

# Newsletter

The main functions of the **Financial Reporting Council** comprise amongst others



Licensing of auditors



Monitoring the truth and fairness of financial reporting through reviews of annual reports of PIEs



Monitoring the work of auditors, by conducting onsite/offsite practice reviews



Monitoring compliance with the requirements of the National Code of Corporate Governance

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- IFAC updates
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### VISION

To be a model organization ensuring quality in auditing, financial and non-financial reporting

### MISSION

To bring corporate confidence in auditing, financial and non-financial reporting among users of financial statements



# 1.0 TECHNICAL UPDATES

## IASB Updates

For the quarter ended 31 March 2026, the International Accounting Standards Board ('IASB') published the following updates with respect to International Financial Reporting Standards ('IFRS') and corporate reporting on its website:

### I. Projects Proposals

The IASB met to discuss about the following project proposals in areas of research and standard setting and maintenance and consistent application, whereby tentative decisions were made:

- Statement of Cash Flows and Related Matters
- Financial Instruments with Characteristics of Equity
- Amortised Cost Measurement
- Equity Method
- Provisions—Targeted Improvements
- Post-implementation Review of IFRS 16 Leases
- IFRS for SMEs Accounting Standard

### II. IASB consults on clarifying the fair value option in IAS 28

The IASB had published a consultation proposing targeted amendments to clarify which investments a company is eligible to measure using the fair value option in IAS 28 *Investments in Associates and Joint Ventures*.

This consultation responds to feedback from stakeholders that identified diversity in how the fair value option in IAS 28 is applied and the effects of that diversity on the classification of income and expenses in the statement of profit or loss in accordance with IFRS 18 *Presentation and Disclosure in Financial Statements*. This issue has taken on increased importance as more companies are considering whether to elect that option as part of implementing IFRS 18.

The IASB's proposed narrow-scope amendments aim to improve consistency in application and provide timely clarity ahead of the effective date of IFRS 18.

The IASB has set a shorter comment period to allow for any amendments to be completed in time for the implementation of IFRS 18.

The consultation is open until 20 April 2026 and the IASB plans to finalise any amendments by mid-2026, allowing jurisdictions to bring the amendments into national legislation.

For further details, refer to the website of the IASB.



## ISSB Updates

For the quarter ended 31 March 2026, the International Sustainability Standards Board ('ISSB') published the following updates on its website:

### I. Projects Proposals

The ISSB met to discuss about the following project proposals in areas of research and standard setting whereby tentative decisions were made:

- Biodiversity, Ecosystems and Ecosystem Services
- Nature-related Disclosures

### II. IFRS Foundation adds Jurisdictional Readiness Assessment guide and tool to ISSB adoption toolkit

The International Financial Reporting Standards ('IFRS') Foundation had issued a Jurisdictional Readiness Assessment guide and accompanying tool to support jurisdictions in evaluating market preparedness for the adoption of ISSB Standards.

The guide and the tool provide structured, evidence-based review of the readiness of a market—including the reporting ecosystem, entities and broader support system. They also provide important insights for a jurisdiction as it decides on the pace, scope and sequencing of regulatory actions and identifies priorities for building capacity to use ISSB Standards.

The readiness assessment focuses on three key areas:

- Sustainability reporting ecosystem – regulatory frameworks and institutional structures supporting sustainability reporting.

### II. IFRS Foundation adds Jurisdictional Readiness Assessment guide and tool to ISSB adoption toolkit (cont'd)

- Preparer readiness – how ready companies are to report sustainability-related information.
- Support System Readiness – the ability of development partners, accountancy bodies and other stakeholders to contribute towards filling capability gaps and supporting implementation.

The guide includes practical examples drawn from nearly 40 jurisdictions that have taken steps towards adopting ISSB Standards, with requirements already in force in 19 jurisdictions.

The readiness assessment materials are part of the IFRS Foundation's Regulatory Implementation Programme, which provides a toolkit of resources to support jurisdictions as they design and plan their journeys to use ISSB Standards.



## ISSB Updates (cont'd)

### III. ISSB seeks feedback on proposed amendments to three SASB Standards

The ISSB had published an Exposure Draft proposing amendments to three SASB Standards and consequential amendments to the *Industry-based Guidance on Implementing IFRS S2 Climate-related Disclosures*.

