

Agenda Decisions

Updated as at 30 September 2026

The IFRS® Interpretations Committee (IFRIC) is an interpretative body of the IASB® Board (Board) which works with the Board in supporting the application of IFRS® Accounting Standards.

Agenda decisions are a way of making a statement about why a change to an IFRS Standard requirement or an IFRIC® Interpretation of that requirement is not necessary. They often include explanatory information that provide guidance for the consistent application of IFRS Standards. As a result, agenda decisions form part of guidance in IFRS Accounting Standards.

The Board expects entities to implement accounting changes in a timely manner if their policies are inconsistent with an agenda decision. While entities are entitled to 'sufficient time' to implement that accounting change, unless facts and circumstances indicate that more time is needed, entities would be expected to apply a resulting change in accounting policy in the next financial statements (annual or interim) issued after the finalisation of the agenda decision.

Any resulting changes would be accounted for as a change in accounting policy in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, i.e. it is to be applied retrospectively. AASB 108 requires specific disclosures when a change in existing policy or new policy is significant. AASB 108 also requires disclosure of the possible impact of relevant standards on issue but not yet adopted.

IFRIC Update September 2026 | **IFRIC Podcasts**

Legend

High | Medium | Low | Discussed at recent meeting

At the September 2026 IFRIC meeting, **three** new tentative agenda decisions were released which are now open for public comment, and **one** agenda decision was finalised which is now subject to Board approval. Click on the list to navigate.

Item (For agenda decision finalised before 1 August 2026, refer to KPMG's 23rd edition of Insights into IFRS)	Likely prevalence across entities
Tentative agenda decisions [Table 1]	
Estimating Residual Value (IAS 16)	Low
Sale of Equity Investments Measured at Fair Value through Other Comprehensive Income (IFRS 9)	Low
Assets that Generate a Return Individually and Largely Independently of an Entity's Other Resources (IFRS 18)	Low
Control Assessment for a Single-Investor Fund (IFRS 10)	Medium
Management-defined Performance Measures ('MPMs') - Hypothetical Income and Expenses (IFRS 18)	Low
MPMs - Public Communications (IFRS 18)	Low
Assessment of Specified Main Business Activities ('SMBA') for a Manufacturer-Lessor (IFRS 18)	Low
Income and Expenses from Cash and Cash Equivalents (IFRS 18)	Low
Entity with SMBA of providing financing to customers (IFRS 18)	Low
Labels of Subtotals (IFRS 18)	Low
Presentation of Operating Expenses (IFRS 18)	Low
Agenda decisions subject to Board approval/consideration [Table 2]	
Presentation of non-IAS 12 taxes or other charges (IFRS 18)	Medium
Update agenda decisions for references to IFRS 18	Low
Reassessment of control (IFRS 10)	Low

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Table 1: Tentative agenda decisions

IFRIC discussed the following matters and tentatively decided not to add them to its standard-setting agenda. The issues will be reconsidered, including the reasons for not adding the matters to its standard-setting agenda, at a future meeting. IFRIC invites comments from all interested parties on its open tentative agenda decisions.

Subject	Key issue
Estimating Residual Value (IAS 16)	Whether expectations about future developments other than the expected age and condition of the item at the end of its useful life are considered when estimating the residual value of an item of property, plant and equipment.

IFRIC meeting

September 2026

Likely impact

Assets	✔ *
Liabilities	-
Revenue/income	-
Expenses	✔ *

*will impact, direction depends on facts

Resources

KPMG guidance

Insights into IFRS (3.2.150.10)

Latest IFRIC video

IFRIC material

Tentative agenda decision

Background agenda paper

Meeting recording

Discussion

The Committee considered a question on how an entity estimates the residual value of an item of PP&E under IAS 16, specifically whether the estimate should incorporate expected future developments beyond the asset's expected age and condition at the end of its useful life. The fact pattern involves vehicles leased to customers for relatively short periods and depreciated under IAS 16, where residual values significantly affect depreciation expense.

The Committee observed that IAS 16 defines residual value as the amount an entity would currently obtain from disposing of an asset, after deducting the estimated costs of disposal, if it were already of the age and condition expected at the end of its useful life. Accordingly, the objective is not to estimate the proceeds that will be received when the asset is sold in the future, but rather the amount that could be obtained at the reporting date for an asset in its expected end-of-life condition.

