



Accounting and sustainability reporting newsletter

Navigating the Evolving Landscape of Accounting



For the period

January – March 2026

KPMG Caucasus and Central Asia

Foreword

This edition of our quarterly newsletter provides essential updates and practical insight across accounting and sustainability reporting matters. It covers significant topics including essential guides to reporting, risk mitigation accounting, accounting for tax incentives, proposed amendments to IAS 28, uncertainty in financial reporting and IFRIC Agenda Decisions related to IFRS 18. On the sustainability front, it covers a new GHG Protocol Standard, materiality for sustainability reporting, updates on the ISSB's discussions on nature reporting, and proposals to improve industry-based disclosures.

We trust this newsletter will equip you with valuable knowledge to navigate current challenges and opportunities in the accounting and reporting landscape. To find out more about how KPMG can help your organization with your accounting needs, please feel free to get in touch with any of the contacts listed in this publication.



Mukhit Kossayev

Head of Audit
KPMG Caucasus and Central Asia



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Accounting matters



Essential guides to reporting

Investment funds disclosure

KPMG's guide to annual financial statements – Illustrative disclosures for investment funds can help companies prepare their financial statements in accordance with IFRS® Accounting Standards. It illustrates one possible format for financial statements based on a fictitious tax-exempt open-ended single-fund investment company.

The 2025 edition reflects IFRS Accounting Standards in issue at 30 November 2025 that are required to be applied for annual periods beginning on 1 January 2025.

[Click here](#) to access the guide.

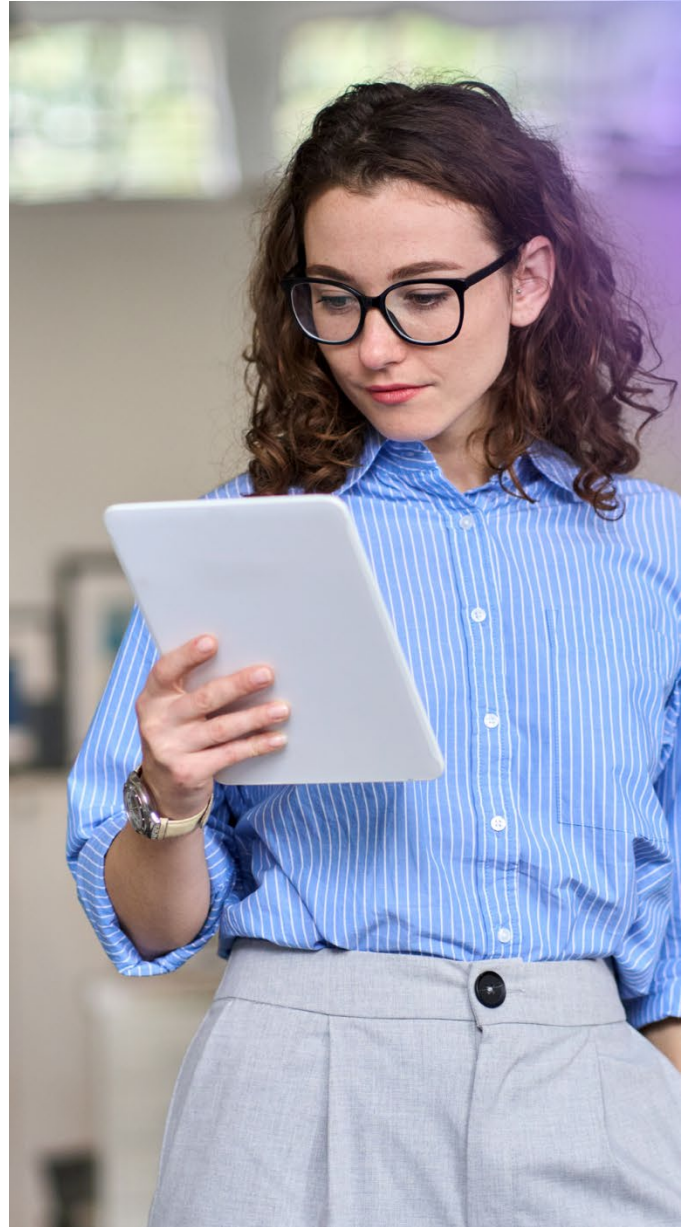
Annual and interim financial statements

When preparing financial statements, KPMG's 2026 guides can help companies to:

