

IFRS 19 – Subsidiaries without Public Accountability: Disclosures

Exploring the IFRS 19 reduced disclosure framework through questions and answers

forvis mazars

Contents

Introduction 4

Question 1: What is the primary objective of IFRS 19? 5

Question 2: Why do we need IFRS 19? Is the reduced reporting framework objective not met by the IFRS for SMEs® Accounting Standard? 5

Question 3: What benefit is there to applying IFRS 19? 5

Question 4: Which entities are eligible to apply IFRS 19? 5

Question 5: Is IFRS 19 available for consolidated financial statements too? 6

Question 6: If an entity was a subsidiary during the year, but is no longer a subsidiary at the end of the year, can it apply IFRS 19? 6

Question 7: What does public accountability mean? 7

Question 8: How do you assess whether the consolidated financial statements of a parent which includes the results of a subsidiary meet the requirements for that subsidiary to apply IFRS 19? 8

Question 9: How did the IASB decide which disclosure requirements to include in IFRS 19? 8

Question 10: Where are the disclosure requirements of IFRS 19 included? 9

Question 11: What is the effective date of IFRS 19? 9

Question 12: Are eligible subsidiaries mandated to apply IFRS 19? 9

Question 13: Can an entity elect to apply IFRS 19, and then choose to not apply it in the following year? 9

Question 14: Does an election to apply (or revoke) IFRS 19 constitute a change in accounting policy? 9

Question 15: IFRS 19 was published during the same month as IFRS 18 Presentation and Disclosure in Financial Statements, which replaces IAS 1 Presentation of Financial Statements. How is this addressed in IFRS 19? 10

Question 16: What are disclosure objectives and why does IFRS 19 not include them? 10

Contents

Question 17: Can an entity stipulate compliance with IFRS Accounting Standards if they apply the IFRS 19 reduced disclosure framework? 11

Question 18: IFRS 7 disclosures are often extensive in financial statements. Does IFRS 19 provide disclosure relief for eligible subsidiaries applying IFRS 19? 11

Question 19: What other IFRS Accounting Standards does IFRS 19 provide extensive disclosure relief from? 11

Question 20: Eligible entities are not required to apply IAS 33 Earnings per Share and IFRS 8 Operating Segments. If they do so voluntarily, what do they need to disclose in the financial statements? 12

Question 21: What are the key differences between IFRS 19 and the IFRS for SMEs Accounting Standard? 12

Question 22: Are insurance entities eligible to apply IFRS 19? 12

Question 23: What are the potential challenges in implementing IFRS 19 for eligible subsidiaries? 12

Question 24: How will IFRS 19 be maintained going forward, e.g. when new IFRS Accounting Standards are issued or amended? 13

