incorrect, please contact us at [accountancy@ifrs.org](mailto:accountancy@ifrs.org).

The profile provides information about the application of ISSB Standards in Nigeria. The ISSB Standards are developed and issued in the public interest by the International Sustainability Standards Board (ISSB). The ISSB is a standard-setting body of the IFRS Foundation (Foundation), an independent, not-for-profit organisation.

The Foundation has prepared this profile applying an analysis that is in accordance with the [Innovative Jurisdictional Guide for the adoption or other use of ISSB Standards](#) (Jurisdictional Guide) and based on information provided by jurisdictional authorities in response to a questionnaire the Foundation issued on the regulatory approach to the use of the ISSB Standards. The Foundation invited the questionnaire's respondent and international accounting firms to review a draft of the profile.

The purpose of the Foundation's jurisdictional profile is only to illustrate the extent of adoption or other use of the Standards across the globe. The profile does not reflect the intellectual property licensing status of the Standards within any given jurisdiction. The Standards are protected by copyright and are subject to licensing arrangements agreed upon within their jurisdiction. For further information, please contact [licensing@ifrs.org](mailto:licensing@ifrs.org).

**Description of the jurisdictional approach**

Jurisdictional approach towards the adoption or other use of ISSB Standards<sup>1</sup>  
Updated 12 June 2025

	Current <sup>2</sup>	Target <sup>3</sup>
Jurisdictional approach	Permitting the use of ISSB Standards	Fully adopting ISSB Standards

<sup>1</sup> Refers to the range of approaches that jurisdictions may take to 'adopt, apply or otherwise be informed by' ISSB Standards when introducing sustainability-related disclosure requirements in their legal and regulatory frameworks. This range includes approaches that involve the adoption or other use of IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosure directly, as well as the introduction of local sustainability-related disclosure requirements (or standards) designed to deliver functionally aligned outcomes to those resulting from the application of IFRS S1 and IFRS S2 (referred to as 'requirements with functionally aligned outcomes').

<sup>2</sup> The current approach describes the most up-to-date status of a jurisdiction's sustainability-related disclosure requirements reflecting what entities in the jurisdiction are required or permitted to apply at the time the jurisdictional profile is published.

<sup>3</sup> The target approach describes the stated jurisdictional target that a jurisdiction aims to achieve for sustainability-related disclosure requirements reflecting either the final milestone in the jurisdictional roadmap or requirements that have already been introduced by law or regulation but where application by entities will only be required at a future date.

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1

**APSHOT:**



quality and internationally consistent sustainability disclosure the SSBJ decided to align SSBJ Standards with the disclosure Standards. Accordingly, the SSBJ decided to incorporate all the standards into SSBJ Standards and to add, when considered necessary, any IFRS-specific alternatives entities can choose to apply.<sup>4</sup>

Sustainability Standards Board of Japan

is a high-level overview of the regulatory approach the jurisdiction has proposed adoption or other use of ISSB Standards (including local sustainability-related standards) designed to deliver functionally aligned outcomes to those resulting from ISSB Standards. The IFRS Foundation has undertaken a preliminary review of the final jurisdictional approach may differ from the preliminary summary therefore differ from content the IFRS Foundation may publish in a future jurisdictional profile.

In progress.

Sustainability disclosures are currently required for all listed companies in Japan, pursuant to a March 2023 rule by the Financial Services Agency (FSA). That rule requires disclosure in the annual securities report of sustainability-related information that aligns with the four pillars (governance, strategy, risk management, and metrics and targets) recommended under the Task Force on Climate-related Disclosures (TCFD) recommendations. Prior to the FSA rule, the Tokyo Stock Exchange Corporation:

The July Japan development publication

Any conclusions

The that section

Fin. Sus



Relevant authority or authorities

# Key information within jurisdictional profiles



## 1 Jurisdictional approaches

- Profiles describe the jurisdictional approaches to adoption or other use of ISSB Standards, in line with the 7 **articulated in the Jurisdictional Guide**
- Include information about jurisdiction's stated target and current status of its sustainability-related disclosure requirements

## 2 Details on features

- regulatory approach
- relevant authority or authorities
- reporting entity (who)
- effective date
- requirements
- focus and scope of sustainability-related risks and opportunities
- timing, location and reporting entity
- any extension of transition reliefs
- any jurisdictional modifications
- any additional disclosure requirements

# Jurisdictional approaches: target and status

Jurisdictional profiles provide a description of the jurisdiction’s **stated target** and the **current status** of its sustainability-related disclosure requirements

These are based on the **seven descriptions** in Section 3.4 of the Jurisdictional Guide.

