Africa

December 2025

Welcome to the IFRS® Accounting Standards newsletter.

This is what we have for you;

- Annual financial statements - Illustrative disclosure and disclosure checklists
- Fair value measurement handbook
- IFRS 18 - IFRIC agenda decisions
- IFRS 19 - Catch-up amendments
- IFRS for SMEs®
- Financial reporting in uncertain times
- Be clear on climate in impairment
- Hyperinflationary presentation currency
- IFRS® compared to US GAAP
- Pillar Two taxes
- Crypto assets and stable coins

Annual financial statements | Illustrative disclosure and disclosure checklists

Your essential year-end guides

In times of uncertainty, investors, regulators and other report users look for clarity in the annual report. They want to know how a company is affected and how it addresses the challenges, and what judgements, estimates and assumptions management makes.

Our 2025 guides to annual financial statements are here to help. They comprise illustrative disclosures and a disclosure checklist.

These updated guides reflect IFRS® Accounting Standards that are required to be applied by a company with an annual reporting period beginning on 1 January 2025.

Find out more in our article.

Fair value measurement

Updated handbook

Companies are navigating a multitude of challenges, including the rise of artificial intelligence, the transition to a greener economy, uncertainties around tariffs and international trade policies, and the implementation of new global taxes. These shifts present significant challenges to determining fair value. Therefore, it is important that a company's financial statements tell a clear story, particularly about key assumptions, judgements and measurement uncertainties.

This edition of our Fair value measurement handbook includes our latest insight and practical guidance. It will help you apply Topic 820, *Fair Value Measurement* and IFRS 13 *Fair Value Measurement*, and understand the key differences between the two accounting standards.

IFRS 18 | IFRIC agenda decisions

IFRS 18 – Exchange differences on intragroup loans

In its September meeting, the IFRS® Interpretations Committee discussed how foreign exchange differences arising on intercompany loans should be classified in consolidated financial statements under IFRS 18 *Presentation and Disclosure in Financial Statements*. Companies will need to keep a close eye on the outcome of these discussions as they prepare financial statements using IFRS 18.

In our latest video, part of a series on key discussions by the Committee, Brian O'Donovan summarises what was covered.

IFRS 18 – Presentation of non-income taxes

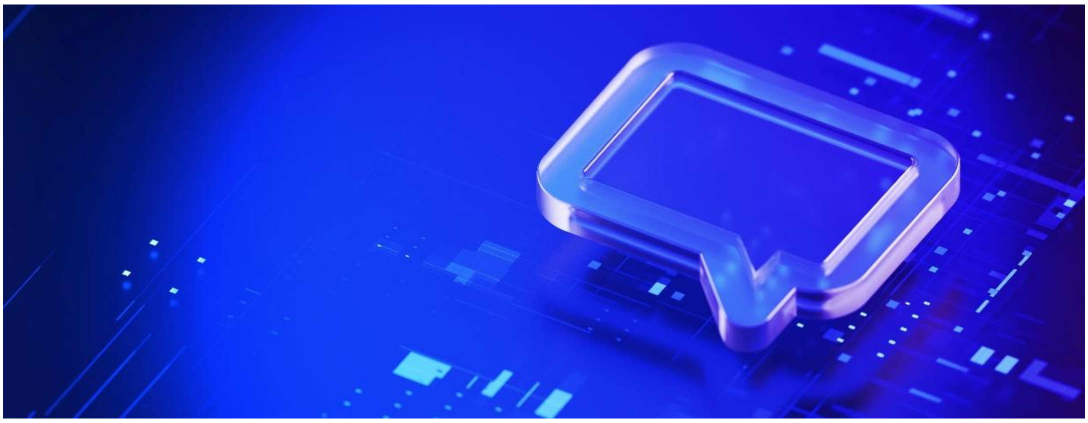
In November, the IFRS® Interpretations Committee devoted most of its meeting to IFRS 18 *Presentation and Disclosure in Financial Statements*, which is effective for 2027. For many companies, the first comparative period under IFRS 18 starts in just a few weeks, so these discussions were very timely.

In our latest video, part of a series on key discussions by the Committee, Brian O'Donovan summarises one topic that generated a lot of interest – presentation of taxes that are not income taxes.

The IFRS Foundation also publishes updates of the Committee's meetings.

IFRS 19 | Catch-up amendments

Reduced disclosures for eligible subsidiaries



Amendments to IFRS 19 *Subsidiaries without Public Accountability: Disclosures* reduce the disclosure requirements related to a number of recent standards and amendments.

The timing of IFRS 19's publication (in May 2024) meant that disclosure requirements in new or amended IFRS® Accounting Standards issued between 28 February 2021 and May 2024 were included without reductions. These amendments reduce the disclosure requirements for the relevant standards issued in that period. Ongoing updates will similarly amend IFRS 19 for future standards and amendments.

Read our article to find out more.