Question 25: What cost savings does IFRS 19 bring? 13

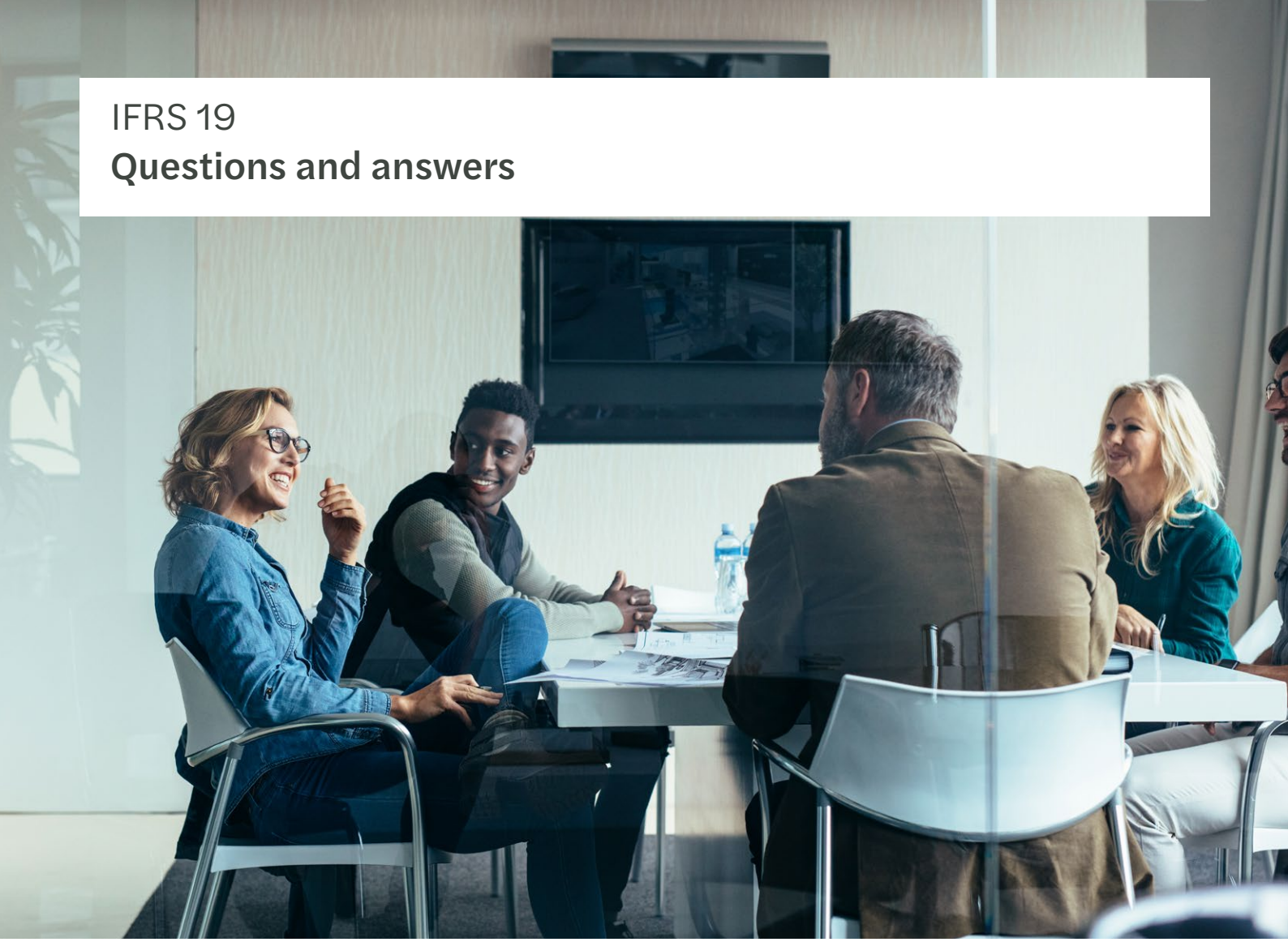
Question 26: Will IFRS 19 be applied internationally? 13

Question 27: Are there any specific industries that are more likely to benefit from IFRS 19? 14

Question 28: Does an entity have to disclose information about MPMs consistent with that required by IFRS 18? 14

Conclusion 14

IFRS 19
Questions and answers



Introduction

IFRS 19 Subsidiaries without Public Accountability: Disclosures provides an optional reduced disclosure framework for subsidiaries of parent entities that publish financial statements in accordance with IFRS® Accounting Standards that are available for public use.

When applying IFRS 19, an entity must apply all the recognition and measurement requirements of IFRS Accounting Standards but may limit the disclosure requirements to only those explicitly required by IFRS 19.

IFRS 19 supports simplified reporting requirements for eligible subsidiaries.

This reduces the cost of preparing financial statements, while still providing disclosures in line with the information needs of the users of their financial statements. IFRS 19 is expected to benefit complex global companies by making IFRS Accounting Standards more accessible.

This article addresses the accounting and disclosure considerations covered within the standard.

IFRS 19
Questions and answers

Question 1: What is the primary objective of IFRS 19?