The Committee further noted that the residual value:

- does include the effect of future developments **if they are already reflected in current market prices.** For example, expected technological changes that are already reducing the asset's current resale value.
- does not include future developments that **affect prices only in the future**. For example, expected inflation after the reporting date is not reflected in the residual value estimate.

The Committee tentatively concluded that IAS 16 already provides an adequate basis for determining whether expected future developments should be considered when estimating residual value. Consequently, it decided that a standard-setting project is not necessary

Comments on the submission closes on 30 November 2026.

KPMG comment

In many cases, the residual value will be insignificant or zero because the asset will be scrapped at the end of its useful life. However, where the residual value is significant, organisations should consider whether their valuation models are anchored to current market prices for assets of a similar age and condition, rather than forecasting future market conditions, inflation or future price trends.

Questions to consider

Do asset residual values have a material impact on your organisation's depreciation charge?

Where material, is the residual value estimate based on current market evidence rather than a forecast of future disposal proceeds?

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Table 1: Tentative agenda decisions

Subject	Key issue
Sale of Equity Investments Measured at Fair Value through Other Comprehensive Income (FVOCI) (IFRS 9)	How to Account for the Difference Between Fair Value and Sale Proceeds When Disposing of an FVOCI Equity Investment.

IFRIC meeting

September 2026

Likely impact

Assets	-
Liabilities	-
Revenue/income	✔ *
Expenses	✔ *

Resources

KPMG guidance

Insights into IFRS (7.6.230.31)

Latest IFRIC video

IFRIC material

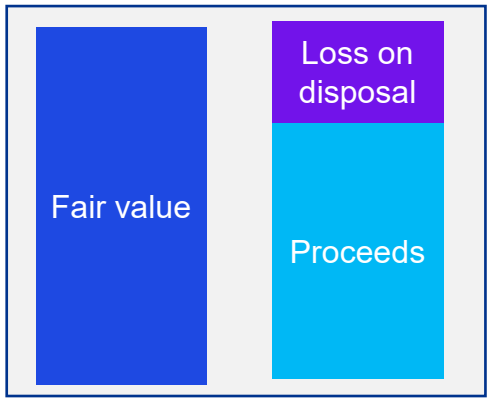
Tentative agenda decision

Background agenda paper

Meeting recording

Discussion

The Committee considered a fact pattern in which an entity elected to measure an investment in an equity instrument at fair value through other comprehensive income in accordance with IFRS 9. The entity subsequently sells that investment and the consideration the entity receives differs from the fair value of the instrument at the disposal date. The question received was whether that difference should be recognised in profit or loss or other comprehensive income (OCI).



Evidence gathered by the Committee to date on the fact pattern presented indicates little diversity that could have a material effect. Feedback suggests that entities with these fact patterns, generally recognise a difference between the fair value of the investment in equity instruments at the disposal date and the consideration received upon disposal in other comprehensive income.

Based on its findings, the Committee tentatively concluded that the matter described in the request does not have widespread effect and consequently decided that a standard-setting project is not needed to address the request.

Comments on the submission closes on 30 November 2026.

KPMG comment

KPMG concurs with the Committee's outreach findings that differences in practice appear to be relatively uncommon and, when they do arise, are generally not material.

However, based on our current reading of the requirements, the FVOCI election applies only to changes in the fair value of the equity investment. Accordingly, on derecognition, any difference between the investment's carrying amount (being its fair value at disposal date) and consideration received would be recognised in profit or loss in accordance with IFRS 9 paragraph 3.2.12.

We note the Committee's tentative agenda decision and will follow the development of the matter with interest, including any comments received during the due process period.

Questions to consider

Where the impact may be material, what accounting policy has been adopted for recognising the difference between sale proceeds and the carrying amount at derecognition, and is this accounting policy applied consistently across all disposals of FVOCI equity investments?

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Table 1: Tentative agenda decisions

Subject	Key issue
Assets that Generate a Return Individually and Largely Independently of an Entity's Other Resources (IFRS 18)	How an entity determines whether an asset generates a return "individually and largely independently" of its other resources.