The proposed amendments cover the remaining three of the 12 SASB Standards identified by the ISSB as initial priorities for enhancement:

- Agricultural Products;
- Meat, Poultry & Dairy; and
- Electric Utilities & Power Generators.

Consistent with the proposals from last year's consultation on the first nine of the 12 prioritised SASB Standards, this Exposure Draft proposes amendments that are intended to:

- align the language and concepts in the SASB Standards with ISSB Standards;
- improve the international applicability and decision-usefulness of the disclosures;
- support interoperability with other standards while remaining focused on the information needs of investors; and
- maintain alignment between climate-related content in the SASB Standards and the ISSB's *Industry-based Guidance on Implementing IFRS S2*.

The 120-day comment period closes on **24 July 2026**.

For further details, refer to the website of the IFRS.



## IFAC Updates

For the quarter ended 31 March 2026, the International Federation of Accountants ('IFAC') published the following updates on its website:

### I. IAASB issues narrow-scope amendments related to IESBA's using the work of experts

The International Auditing and Assurance Standards Board ('IAASB') had published narrow-scope amendments to its standards arising from the International Ethics Standards Board for Accountants' ('IESBA') Using the Work of an External Expert project.

These amendments respond to the IESBA's recently approved revisions to its *International Code of Ethics for Professional Accountants (including International Independence Standards)*, which introduced, among other provisions, explicit ethical requirements for using the work of external experts in audit, assurance, and non-assurance engagements. The IAASB's updates reflect ongoing collaboration and coordination between the IAASB and IESBA and help to maintain interoperability between the IAASB standards and the IESBA Code.

The targeted amendments affect the following IAASB standards:

- ISA 620, *Using the Work of an Auditor's Expert*
- ISRE 2400 (Revised), *Engagements to Review Historical Financial Statements*
- ISAE 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*
- ISRS 4400 (Revised), *Agreed-upon Procedures Engagements*

### II. IAASB launches survey for post-implementation review of ISA 540 (revised) on accounting estimates

The IAASB had launched a public consultation survey as part of its post-implementation review of International Standard on Auditing ('ISA') 540 (Revised), *Auditing Accounting Estimates and Related Disclosures*.

This survey seeks input from a broad range of stakeholders and includes questions tailored to differing perspectives and experiences of various stakeholder groups. Survey feedback will help the IAASB assess whether:

- ISA 540 (Revised) has achieved its intended objective, including improvements or benefits arising from its application, as well as any practical challenges or questions encountered; and
- Any further actions by the IAASB are needed to address matters identified.

The survey focuses on three principal areas:

- Overall views on ISA 540 (Revised), including related to non-authoritative guidance and tools that were issued to support implementation of the standard;
- Perceived benefits resulting from implementation of the revised standard; and
- Potential issues, challenges, or impacts experienced or observed relating to ISA 540 (Revised).

The survey is open until June 15, 2026.

**For further details, refer to the website of the IFAC.**

## IPSAS Updates

During the quarter ended 31 March 2026, the International Public Sector Accounting Standards Board ('IPSASB') published the following updates:

### I. Project proposals

- **Presentation of Financial Statements**

The IPSASB approved its Consultation Paper ('CP'), *Presentation of Financial Statements*.

This CP includes the IPSASB's preliminary views, along with an illustrative Exposure Draft ('ED') to help constituents visualize those proposals as a draft IPSAS Standard to replace IPSAS 1, *Presentation of Financial Statements*.

This approval is an important step in the IPSASB's work to enhance the effective communication of financial information reported in general purpose financial statements.

The CP is expected to be published in Q2 2026 for a 120-day exposure period.

- **Making Materiality Judgments**

An ED to support clearer, more focused financial reporting by helping entities apply materiality principles when preparing financial statements in accordance with IPSAS Standards was approved.

The ED proposes non-mandatory guidance to support in making materiality judgments when applying IPSAS Standards.

The ED is expected to be published in Q2 2026 for a 120-day exposure period.

### I. Project proposals (cont'd)

- **Improvements to IPSAS Accounting Standards**

Two EDs were approved proposing clarifications to existing requirements and to support consistent application of IPSAS Standards across jurisdictions: *Improvements to IPSAS Accounting Standards – Volume 10*, and *Definition of an Operation and Recognition of Acquired Liabilities and Contingent Liabilities* (Amendments to IPSAS 40).