Answer: IFRS 19 reads like a disclosure checklist. It is intended to alleviate the cost of preparing financial statements for eligible entities, while maintaining the usefulness thereof. The Standard works alongside the existing IFRS Accounting Standards.

Question 2: Why do we need IFRS 19? Is the reduced reporting framework objective not met by the IFRS for SMEs® Accounting Standard?

Answer: This is best illustrated by way of the example of a listed entity, or one that otherwise produces publicly available consolidated financial statements in accordance with IFRS Accounting Standards. Consolidation often requires information from subsidiaries through consolidation packs. These packs provide the information needed by the parent to prepare consolidated IFRS Accounting Standards financial statements. This process will not change under IFRS 19.

In many jurisdictions subsidiaries are required to prepare their own individual financial statements to comply with local legislation. They now have four alternatives. They can prepare their financial statements in accordance with IFRS Accounting Standards, the IFRS for SMEs Accounting Standard, locally accepted accounting standards (local GAAP) or IFRS 19.

1. (Full) IFRS Accounting Standards: The company would have to comply with all IFRS relevant disclosures. This can be an intensive exercise and can result in a large set of financial statements with numerous disclosures.
2. The IFRS for SMEs Accounting Standard or local GAAP as allowed: The downside to that is that there may be accounting policy differences to those required by full IFRS accounting standards, which would effectively mean that they would need to keep another set of accounting records catering for those differences.
3. IFRS 19: The entity would apply IFRS Accounting Standards to recognise and measure transactions and IFRS 19 for disclosures only. These details would pull into the group financial statements. The holding company may request specific pieces of information needed for some notes in the consolidated financial statements prepared in accordance with full IFRS accounting standards, but there would be no requirement to include this information in the subsidiary's financial statements.

Question 3: What benefit is there to applying IFRS 19?

Answer: Under IFRS 19 eligible subsidiaries will be able to compile their financial statements in accordance with the recognition and measurement principles of IFRS Accounting Standards, but with reduced disclosures.

Question 4: Which entities are eligible to apply IFRS 19?

Answer: The scope of eligible entities is limited to entities that:

1. are subsidiaries;
2. who have a parent who prepares IFRS-compliant consolidated financial statements that are available for public use; and
3. do not themselves have public accountability. (IFRS 19.7)

This assessment must apply at the end of their financial reporting period.

IFRS 19
Questions and answers

Question 5: Is IFRS 19 available for consolidated financial statements too?

Answer: Yes. IFRS 19 is available to be used by eligible subsidiaries when they compile their individual/ separate financial statements, but also in situations where eligible subsidiaries compile consolidated financial statements, i.e. when the eligible subsidiary is an intermediate parent company. There is a section included in IFRS 19 detailing the specific IFRS 12 Disclosure of Interests in Other Entities disclosures required to be provided when the eligible subsidiary compiles consolidated financial statements. Refer to IFRS 19.74 – 94.

When an intermediate parent company has interests in associates or joint ventures, the principles of IAS 28 Investments in Associates and Joint Ventures is considered when determining if the investments must be accounted for using the equity method, and the disclosures included in IFRS 19.88 - 91 will be provided.

Question 6: If an entity was a subsidiary during the year, but is no longer a subsidiary at the end of the year, can it apply IFRS 19?

Answer: No. Paragraph 7 of IFRS 19 is explicit in stipulating that the requirements are to be met at the end of the reporting period. Even if an entity was a subsidiary for the majority of the year, if it is no longer a subsidiary at the end of the year, the disclosure relief provided in IFRS 19 is no longer available to the entity.

The IASB's view is that transactions involving the gain or loss of control are normally negotiated well in advance, and the entity's parent company would have had ample opportunity to inform its subsidiary of the change in control. IFRS 19 also doesn't require any changes in accounting principles or policies to be applied; it only involves providing a reduced disclosure framework, and the amount of additional work for the eligible subsidiary is not expected to be extensive. (IFRS 19.BC26)





IFRS 19
Questions and answers

Question 7: What does public accountability mean?