IFRS for SMEs®

New educational materials available to support implementation

The IFRS Foundation has published a package of new educational resources to support implementation of the third edition of the IFRS for SMEs Accounting Standard. The educational resources include:

Educational modules

- Module 12 Fair Value Measurement
- Module 19 Business Combinations and Goodwill
- Module 35 Transition to the IFRS for SMEs Accounting Standard

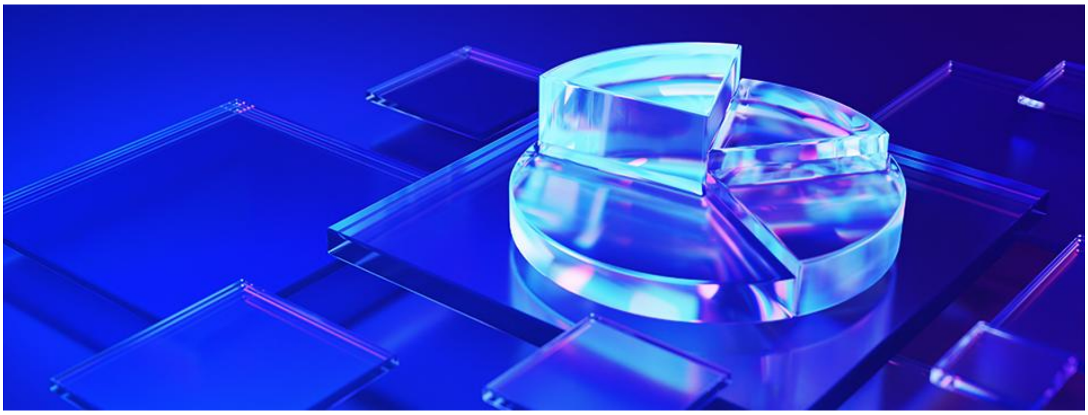
Each module provides practical support and includes a comparison with the related full IFRS Accounting Standard.

Webcasts

- Overview of the new Section 2 Concepts and Pervasive Principles - webcast 4 explains how the revised section aligns with the Conceptual Framework.
- Overview of amendments to Section 7 Statement of Cash Flows – webcast 3 outlines the new disclosure requirements.

Financial reporting in uncertain times

Be clear in uncertain times



In times of heightened uncertainty, investors and regulators look for clarity in your annual report. They want to know how your company is affected, how you address the challenges, what judgements, estimates and assumptions you make, and how you have reflected it all in the financial statements. So you should expect more scrutiny.

To be clear in your financial reports, use our Uncertain times digital hub and our new guide. It has been fully updated, and provides helpful insights on a broad range of topics under IFRS® Accounting Standards.

IASB finalises illustrative examples

Investors and regulators are demanding clarity on uncertainty in financial reporting, so companies should expect increased scrutiny.

As part of its response, the International Accounting Standards Board has released the final version of six new illustrative examples to help companies target areas of known investor and regulator concern. These examples illustrate the application of existing requirements in IFRS® Accounting Standards and do not have an effective date or transition requirements. Although they use climate-related scenarios, they aim to drive clarity on uncertainty in financial reporting more broadly.

Read our article to find out more.

Be clear on climate in impairment

Your how-to guide

Climate change is not just an environmental issue – it is also a strategic and financial one.

Your company's response to climate-related risks and opportunities may impact your cash flows and the value of your assets. Users need relevant information to make informed decisions – including whether and how climate-related risks and opportunities have been considered in impairment testing.

Our new how-to guide – with practical insights and examples – and our updated digital guide will help companies consider the impact of climate change on impairment testing under IAS 36 *Impairment of Assets*.

In addition, read our article, which provides insight on climate-related risks and opportunities and their impact on a company's reporting.

Hyperinflationary presentation currency

IAS 21 final amendments

To reduce diversity in practice and improve the usefulness of information for investors, the International Accounting Standards Board (IASB) has amended IAS 21 *The Effects of Changes in Foreign Exchange Rates* to clarify that:

- a company with a non-hyperinflationary functional currency uses the closing rate at the latest reporting date when translating all the financial statement amounts (including comparatives) into its presentation currency; and
- a company uses the closing rate at the latest reporting date when translating all amounts (excluding comparatives) of a foreign operation with a non-hyperinflationary functional currency and applies the general price index to restate the comparatives.

The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2027. Earlier application is permitted.

Read our article to find out more.

IFRS® compared to US GAAP

Updated handbook

In times of uncertainty, investors, regulators and other users look for clarity in the annual report. They want to know how a company is affected and how it addresses the challenges, and what judgements, estimates and assumptions management makes. For those companies reporting under both IFRS Accounting Standards and US GAAP, our updated IFRS compared to US GAAP handbook highlights the key differences between the two frameworks based on 2025 calendar year ends. It also includes a new chapter highlighting the key differences between the forthcoming requirements of IFRS 18 *Presentation and Disclosure in Financial Statements* and US GAAP.

Use our guide to help you identify and understand the key differences and drive clarity in your financial reporting.

Pillar Two taxes

Applying the mandatory deferred tax exception to QDMT

Many countries are implementing the international tax reform under Pillar Two and introducing top-up taxes. These top-up taxes are subject to the mandatory exception from deferred tax accounting under IAS 12 *Income Taxes*.

In some countries, a domestic minimum top-up tax – intended to be 'qualified' under Pillar Two – is effective from 1 January 2025. However, the 'qualifying' status of such a tax is expected to be formally confirmed at a future date.

Our updated digital guide provides guidance on how to apply the mandatory deferred tax exception to a domestic minimum top-up tax before its qualified status is formally confirmed.

Crypto assets and stable coins

Accounting and tax considerations | Podcast

Crypto assets continue to be in the spotlight. Any company considering investing needs to understand the accounting and tax implications to make informed decisions.

This podcast examines some key considerations for companies – specifically around accounting and tax – with input from Julia LaPointe (Associate Partner, KPMG International Standards Group), Charlotte Lo (Partner, Accounting Advisory Services, Banking & Asset Management, KPMG UK) and Susanne Dixon (Partner, Tax, KPMG UK).