Both EDs are expected to be published in Q2 2026 for a 60-day exposure period.

- **Measurement (Application Phase: COV In IPSAS 31)**

The IPSASB agreed Current Operational Value ('COV') should be available when measuring intangible assets at their current value.

However, the IPSASB considered stakeholder feedback and recognized the practical challenges that could arise and agreed that guidance on how to apply the COV principles to intangibles should be developed and discussed by the IPSASB before issuing final guidance.

The IPSASB will continue to develop and review guidance at upcoming IPSASB meetings.

## IPSAS Updates(cont'd)

### I. Project proposals (cont'd)

- **Post Implementation Reviews**

The IPSASB decided that a Post Implementation Review ('PIR') of IPSAS 20, *Related Party Disclosures*, is unnecessary at this time because the issues raised by constituents related to the application of judgment as opposed to substantive implementation challenges with the Standard. The IPSASB will perform additional fact-finding activities to determine which IPSAS Standards present stakeholders with significant implementation challenges and therefore represent the highest priority for a PIR.

To support this research, the IPSASB agreed to establish a new Forum, the Financial Reporting Implementation Forum, to gather information directly from constituents on various implementation challenges with IPSAS Accounting Standards.

### II. IPSASB issued IPSAS 51, *Tangible Natural Resources Held for Conservation*

The IPSASB had issued a new IPSAS Standard to address the need for guidance: IPSAS 51, *Tangible Natural Resources Held for Conservation*.

IPSAS 51 introduces new, public sector-specific accounting guidance on accounting for natural resources with physical substance, such as land, trees, and water, often held by governments to preserve or protect them.

IPSAS 51 also highlights guidance in other standards that applies to natural resources that are held for other purposes.

### II. IPSASB issued IPSAS 51, *Tangible Natural Resources Held for Conservation* (cont'd)

IPSAS 51, *Tangible Natural Resources Held for Conservation* is effective January 1, 2028.

### III. IPSASB issues first ever public sector standard for climate-related disclosures

The IPSASB had issued IPSASB SRS 1, *Climate-related Disclosures*, the first-ever public sector standard to help governments and public sector entities report climate-related risks and opportunities clearly and consistently.

IPSASB SRS 1 was developed with support from the World Bank, which works to create a world free of poverty on a livable planet through a combination of financing, knowledge, and expertise.

IPSASB SRS 1 is aligned with IFRS S2 to enhance the consistency and comparability of climate-related disclosures across the public and private sectors for market participants, for lenders and other resource providers.

IPSASB SRS 1 applies to an entity's general purpose financial reports for annual reporting periods beginning on or after January 1, 2028.





## 2.0 LEGAL UPDATES

### Establishment and operationalisation of the Revenue Tribunal

The Revenue Tribunal ('Tribunal') had issued three important communiqués entitled 'Revenue Tribunal effective as from 05 January 2026', 'Highlights for Public Information' and 'Communique: e-Filing Service' regarding the establishment and operationalisation of the Tribunal which was established in January 2026.

In these communiqués, the Tribunal informed the public and relevant stakeholders about the following:

- The Tribunal has come into operation on 5 January 2026 replacing the Assessment Revenue Committee. This transition forms part of ongoing efforts to rationalize and modernize this process in order to have a more just, accessible and comprehensive system for revenue dispute resolution. The Tribunal aims to be a dispute resolution body distinguished by its independence, impartiality, integrity fairness, efficiency, accessibility and excellence.
- The Tribunal is currently composed of an Acting Chairperson and two vice-chairpersons, all of whom are legally qualified and appointed by the Public Service Commission. Apart from the Chairperson or a Vice-Chairperson, any division of the Tribunal hearing a case will also generally have two Members, i.e. a case is heard by a panel of 3 persons.
- The Revenue Tribunal Act introduces several key changes to improve the integrity and efficiency of the appeals process:
  - Additional Power
  - Integrity of Evidence
  - Strict Timelines
  - Expanded Right of Appeal:
  - Financial Accessibility
- The Communiqués also contain essential information relating to contact details, operating hours, the official website's address of the Tribunal and access to RT e-Filing service.

For further details, refer to the website of the Revenue Tribunal.