Answer: An entity is considered to be publicly accountable when (IFRS 19.11):

a. The entity's debt or equity instruments are traded in a public market, or the entity is in the process of issuing such instruments for trading in a public market; or

b. The entity holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses.

Public accountability is assessed for each individual entity. Whether or not other entities within the group has public accountability is irrelevant in the assessment of an individual entity (IFRS 19.9).

In situations where an intermediate parent company has subsidiaries with public accountability, the intermediate parent company may apply IFRS 19 to its separate financial statements if it is itself an eligible subsidiary, even though the intermediate parent company's consolidated financial statements may not be eligible to apply IFRS 19 (IFRS 19.10).

Holding assets in a fiduciary capacity can either be because the entity manages financial resources entrusted to them, or when it is incidental to the entity's operations, as is the case for schools, travel or real estate agents, receiving advance payments, etc. When the holding of the assets is incidental, the entity might not be considered publicly accountable (IFRS 19.12). Subsidiaries likely to not be eligible for applying IFRS 19 based on public accountability include banks, credit unions, insurance companies, securities brokers, mutual funds, etc.

Question 8: How do you assess whether the consolidated financial statements of a parent which includes the results of a subsidiary meet the requirements for that subsidiary to apply IFRS 19?

Answer: Financial statements are available for public use when any member of the public can obtain a copy of the financial statements. This is usually the case for a listed entity, but depending on local regulations other parent companies may also comply with this requirement.

This is important to remember because the ultimate or an intermediate parent's consolidated financial statements are required to be publicly available. Having only a parent's separate financial statements publicly available is not adequate to allow the subsidiary to apply IFRS 19.

Similarly, if the only parent whose consolidated financial statements are available for public use apply the IFRS for SMEs Standard or a local GAAP, the subsidiary is not eligible to apply IFRS 19. If the parent applies a different reporting framework, the subsidiary cannot benefit from maintaining only one set of accounting records (IFRS 19.BC29).

This requirement is based on the consolidation exemption requirements included in paragraph 4(a)(iv) of IFRS 10 Consolidated Financial Statements. Because this concept has already been included in IFRS Accounting Standards, the IASB did not provide additional guidance on its interpretation as it may have had unintended consequences.

Question 9: How did the IASB decide which disclosure requirements to include in IFRS 19?

Answer: Subsidiaries without public accountability are a subset of entities eligible to apply the IFRS for SMEs Accounting Standard (IFRS 19.BC5). The IASB used the IFRS for SME Standard's disclosure requirements as a starting point when developing IFRS 19 (IFRS 19.BC8). Various additions and amendments to these disclosure requirements were, however, needed due to differences in recognition and measurement principles between full IFRS Accounting Standards and the IFRS for SMEs Accounting Standard at the time of drafting the Standard.

Where there is no difference in recognition and measurement requirements, the IASB carefully assessed why some disclosure requirements were excluded from the IFRS for SMEs Accounting Standard. This was often due to cost-benefit reasons or because they were unnecessary to meet the needs of the users of the SME's financial statements. When the omission was due to cost-benefit reasons, the IASB included some of these disclosure requirements in IFRS 19 as the information will need to be prepared anyway for the purposes of enabling the preparation of consolidated financial statements by a parent (IFRS 19.BC42).

Where recognition and measurement requirements differed between the IFRS for SMEs Accounting Standard and IFRS Accounting Standards, the IASB used the disclosure requirements for each individual standard as a starting point. The IASB then assessed the need for disclosure against six broad principles (IFRS 19.BC33):

1. Users of the financial statements of eligible subsidiaries focus on information about short-term cash flows and obligations, commitments and contingencies, whether recognised or unrecognised.
2. Users of the financial statements of eligible subsidiaries focus on information about liquidity and solvency.
3. Information on measurement uncertainties is important.
4. Accounting policy choices are important.
5. Disaggregation of amounts presented in the financial statements are crucial to understand them.
6. Some disclosures in IFRS Accounting Standards are more relevant when making investment decisions in capital markets and are less important to the users of the eligible subsidiaries' financial statements.