- be clear in times of uncertainty;
- tell a connected story;
- focus on decision-useful information;
- remember the bigger picture.

These guides comprise illustrative disclosures and disclosure checklists, reflecting IFRS® Accounting Standards in issue at 20 March 2026. They are based on the requirements that apply for 2026 reporting periods, including those under IAS 1 Presentation of Financial Statements. Also, look out for KPMG's future guides that will reflect the requirements of IFRS 18 Presentation and Disclosure in Financial Statements, which is effective from 1 January 2027.

[Click here](#) to access the guide.



Risk mitigation accounting

Your essential guide on risk mitigation accounting

A new accounting model proposed by the International Accounting Standards Board could have significant impacts for banks and insurers that manage repricing risk dynamically.

New presentation and disclosure requirements would also apply, including a new risk mitigation adjustment line item in the statement of financial position. The existing hedge accounting requirements under IAS 39 Financial Instruments: Recognition and Measurement would be withdrawn.

Read KPMG's detailed guide, which offers insights and analysis on the proposed new model to help you think through the implications for the business.

[Click here](#) to access the guide.



Accounting for tax incentives

Key questions answered on accounting for tax incentives

Tax incentives are often used by governments around the world to deliver on their public policies, particularly in times of heightened uncertainty.

Tax incentives may involve complex rules and raise challenging accounting questions.

KPMG's new digital guide addresses common types of tax credits and answers key questions on:

- how to determine which IFRS® accounting standard to apply; and
- what this means for the accounting and presentation in the financial statements.

[Click here](#) to access the guide.



Proposed amendments to IAS 28

Fair value option

A company is required to account for investments in associates and joint ventures under the equity method, unless it qualifies for the exemption in IAS 28 Investments in Associates and Joint Ventures to measure these investments at fair value through profit or loss (the fair value option).

The International Accounting Standards Board (IASB) is proposing narrow-scope amendments to IAS 28. The proposals clarify the scope of the fair value option and would make it available to companies that have a main business activity of investing in particular types of assets (consistent with the concept of specified main business activities in IFRS 18 Presentation and Disclosure in Financial Statements).

A company would apply the proposed amendments when it applies IFRS 18, which is effective for annual periods beginning on or after 1 January 2027. There is an accelerated 60-day comment period ending on 20 April 2026.

[Click here](#) to read the article



Uncertainty in financial reporting

External events impact on financial reporting

External events, including geopolitical tensions, continue to trigger uncertainty and cause market volatility, inflationary pressure, shifting customer demand and supply chain disruption. In times of heightened uncertainty, investors and regulators look for clarity in companies' financial reports. They want to know how a company is affected, how it is addressing the challenges, what judgements, estimates and assumptions it makes, and how this is reflected in the financial statements.

Companies need to think broadly to:

- identify the relevant risks and uncertainties and consider their strategic response;
- determine the financial reporting impacts; and
- tell a clear and connected story.

[Click here](#) to access the guide.

Also, access the [Uncertain times digital hub](#) that provides helpful insights on a broad range of topics under IFRS[®] Accounting Standards.



IFRIC Agenda Decisions | IFRS 18

Five new agenda decisions

In its March meeting, the IFRS Interpretations Committee voted to finalize new agenda decisions addressing IFRS 18. Several of these decisions are likely to mean changes in practice, so companies will need to keep a close eye on the outcomes as they prepare financial statements under the new standard.

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

[Click here](#) to watch the video.