## 3.0 LICENSING

31 March 2026



Licensed Auditors: 231



Registered Audit Firms: 113



Foreign Auditors: 3



Removal from Register of Audit Firms: 1



Removal from Register of Licensed Auditors: 6



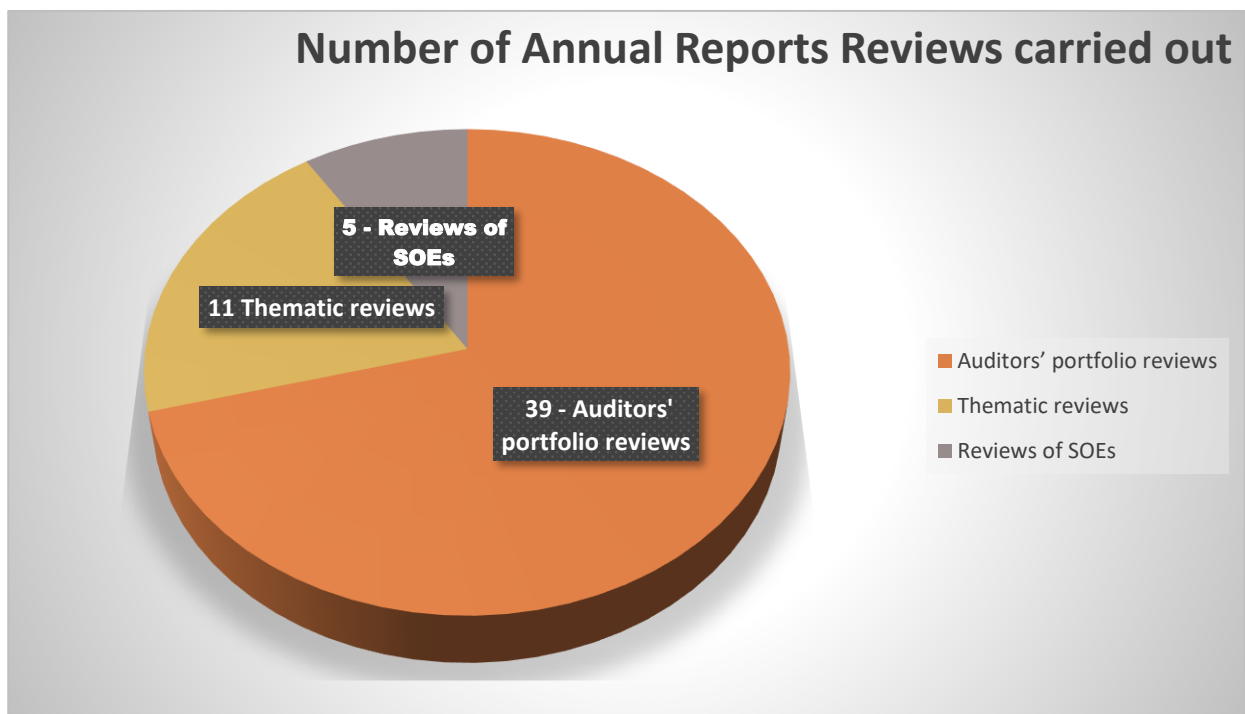
Removal from Register of Foreign Auditors: 1

## 4.0 BULLETIN ON ANNUAL REPORT REVIEW FOR THE SIX-MONTH DECEMBER 2025

The Financial Reporting Council ('FRC') has issued the bulletin on annual report review for the six-month ended December 2025.

The purpose of this bulletin is to provide an overview of the findings identified by FRC from the annual report review exercise of PIEs. It highlights the non-compliances noted with respect to disclosure requirements of the applicable accounting standards, the Code of Corporate Governance and the Companies Act. This bulletin may be of assistance to the PIEs in the preparation of high-quality corporate reports.