Question 10: Where are the disclosure requirements of IFRS 19 included?

Answer: The disclosure requirements of IFRS 19 are mostly included in the body of the standard. They are organised into subsections relating to each individual IFRS Accounting Standard.

There are, however, several cross-references to the other relevant IFRS Accounting Standards. These are clearly marked and easy to locate. One reason for using this approach is that preparers may need access to the full IFRS Accounting Standard to assess the context for the requirements. The wording on these requirements may also be broad and include recognition, measurement or presentation requirements, or the word "disclosure" is used in a broad sense, also incorporating presentation in the primary financial statements (IFRS 19.BC57).

Question 11: What is the effective date of IFRS 19?

Answer: The effective date for application of IFRS 19 is for annual periods beginning on or after 1 January 2027. Early adoption is permitted.

If early adopted, this fact should be disclosed in the financial statements. (IFRS 19.A1)

Question 12: Are eligible subsidiaries mandated to apply IFRS 19?

Answer: No. IFRS 19 is an optional election (IFRS 19.7). Although the disclosure relief provided by IFRS 19 would be helpful, entities may elect to not apply it.

Question 13: Can an entity elect to apply IFRS 19, and then choose to not apply it in the following year?

Answer: Yes. IFRS 19 may be elected more than once. Eligible subsidiaries may revoke the election to apply IFRS 19 and then elect to apply it again in another year (IFRS 19.13).

This allows an entity to augment their disclosures when needed, such as when applying for external financing, but then take advantage of reduced disclosures in subsequent years.

When an entity re-elects to apply IFRS 19, the immediate comparatives must be updated (including narrative and descriptive information) based on the current period's financial statements unless otherwise permitted (IFRS 19.14 & .15).

Entities that applied IFRS 19 in the previous period but elect to not apply it in the current period still need to provide all the relevant comparative information, be it numerical or narrative. The fact that IFRS 19 does not require specific disclosures does not allow the entity to omit comparative information on these items (IFRS 19.15).

Question 14: Does an election to apply (or revoke) IFRS 19 constitute a change in accounting policy?

Answer: No. Although it may appear to be a change in accounting policy, or even a first-time adoption of a new accounting framework, the decision to switch into or out of IFRS 19 would not be accounted for as such. IFRS 19.16 explicitly stipulates that it is not a change in accounting policy as explained in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (called Basis of Preparation of Financial Statements after adopting IFRS 18). Furthermore, the IFRS 1 First-time Adoption of International Financial Reporting Standards paragraphs included in IFRS 19 deals with the first-time adoption of IFRS Accounting Standards in general, and not with the election or revocation of IFRS 19.

As explained in Question 13, when electing to apply IFRS 19 one year and not another, the immediate comparatives must be updated based on the current period's financial statements with all the relevant comparative information (IFRS 19.14 & .15).

IFRS 19
Questions and answers

Question 15: IFRS 19 was published during the same month as IFRS 18 Presentation and Disclosure in Financial Statements, which replaces IAS 1 Presentation of Financial Statements. How is this addressed in IFRS 19?

Answer: IFRS 19 requires an entity to apply the presentation standard as elected, i.e. the standard allows for the application of IAS 1 or IFRS 18 as applied. An entity must apply the requirements of IFRS 18 on adoption and may not revert between the two standards. IFRS 18 is effective for annual periods beginning on or after 1 January 2027. If an entity applies IAS 1, disclosures must be applied as included in Appendix B of the Standard.

Question 16: What are disclosure objectives and why does IFRS 19 not include them?

