



IFRS® Accounting Standards & BeGAAP update session

Finding clarity in the complexity of accounting

—
December 2025





Agenda

- 01** Newly effective and forthcoming requirements
- 02** IFRIC® agenda decisions
- 03** ESMA Enforcement Priorities 2025
- 04** BeGAAP update

01

IFRS - Newly effective and forthcoming requirements

November 2025

Newly effective requirements

Effective date	New standards or amendments	Resources
1 January 2025	Lack of Exchangeability – Amendments to IAS 21 <i>The Effects of Changes in Foreign Exchange Rates</i>	Article

Endorsed by EFRAG ([Update 21 November 2025](#))

Forthcoming requirements (1/2)

Effective date	New standards or amendments	Web article
1 January 2026	Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 <i>Financial Instruments</i> and IFRS 7 <i>Financial Instruments: Disclosures</i>	Financial assets with ESG-linked features Web article Settlement of financial liabilities by electronic payments Web article
	Annual Improvements to IFRS Accounting Standards – Amendments to: <ul style="list-style-type: none"> IFRS 1 <i>First-time Adoption of International Financial Reporting Standards</i>; IFRS 7 <i>Financial Instruments: Disclosures</i> and it’s accompanying <i>Guidance on implementing IFRS 7</i>; IFRS 9 <i>Financial Instruments</i>; IFRS 10 <i>Consolidated Financial Statements</i>; and IAS 7 <i>Statement of Cash flows</i> 	Web article
	Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	Web article



Forthcoming requirements (2/2)

Effective date	New standards or amendments	Web article
1 January 2027	IFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	Web article , First impressions, talk book
	IFRS 19 <i>Subsidiaries without Public Accountability: Disclosures (incl. catch-up amendments)</i>	Web article
	Amendments to IAS 21 <i>The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency</i>	Web article

Not yet endorsed by EFRAG ([Update 21 November 2025](#))

Hyperinflationary economies – Changes in status compared to December 2024

Economies that became hyperinflationary in 2025

- Burundi

Economies that ceased to be hyperinflationary in 2025

- Ethiopia
- Ghana
- Lao PDR
- Suriname

Economies for which the analysis could not be completed in 2025

- Myanmar



Future developments – IFRS Foundation work plan – Selection

Standard-setting projects	Next milestone	Expected or due date
Financial Instruments with Characteristics of Equity	Final amendments to IFRS Accounting Standard	H2 2026
Business combinations – Disclosures, goodwill and impairment	Project direction	H2 2026
Equity Method	Project direction	Q1 2026

Maintenance projects	Next milestone	Expected or due date
Amendments to the Fair Value Option (IAS 28)	Project direction	December 2025
Provisions – Targeted Improvements	Project direction	Q1 2026



Your questions



02

IFRIC agenda decisions

November 2025

IFRIC agenda decisions

Standard	Final agenda decisions	IFRIC Update
IAS 38	Recognition of intangible assets resulting from climate-related expenditure	March 2025
IAS 37, IFRS 9, IFRS 15	Guarantees issued on obligations of other entities	March 2025
IFRS 15	Recognition of revenue from tuition fees	March 2025
IAS 29	Assessing indicators of Hyperinflationary Economies	June 2025
IFRS 9	Determining and Accounting for Transaction Costs <i>(subject to IASB's approval)</i>	November 2025
IFRS 9	Embedded Prepayment Option <i>(subject to IASB's approval)</i>	November 2025
Various	Updates to agenda decisions for IFRS 18 <i>(subject to IASB's approval)</i>	November 2025

IFRIC agenda decisions

Standard	Tentative agenda decisions	IFRIC Update	Comment deadline
IFRS 18	Classification of a Foreign Exchange Difference from an Intragroup Monetary Liability (or Asset)	September 2025	25 November

Several IFRS 18 topics were discussed during the November update

Guarantees Issued on Obligations of Other Entities (1/6)

Issue

The Committee received a request about **how an entity accounts for guarantees that it issues**. Specifically, **whether the guarantees issued are financial guarantee contracts** (FGCs) to be accounted for in accordance with IFRS 9 *Financial Instruments* and, if not, which other IFRS Accounting Standards apply to these guarantees.

Fact pattern

The request described three fact patterns in the context of an entity's separate financial statements.

In the fact patterns, an entity:

- issues several types of **contractual guarantees on obligations of a joint venture (JV)**; and
- **guarantees to make payments** to a bank, a customer, or another third party in the event the JV fails to meet its contractual obligations under its service contracts or partnership agreements and fails to make payments when due.

Evidence gathered by the Committee indicated that, in practice, entities issue guarantees on obligations of their joint ventures and other entities (such as associates, subsidiaries or third parties), and those guarantees have a variety of terms and conditions.

The Committee observed that questions relating to the accounting for issued guarantees arise in the context of an entity's separate financial statements and consolidated financial statements.

Guarantees Issued on Obligations of Other Entities (2/6)

Key points

Which IFRS Accounting Standards apply to issued guarantees?

IFRS Accounting Standards do not define 'guarantees', and **no single Accounting Standard applies to all guarantees.**