IFRIC meeting

September 2026

Likely impact

Assets	-
Liabilities	-
Revenue/income	✔ *
Expenses	✔ *

*will impact presentation

Resources

KPMG guidance

Latest IFRIC video

IFRIC material

Tentative agenda decision

Background agenda paper

Meeting recording

Discussion

The Committee considered how an entity assesses whether an asset generates a return "individually and largely independently" of the entity's other resources under IFRS 18 paragraph 53(c). Such assets are generally classified in the investing category of the statement of profit or loss. The submission focused on debt and equity investments held by investment funds.

The Committee noted that entities must apply judgement in determining whether an asset is of the type contemplated by paragraph 53(c). Assets that typically generate returns independently include debt and equity investments, investment properties, and related rental receivables. By contrast, assets used together with other resources to produce or supply goods or services generally do not generate returns independently. Examples include property, plant and equipment, trade receivables arising from the sale of goods or services, and customer loans provided by entities whose main business activity is providing financing to customers.

The Committee emphasised that an asset can still generate a return independently even when some interaction with other resources exists. For example, an investment property may require maintenance, but this does not prevent it from generating a return largely independently of the entity's other resources.

Consequently, for investment funds and similar entities, debt and equity investments will typically be regarded as generating returns individually and largely independently of other resources. In contrast, debt instruments arising from customer relationships, such as trade receivables or customer loans, will typically not meet this criterion because they are linked to the entity's operating activities.

The Committee tentatively concluded that IFRS 18 provides an adequate basis for making these assessments and therefore decided that no standard-setting activity is required.

Comments on the submission closes on 30 November 2026.

KPMG comment

This agenda decision not only impacts investment funds or similar entities, but all entities that hold debt or equity investments.

If finalised, entities will need to consider this agenda decision when preparing for the adoption of IFRS/AASB 18.

Questions to consider

Are any debt instruments that your organisation holds investments, or do they arise from operating activities with customers?

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Table 1: Tentative agenda decisions

Subject	Key issue
Control assessment for a Single-Investor Fund (IFRS 10)	Whether an investor that is the only investor in a fund (other than the fund manager) is automatically deemed to have delegated its decision-making authority to the fund manager when the fund manager is an agent and does not control the fund.

IFRIC meeting

March and June 2026

Likely impact

Assets	✔ *
Liabilities	✔ *
Revenue/income	✔ *
Expenses	✔ *

*will impact, direction depends on facts

Resources

KPMG guidance

Nil

IFRIC material

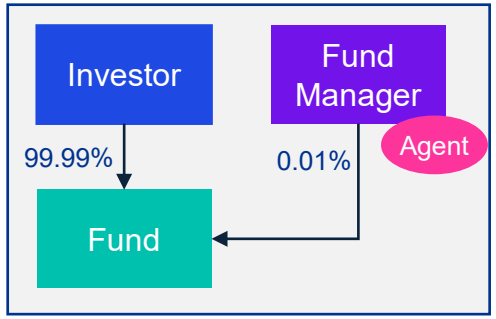
Tentative agenda decision

Background agenda paper

Meeting recording

Discussion

The Committee considered a fact pattern in which a fund is established and designed by a fund manager to attract a number of institutional investors but ultimately has only one substantive investor holding 99.99% of the fund. The investor was not involved in the design of the fund and holds only protective rights, such as the ability to remove the fund manager for cause. The fund manager retains unilateral decision-making authority over all relevant activities, including investment and operational decisions, and receives a market-based fee for its services.



However, the fund manager is assessed as an agent in accordance with IFRS 10 (i.e. it does not control the fund) as the remuneration structure and its minimal direct investment interest (0.01%) does not create sufficient exposure to returns.

The Committee noted that IFRS 10 requires an investor to determine whether a decision-maker is acting as its agent. When an investor has delegated decision-making authority over some or all relevant activities to an agent, the investor treats the delegated decision-making rights as if they are held directly by the investor. Concluding that an investor holds all the decision-making rights of a fund manager solely because - or automatically if - the fund manager is an agent for the sole investor could result in outcomes that are inconsistent with the control model. Being the only investor in the fund other than the fund manager who is determined to be an agent does not, in isolation, mean that the investor is automatically deemed to have delegated its decision-making authority to the fund manager. Assessing control requires consideration of all facts and circumstances, including whether the investor has power over the relevant activities, exposure to variable returns, and the ability to use its power to affect those returns.