Answer: Disclosure objectives are overarching requirements included in several IFRS Accounting Standards to provide standard-specific context to users' information needs. The disclosure objective challenges the preparers of financial statements to consider whether the disclosed financial information enables the users of the financial statements to understand the effect of specific transactions, events and conditions on the entity's financial statements. Disclosure objectives can result in additional non-specified additional disclosures.

IFRS 19 does not include any disclosure objectives. Only the specific disclosures stipulated in IFRS 19 are required. This is because including disclosure objectives within IFRS 19 would imply that full IFRS Accounting Standards disclosures are necessary, which is not the case (IFRS 19.BC50).

Although IFRS 19.6 requires entities to consider whether additional disclosures are needed for the users of financial statements to understand the effect of transactions or events, it is not as strict as disclosure objectives included in certain IFRS Accounting Standards.

Immaterial disclosures are similarly not required to be provided, consistent with the approach followed in IAS 1.31 / IFRS 18.19.



Question 17: Can an entity stipulate compliance with IFRS Accounting Standards if they apply the IFRS 19 reduced disclosure framework?

Answer: Yes. When an entity applies IFRS 19, it must, within their financial statements, include an explicit and unreserved statement to this effect together with their statement of compliance with IFRS Accounting Standards (IFRS 19.20).

IFRS 19.20 stipulates the following: "An entity whose financial statements comply with IFRS Accounting Standards and the requirements in this Standard shall make an explicit and unreserved statement of such compliance in the notes. An entity that applies this Standard shall, as part of that unreserved statement, state that it has applied this Standard. An entity applying this Standard shall not describe financial statements as complying with IFRS Accounting Standards unless the entity complies with the requirements in this Standard and all applicable requirements in other IFRS Accounting Standards."

Entities applying IFRS 19 would have different disclosures compared to entities that apply the full IFRS Accounting Standards, but nonetheless such financial statements are compliant with IFRS Accounting Standards. The additional explicit statement of compliance with IFRS 19 is necessary to ensure comparability between entities (IFRS 19.BC61 - BC62).

Question 18: IFRS 7 disclosures are often extensive in financial statements. Does IFRS 19 provide disclosure relief for eligible subsidiaries applying IFRS 19?

Answer: Yes, IFRS 19 provides disclosure relief from financial instrument disclosures required by IFRS 7.

However, when an entity provides financing to customers as a main business activity, IFRS 19 stipulates additional credit risk disclosure requirements that are not required by other eligible subsidiaries.

One such example is that entities providing such financing are required to disclose by credit risk rating grade, the gross carrying amount of financial assets, financial guarantee contracts and loan commitments. This analysis needs to be split between amounts measured using a 12-month expected credit loss (ECL), those measured using lifetime ECL, differentiating between those with a significant increase in credit risk, those that are credit-impaired and trade receivables, contract assets and lease receivables where the simplified approach is applied, in addition to disclosing purchased or originated credit-impaired financial assets. Refer to IFRS 19.71.

Question 19: What other IFRS Accounting Standards does IFRS 19 provide extensive disclosure relief from?

Answer: Although transitioning to IFRS 19 will result in different benefits for different companies based on their current reporting requirements and complexity, all eligible subsidiaries are expected to benefit when adopting IFRS 19.

Based on interviews conducted while drafting IFRS 19, a number of case studies were performed quantifying the percentage of disclosures reduced per IFRS Accounting Standard. Although some of the entities included in the case study were reporting in terms of local GAAP, which is difficult to analyse without knowing the exact details, the standards identified as presenting a potential significant reduction included IFRS 12 Disclosure of Interests in Other Entities, IAS 16 Property, Plant and Equipment, IFRS 15 Revenue from Contracts with Customers and IAS 12 Income Taxes.

For example:

- IFRS 12 requires summarised information about investments in group companies that is not replicated in IFRS 19; and
- Albeit IFRS 19 sometimes requires the same disclosure as full IFRS Accounting Standards, it sometimes gives exemptions from providing the comparatives where full IFRS Accounting Standards does not, such as the IAS 16 requirement to disclose a reconciliation of opening to closing balance on property, plant and equipment.

