

IFRS Interpretations Committee  
Columbus Building  
7 Westferry Circus  
Canary Wharf  
London  
E14 4HD

3 October 2025

Dear Sir

### **Draft Updates to IFRS Interpretation Committee agenda decisions for IFRS 18**

We are pleased to comment on the draft updates to the IFRS Interpretation Committee's agenda decisions for IFRS 18 *Presentation and Disclosure in Financial Statements*, which were published as part of the June 2025 *IFRIC Update*. Following consultation with the BDO network<sup>1</sup>, this letter summarises views of member firms that provided comments on the draft updates.

We support the objective of the IASB to ensure that IFRS Interpretations Committee agenda decisions remain relevant as a consequence of new and amended IFRS Accounting Standards. However, we have a number of concerns with the suggested approach of the IASB.

We do not object to agenda decisions being updated to reflect the changing of requirements where there is equivalence between IAS 1 and IFRS 18 (that is, when the requirements in IAS 1 and IFRS 18 are identical). However, many of the amendments proposed to agenda decisions reflect modified or substantially new requirements with no direct equivalence to those in IAS 1. Our concerns with this approach are set out below.

#### Factual accuracy of agenda decisions and lack of equivalence in amended paragraphs

Agenda decisions are a historical record of discussions held by the IFRS Interpretations Committee, and therefore, we believe they should be factual. Certain draft updates would hinder this objective. For example, in the draft update to *Disclosure of Revenues and Expenses for Reportable Segments (IFRS 8 Operating Segments)*, the draft update includes:

The Committee observed that, in applying paragraph 23(f) of IFRS 8 by disclosing, for each reportable segment, material items of income and expense disclosed in accordance with paragraph 42 of IFRS 18, an entity...

The Committee did not, in fact, discuss IFRS 18.42 because IFRS 18 was published after the date of the original submission to the Interpretations Committee. We do not believe it is useful for a historical record of meetings to be 'restated' as if certain discussions took place when they did

<sup>1</sup>Service provision within the BDO network in connection with IFRS (comprising International Financial Reporting Standards, International Accounting Standards, and Interpretations developed by the IFRS Interpretations Committee and the former Standing Interpretations Committee), and other documents, as issued by the International Accounting Standards Board, is provided by BDO IFR Advisory Limited, a UK registered company limited by guarantee. Service provision within the BDO network is coordinated by Brussels Worldwide Services BV, a limited liability company incorporated in Belgium. Each of BDO International Limited, Brussels Worldwide Services BV, BDO IFR Advisory Limited and the BDO member firms is a separate legal entity and has no liability for another entity's acts or omissions. Nothing in the arrangements or rules of the BDO network shall constitute or imply an agency relationship or a partnership between BDO International Limited, Brussels Worldwide Services BV, BDO IFR Advisory Limited and/or the BDO member firms. Neither BDO International Limited nor any other central entities of the BDO network provide services to clients.

not. As stated above, we do not object to this approach when the requirements of IFRS 18 are equivalent (identical) to the requirements of IAS 1, however, this is not the case with IFRS 18.42 and the paragraph proposed to be deleted, which is IAS 1.97.

Original agenda decision	Proposed amendment
IAS 1.97: When items of income or expense are material, an entity shall disclose their nature and amount separately.	IFRS 18.42: Applying the principles in paragraph 41, an entity shall disaggregate items whenever the resulting information is material. If, applying paragraph 41(c), an entity does not present material information in the primary financial statements, it shall disclose the information in the notes. Paragraphs B79 and B111 set out examples of income, expenses, assets, liabilities and items of equity that might have sufficiently dissimilar characteristics that presentation in the statement of profit or loss or statement of financial position or disclosure in the notes is necessary to provide material information.

Although IAS 1.97 and IFRS 18.42 address similar subject matter (disaggregation of information), the requirements in IFRS 18.42 concerning disaggregation are substantially different from IAS 1.

#### Due process

We acknowledge that the IASB has exposed these amendments for public comment. However, this level of due process is substantially lower than that required for an agenda decision to be finalised. Given that the technical requirements of IFRS 18 differ from IAS 1 in many cases as noted above, we suggest that any proposed amendments (aside from those being made where direct equivalence exists between ‘old’ and ‘new’ requirements) should instead follow the normal due process steps required for agenda decisions to be finalised.

As noted in our [comment letter dated 28 March 2025](#) in response to the *Due Process Handbook* exposure draft, we expressed concern that the Due Process Handbook does not explicitly address how IFRS Interpretations Committee agenda decisions should be updated (or withdrawn) when IFRS Accounting Standards are amended or a new IFRS Accounting Standard is published which replaces one or more existing IFRS Accounting Standard(s). We continue to believe this issue is important and should be explicitly addressed in the Due Process Handbook.

We are concerned about the precedent that the approach taken in these updates may set. The IASB is currently undertaking a project to amend IAS 32 and IFRS 9 – *Financial Instruments with Characteristics of Equity* (FICE). The FICE project will likely result in significant amendments to IAS 32 and IFRS 9. Many consequential IFRS Interpretations Committee agenda decisions have been published on IAS 32 and IFRS 9, which have assisted in setting practice for how financial

instruments are classified for over two decades. The revised requirements to be introduced by FICE may substantially affect those practices and conclusions, and we do not believe it would be appropriate for the IASB to simply amend those agenda decisions. Rather, we suggest that when substantial changes are made to the requirements of IFRS Accounting Standards, this should result in the withdrawal of affected IFRS Interpretations Committee agenda decisions. If issues remain relevant under the new requirements of IFRS Accounting Standards, stakeholders could submit those issues to the IFRS Interpretations Committee to be considered in the context of those new requirements or the Committee could choose to address the issues itself.

#### Lack of consideration of other amendments to IFRS Accounting Standards

The draft updates to the *Supply Chain Financing Arrangements* agenda decision reflect the replacement of IAS 1 with IFRS 18. However, they do not reflect the amendments made to IAS 7 and IFRS 7 in *Supplier Financing Arrangements*, published in May 2023.

While we understand that the staff were directed only to consider amendments relating to IFRS 18, we believe this approach is confusing. We do not understand why it is useful to update the agenda decision for one IFRS Accounting Standard issued since the agenda decision was finalised in December 2020 (IFRS 18), but not amendments in respect of another (*Supplier Financing Arrangements* amendments), particularly when the *Supplier Financing Arrangements* amendments arose from the questions raised in the *Supply Chain Financing Arrangements* agenda decision and address those questions directly.

We suggest that the approach taken to update agenda decisions be specifically addressed by the Due Process Handbook, as noted earlier in this letter.

We hope that you will find our comments and observations helpful. If you would like to discuss any of them, please contact me at +44 (0)7875 311782 or by email at [abuchanan@bdoifra.com](mailto:abuchanan@bdoifra.com).

Yours faithfully

Andrew Buchanan

*Global Head of IFRS and Corporate Reporting*