Accounting and sustainability reporting newsletter

Navigating the Evolving Landscape of Accounting

For the period

April – June 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 IFRS 18 impacts for banks and insurers, tentative agenda decisions about management-defined performance measures, accounting for tariff refunds and cryptoassets, updated observations from insurers' reporting under IFRS 17 and IFRS 9, uncertainty in financial reporting and a new IFRS accounting standard for rate regulated companies. On the sustainability front, it covers penultimate ISSB discussion on the draft practice statement and final revised European Sustainability Reporting Standards.

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.

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Accounting matters

Key industry-specific impacts of IFRS 18

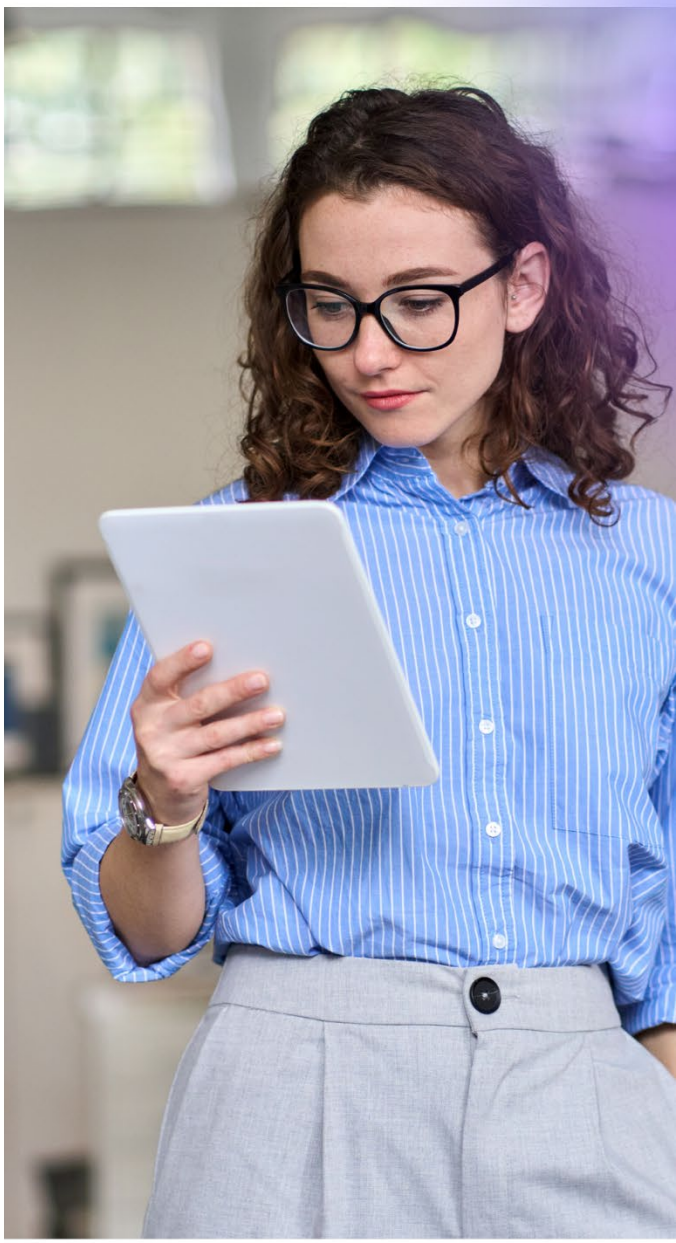
IFRS 18 impacts for banks and insurers

IFRS 18 Presentation and Disclosure in Financial Statements is effective from 1 January 2027 and applies retrospectively, with comparatives restated.

KPMG's new IFRS 18 guide highlights the key industry-specific impacts for banks and insurers as they get into the detail and think about how the new requirements apply to their specific circumstances.

Banks and Insurer will be impacted, whether it be the more structured income statement, disclosed and audited MPMs or enhanced aggregation and disaggregation of information.

The impact may depend on current presentation practices.



Click here to access IFRS 18 guide for banks

Click here to access IFRS 18 guide for insurers

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IFRIC agenda decisions | IFRS 18

Management-defined performance measures

In its June meeting, the IFRS® Interpretations Committee again devoted much of its time to IFRS 18 *Presentation and Disclosure in Financial Statements*, which is effective for 2027. For the first time, the Committee has issued tentative agenda decisions about management-defined performance measures (MPMs). These new decisions will be important for companies as they plan their communications with investors.

In the latest video, part of a series on key discussions by the Committee, Brian O'Donovan summarises the discussions on MPMs and gives an overview of the other IFRS 18-related topics discussed.

