

MONTHLY UPDATES (April 2026) –

What's new from the International Accounting Standards Board (IASB)

The topics discussed at the IASB's April 2026 meeting were on the following:

A. Research and standard-setting

1. Financial Instruments with Characteristics of Equity
2. Post-implementation Review of IFRS 16 Leases
3. Amortised Cost Measurement
4. Equity Method
5. Business Combinations—Disclosures, Goodwill and Impairment
6. Statement of Cash Flows and Related Matters

B. Maintenance and consistent application

1. Consistent application activities
2. Agenda Decisions
 - (i) Classification of a Foreign Exchange Difference from an Intragroup Monetary Liability (or Asset) (IFRS 18)
 - (ii) Economic Benefits from Use of a Battery under an Offtake Arrangement (IFRS 16)
 - (iii) Fair Presentation and Compliance with IFRS Accounting Standards (IAS 1)
 - (iv) Assessment of a Specified Main Business Activity for the Purposes of the Separate Financial Statements of a Parent (IFRS 18)
 - (v) Scope of the Requirement to Disclose Expenses by Nature (IFRS 18)
 - (vi) Classification of Gains and Losses on a Derivative Managing a Foreign Currency Exposure (IFRS 18)
3. IFRIC Update March 2026

A. Research and standard-setting

1. Financial Instruments with Characteristics of Equity

The IASB met to continue redeliberating the proposed requirements in the Exposure Draft *Financial Instruments with Characteristics of Equity*. The IASB discussed the proposed amendments to IAS 32 *Financial Instruments: Presentation* related to financial instruments containing contingent settlement provisions, including:

- the type of financial instruments to which the requirements in paragraph 25 of IAS 32 apply and the accounting for discretionary payments;
- the measurement of the financial liability arising from a contingent settlement provision; and
- the meanings of the terms ‘liquidation’ and ‘not genuine’.

Proposed amendments—Contingent settlement provisions

The IASB tentatively decided to proceed with the proposed requirements set out in the Exposure Draft related to the classification of financial instruments containing contingent settlement provisions, subject to minor drafting improvements and some targeted refinements, namely:

- (a) clarifying that the requirements in paragraph 25 of IAS 32 apply to a financial instrument (or a component of one) that could require settlement giving rise to a financial liability *only* as a result of the occurrence or non-occurrence of an uncertain future event that is beyond the control of both the issuer and the holder.
- (b) clarifying that, for the purposes of an entity applying paragraph 36 of IAS 32, dividend payments are recognised as expenses if shares are wholly *classified* (instead of recognised) as liabilities to resolve an inconsistency within the Standard.
- (c) describing liquidation as a process that has the objective of permanently ceasing an entity’s operations and includes activities such as converting assets, paying obligations and settling equity claims.
- (d) clarifying that when an entity assesses whether a contractual term is ‘not genuine’, it considers *both* the probability *and* nature of the contingent event, including whether the event has a substantive business purpose. A contractual term with a substantive business purpose would be considered genuine, even if the probability of the event is remote.

The IASB tentatively decided not to proceed with the proposed requirements related to the measurement of the financial liability arising from a contingent settlement provision as part of the project on Financial Instruments with Characteristics of Equity. Instead, the IASB tentatively decided to respond to the measurement-related issues as part of the project on Amortised Cost Measurement.

Next step

The IASB will continue to redeliberate the classification topics in the Exposure Draft.

2. Post-implementation Review of IFRS 16 Leases

The IASB met to discuss how to respond to stakeholder feedback on the Request for Information *Post-implementation Review of IFRS 16 Leases* about the usefulness of information relating to lessees' lease-related cash flows.

The IASB tentatively decided to explore requiring lessees to disclose the components of the total cash outflow for leases together with the line item in the statement of cash flows in which each component is presented.

The IASB tentatively decided to explore this matter in its project on the Statement of Cash Flows and Related Matters.

The IASB tentatively decided to take no action in response to stakeholder feedback on:

- (a) the classification and presentation of lease-related cash flows by lessees; and
- (b) the lack of comparability between the cash flows of lessees and those of entities that borrow to buy assets.

The IASB tentatively decided to take no action in response to other matters raised by stakeholders related to the usefulness of information about lessees' lease-related cash flows.

Next steps

The IASB will deliberate other feedback on the Request for Information and decide whether to take any action in response to that feedback.

3. Amortised Cost Measurement

The IASB met to continue deliberating issues within the scope of the project.

The IASB discussed how to clarify the requirements on accounting for subsequent changes to the effective interest rate (EIR) in response to stakeholder feedback.

The IASB tentatively decided to amend paragraph B5.4.5 of IFRS 9 *Financial Instruments* to require that an entity adjust the EIR to account for a re-estimation of the contractual cash flows of a financial asset or a financial liability that provides consideration for the time value of money or for the credit risk.

Next step

The IASB will continue deliberating issues within the scope of the project.

4. Equity Method

The IASB met to continue redeliberating the proposals in the Exposure Draft *Equity Method of Accounting—IAS 28 Investments in Associates and Joint Ventures* (revised 202x).

Cost of an associate—Other matters

The IASB tentatively decided to confirm the proposal to include in the carrying amount of the investment the deferred tax effects related to adjusting the investor's share of the associate's identifiable assets and liabilities to fair value.