**Committing** to adoption or other use of ISSB Standards

**Fully** adopting ISSB Standards

Adopting ISSB Standards with **extended** transition

Adopting ISSB Standards with **limited** transition

Adopting **climate requirements** in ISSB Standards

**Permitting** use of ISSB Standards

**Partially** incorporating ISSB Standards

## ‘Target’ approach

- Stated jurisdictional target that a jurisdiction **aims to achieve** for sustainability-related disclosure requirements
- Target could reflect:
  - the **final milestone** in the jurisdictional roadmap
  - **the requirements that have already been introduced by law or regulation**, but application by entities is required at a future date

## ‘Current’ status

- Provides the **most up-to-date status** of a jurisdiction’s sustainability-related disclosure requirements, including the adoption or other use of the ISSB Standards, that entities are **required or permitted to apply at the time the profile is published – what is in effect today**
- Profiles are updated with status changes

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## Seven approaches jurisdictions are taking

**Committing** to adoption or other use of ISSB Standards

**Fully** adopting ISSB Standards

Adopting ISSB Standards with **extended** transition

Adopting ISSB Standards with **limited** transition

Adopting **climate requirements** in ISSB Standards

**Permitting** use of ISSB Standards

**Partially** incorporating ISSB Standards

*Approaches address range of methods contemplated by IOSCO. This includes direct use of ISSB Standards or development of local standards.*

*Alignment is assessed with disclosures required by IFRS S1 and IFRS S2.*

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## Working with others



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## Achieving efficient reporting

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- **Jurisdictions** – ongoing dialogues to ensure consistency across reporting requirements, including the European Commission
- **GRI** – ISSB and GRI seek to deliver full interoperability through jointly identifying and aligning common disclosures to enable seamlessly reporting for multi-stakeholders
- **GHG Protocol** – governance arrangements so ISSB is actively engaged in updates to the GHG Protocol Corporate Standard
- **Taskforce on Nature-related Financial Disclosures (TNFD)** – ISSB drawing on TNFD frameworks to meet investor information needs
- **Transition Plan Taskforce (TPT)** – the IFRS Foundation assumed responsibility for TPT’s disclosure-specific materials and built on these materials to develop IFRS guidance
- **CDP** – IFRS S2 is the foundational baseline for CDP’s climate disclosure

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EU



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# EU Omnibus: opportunities for efficient reporting

- **Objective:** for EU companies reporting in compliance with ESRS to be able to comply with ISSB Standards as **efficiently** as possible through **one report**
- **Challenge:** in the **absence of equivalence** or alternative compliance, a company will need to navigate between **two sets of standards** to comply with both
- **Focus:** ISSB, European Commission and EFRAG continue to **work together** to support implementation

## Pathways to unlocking the objective

- Allow entities to '**tell their story**' by removing the requirement in ESRS to report in order of topic
- Ensure information disclosed to meet the needs of stakeholders other than investors is **clearly identified** (so information is not obscured)

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# Further alignment achieved between ISSB Standards and ESRS following EU Omnibus

- **Anticipated financial effects**
  - reliefs used in the ISSB Standards introduced in ESRS
  - requirement to provide quantitative information (subject to ISSB-aligned reliefs) retained
- **Use of IFRS Industry Based Guidance**
  - transition relief related to IFRS Industry Based Guidance now permanent
  - companies can meet requirement to provide entity specific disclosures using IFRS Industry Based Guidance/SASB Standards
- **Transition plan disclosures**
  - transition plan disclosure requirements in ESRS informed by the IFRS guidance on the topic

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# Examples of opportunity for further alignment under discussion

## Reliefs

Some reliefs **extend** beyond those in ISSB Standards meaning an entity cannot comply with both sets of standards when using reliefs in ESRS:

- relief on acquisitions and disposals
- relief on the preparation of information on metrics

## Scenario analysis

Not mandatory under revised ESRS. If an entity **chooses** to use scenario analysis:

- ESRS require specific parameters to inform the identification of risks, opportunities and resilience
- ESRS do not require disclosure of certain scenario analysis inputs
- IFRS S2 requires an entity to use scenario analysis to assess climate resilience

## Financed emissions

ESRS and ISSB Standards require disclosure of financed emissions; however, IFRS S2 includes **additional industry specific requirements** for Scope 3 Category 15