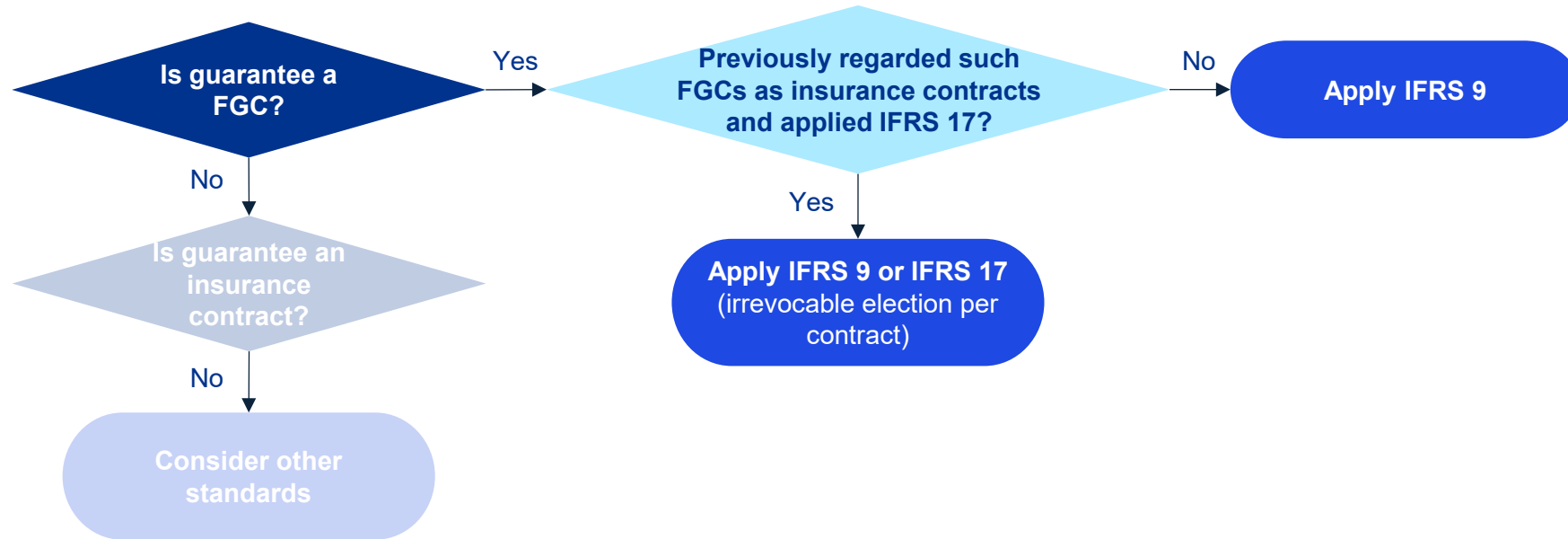
A '**financial guarantee contract**' is defined in IFRS 9 as 'a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a **debt instrument**'.

The term '**debt instrument**' in the definition of a financial guarantee contract is **not defined in IFRS Accounting Standards**. There is diversity in practice in the interpretation of the meaning of the term 'debt instrument'.

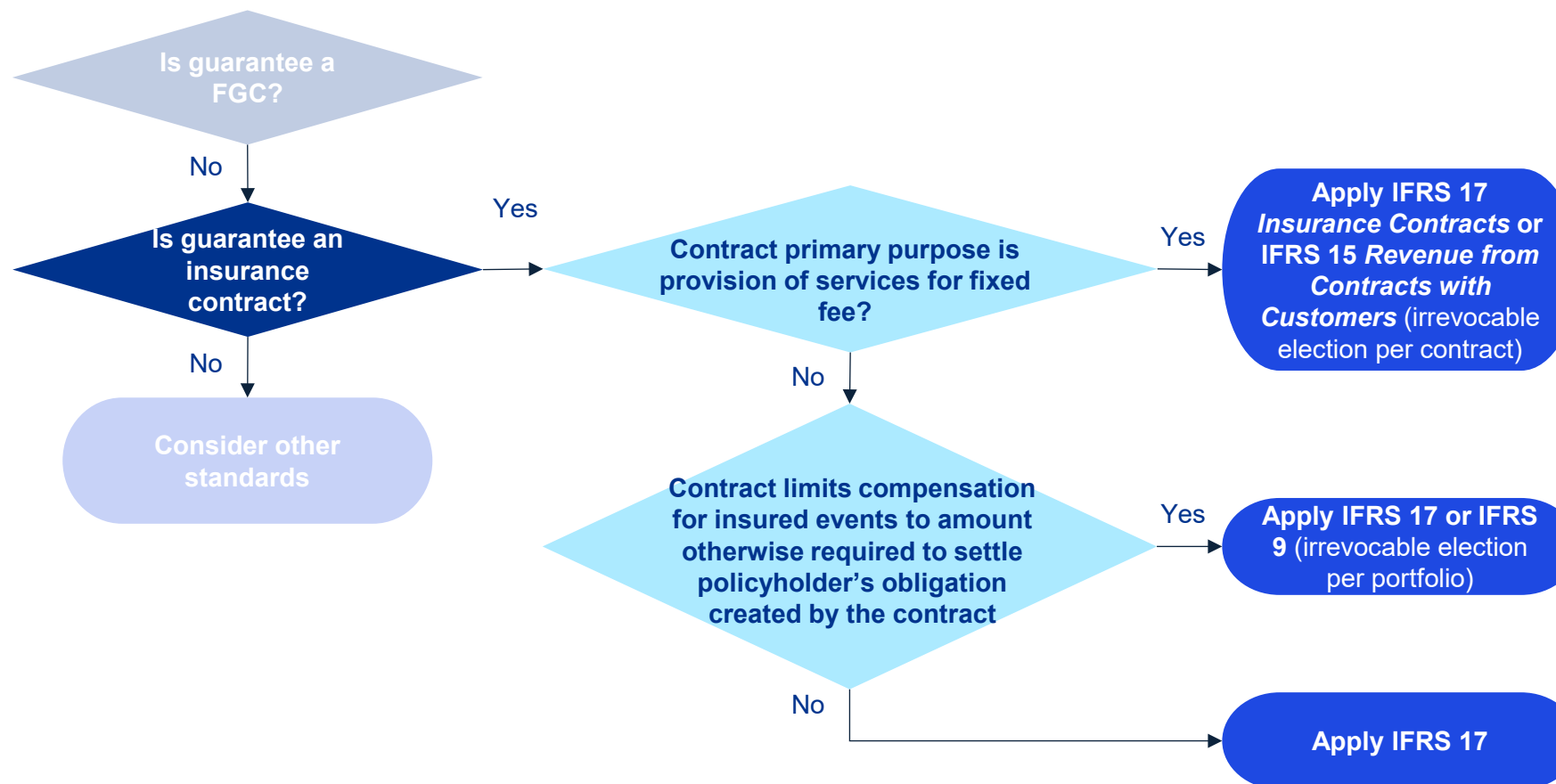
In April 2024, the IASB decided to consider during its next agenda consultation the broader application questions related to financial guarantee contracts, including the meaning of a debt instrument in the definition of a financial guarantee contract.

