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IFRS Breaking News

Latest insights on financial reporting in Canada

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Accounting

IFRS 18 | Get ready using our detailed guide

IFRS 18 *Presentation and Disclosure in Financial Statements* brings significant changes to how you present your income statement and what information you need to disclose. It also makes certain 'non-GAAP' measures part of your audited financial statements for the first time. All organizations are affected, so you need to prepare now.

The new standard is effective for annual periods beginning on or after January 1, 2027 but preparing for its implementation will take time. You will need to make new judgements, navigate many new requirements and oversee changes to systems and processes.

To help you understand the new standard and its impacts, our First Impressions publication provides our detailed insights and comprehensive analysis of IFRS 18, together with illustrative examples.

Understand the impacts

Banks | Benchmarking climate-related disclosures

Investors are demanding ever more comprehensive disclosures on the impact of climate-related matters. They're expecting an organization's financial statements, management discussion and analysis (MD&A) and sustainability-related disclosures to provide a coherent, connected and integrated picture of the risks and opportunities facing the business.

Our latest analysis of the climate-related disclosures made by 35 major banks as part of their 2023 reporting cycle shows that banks are responding to the demands for greater disclosure of climate-related information.

They are now on a journey to connect the pieces together and create a narrative that is more meaningful and clear for their users.

Highlights include:

- 60% mention climate in the financial statements but disclosures are usually limited;
- 94% obtain limited assurance and 29% obtain reasonable assurance; and
- 67% disclose restatements of previously disclosed emissions, typically due to improvements in data quality or enhancements to the methodology.

Read the report

Insurers | Benchmarking climate-related disclosures

Our equivalent analysis for insurers covers 47 major insurers and also shows that while progress continues, the opportunity for insurers to tell a more connected story remains.

Highlights include:

- 55% mention climate in the financial statements but disclosures are usually limited;
- 10% disclosed insurance-associated emissions – reflecting data and methodology challenges; and
- 51% acknowledge nature-related risks to their operations.

Read the full analysis

Financial instruments | Classification of financial instruments with ESG-linked features

Over the past few years, questions have arisen regarding how to classify some financial assets with ESG-linked features – e.g. a loan with a reduction in its interest rate if a specified ESG target is met by the borrower – under existing requirements. As the global market for these financial assets is growing rapidly, there has been an urgent need for clarification on how such features should be analysed.

The International Accounting Standards Board (IASB) has amended IFRS 9 *Financial Instruments* following its post-implementation review of the classification and measurement requirements. The amendments, which are effective from January 1, 2026, include guidance on the classification of financial assets, including those with contingent features, and will help organizations to assess whether these meet the SPPI (solely payments of principal and interest) criterion.

The IASB has also amended IFRS 7 *Financial Instruments: Disclosures*. Organizations will now be required to provide additional disclosures on financial assets and financial liabilities that have certain contingent features.

Find out more

Financial instruments | Settlement by electronic payments

The question of when to recognize or derecognize a trade receivable or payable seems relatively simple on the surface. However, it has generated a significant amount of debate because there is diversity in practice on both sides of the transaction.

Organizations that recognize or derecognize financial assets or financial liabilities on the payment initiation date could see a change to their accounting, following amendments to IFRS 9 issued by the IASB.

However, organizations may be permitted to derecognize financial liabilities settled by an electronic payment system earlier than the settlement date, subject to meeting certain criteria. The amendments are effective from January 1, 2026.

Get the insights

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Sustainability reporting

KPMG in the media | Towards a global sustainability reporting framework?

Writing in ESG Today, Mark Vaessen sets out how a recent commitment between sustainability standard setters may bring us closer to a global framework for sustainability reporting.

Last month the International Sustainability Standards Board (ISSB) and Global Reporting Initiative (GRI) agreed to work together to deliver full interoperability between their standards, starting with biodiversity.

Learn more

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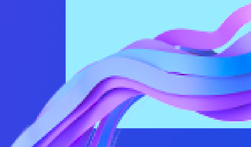
Is your company IFRS ready?

Additional insights from KPMG in Canada



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