## New differences

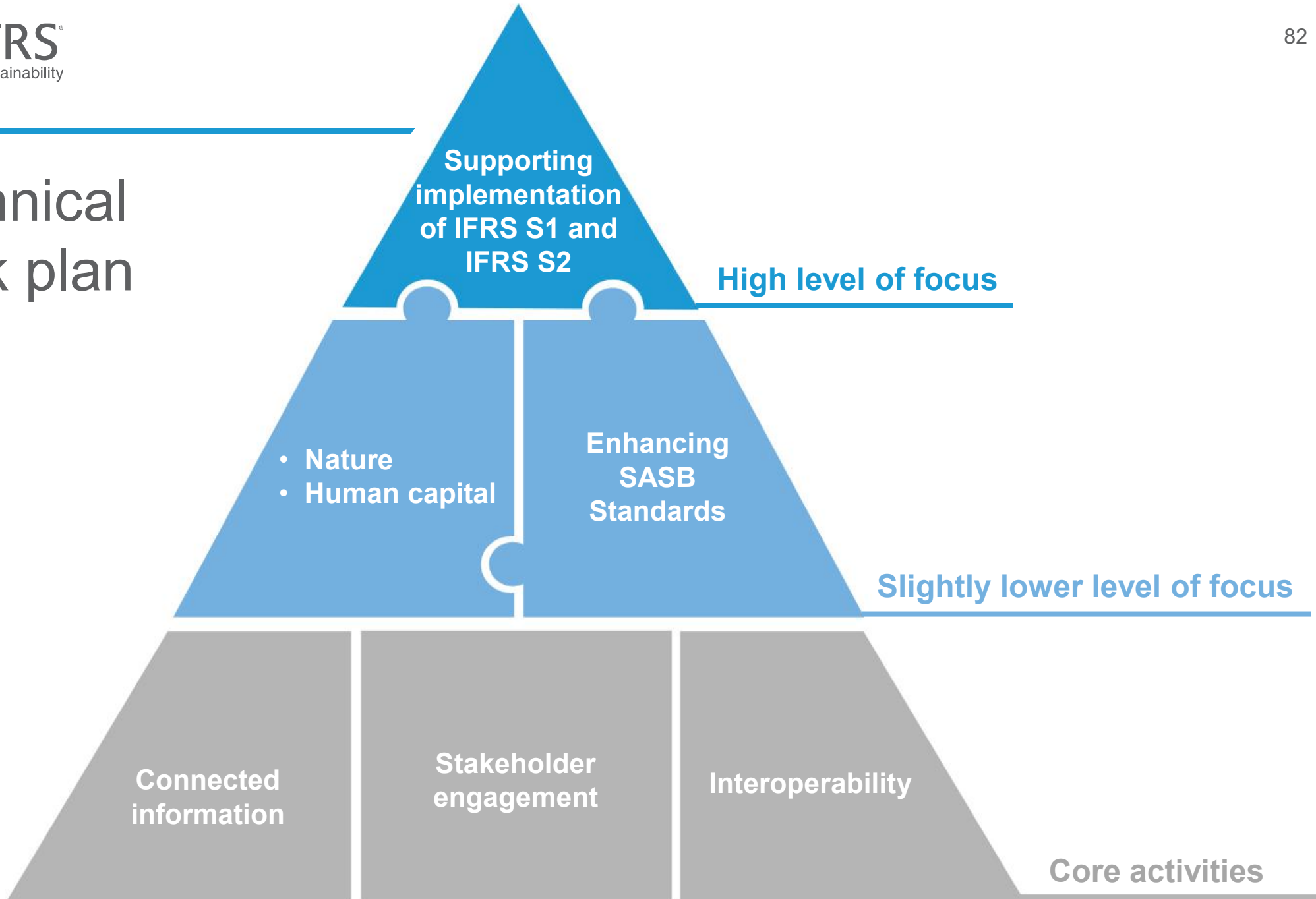
Some ESRS disclosure requirements have been **removed** leading to new differences

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# 2024–2026 work plan



# Technical work plan



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# Human capital-related disclosures research project



# Human capital research project (1/2)

## Phase one findings

### INVESTOR INTEREST

- Mainly driven by **risk** management and/or **return** enhancement
- Varies between an **entity's own workforce** and the **workers in its value chain**
- Interest in topics and metrics can **vary by sector** and **jurisdiction**

### EFFECTS ON PROSPECTS

- **Strong links** between financial outcomes and many human capital factors (for example, employee satisfaction, retention, development and working conditions)

### CURRENT DISCLOSURES

- Most companies disclose some human capital-related information, but **completeness, consistency** and **comparability** is limited

### OTHER STANDARDS AND FRAMEWORKS

- Majority **aligned with IFRS S1** but provide **additional detail** on human capital topics, primarily in an entity's direct operations.

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# Human capital research project (2/2)

## Phase two objectives: analysing implications



Assess **whether standard-setting is likely to result in improvements** to human capital disclosure in a **feasible and cost-effective** way

Synthesise phase one findings across:



1. **Necessity**: whether there is a clear need for improved disclosure to investors
2. **Feasibility**: whether there is likely to be a practical and efficient approach to developing disclosure requirements

Careful consideration of pace of change.