An entity accounts for a guarantee that it issues based on the requirements, including the scoping requirements, in IFRS Accounting Standards.

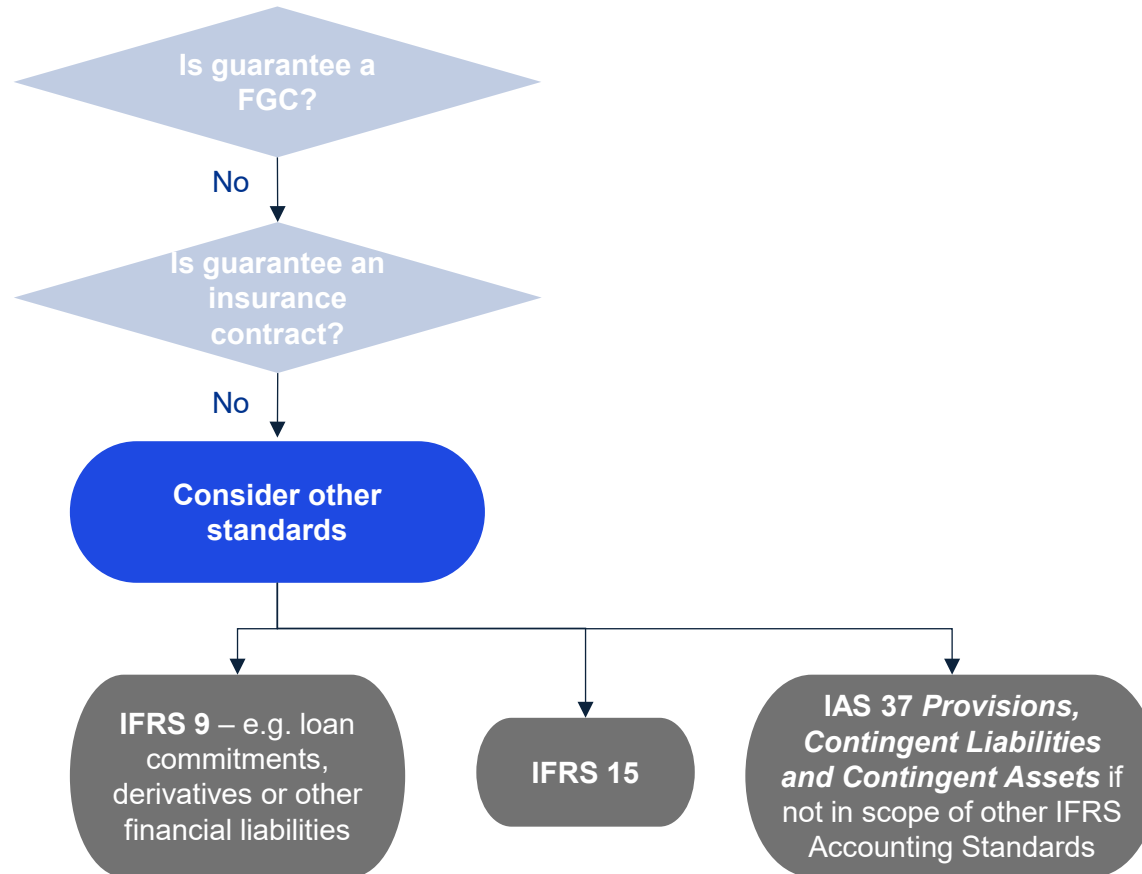
Guarantees Issued on Obligations of Other Entities (3/6)



Guarantees Issued on Obligations of Other Entities (4/6)



Guarantees Issued on Obligations of Other Entities (5/6)



Guarantees Issued on Obligations of Other Entities (6/6)

Key points

Conclusion

The Committee observed that an entity accounts for a guarantee it issues based on the requirements, including the scoping requirements, in IFRS Accounting Standards and **not based on the nature of the entity's business activities**.

An entity applies **judgement** in determining **which IFRS Accounting Standard applies** to a guarantee it issues and in considering the specific facts and circumstances and the terms and conditions of the guarantee contract.

The Committee noted that the **IASB decided to consider during its next agenda consultation** the broader application questions related to financial guarantee contracts, including **the meaning of a debt instrument in the definition of a financial guarantee contract**. The Committee therefore concluded that **an entity applies judgement in interpreting the meaning of the term 'debt instrument'** when determining whether a guarantee is accounted for a financial guarantee contract.

With regard to the **scoping requirements** in IFRS Accounting Standards, the Committee concluded that the principles and requirements in IFRS Accounting Standards provide an **adequate basis for an entity to determine how to account for a guarantee that it issues**.

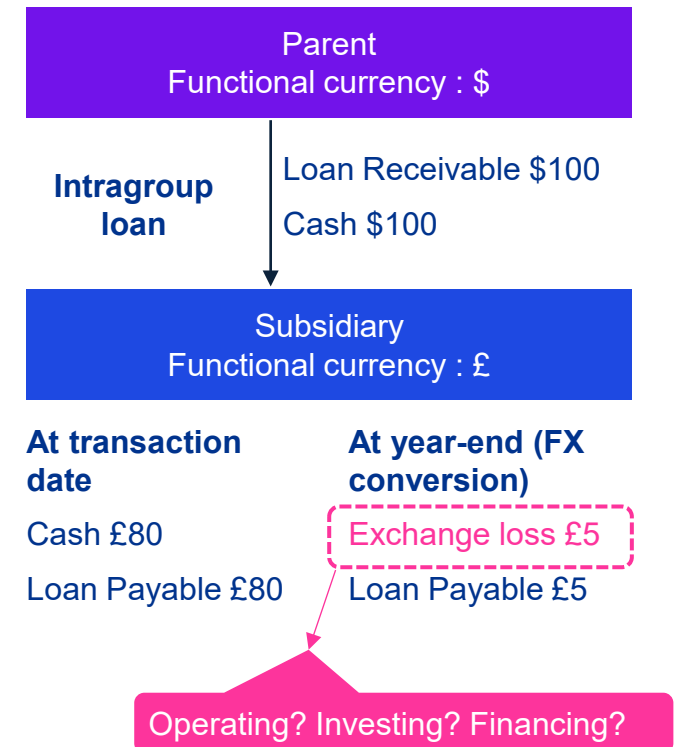
Classification of a foreign exchange difference from an intragroup monetary liability (or asset)(1/2)