The Committee tentatively decided that a standard-setting project is not required.

Comments on the submission closed on 9 September 2026.

KPMG comment

KPMG welcomes the tentative agenda decision, which we expect will promote greater consistency in practice by clarifying the application of the control requirements in IFRS 10.

Organisations who have previously defaulted to the investor having delegated decision-making authority will need to reassess control which may lead to no longer consolidating the fund.

Questions to consider

Is your organisation the sole or dominant investor in a fund where key decisions are made by a fund manager acting as an agent?

Does your organisation act as a fund manager with decision-making authority over a fund?

Both of these cases require careful consideration of whether decision-making authority has been delegated.

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Table 1: Tentative agenda decisions

Subject	Key issue
Management-defined Performance Measures - Hypothetical Income and Expenses (IFRS 18)	Whether performance measures that include hypothetical income and expenses can be Management-defined Performance Measures (MPM).

IFRIC meeting

June 2026

Likely impact

Assets	-
Liabilities	-
Revenue/income	-
Expenses	-

*will impact disclosure

Resources

KPMG guidance

Nil

IFRIC material

Tentative agenda decision

Background agenda paper

Meeting recording

Discussion

The Committee received a request about whether a performance measure that includes hypothetical income and expenses - being amounts that are not recognised and will never be recognised under IFRS Accounting Standards - can meet the definition of a MPM.

Specifically, the request asks whether such hypothetical income and expenses:

(a) is a subtotal of income and expenses; and

(b) must faithfully represent an aspect of the financial performance of the entity as a whole.

The Committee observed that the definition of an MPM requires a subtotal of income and expenses but does not restrict how that subtotal is calculated. In particular, IFRS 18 does not prohibit the inclusion of amounts that are not recognised in the financial statements. Accordingly, a performance measure that includes hypothetical income and expenses can still meet the definition of a subtotal of income and expenses, and therefore, an MPM.

The Committee further observed that the requirement for faithful representation focuses on whether the measure faithfully represents what it purports to communicate—namely, **management's view** of an aspect of the financial performance of the entity as a whole. In this context, faithful representation does not assess whether the measure is a 'good' or 'bad' measure.

The Committee tentatively decided that a standard-setting project is not needed to address the request.

Comments on the submission closed on 9 September 2026.

KPMG comment

Most public companies and many private companies use MPMs. This decision, if finalised, will be important for organisations as they plan how to communicate with stakeholders.

Examples of performance measures that, depending on the facts and circumstances, could include 'hypothetical' amounts are annualised monthly results or a performance measure that excludes the impact of a major crisis.

When ASIC updates RG 230 *Disclosing non-IFRS financial information* it will be interesting to see whether limitations are placed on the use of MPMs that include hypothetical income and expenses.

Questions to consider

Does your organisation include 'hypothetical' amounts in its performance measures?

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Table 1: Tentative agenda decisions

Subject	Key issue	
Management-defined Performance Measures (MPM) - Public Communications (IFRS 18)	Whether confidential investor presentations to a restricted group constitute 'public communications' for identifying an MPM.	
IFRIC meeting	**Discussion**	**KPMG comment**
June 2026	The Committee received a request about whether investor presentations shared on a confidential basis with a restricted group of shareholders or potential investors constitute 'public communications' for the purposes of identifying a management-defined performance measure (MPM). The Committee observed that, to meet the definition of an MPM in IFRS 18, a subtotal of income and expenses must be used in 'public communications outside financial statements'. IFRS 18 provides application guidance to assist entities in determining what constitutes public communications, including examples, of communications that are included. The list includes investor presentations. However, the Committee noted that the reference to investor presentations should not be interpreted to mean that all such presentations are automatically public communications. The Committee observed that determining whether a specific communication is public requires judgement, taking into account the facts and circumstances. The Committee concluded that the presentations described in the fact pattern are not public communications for the purposes of identifying a management-defined performance measure applying IFRS 18. The Committee tentatively decided that a standard-setting project is not needed to address the request. Comments on the submission closed on 9 September 2026.	Most public companies and many private companies use MPMs. This decision, if finalised, will be important for organisations as they plan how to communicate with stakeholders. Where investor presentations are provided to only a limited group of stakeholders subject to a confidentiality agreement and restrictions on redistribution, these would likely not constitute 'public communications'.
Likely impact		**Questions to consider**
Assets - Liabilities - Revenue/income - Expenses - *will impact disclosure		Does your organisation share investor presentations on a confidential basis with only a restricted group of stakeholders? If so, these may be excluded from IFRS/AASB 18's MPM requirements.
Resources		
KPMG guidance Nil **IFRIC material** Tentative agenda decision Background agenda paper Meeting recording		