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# Human Capital-related disclosures

## Approach

- Research shows:
  - investor interest in topics and metrics can vary by sector and jurisdiction
  - links between financial outcomes and many human capital factors
- Majority of other standards and frameworks aligned with IFRS S1 but provide additional detail on human capital topics, primarily in an entity's direct operations

## Current focus

- Assess whether standard-setting is likely to result in improvements to human capital disclosure in a feasible and cost-effective way
- Synthesise phase one findings across:
  - **necessity**: whether there is a clear need for improved disclosure to investors
  - **feasibility**: whether there is likely to be a practical and efficient approach to developing disclosure requirements

## Next milestone

- Decide project direction (for example, whether to move from research to standard-setting phase)
- Consider technical analysis, resourcing and market appetite for additional disclosures on this matter

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# Educational material



# Educational materials available at IFRS.org

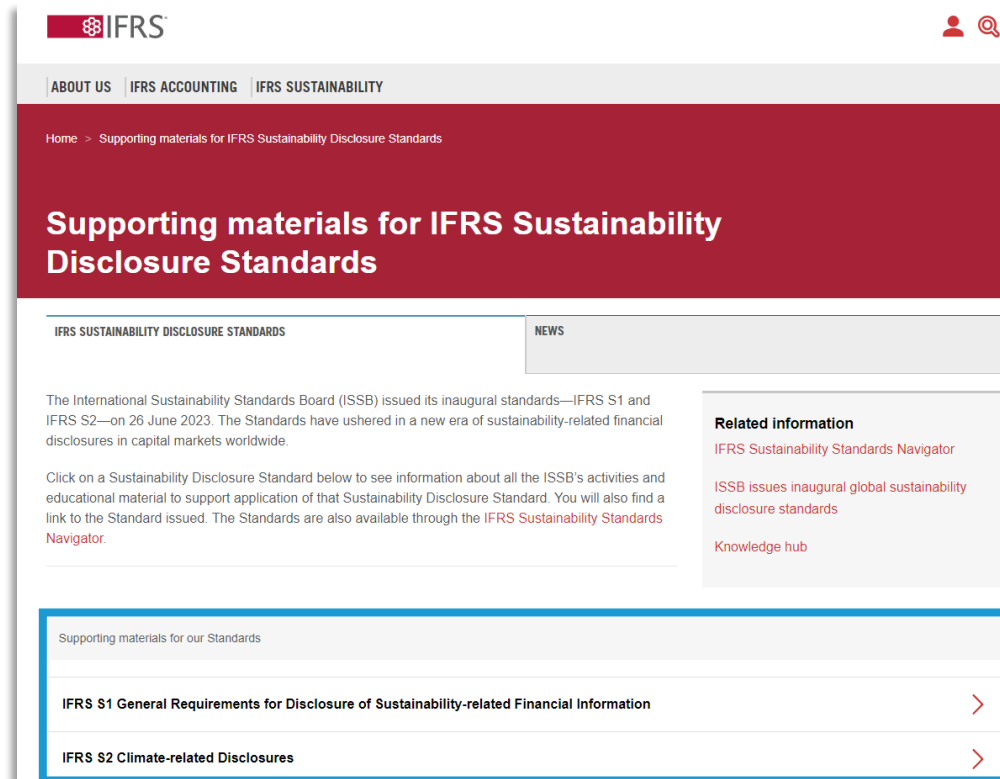
## Applying ISSB Standards

- Sustainability-related risks and opportunities and the disclosure of [material information](#)
- Explanation of [proportionality mechanisms](#)
- Disclosing information about [anticipated financial effects](#)
- Using the [SASB Standards to meet the requirements in IFRS S1](#)
- Using ISSB [industry-based guidance](#)
- Interoperability guidance: [ISSB Standards and ESRS](#)
- How to apply the [Integrated Reporting Framework with IFRS S1 and IFRS S2](#)

## Climate-related disclosures

- [Climate resilience and climate-scenario analysis](#)
- How to apply IFRS S1 when reporting [only climate-related disclosures](#) in accordance with IFRS S2
- [Nature and social aspects](#) of climate-related risks and opportunities
- Disclosures about [transition plans](#)
- [Greenhouse Gas Emissions Disclosure requirements](#) applying IFRS S2 Climate-related Disclosures
- Comparison of [IFRS S2 with the TCFD recommendations](#)

# Access all educational materials via IFRS.org



The screenshot shows the IFRS Sustainability Disclosure Standards page. The header includes the IFRS logo and navigation links for 'ABOUT US', 'IFRS ACCOUNTING', and 'IFRS SUSTAINABILITY'. The main heading is 'Supporting materials for IFRS Sustainability Disclosure Standards'. Below this, there are sections for 'IFRS SUSTAINABILITY DISCLOSURE STANDARDS' and 'NEWS'. A paragraph of text describes the issuance of IFRS S1 and S2 on June 26, 2023. A 'Related information' box contains links to the 'IFRS Sustainability Standards Navigator', 'ISSB issues inaugural global sustainability disclosure standards', and 'Knowledge hub'. At the bottom, a table lists 'Supporting materials for our Standards' with two entries: 'IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information' and 'IFRS S2 Climate-related Disclosures', each with a right-pointing arrow.