Click here to watch the video

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Accounting for tariff refunds

Assess the impacts on your financial reporting

Some companies have paid tariffs on US imports and may be entitled to a refund. For those that have not received a refund, uncertainty exists over whether and when they would receive it. For those that have, uncertainty may exist over whether they would need to return the amounts received.

The situation continues to evolve and judgement is required to determine the impact on your financial reporting.

Clear and company-specific disclosures about potential future refunds are critical to providing users of financial statements with relevant information.

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Real-time IFRS 17

Updated observations on insurers' reporting

KPMG's latest analysis of 55 insurers from across the globe shows a growing maturity in the application of IFRS 17 *Insurance Contracts*, with insurers refining their accounting policies and disclosures. In line with prior years, the analysis focused on the accounting policies, significant judgements and disclosures under IFRS 17 and IFRS 9 *Financial Instruments*.

More insurers disclosed changes to accounting policies and estimates related to IFRS 17 in their 2025 annual financial statements, signaling maturity in their application of the standard. However, differences in the quality and detail of insurers' disclosures, and their differing accounting policy choices and estimates, make comparability more challenging for users of financial statements.

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Uncertainty in financial reporting

Be clear on uncertainties

In recent years, corporate reporting has been dominated by the effects of the pandemic, energy price shocks, tariffs, inflation and supply chain disruption. The potential impacts on financial reporting include valuation, impairment and, ultimately, going concern.

In his new video, Brian O'Donovan explains that it is not enough to rely on generalities when making disclosures about market uncertainties: a key to being clear is to be specific.

Moreover, heightened uncertainty, including geopolitical developments, continues to pose challenges for airlines. It has disrupted air passenger transport, driven major airspace and operational constraints, and contributed to an oil supply shock that has increased fuel costs and heightened concern over future supply.

Click here to access the guide on reporting considerations for airline sector.

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

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Regulatory assets and regulatory liabilities

New IFRS accounting standard for rate regulated companies

Rate regulation, common in the utility and transport sectors, can have a significant effect on a company's long-term financial performance. However, until now, IFRS Accounting Standards – unlike some national GAAPs – have not included comprehensive guidance on the accounting impacts of rate regulation.

This gap is now addressed by IFRS 20 *Regulatory Assets and Regulatory Liabilities*, which replaces IFRS 14 *Regulatory Deferral Accounts*. Companies are required to apply IFRS 20 for reporting periods beginning on or after 1 January 2029. Earlier application is permitted, subject to any local endorsement requirements.

IFRS 20 introduces a new accounting model under which a company subject to rate regulation that meets the scope criteria recognises regulatory assets and regulatory liabilities.

Our First Impressions publication provides detailed insights, using a step-by-step approach and illustrative examples to show how companies might apply IFRS 20.

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Accounting for cryptoassets

Guidance on cryptoassets

Companies may use cryptoassets in different ways and accounting for them can be challenging, because there is no specific guidance in IFRS® Accounting Standards.

KPMG's new digital guide addresses how to determine the appropriate accounting for common uses of cryptoassets, including:

- holding them (e.g. store of value);
- making payments (e.g. with stablecoins); and
- securing blockchains (e.g. by crypto mining or staking activities).

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Sustainability matters

Reporting on nature | Update on the ISSB's discussions

Update on ISSB's April discussions

Companies can expect guidance on reporting nature-related topics under IFRS® Sustainability Disclosure Standards in a future IFRS practice statement.

The ISSB decided in April 2026 that it would provide future voluntary guidance as a practice statement rather than a mandatory disclosure standard.

The ISSB also decided to provide guidance on location-specific information and engagement with indigenous peoples, local communities and affected stakeholders.

Penultimate ISSB discussion on the draft practice statement

Companies can now preview selected preliminary draft guidance before the release of the exposure draft of the IFRS practice statement on nature-related disclosures

At its June 2026 meeting to discuss the upcoming practice statement, the International Sustainability Standards Board (ISSB) decided that companies already applying Taskforce on Nature-related Financial Disclosures (TNFD) recommendations would be permitted to build on their existing nature-related metrics for ISSB reporting purposes.

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Revised European Sustainability Reporting Standards

ESRS proposals

Companies can now gain a clearer view of the requirements of the revised European Sustainability Reporting Standards (ESRS). After a period of uncertainty, change and recalibration, the European Commission's final draft of the revised standards draws the Omnibus simplification process to a close.

The final drafts are very similar to the technical advice prepared by EFRAG and provided to the Commission in December 2025.

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