Question 20: Eligible entities are not required to apply IAS 33 Earnings per Share and IFRS 8 Operating Segments. If they do so voluntarily, what do they need to disclose in the financial statements?

Answer: IAS 33 and IFRS 8 are mandatory for entities whose ordinary (or potential ordinary) shares are traded in a public market, or that files, or is in the process of filing, its financial statements with a securities exchange. IFRS 8 is also mandatory for entities with listed debt instruments. As a result, eligible subsidiaries would not be expected to comply with IAS 33 or IFRS 8.

If an eligible subsidiary elects to voluntarily apply IAS 33 and/or IFRS 8, the full disclosure requirements of these standards must be made. The requirement in IFRS 8 that non-compliant information may not be referred to as segment information is also reiterated in IFRS 19 (IFRS 19.276).

Question 21: What are the key differences between IFRS 19 and the IFRS for SMEs Accounting Standard?

Answer: While both standards aim to reduce the reporting burden for smaller entities, IFRS 19 is specifically designed for subsidiaries without public accountability that are part of a group that prepares IFRS-compliant consolidated financial statements. Subsidiaries applying IFRS 19 still apply the recognition and measurement requirements of IFRS Accounting Standards, while applying a reduced disclosure framework.

The IFRS for SMEs Accounting Standard, on the other hand, is a standalone standard designed for use by small and medium-sized entities that do not have public accountability and do not need to produce IFRS-compliant consolidated financial statements. The recognition and measurement requirements under the IFRS for SMEs Accounting Standard may differ when compared to IFRS Accounting Standards.

Question 22: Are insurance entities eligible to apply IFRS 19?

Answer: It depends. Insurance entities often have public accountability and are therefore not eligible to apply IFRS 19. Non-insurance entities may have business activities involving the issue of insurance contracts. Similarly, a subsidiary may insure the risks relating to its parent or other group entities, such as cell captives. Such non-insurance entities that are required to apply IFRS 17 might be eligible to apply IFRS 19 if they also comply with the other scoping requirements included in IFRS 19.7, in which case IFRS 19 can be applied (IFRS 19.BC82). IFRS 19, however, does not include any insurance-related disclosure exemptions, meaning the disclosure requirements of IFRS 17 Insurance Contracts must be applied.

One reason why IFRS 19 mandates full IFRS 17 disclosure is that the insurance standard is still relatively new, effective for annual periods beginning on or after 1 January 2023. In the early years of applying IFRS 17 entities are expected to best serve the interests of the users of their financial statements by providing full and comparable insurance disclosures, facilitating users' understanding of the new accounting model for insurance. The IASB may revisit this position in the future (IFRS 19.BC83(a) – (b)).

Question 23: What are the potential challenges in implementing IFRS 19 for eligible subsidiaries?

Answer: Some potential challenges include ensuring that all relevant staff are trained on the new requirements, updating internal systems and processes to accommodate the reduced disclosure framework, and ensuring that the reduced disclosures still meet the needs of the users of the financial statements.

Question 24: How will IFRS 19 be maintained going forward, e.g. when new IFRS Accounting Standards are issued or amended?

Answer: Whenever an exposure draft for an IFRS Accounting Standard with disclosure requirements is issued, adaptations for IFRS 19 purposes will also be proposed for public comment. The intention is that when a new or amended IFRS Accounting Standard is published, the necessary consequential amendments to IFRS 19 will also be included.

Because the IASB only considered IFRS Accounting Standards in issue as of 28 February 2021 when developing IFRS 19, all subsequent amendments to IFRS Accounting Standards were incorporated into IFRS 19 verbatim.

This resulted in slightly overburdened disclosure requirements for the amendments.