- + Educational materials
- + Webcasts and webinars
- + Transition Implementation Group (TIG)
- + Sources of guidance
- + IFRS Sustainability knowledge hub
- + Other IFRS Sustainability resources
- + Technical enquiries and implementation ques



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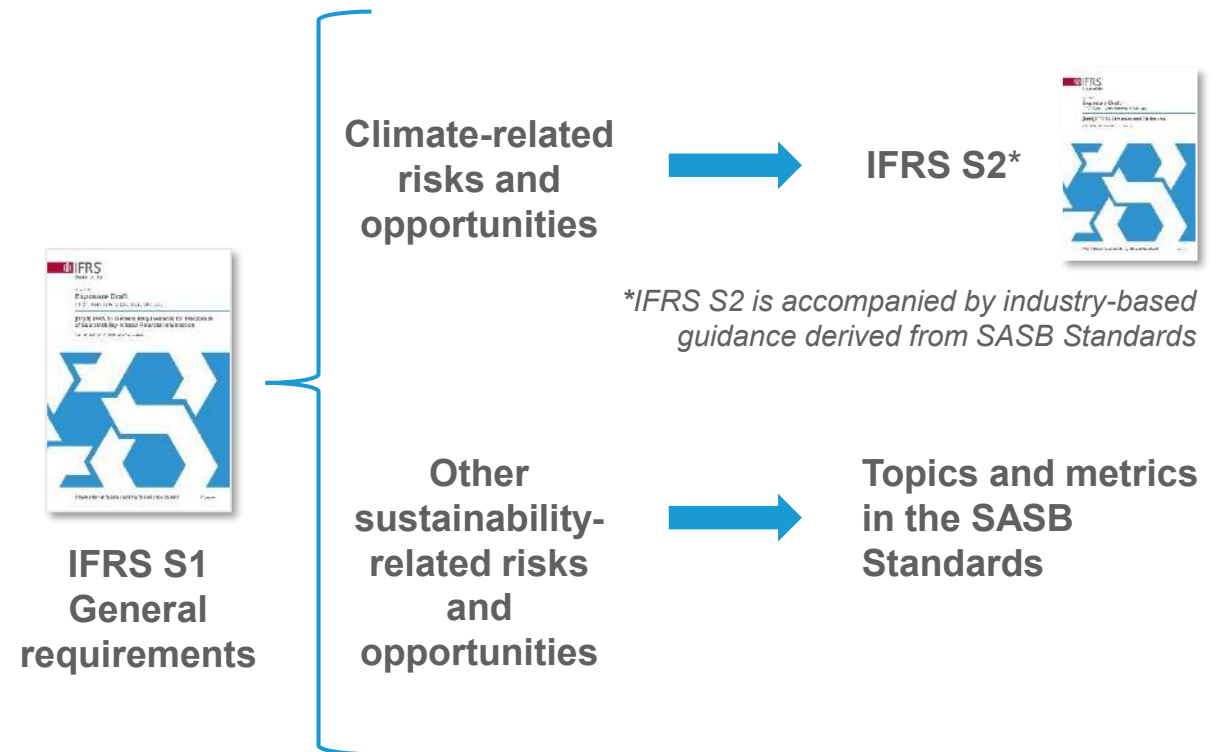
# Enhancing the SASB Standards





# Role of the SASB Standards in the ISSB Standards

- Source of guidance in IFRS S1 for sustainability-related disclosures beyond climate
- Companies refer to and consider the SASB Standards when:
  - identifying **sustainability-related risks and opportunities**
  - identifying **information** to disclose about those risks and opportunities
- A company may decide that the disclosure topics and associated metrics in the SASB Standards are not applicable depending on its circumstances

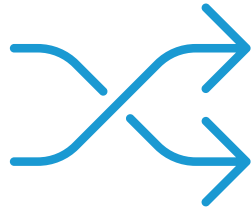


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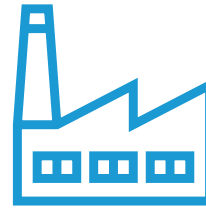
## Why enhance the SASB Standards?