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Table 1: Tentative agenda decisions

Subject	Key issue	
Assessment of Specified Main Business Activities (SMBA) for a Manufacturer-Lessor (IFRS 18)	How an entity that is a manufacturer-lessor assesses whether its operating lease activity is a specified main business activity - that is, a main business activity of providing financing to customers or investing in assets.	
IFRIC meeting	**Discussion**	**KPMG comment**
June 2026	The Committee considered how a manufacturer-lessor determines whether its combined leasing activities - comprising both finance and operating leases - constitute a main business activity of providing financing to customers under IFRS 18. The Committee noted that IFRS 18 requires entities to assess specified main business activities at the level of the reporting entity as a whole, using judgement and considering all relevant facts and circumstances. This assessment is evidential and based on indicators such as how the business is managed and how performance is measured. In the fact pattern, the entity manages sales and leasing activities together, uses refinancing arrangements that generate interest expense, and monitors performance using a single subtotal similar to gross profit that includes income and expenses from both types of leases. The Committee observed that these factors indicate that the aggregated lease activity is likely a main business activity of providing financing to customers. Importantly, the classification of leases as operating or finance leases does not preclude this conclusion, and the absence of similar examples in the standard is not determinative. The Committee tentatively decided that a standard-setting project is not needed to address the request. Comments on the submission closed on 9 September 2026.	If finalised, entities will need to consider this agenda decision when preparing for the adoption of IFRS/AASB 18.
Likely impact Assets - Liabilities - Revenue/income ✔ * Expenses ✔ * *will impact presentation		**Questions to consider** If your organisation is a manufacturer-lessor, how do you assess performance of your lease activities (i.e. finance and operating leases together or separate)?
Resources **KPMG guidance** Nil **IFRIC material** Tentative agenda decision Background agenda paper Meeting recording		

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Table 1: Tentative agenda decisions

Subject	Key issue	
Classification of Income and Expenses from Cash and Cash Equivalents (IFRS 18)	How an entity classifies income and expenses from cash and cash equivalents in its consolidated statement of profit or loss if the entity has, alongside other business activities, a main business activity of investing in financial assets and providing financing to customers.	
IFRIC meeting	**Discussion**	**KPMG comment**
June 2026	The Committee considered how an entity classifies income and expenses from cash and cash equivalents when it has multiple main business activities, including investing in financial assets and providing financing to customers. The request asked whether the requirement for an entity with a main business activity of investing in financial assets within the scope of paragraph 53(c) of IFRS 18 to classify income and expenses from cash and cash equivalents in the operating category applies to all cash and cash equivalents, even when some balances relate to financing activities or other business activities such as manufacturing. The Committee observed that IFRS 18 requires an entity to assess its main business activities at the level of the reporting entity as a whole. Where an entity has a main business activity of investing in financial assets within the scope of paragraph 53(c), paragraph 56(a) requires income and expenses from cash and cash equivalents to be classified in the operating category. This requirement applies to all cash and cash equivalents, regardless of whether some balances relate to other activities such as providing financing to customers or manufacturing. The Committee therefore concluded that IFRS 18 provides a clear basis for classifying all such income and expenses in the operating category and tentatively decided that no standard-setting is required. Comments on the submission closed on 9 September 2026.	This agenda decision will affect a broad range of companies, from banks to investment companies. If finalised, such entities will need to consider this agenda decision when preparing for the adoption of IFRS/AASB 18.
Likely impact Assets - Liabilities - Revenue/income ✔ * Expenses ✔ * *will impact presentation		**Questions to consider** None
Resources **KPMG guidance** Nil **IFRIC material** Tentative agenda decision Background agenda paper Meeting recording		

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Table 1: Tentative agenda decisions

Subject	Key issue
Classification of Income and Expenses when an entity has a MBA of providing financing to customers (IFRS 18)	Several application questions relating to the accounting policy choice in IFRS 18 par. 65(a)(ii) on classifying income and expenses from liabilities that arise from transactions that involve only the raising of finance, but do not relate to a Main Business Activity (MBA) of providing financing to customers.