The IASB tentatively decided to clarify that, when an investor issues equity or debt instruments to obtain significant influence, it is required to account for the costs to issue the debt or equity instrument in accordance with IAS 32 *Financial Instruments: Presentation* and IFRS 9 *Financial Instruments*.

The IASB tentatively decided not to add a requirement that, before recognising a gain on a bargain purchase, an investor would:

- (a) reassess whether it has correctly identified all the assets and liabilities of the associate; and
- (b) review the procedures used to measure the fair value of the share of the associate's identifiable assets and liabilities.

Purchases of additional ownership interests—Other matters

The IASB tentatively decided to confirm the proposal to require an investor to recognise a bargain purchase gain from the purchase of an additional ownership interest in profit or loss.

The IASB tentatively decided to confirm the proposal that an investor that has reduced the carrying amount of the investment to nil is not required to immediately recognise losses not recognised on its previously held investment when it purchases an additional ownership interest.

Next step

The IASB will continue redeliberating the proposals in the Exposure Draft.

5. Business Combinations—Disclosures, Goodwill and Impairment

Performance information subset

The IASB discussed its proposal to require an entity to disclose performance information for only a subset of business combinations.

The IASB tentatively decided to retain the proposal to require an entity to disclose performance information for only a subset of business combinations. The IASB also tentatively decided to proceed with a threshold approach to identify the subset.

In relation to the design of the threshold approach, the IASB tentatively decided:

- (a) to retain the proposed revenue and asset thresholds;
- (b) to remove the proposed operating profit threshold;
- (c) to retain the proposal to set the quantitative thresholds at 10%; and
- (d) to remove the proposed qualitative thresholds.

The IASB tentatively decided to make no changes based on other feedback on the proposed threshold approach.

Exemption

The IASB discussed the proposed exemption from some of the disclosure requirements in the Exposure Draft. The IASB tentatively decided to retain the exemption from disclosing some information in specific circumstances.

The IASB discussed the circumstances in which an entity can apply the exemption. The IASB tentatively decided:

- (a) to refine the wording of the exemption to exempt entities from disclosing information that would result in a breach of statutory legal or regulatory requirements; and
- (b) not to refine the wording of the exemption to cover other circumstances suggested by respondents, including those in which disclosing performance and expected synergy information would lead to negative social or operational consequences beyond what would already be covered by the proposed exemption.

The IASB discussed the application of the exemption. The IASB tentatively decided:

- (a) to retain the proposal requiring an entity to reassess at the end of each reporting period whether a key objective or target to which the exemption was previously applied still qualifies for the exemption;
- (b) to remove the proposal requiring an entity to disclose the reason for applying the exemption;
- (c) not to define the term 'seriously prejudicial';
- (d) not to include a statement specifying that the exemption is to be applied only in 'extremely rare circumstances';
- (e) not to include additional examples of circumstances in which an entity:
 - (i) can apply the exemption; or
 - (ii) might be able to disclose information in a different way instead of applying the exemption; and
- (f) to provide no further clarifications.

Restructuring and asset enhancement cash flows

The IASB discussed its proposal to remove from IAS 36 *Impairment of Assets* the requirement for an entity to exclude cash flows from uncommitted future restructurings and asset enhancements when calculating value in use. The IASB tentatively decided:

- (a) to retain this proposal; and
- (b) to do no further work in response to respondents' suggestions in relation to the proposal that the IASB:
 - (i) add an illustrative example;
 - (ii) include additional safeguards or constraints;
 - (iii) add disclosure requirements;
 - (iv) clarify the relationship with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*; and
 - (v) clarify the remaining differences between value in use and fair value less costs of disposal or reconsider whether to maintain both methods.

Next step

The IASB will continue redeliberating the proposals in the Exposure Draft.

6. Statement of Cash Flows and Related Matters

The IASB met to discuss improving the consistency with which entities apply the definition of cash equivalents in IAS 7 *Statement of Cash Flows*.

The IASB tentatively decided to propose including, in the definition of cash equivalents, the requirement for cash equivalents to be held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Next step

The IASB will continue to consider how to improve financial reporting for each of the topics in the project plan.

B. Maintenance and consistent application

1. Consistent application activities

The IASB met to consider matters discussed at the meeting of the IFRS Interpretations Committee (Committee) in March 2026. The IASB:

- considered several agenda decisions finalised by the Committee; and
- received an update on other matters.

2. Agenda decisions

The IASB was asked whether it objected to the agenda decisions finalised by the Committee on the following:

- (i) Classification of a Foreign Exchange Difference from an Intragroup Monetary Liability (or Asset) (IFRS 18 Presentation and Disclosure in Financial Statements).
- (ii) Economic Benefits from Use of a Battery under an Offtake Arrangement (IFRS 16)
- (iii) Fair Presentation and Compliance with IFRS Accounting Standards (IAS 1)
- (iv) Assessment of a Specified Main Business Activity for the Purposes of the Separate Financial Statements of a Parent (IFRS 18)
- (v) Scope of the Requirement to Disclose Expenses by Nature (IFRS 18)
- (vi) Classification of Gains and Losses on a Derivative Managing a Foreign Currency Exposure (IFRS 18)

No IASB member objected to the agenda decisions.

Next Step

The agenda decision will be published in April 2026 in an addendum to [IFRIC Update March 2026](#).

3. IFRIC Update March 2026

The IASB received an update on the Committee's March 2026 meeting. Details of this meeting were published in [IFRIC Update March 2026](#).

***For further information: <http://www.ifrs.org>
Financial Reporting Council***

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