Sustainability matters



GHG Protocol | Land sector emissions and CO2 removals

A new GHG Protocol standard

Companies that present greenhouse gas (GHG) emissions in accordance with the GHG Protocol (GHGP) will need to change the way they account for land-based activities from 1 January 2027. Changes to accounting for removals are optional.

The GHGP's new Land Sector and Removals Standard affects agricultural companies, as well as those with land sector activities in the value chain such as food or packaging. Companies involved with removals may have no connection to the land sector.

The standard builds on the GHG Protocol Corporate Accounting and Reporting Standard and the GHG Protocol Value Chain (Scope 3) Accounting and Reporting Standard and now forms part of the GHGP Corporate Suite of Standards.

[Click here](#) to read the article



Materiality for sustainability reporting

New illustrative example supplement

To make the right decisions, investors need the right information at the right time. So, when preparing reports under IFRS Sustainability Disclosure Standards, companies need to provide sustainability-related information that is clear, structured and decision-useful. However, they may face challenges in determining which information to report.

KPMG's new supplement includes a new example that illustrates how to apply the guide to a specific scenario. Together, the guide and example can help companies:

- navigate the complexities of sustainability reporting; and
- filter the relevant information to provide to their investors.

[Click here](#) to read the supplement.



Reporting on nature | Updates on the ISSB's discussions

Update on the ISSB's February discussions

Companies can expect new guidance on reporting nature-related risks and opportunities, following the latest developments in the International Sustainability Standards Board's (ISSB) Nature-related Disclosures project. In February 2026, the ISSB confirmed that its proposals will focus on 'nature-related risks and opportunities' – a broad scope that mirrors the language in IFRS S2 Climate-related Disclosures, while also drawing on the Taskforce for Nature-related Financial Disclosures (TNFD) framework. Companies will also receive guidance to help them connect nature- and climate-related information in their reporting.

The ISSB project (formerly known as Biodiversity, Ecosystems and Ecosystem Services – BEES) aims to supplement IFRS® Sustainability Disclosure Standards and related SASB industry guidance with new nature-specific requirements and guidance that build on the TNFD framework. An exposure draft of the new requirements and guidance is expected in October 2026. It will be followed by a period of public consultation and revision.

Update on the ISSB's March discussions

Companies can expect further clarity on how to report on a broad spectrum of nature-related topics under IFRS Sustainability Disclosure Standards. In March 2026, the ISSB decided to enhance IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information by adding incremental guidance on nature-related transition plans and targets, and by referring to SASB and other established standards for metrics.

The decisions aim to enhance interoperability with other standards, while recognizing that market practice and investor needs around nature-related disclosures are still developing. The Nature-related Disclosures exposure draft is expected in October 2026. It will be followed by a period of public consultation and revision.

[Click here](#) to read the article.

Enhancing the SASB Standards | Improvement on industry-based disclosures

Further proposals to improve industry-based disclosures

Many companies use SASB Standards to provide decision-useful information to investors. These industry-based standards are set to change.

The International Sustainability Standards Board (ISSB) has launched a consultation on proposed amendments to three industry standards, affecting agricultural products; meat, poultry and dairy; and electric utilities and power generators.



[Click here](#) to read the article.

Contact us



Mukhit Kossayev
Partner and Head of Audit
KPMG Caucasus and Central Asia
E: mkossayev@kpmg.kz



Nikoloz Chochua
Head of Audit
KPMG Georgia
E: nchochua@kpmg.com



Nodirbek Vakhidov
Managing Partner and Head of Audit
KPMG Uzbekistan
E: nvakhidov@kpmg.com



Nasiba Muradkhanova
Partner, Head of Audit
KPMG in Azerbaijan
E: nmuradkhanova@kpmg.az



Irina Gevorgyan
Managing Partner and Head of Audit
KPMG Armenia
E: igevorgyan@kpmg.co.am

kpmg.com

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