Issue

The IFRS Interpretations Committee (IFRIC) received a request based on the following fact pattern:

- An **entity enters into a loan with its subsidiary (intragroup loan)**.
- The entity and its subsidiary have **different functional currencies**.
- This intragroup loan:
 - is denominated in the functional currency of either the entity or its subsidiary; and
 - is not part of the entity's net investment in the subsidiary.
- The entity in the group for which the intragroup loan is a foreign currency transaction (which could be either the entity or its subsidiary) **applies IAS 21 to translate the loan to its functional currency** and recognises any resulting exchange difference in profit or loss (the exchange difference).
- Applying IFRS 10 *Consolidated Financial Statements*, the entity, in preparing its consolidated financial statements, **eliminates in full the intragroup assets, liabilities, income, expenses and cash flows relating to the loan**. However, in accordance with paragraph 45 of IAS 21, **the entity recognises the exchange difference on the loan in profit or loss**.

Example



IFRS 18 requirements [IFRS 18.B65-B68]

Income statement (IAS 1 *Presentation of Financial Statements*)

Entities *without* specified main business activities

Revenue	X
Cost of sales	(X)
Gross profit	X
Selling and distribution expenses	(X)
Administrative expenses	(X)
Other income	X
Share of post-tax profits of equity accounted investees	X
Operating profit	X
Finance costs	(X)
Finance income	X
Profit before tax	X
Taxation	(X)
Profit for the period	X

FX gains and losses

Illustrative income statement (IFRS 18 *Presentation and Disclosure in Financial Statements*)

Entities *without* specified main business activities

Operating category	Revenue	X
	Operating expenses (analysed by nature, function or both as appropriate)	(X)
	Operating profit or loss	X
Investing category	Share of profit or loss of equity-accounted investees	X
	Income from other investments	X
	Interest income from cash and cash equivalents	X
	Profit or loss before financing and income tax	X
Financing category	Interest expense on borrowings and lease liabilities	(X)
	Interest expense on pension liabilities	(X)
	Profit or loss before tax	X
	Income tax	(X)
	Profit or loss	X

Judgement required for FX gains and losses that arise on liabilities that do not involve the raising of finance

If applying the requirements would require undue cost of effort, FX gains and losses are classified in the operating category

Classification of a foreign exchange difference from an intragroup monetary liability (or asset)(2/2)

Views

View 1 – Classify the exchange difference **in the operating category** as the default category.

View 2 – Classify the exchange difference **in the same category in which the income and expenses from the intragroup loan would have been classified before their elimination** on consolidation, or, if doing so would involve undue cost or effort, in the operating category.

The request included three other views:

- a. classify the exchange difference **in the financing category** because, for the entity, the transactions in the fact pattern involve only the raising of finance.
- b. classify the exchange difference **in the investing category** because, for the entity, the exchange difference arose from the transfer of cash from one currency into another for a period of time; and
- c. **develop an accounting policy** based on any of the views included in the request because IFRS 18 is not clear about how the exchange difference should be classified

IFRIC discussion

- **Seven** Committee members **concluded View 1 is the only reasonable reading** of paragraph B65 of IFRS 18.
- However, **the other seven** Committee members **concluded that both View 1 and View 2 are reasonable readings** of paragraph B65 of IFRS 18.
- **All 14** Committee members **concluded the three other views are not reasonable** readings of paragraph B65 of IFRS 18.