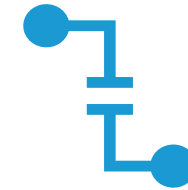
Support  
implementation of  
IFRS S1 and IFRS S2



Inform ISSB's  
work on nature  
and human  
capital-related  
disclosures



Reflect important  
market changes  
in industries



Improve efficiency for  
preparers

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Update:  
July 2025 Exposure Draft

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## ISSB sessions regarding July 2025 ED

- **February 2026:** ISSB decision to continue executing the project on Enhancing the SASB Standards as set out in the ISSB's 2024–2026 work plan
- **March 2026:**
  - ISSB discussion of feedback on project objective and overall approach, including proposed 'targeted amendments' across 41 SASB Standards
  - SSAF session including discussion of SSAF members' feedback on project strategy and next steps
- **May 2026 (expected):** Discussion of detailed feedback on Extractives & Minerals Processing sector and Processed Foods SASB Standards
- Future sessions: ISSB discussions and redeliberation on key matters identified through stakeholder feedback

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Exposure Draft published  
March 2026: *Proposed  
Amendments to the SASB  
Standards and IFRS S2  
Industry-based Guidance*

# Now open: Consultation on three SASB Standards

The proposed amendments:

- cover three SASB Standards prioritised by the ISSB for enhancement:



Agricultural Products



Electric Utilities & Power Generators



Meat, Poultry & Dairy

- include consequential amendments to the IFRS S2 Industry-based Guidance
- are consistent with the ISSB's July 2025 Exposure Draft of proposed amendments to the SASB Standards

## To participate:



1. Access the [Exposure Draft and Basis for Conclusions](#)



2. Submit your comments using the online survey before **24 July 2026**



Respondents may also submit a comment letter by sending a PDF letter via email to [commentletters@ifrs.org](mailto:commentletters@ifrs.org).

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# Proposed updates: Electric Utilities Standard

## *Highlights*

### New disclosure topics

In response to initial investor and preparer input, proposes new disclosure topics:

- ecological impacts
- community relations and rights of Indigenous Peoples
- employee recruitment, development and retention
- supply chain management

### Revised topic scopes

Expands existing topics to improve relevance across different segments of the industry:

- coal ash management → *hazardous waste management*
- end-use efficiency and demand → *demand-side management*
- nuclear safety and emergency management → *critical incident risk management*

### Improved metrics

Revises metrics to enhance decision-useful information for investors:

- GHG emissions and energy resource planning
- air quality
- water management
- energy affordability
- workforce health and safety
- operational resilience and system reliability (proposed renaming of grid resiliency)

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# Proposed updates: Agricultural Products Standard

## *Highlights*

### Industry scope

Expansion of industry classification to include **direct farming activities** to reflect business models in emerging markets and developing economies

### New disclosures

New topics and metrics regarding:

- food loss & food waste
- land use & ecological impacts (in direct farming activities)
- labour conditions (in direct farming activities)

### Improved metrics

Revised metrics to enhance decision-useful information for investors, including:

- greenhouse gas emissions
- energy management
- water management
- food safety
- workforce health and safety

### Cost-effectiveness

Removal of GMO Management disclosure topic and metric

### Revised approach to supply chain disclosures

Reorganises disclosure topics and replaces metrics with ones that better capture risks and opportunities related to:

- deforestation
- sensitivity of products to nature- and climate-related physical risks
- sustainable agriculture practices
- traceability of sourced products
- environmental and social due diligence

---

# Proposed updates: Meat, Poultry & Dairy Standard

## *Highlights*

### New disclosures

- Methane emissions
- New disclosure topic and metric regarding **Product Innovation**

### Improved metrics

Revised metrics to enhance decision-useful information for investors:

- greenhouse gas emissions
- energy management
- water management
- land use and ecological impacts
- food safety
- antibiotic use
- workforce health and safety
- animal care and welfare

### Revised approach to supply chain disclosures

Reorganises disclosure topics and replaces metrics with ones that better capture risks and opportunities related to:

- deforestation
- sensitivity of products to nature- and climate-related physical risks
- nutrient management
- traceability of sourced products
- environmental and social due diligence

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# Knowledge Hub

Supporting application of ISSB Standards

FAQs, guides and resources curated by the IFRS Foundation and third-party organisations

Includes four self-paced e-learning modules to dive deeper into ISSB Standards



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# Nature-related disclosures



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## Nature-related disclosures



### Incremental disclosure requirements

ISSB will introduce incremental disclosure requirements on nature-related risks and opportunities not already covered by explicit requirements in IFRS S1 and IFRS S2