The IASB reassessed disclosure requirements and issued amendments as a "catch-up" in August 2025 including all new standards and amendments published between 28 February 2021 and May 2024. The topics addressed as part of this amendment included:

1. IFRS 18's requirements relating to management-defined performance measures, which is proposed to be cross-referenced to IFRS 18
2. The removal of disclosure objectives in numerous standards, including those relating to the amendment relating to non-current liabilities with covenants, supplier finance agreements, international tax reform, lack of exchangeability and amendments to classification and measurement of financial instruments.
3. The requirement to disclose of a range of payment due dates for supplier finance arrangements has been removed.
4. The effective date for the amendments is also periods beginning on or after 1 January 2027. Early application is permitted.

Question 25: What cost savings does IFRS 19 bring?

Answer: Cost savings are expected for the eligible company and group from three factors:

a. Some entities will be able to dispense with dual accounting records where they do not currently apply full IFRS Accounting Standards (i.e. they apply another framework such as local GAAP or the IFRS for SMEs Accounting Standard).

b. The preparation process is expected to be more efficient, as reduced disclosures will require reduced time, cost and effort.

c. Reduced audit fees. By not keeping a second set of accounting records for group reporting, audit fees may reduce too for entities choosing to apply IFRS 19.

Question 26: Will IFRS 19 be applied internationally?

Answer: While IFRS 19 is an IFRS Accounting Standard, and therefore available to be applied by all countries that apply IFRS Accounting Standards, the EFRAG (European Financial Reporting Advisory Group), in its IFRS 19 survey did acknowledge that IFRS 19 could be seen to be "competing" with national GAAPs and the EU Accounting Directive.

On 21 May 2025 EFRAG's overall preliminary assessment was that IFRS 19 satisfies the criteria for endorsement for use in the European Union and expects it to be endorsed before the effective date.

The UK already has an accounting standard (FRS 101) which is based on the recognition and measurement requirements of full IFRS Accounting Standards with reduced disclosure as part of their local GAAP. It remains to be seen whether the UK will also endorse IFRS 19 and, if it does, how big the take-up of IFRS 19 would be given the similarity to local GAAP.

IFRS 19
Questions and answers

Question 27: Are there any specific industries that are more likely to benefit from IFRS 19?

Answer: Industries with complex reporting requirements, such as financial services and insurance, may benefit significantly from the reduced disclosure requirements of IFRS 19. However, the standard is designed to be applicable to a wide range of industries.

Question 28: Does an entity have to disclose information about MPMs consistent with that required by IFRS 18?

Answer: The requirement to present additional disclosure for management-defined performance measures (MPMs) has been incorporated into IFRS 19 by means of a cross-reference to IFRS 18.

However, these disclosures are not expected to regularly apply to eligible subsidiaries as, by definition, they do not have public accountability. That said, if a subsidiary provides a subtotal of income and expenses in public communications outside of the financial statements (IFRS 18.117), they will have to apply the full IFRS 18 disclosures on MPMs.

Conclusion

There are many opportunities to save costs and reduce the length of eligible subsidiaries' financial statements. Feel free to reach out to your local Forvis Mazars office to find out how we can assist your business in streamlining eligible subsidiaries' financial statements.





Contacts

Renick van Oosterbosch

Director Audit & Accounting Advice

renick.vanoosterbosch@forvismazars.com

Kees Roozen

Director Professional Practice

kees.roozen@forvismazars.com

Inge van Sloun

Director Professional Practice

inge.vansloun@forvismazars.com

Forvis Mazars Group SC is an independent member of Forvis Mazars Global, a leading global network of professional services.
An internationally integrated partnership operating in over 100 countries and territories. Forvis Mazars Group specialises in audit, tax and advisory services.
The integrated partnership draws on the expertise and cultural diversity of its teams - more than 35,000 professionals worldwide - to assist clients of all sizes at every stage in their development.
Go to forvismazars.com to find out more.

© Forvis Mazars 2025