IFRIC meeting

June 2026

Likely impact

Assets	-
Liabilities	-
Revenue/income	✔ *
Expenses	✔ *

*will impact presentation

Resources

KPMG guidance

Nil

IFRIC material

Tentative agenda decision

Background agenda paper

Meeting recording

Discussion

The Committee received a request about how an entity with a MBA of providing financing to customers classifies income and expenses in the statement of profit or loss. The request focuses on the accounting policy choice of IFRS 18 paragraphs 65–66, to classify income and expenses from liabilities arising from financing transactions (financing liabilities) but do not relate to providing financing to customers. The request asked whether:

(i) the policy choice applies to the consolidated group or only relevant subsidiaries.

The Committee observed that the assessment of whether providing financing to customers is an SMBA is performed at the level of the reporting entity as a whole and so the accounting policy choice apply to the group, rather than to particular subsidiaries.

(i) the policy choice is mandatory where only a portion of liabilities cannot be distinguished.

The Committee noted that the the requirements apply to all financing liabilities in these cases. Accordingly, the classification is applied consistently to the entire population of financing liabilities of the consolidated group, even if some distinctions can be made.

(i) consistency is required between an entity's accounting policies in IFRS 18 par. 56(b) for classifying income and expenses from cash and cash equivalents and financing liabilities.

The Committee observed that when an entity classifies income and expenses from cash and cash equivalents in the operating category because it cannot distinguish those relating to providing financing to customers from those that do not, it must apply the same classification to income and expenses from financing liabilities

The Committee tentatively decided that a standard-setting project is not needed.

Comments on the submission are due by 9 September 2026.

KPMG comment

This agenda decision will affect a broad range of companies, from banks to manufacturer-lessor.

If finalised, such entities will need to consider this agenda decision when preparing for the adoption of IFRS/AASB 18.

Questions to consider

None

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Table 1: Tentative agenda decisions

Subject	Key issue	
Labels of Subtotals (IFRS 18)	Where an additional subtotal in an entity's statement of profit or loss is also an MPM, whether the label is required to explicitly list all the elements that are excluded from (or, alternatively, included in) the measure.	
IFRIC meeting	**Discussion**	**KPMG comment**
June 2026	The Committee received a request about whether the label of an additional subtotal presented in the statement of profit or loss, when that subtotal is also a management-defined performance measure (MPM), must explicitly list all items included in or excluded from the measure. The Committee observed that IFRS 18 sets out principles for labelling subtotals and MPMs and that determining the appropriate label for the measure requires judgement and depends on an entity's specific facts and circumstances. The Committee observed that it is possible to meet the applicable requirements for labelling without listing in the measure's label all the elements excluded from (or included in) the measure. For example, paragraph B135(a) includes an example of a management-defined performance measure with a label of '*operating profit before non-recurring expenses*'. Paragraph B135(b) then requires an entity to 'explain the meaning of terms it uses in its descriptions…(for example, explaining how the entity defines 'non-recurring expenses')', and paragraph 43 states '[i]n some cases, an entity might need to include in the descriptions and explanations the meaning of the terms the entity uses'. The Committee observed that all necessary descriptions and explanations need not be included in the label itself and may be disclosed in the notes. The Committee tentatively decided that a standard-setting project is not needed to address the request. Comments on the submission are due by 9 September 2026.	If finalised, entities will need to consider this agenda decision when preparing for the adoption of IFRS/AASB 18.
Likely impact Assets - Liabilities - Revenue/income ✔ * Expenses ✔ * *will impact presentation		**Questions to consider** None
Resources **KPMG guidance** Nil **IFRIC material** Tentative agenda decision Background agenda paper Meeting recording		