### Educational material

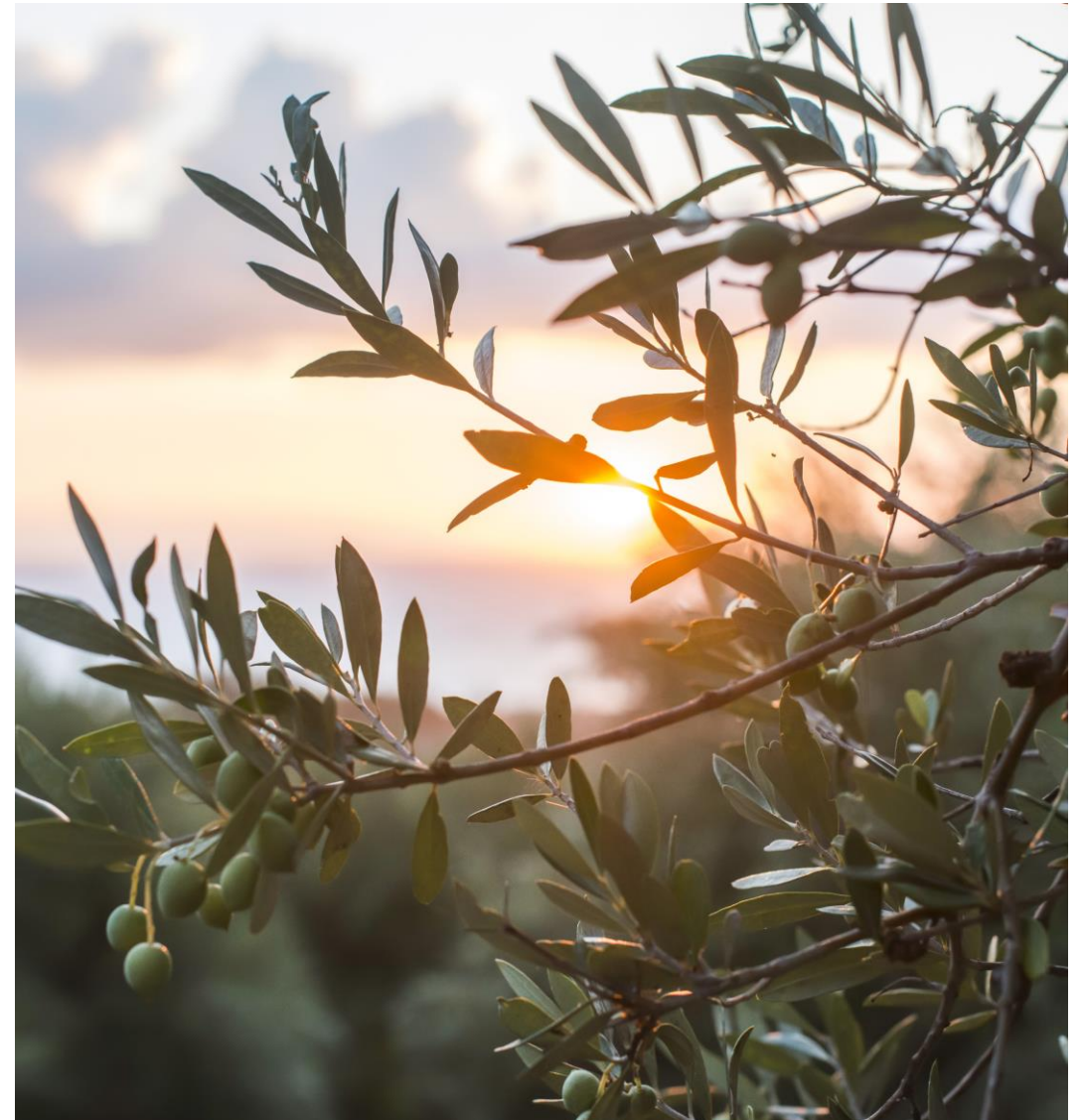
Subsequently, ISSB will develop educational materials that explain how to apply the requirements in ISSB Standards in the context of providing material nature-specific information

Drawing on TNFD framework where relevant to meet investor information needs

## ISSB to draw on TNFD

- Delivers efficiencies, reduces fragmentation and enables ISSB to build on leading practice
- Drawing where relevant to meet investor information needs in both standard setting and educational materials
- Utilising TNFD recommendations, metrics and additional guidance
- Includes TNFD's 'Locate, Evaluate, Assess, Prepare' or 'LEAP' approach
- TNFD addresses nature across all nature topics – a non-siloed approach
- 700+ companies globally already committed to using TNFD

TNFD will complete its technical work currently in progress by Q3 2026 as it supports the ISSB's work



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# Investor nature-related information needs

Clear evidence of investor interest and effects on entity prospects

## Information on:

- Governance and oversight
- Strategy – including information on current and anticipated financial effects and information about **nature transition plans**
- Risk management – including use of scenarios for risk identification
- Metrics and targets – including quantitative information on topics like **water, land use changes (such as deforestation), biodiversity loss and pollution**

## Information that is:

- Based on **standardised terminology**
- **Location-specific**
- Relevant across the value chain
- Contextual
- Covering the **climate-nature nexus**
- Industry-specific covering Food & Beverage, Consumer Goods, Extractives & Minerals Processing, Renewable Resources, Infrastructure and Transportation

IFRS S1 + SASB Standards address many of these information needs, but incremental disclosure requirements are needed for nature-specific contexts. The TNFD framework **covers many of these areas**

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# Incremental nature-related disclosure requirements