Your questions

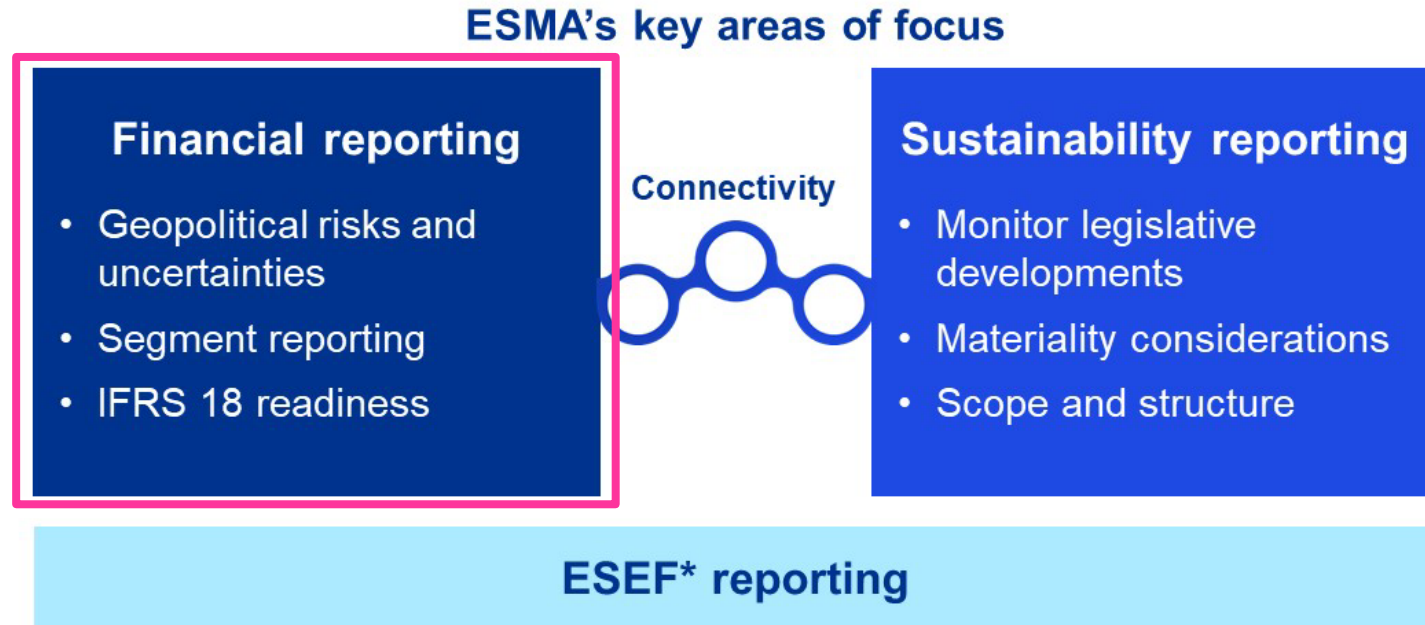


03

**ESMA
Enforcement
Priorities 2025**

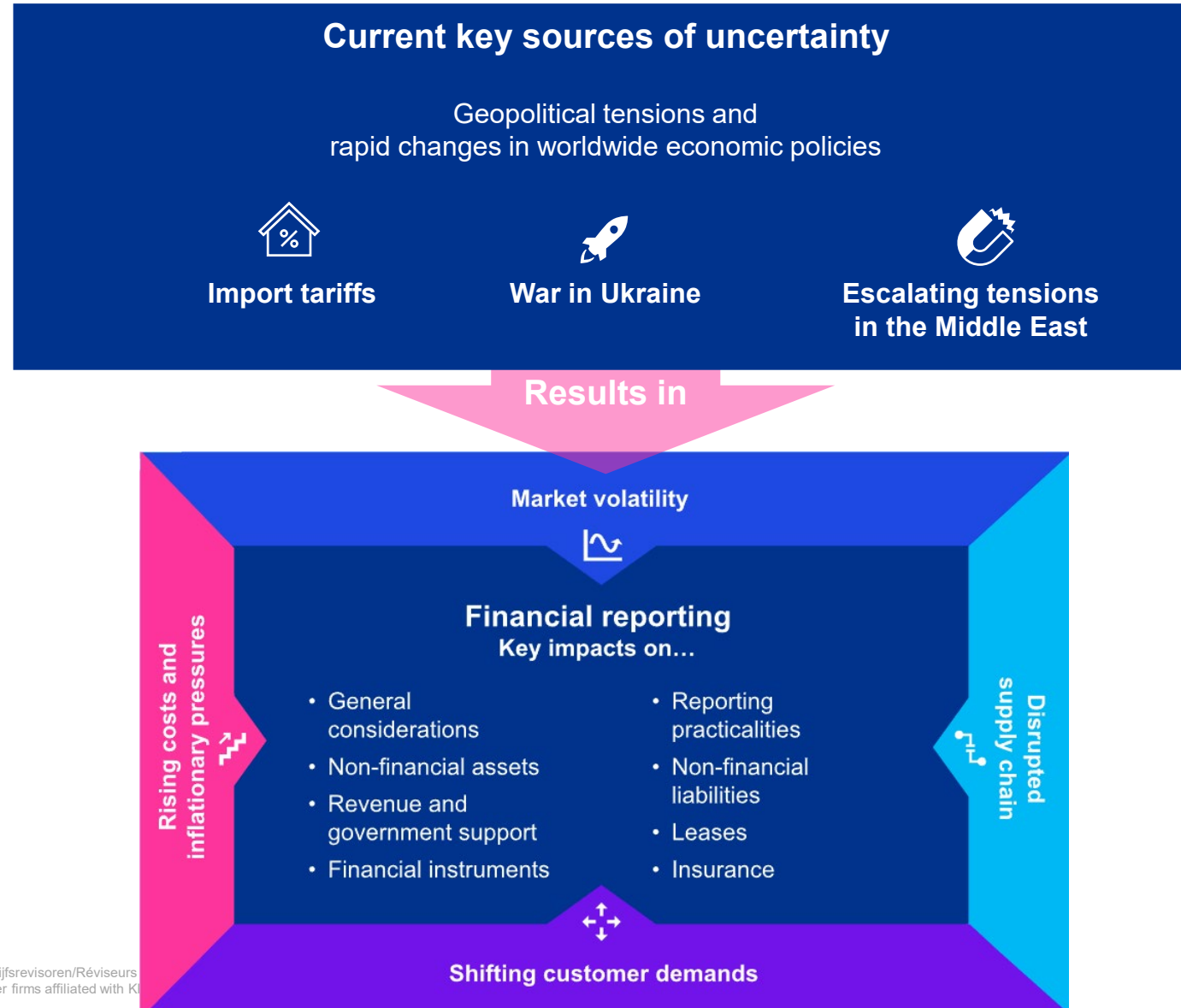
Priorities of the ESMA

Extract ESMA Enforcement priorities:



* European Single Electronic Format

Priority 1 – Geopolitical risks and uncertainties



Priority 1 – Geopolitical risks and uncertainties – What are the potential financial reporting implications?