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Table 1: Tentative agenda decisions

Subject	Key issue	
Presentation of Operating Expenses (IFRS 18)	Whether an entity that includes some amounts of an operating expense in a function line item must present the entire amount of that operating expense in function line items.	
IFRIC meeting	**Discussion**	**KPMG comment**
June 2026	The Committee received a request about the presentation of operating expenses in the statement of profit or loss. Specifically, the request asked when an entity is required to use a mixed presentation - classifying some operating expenses by nature and others by function - and whether an entity that presents part of an operating expense in a function line item must present the entire amount in function line items. The Committee observed that IFRS 18 requires an entity to present operating expenses in a way that provides the most useful structured summary of those expenses. An entity may classify expenses by nature, by function, or by both. Accordingly, a mixed presentation is required when using both characteristics results in more useful information for users. The Committee observed that paragraph B82 of IFRS 18 sets out an example in which an entity includes some employee benefits in a function line item and other employee benefits in a nature line item. Paragraph B82 then requires an entity that classifies and presents some expenses by nature and other expenses by function to label the resulting line items in a way that clearly identifies which expenses are included in each line item. The Committee noted that the example in paragraph B82 illustrates that if an entity includes some expenses of the same nature in one or more function line items, it is not required to include all expenses of that nature in function line items. The Committee tentatively decided that a standard-setting project is not needed to address the request. Comments on the submission closed on 9 September 2026.	None
Likely impact Assets - Liabilities - Revenue/income ✔ * Expenses ✔ * *will impact presentation		**Questions to consider** None
Resources **KPMG guidance** Nil **IFRIC material** Tentative agenda decision Background agenda paper Meeting recording		

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Table 2: Agenda decisions subject to Board approval/consideration

IFRIC has finalised the following agenda decisions, however, it is still subject to Board approval. The Board will consider these items at a future meeting.

	Key issue	
Presentation of non-IAS 12 taxes or other charges (IFRS 18)	Whether an entity can present taxes or other charges that are not income taxes within the scope of IAS 12 either within the required 'income tax expense or income' line item or elsewhere in the income taxes category.	
IFRIC meeting	**Discussion**	**KPMG comment**
November 2025 **Likely impact** Assets - Liabilities - Revenue/income - Expenses ✔ * *will impact, presentation **Resources** **KPMG guidance** KPMG video briefing Insights into IFRS (3.13.45.20) **IFRIC material** Tentative agenda decision Background agenda paper Meeting recording	The IASB tasked the Committee to consider whether IFRS 18 permits an entity to present taxes or other charges that are not income taxes within the scope of IAS 12 *Income Taxes* either within the required 'income tax expense or income' line item or elsewhere in the income taxes category of the statement of profit or loss. The matter arose because differing views had been reported on whether such non-IAS 12 taxes could be included in that line item or presented as an additional line item within the income taxes category. The Committee noted that IFRS 18 requires the 'income tax expense or income' line to be presented in the income taxes category and that paragraph 67 restricts this category to amounts recognised in profit or loss applying IAS 12, together with related foreign exchange differences. On this basis, the Committee concluded that entities are not permitted to present taxes or charges outside the scope of IAS 12 either in the required line item 'income tax expense or income" or elsewhere in the income taxes category. The Committee tentatively concluded that IFRS Accounting Standards provide adequate guidance to determine the appropriate presentation and therefore decided not to add this matter to its work plan. In July 2026, the IASB tentatively decided to propose amendments to IFRS 18. The proposed amendments would require an entity to classify, in the income taxes category of the statement of profit or loss, tax charges imposed by a government as a direct substitute for income taxes. The IASB expects to publish an exposure draft in Q4 2026.	Organisations with material taxes or charges that fall outside the scope of IAS 12 should closely monitor standard-setting developments, as the IASB is considering potential amendments to IFRS 18 in response to stakeholder feedback following the agenda decision. Whilst not explicitly addressed in the agenda decision, organisations may also need to carefully consider how interest and penalties related to income taxes are presented. **Questions to consider** • Does your organisation incur any taxes, levies or royalties that fall outside the scope of IAS 12? • Does your organisation currently present any non-IAS 12 taxes or levies within the income taxes category or within the 'income tax expense or income' line item? • How does your organisation classify interest and penalties related to income taxes? • Is your organisation subject to charges that are considered 'covered taxes' under the Pillar Two model rules?