- Incremental requirements that are not already reflected in explicit requirements in IFRS S1 and IFRS S2
- Balance new requirements, including when deciding effective date, with focus on supporting implementation of IFRS S1 and IFRS S2

Targeting an Exposure Draft by COP17  
in October 2026



# Proposed form of standard setting on nature

## Why a Practice Statement?

- Advances nature-related disclosures by **giving ISSB nature-related disclosure requirements visibility** and prominence
- **Minimises disruption** to the substantial implementation effort underway on IFRS S1 and IFRS S2
- Enables developments in nature-related disclosures and **the architecture of ISSB Standards to be considered in due course**
- **Keeps the door open to an ISSB Standard at a later stage**, subject to public consultation

The ISSB tentatively decided that the exposure draft will:

- propose addressing nature-related disclosures in the form of an **IFRS Practice Statement**
- invite stakeholders to comment on the form of standard-setting

Read ISSB's  
press release



A Practice Statement has a **full effect of an IFRS Standard** if applied and provides a **pathway to an ISSB Standard** in the future

# IFRS Practice Statement as form of standard-setting

- Stand-alone, prominent part of IFRS Foundation materials, subject to full due process
- Not an IFRS Standard: companies and jurisdictions can **apply/adopt ISSB Standards without using it**
- Not required to be applied to assert compliance with ISSB Standards, but **available for companies to apply and for jurisdictions to mandate**. If applied, a company must comply with *all* of its requirements to assert compliance with the Practice Statement
- Used previously for *Management Commentary* and *Making Materiality Judgements*



IFRS S1 already requires disclosure of material information about nature-related risks and opportunities; the Practice Statement **provides specificity on how to report on nature-related risks and opportunities**

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# Nature-related disclosures

## Approach

- Incremental requirements that are not already reflected in explicit requirements in IFRS S1 and IFRS S2
- Careful consideration on how to introduce disclosures in a way that is sensitive to the implementation efforts already underway
- Draw on Taskforce on Nature-related Financial Disclosures (TNFD) framework when relevant for investors
- Propose addressing nature-related disclosures in the form of an IFRS Practice Statement

## Current focus

- Clarity of **what nature-related risks and opportunities are**
- **Understanding** of when information is financially material
- Identifying what **particular information** that is needed

## Next milestone

- Exposure Draft of IFRS Practice Statement published by COP17 in October 2026

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## Visit [ifrs.org](https://ifrs.org) to find out more

### Learn more

- Access [Standards and guidance](#)
- Learn via [IFRS Sustainability Knowledge Hub](#)
- Pursue [FSA Credential](#)

### Track progress

- Observe [ISSB meetings](#)
- Listen to [our podcast](#)
- Register for [news alerts](#)

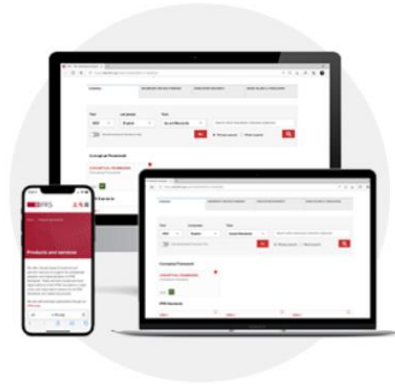
### Get involved

- Submit [implementation questions](#)
- Respond to [consultations](#)
- Join [IFRS Sustainability Alliance](#)
- License [ISSB Standards](#)

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# Helpful materials

# Resources to support IFRS Accounting Standards



## IFRS Digital

Instant access to comprehensive versions of IFRS Standards and thousands of supporting documents.



## ePubs & Bound Volumes

A more interactive and accessible way to work with IFRS Accounting Standards with seamless annotation and offline access.

# Resources available on our website

Supporting materials sorted by Standard

Website  
[www.ifrs.org](http://www.ifrs.org)



IFRS  
Accounting  
Standards

IFRS IC  
Interpretations

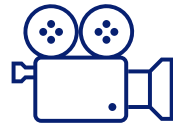
Cross-cutting  
materials

News and  
events



For example, for IFRS 9 *Financial Instruments*:

Videos



Webinars



Articles

Leaflet



Transition  
Resource  
Group



Agenda decisions

Supporting IFRS  
Accounting  
Standards

# IFRS Accounting Standards and their annotated equivalents



## IFRS Accounting Standards

The IFRS<sup>®</sup> Accounting Standards Required 2026

The IFRS<sup>®</sup> Accounting Standards Issued 2026  
*(Available March 2026 onwards)*

IFRS Accounting Standards + extensive cross-references + annotations

The Annotated IFRS<sup>®</sup> Standards Required 2026

The Annotated IFRS<sup>®</sup> Standards Issued 2026  
*(Available March 2026 onwards)*

Annotated IFRS Accounting Standards also available in Spanish

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 International Accounting  
Standards Board