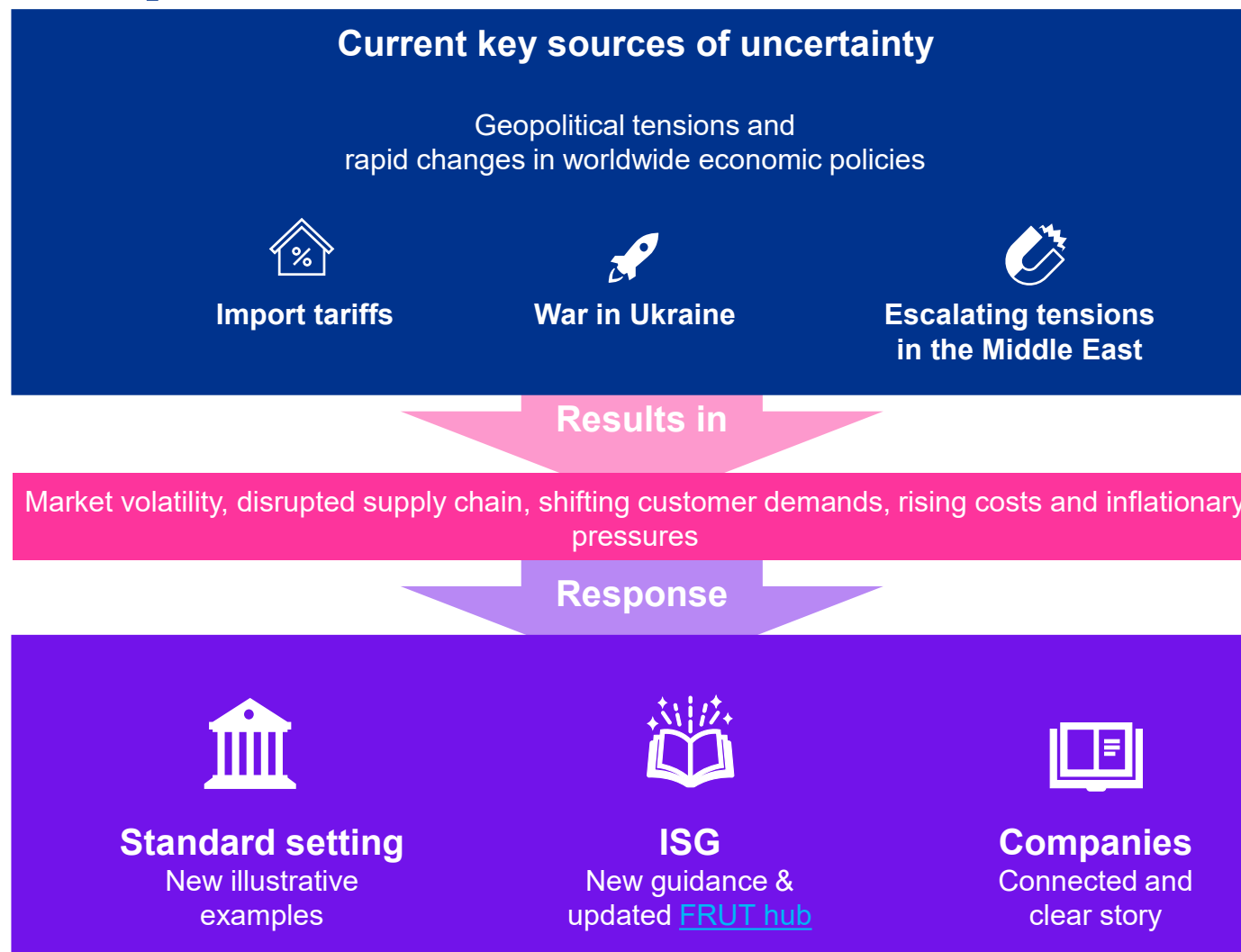
Direct financial reporting implications (non-exhaustive):

- Asset impairments and write-downs
- Revenue recognition
- Recoverability of deferred tax assets
- Provisions
- Liquidity risk
- Assumptions used in valuation models (e.g., expected credit-losses and fair value measurement)
- Debt covenants
- Going concern
- Sensitivity analysis

Avoid generic references to ‘geopolitical uncertainties’ – instead, you should be specific

Apply judgement and consider *all* facts and circumstances and determine whether additional disclosures (beyond those explicitly required by IFRS) are necessary to enable users to understand the effect (*or lack of effect*) on the financial position, cashflows and/or financial performance

Priority 1 – Geopolitical risks and uncertainties



Additional guidance:
[IFRS Practice Statement 1 Management Commentary](#)
(revised in July '25)

Import tariffs – Think broadly and tell a clear story



Priority 2 – Segment reporting

Geopolitical uncertainties and climate-related matters could cause changes in:

- Operating segments
- Applying the aggregation criteria for reportable segments
- Disaggregation disclosures provided under IFRS 15 Revenue from Contracts with Customers

General reminders on segment reporting:

- Correctly apply the aggregation criteria for reportable segment (refer to next slide)
- Disclose company-specific information
- Consider IFRS® Interpretations Committee's agenda decision *Disclosure of Revenues and Expenses for Reportable Segments* (refer to previous updates)
- Provide clear and correct entity wide disclosures (geographical areas and major customers) (even if there is only one segment) (refer to next slide)

Priority 2 – Segment reporting – Aggregation criteria

Operating segments may be aggregated into a single operating segment when the operating segments have characteristics so similar that they can be **expected to have essentially the same future prospects**.

Aggregation is permitted only if:

- it is consistent with the core principle of IFRS 8;
- the segments have similar economic characteristics; and
- the segments are similar *in each* of the following respects:
 - the nature of products and services;
 - the nature of the production processes;
 - the type or class of customer for their products and services;
 - the methods used to distribute their products or provide their services; and
 - if applicable, the nature of the regulatory environment. [IFRS 8.12]

Under IFRS 8, an entity is allowed to combine information about two or more operating segments if the segments meet the quantitative thresholds to produce a reportable segment only if the operating segments **share a major customer** or **share a major product**. In addition, the aggregation criteria listed above, **provided that the aggregation is consistent with the core principle of IFRS 8 that the aggregated segments have similar economic characteristics**. [IFRS 8.14]

Priority 2 – Segment reporting – Geographical areas and major customers

ESMA statement:

ESMA emphasises the relevance of entity-wide disclosures on geographical areas and major customers required by paragraphs 33 and 34 of IFRS 8 in the current environment of trade barriers and geopolitical uncertainty. Issuers should provide information about revenues from external customers attributed to and certain non-current assets located in (i) the entity's country of domicile, (ii) all foreign countries in total and (iii) individual countries, if material. When assessing materiality, issuers should consider both quantitative and qualitative factors. For example, the fact that all (or significantly all) of the issuer's material revenues are attributed to foreign countries could be material information (in particular, if those foreign countries are subject to trade restrictions or tariffs). In addition, issuers may need to disclose how revenues have been allocated to individual countries or geographical areas (e.g., based on where the sales were originated or the location of end-customers). Finally, ESMA also notes that paragraph 34 of IFRS 8 does not provide exemptions from disclosing revenue information about major customers.