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Table 2: Agenda decisions subject to Board approval/consideration

Subject	Key issue	
Update agenda decisions for references to IFRS 18	The IFRIC discussed how to update existing agenda decisions to reflect IFRS 18 *Presentation and Disclosure in Financial Statements* when it becomes effective and IAS 1 *Presentation of Financial Statements* is withdrawn.	
IFRIC meeting	**Discussion**	**KPMG comment**
June 2025 and March 2026	At its June 2025 meeting, the Committee decided: (i) to recommend to the IASB to withdraw two agenda decisions: *Presentation of income and expenses arising on financial instruments with a negative yield* and *Supply Chain Financing Arrangements—Reverse Factoring*; (ii) to propose additional updates to the two agenda decisions: *Presentation of payments on non-income taxes* and *Classification of tonnage taxes*; and (iii) to finalise the proposed updates to the following six agenda decisions: • *Disclosure of Revenues and Expenses for Reportable Segments* (July 2024) • *Demand Deposits with Restrictions on Use arising from a Contract with a Third Party* (April 2022) • *Subsequent Expenditure on Biological Assets* (September 2019) • *Disclosure of Changes in Liabilities Arising from Financing Activities* (September 2019) • *Physical settlement of contracts to buy or sell a non-financial item* (March 2019) • *Current or non-current asset classification—normal operating cycle* (June 2005) At its January 2026 meeting, the IASB decided to withdraw the agenda decisions in (i) and did not object to six updated agenda decisions in (iii). At its March 2026 meeting, the Committee tentatively concluded updates to the agenda decisions in (ii). The IASB will be asked whether it objects to those updates at its future meeting. The IASB met on 19 May 2026 and deferred a decision on whether it objects to the agenda decision pending the outcome of the Income Tax agenda decision.	None **Questions to consider** None
Likely impact Assets ✔ * Liabilities ✔ * Revenue/income ✔ * Expenses ✔ * *will impact, direction depends on facts		
Resources **KPMG guidance** KPMG video briefing **IFRIC material** Tentative agenda decision (Item ii) Background agenda paper: Updates to agenda decisions Meeting recording		

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Table 2: Agenda decisions subject to Board approval/consideration

Subject	Key issue	
Reassessment of control (IFRS 10)	Whether an entity reassesses whether it retains control of an investee when the investee's governing document is amended.	
IFRIC meeting	**Discussion**	**KPMG comment**
March 2026	The Committee received a request asking whether an entity reassesses whether it retains control of an investee when the investee's governing document is amended. In the fact pattern, an entity was involved in setting the purpose and design of an investee when the investee was established. At that time, the entity concluded—applying IFRS 10—that it controlled the investee. At a later date, the governing document of the investee is amended in a way that could result in a change in the investee's relevant activities, as well as in the rights of the entity and other parties relating to those relevant activities. The request asks whether—applying paragraph 8 of IFRS 10—the amendments to the investee's governing document require the entity to reassess whether it continues to control the investee. Evidence gathered by the Committee indicated no diversity in determining whether, in the fact pattern described in the request, the entity reassesses whether it retains control of the investee. Feedback suggests that, in that fact pattern, the entity reassesses whether it retains control of the investee. Based on its findings, the Committee tentatively concluded that the matter described in the request does not have widespread effect. Consequently, the Committee tentatively decided not to add a standard-setting project to the work plan.	The assessment of control is performed on a continuous basis and an investor reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of the control model. This requirement applies not only to the investor who currently consolidates the investee (in determining if it should deconsolidate) but also to any other investor involved with the investee (in determining if it should consolidate). **Questions to consider** Have there been any amendments to the governing documents of your organisation's investees, and if so, do those amendments affect the relevant activities of the investee or the decision-making rights held by your organisation?
Likely impact Assets ✔ * Liabilities ✔ * Revenue/income ✔ * Expenses ✔ * *will impact, direction depends on facts		
Resources **KPMG guidance** Insights into IFRS (2.5.410.10) **IFRIC material** Tentative agenda decision Background agenda paper Meeting recording		

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