FRC has reviewed 55 annual reports [39 Auditors' Portfolio reviews, 11 thematic reviews and 5 reviews of SOEs] for the six months period ended 31 December 2025, as illustrated in the diagram below:



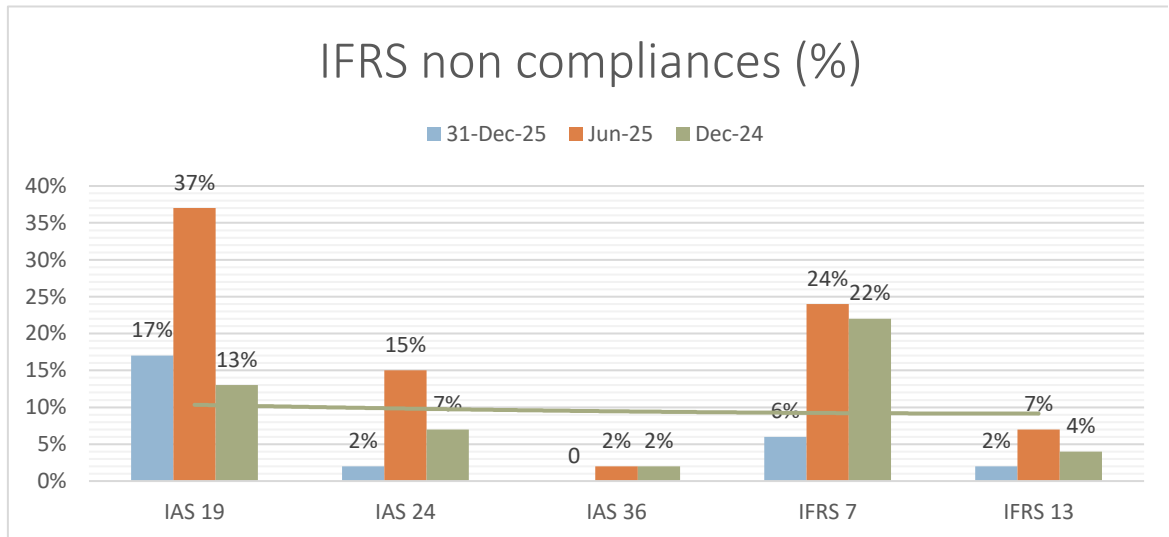
The FRC's review highlighted:

- (a) Key Findings with respect to the International Financial Reporting Standards ('IFRSs')

The most common findings raised relating to IFRSs, during the current period and over the last two periods (30 June 2025 and 31 December 2024) are IAS 19 *Employee benefits* and IFRS 7 *Financial Instruments: Disclosures*.

## 4.0 BULLETIN ON ANNUAL REPORT REVIEW FOR THE SIX-MONTH DECEMBER 2025 (CONT'D)

The diagram below illustrates the percentage of non-compliances with IFRSs relating to the periods ended 31 December 2025, 30 June 2025 and 31 December 2024:



(b) Key findings with respect to the Code of Corporate Governance ('Code')

FRC observed the following from the 55 annual report reviews:

- 27 PIEs had fully complied with the Code;
- 26 PIEs had provided explanations for not complying with certain principles of the Code, out of which 7 were queried for part compliance; and
- 2 PIEs had been queried for partly complying with the Code.

With respect to the PIEs that had partly complied with the Code, the common non-disclosures related to the following:

- The Structure of the Board and its Committees; and
- Audit.

The bulletin for the year ended 31 December 2025 is available on the website of FRC. (<http://frc.govmu.org>)



## 5.0 STAFF WELFARE

### Independence Day

Independence Day is a national holiday observed on 12 March in the Republic of Mauritius to mark the island's independence from Great Britain in 1968 and its transition to a Republic in 1992.

In 2026, Mauritius celebrated the 58th Anniversary of Independence and the 34th Anniversary of the Republic under the theme "In Peace, Justice and Liberty". In this regard, FRC celebrated the independence day on 11th March 2023. The spirit of patriotism came alive with the singing of the National Anthem and the cutting of an independence cake.

Happy Independence Day!



## Resources

The FRC on a monthly basis publishes on its website updates from the International Accounting Standards Board ('IASB'), International Federation of Accountants ('IFAC') and International Public Sector Accounting Standards Board ('IPSASB'). For more information on these updates, you may refer to the following websites:

- FRC – [frc.govmu.org](http://frc.govmu.org)
- IASB – [iasb.org](http://iasb.org)
- IFAC – [ifac.org](http://ifac.org)
- IPSASB - [ipsasb.org](http://ipsasb.org)



For more details on the topics referred in this issue, the reader may visit the website of FRC (<http://frc.govmu.org>) or contact the FRC.

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