KPMG's disclosure checklist - extract:

IFRS 8.31

Entity-wide disclosures are required even if the entity has only one reportable segment. Information required by IFRS 8.32–34 is provided only if it is not provided as part of the reportable segment information required by IFRS 8.

Insights 5.2.220.20

The information in IFRS 8.33 is provided by both the entity's country of domicile and by an individual foreign country, if material. In our view, disclosing such information by region – e.g. Europe or Asia – does not meet the requirement to disclose information by an individual foreign country, if material. Such information is disclosed by an individual foreign country – e.g. France, the Netherlands or Singapore – when material.

IFRS 8.34

Disclose information about the extent of reliance on major customers.

IFRS 8.34

If revenues from transactions with a single external customer amount to 10 percent or more of the entity's revenues, then disclose that fact along with the total amount of revenues from each such customer and the identity of the segment(s) reporting the revenues.

Priority 3 – IFRS 18 readiness – What are the changes?

More structured income statement



- New subtotals including 'operating profit'
- Income and expenses classified into three categories – operating, investing, financing
- Main business activities drive the classification of income and expenses

Disclosed and audited MPMs



- MPMs* are now disclosed in the financial statements and subject to audit
- MPMs capture some but not all 'non-GAAP' measures
- New disclosures may involve additional effort

* Management performance measures

Greater disaggregation of information



- New disclosures for items labelled as 'other'
- Enhanced guidance on how to group information within the financial statements
- Remains a judgement area

Will not impact recognition and measurement (net profit unchanged)

IFRS 18 – Impact and timelines

- [EU endorsement status](#) (November 2025):

	Draft endorsement advice	Endorsement advice	ARC Vote	Expected endorsement	IASB Effective date	Endorsement expected before effective date
IFRS standards and interpretations						
IFRS 18 <i>Presentation and Disclosure in Financial Statements</i> (issued on 9 April 2024)	15/11/2024 ✓	05/05/2025 ✓	15/09/2025 ✓	1Q 2026	01/01/2027	▲
IFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i> (issued on 9 May 2024)	23/05/2025 ✓	25/09/2025 ✓			01/01/2027	
Amendments						
Amendments to IFRS 19 <i>Subsidiaries without public accountability: Disclosures</i> (issued on 21 August 2025)	29/09/2025 ✓				01/01/2027	
Amendments to IAS 21 <i>The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency</i> (issued on 13 November 2025)					01/01/2027	▲

- IFRS 18 is to be applied **retrospectively** in accordance with IAS 8 *Basis of Preparation of Financial statements* (IFRS 18.C2)
- First year of application will require **disclosure of specific reconciliations** (both in **annual and interim financial statements**) (IFRS 18.C3)

IFRS 18 – Anything to do this year?

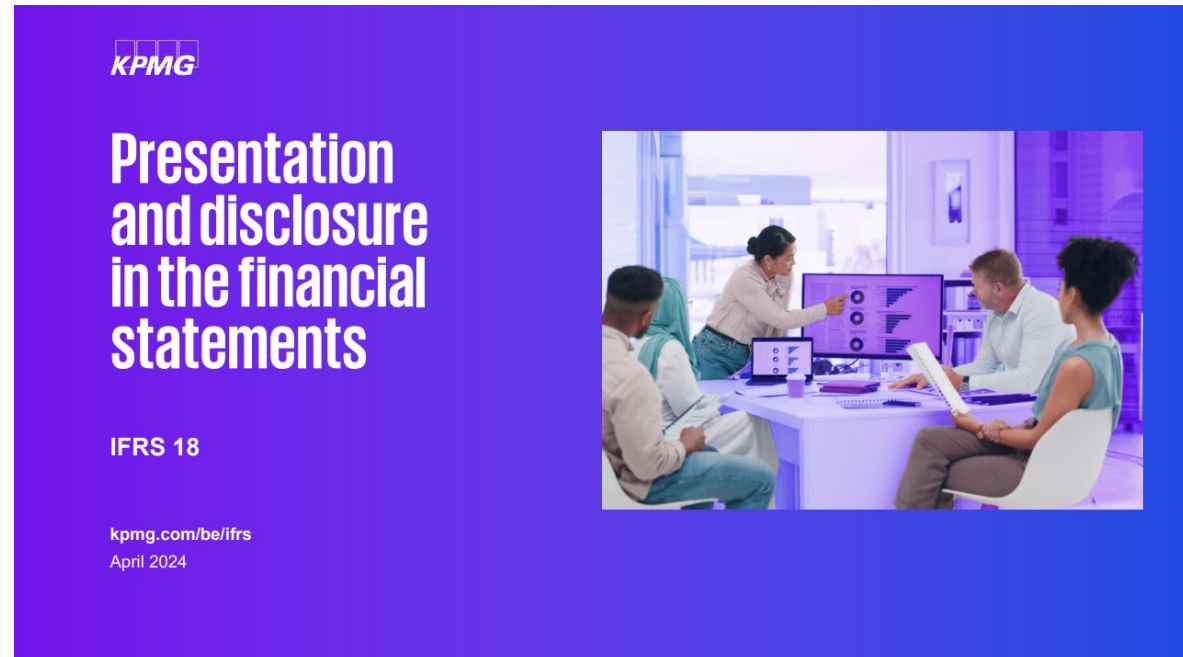
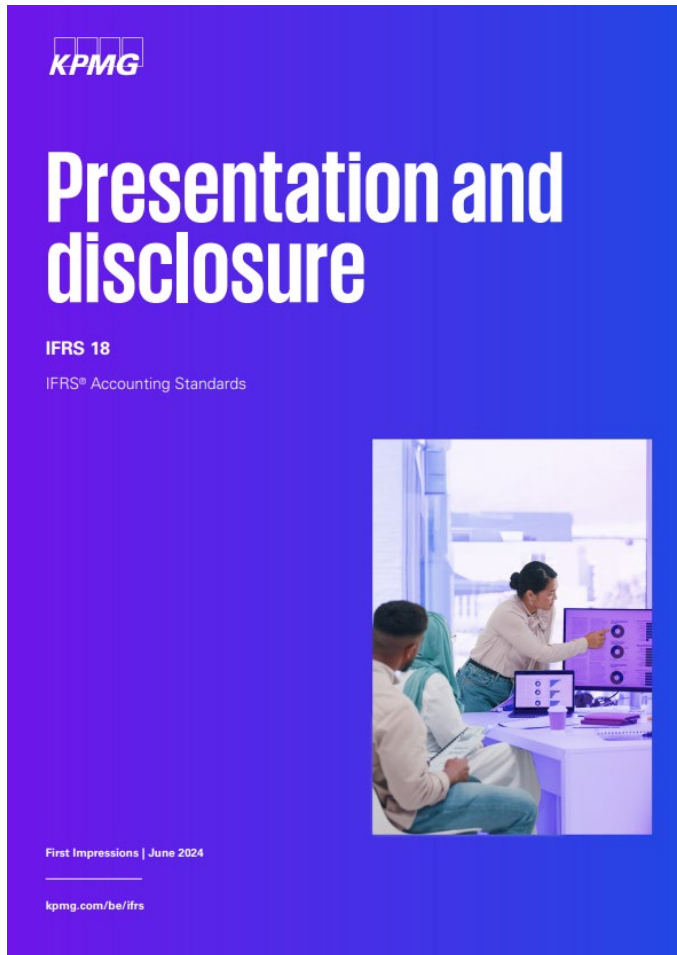
You should have started with assessing the impact of the new standard:

*ESMA urges issuers to start assessing the **impact of IFRS 18⁵³ on financial statements, reporting systems and communications**. Focus areas include aggregation/disaggregation principles, management-defined performance measures and the presentation of financial performance. To support early familiarisation and testing, ESMA has included the IFRS 18 taxonomy update in the draft 2025 RTS on ESEF⁵⁴ submitted to the EC. However, this update can only be used to mark-up annual financial reports after EU endorsement and official RTS on ESEF publication.*

Disclosure requirements in 2025 FS in relation of not yet effective IFRSs:

IFRSs not yet effective		
IAS 8.30	When the entity has not applied a new IFRS that has been issued, but is not yet effective, disclose:	IAS 8.31
IAS 8.30(a)	a. that fact; and	IAS 8.31(a)
IAS 8.30(b)	b. known or reasonably estimable information relevant to assessing the possible impact that the application of the new IFRS will have on the entity's financial statements in the period of initial application.	IAS 8.31(b)
		IAS 8.31(c)
		IAS 8.31(d)
		IAS 8.31(e)
		IAS 8.31(e)(i)
		IAS 8.31(e)(ii)
		Consider disclosing:
		a. the title of the new IFRS;
		b. the nature of the impending change or changes in accounting policy;
		c. the date by which application of the IFRS is required;
		d. the date at which the entity plans to adopt the IFRS initially; and
		e. either:
		i. a discussion of the impact that initial application of the IFRS is expected to have on the entity's financial statements; or
		ii. if that impact is not known or reasonably estimable, a statement to that effect.

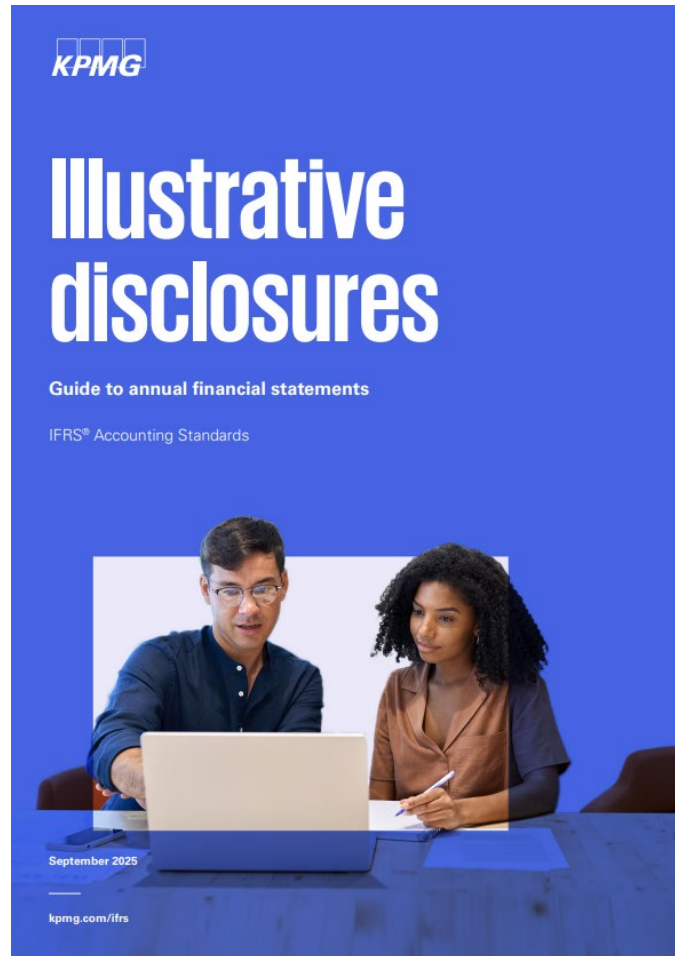
IFRS 18 – Resources available



[First impressions guide](#)

[Talk book](#)

Illustrative disclosures and disclosure checklist



Your essential guides to financial statements



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Your questions



04

BeGAAP Update

Overview CBN/CNC

- **2025/01** Accounting treatment of demerger of company – negative net fiscal assets – revaluation surplus (addendum to CBN/CNC 2022/01 and 2022/12) → CBN/CNC 2022/01 will be revised



As of the end of April 2025 the CBN/CNC has issued numerous draft CBN/CNC opinions which are aimed at updating the BCC references to BCAC references and do not change the content.



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