Technical update in Thailand

June 2026

Contents

3 Tax

Thailand extends electronic tax systems and e-Donation incentives through 2027

Thailand approves participation in the GloBE Information Return MCAA

Investment in SEZs at Thailand’s borders: Opportunities for business expansion with a 10% CIT reduction

Thailand’s Revenue Department launches a foreign tax credit tool for individuals with foreign income

6 Legal

New draft ‘Lemon Law’ to protect buyers from defective products

9 Accounting

Full TFRS, fewer notes: Understanding the opportunity under TFRS 19

11 IFRS

IASB publishes new standard on rate-regulated activities (IFRS 20)

Targeted improvements to IAS 37

IAS 28: amendments to the fair value option finalised

IASB extends comment period on RMA project

Statement of Cash Flows project

Fourteenth compilation of IFRS IC agenda decisions published

Call for new members of IFRS Advisory Council

Standards and interpretations applicable as of 30 June 2026

13 Sustainability

ISSB has further discussions about nature-related disclosures

Technical update in Thailand
Tax

Thailand extends electronic tax systems and e-Donation incentives through 2027

On 16 June 2026, the Thai Cabinet approved the extension of several tax incentives including double tax deductions for expenditures relating to the e-Tax Invoice & e-Receipt system and the e-Withholding Tax system, reduced withholding tax ("WHT") rates through the e-Withholding Tax system, and double tax deductions for donations made through the e-Donation system, all extended through 31 December 2027. These extensions are currently pending enactment into law by Royal Decrees.

The extensions aim to promote wider adoption of electronic tax systems, reduce costs, and improve tax compliance efficiency and accuracy, while expanded incentives for education and sports support fundraising and enhance access to quality services.

Extension of tax measures for electronic tax systems

Corporate entities are entitled to double tax deductions for investments and service fees incurred from utilising the e-Tax Invoice & e-Receipt system and e-Withholding Tax system. The incentive has been extended to include audit fees paid by service providers to the Electronic Transactions Development Agency (ETDA) for IT system assessments.

Extension of tax measures for the e-Withholding Tax system

WHT rates of 5%, 3%, and 2% are reduced to 1% for payments of assessable income made through the e-Withholding Tax system.

Once enacted through Royal Decrees, both extensions will apply retrospectively to qualifying fees incurred and payments made between 1 January 2026 and 31 December 2027.

Extension of tax measures for education and sports

Individual taxpayers may claim double tax deductions for donations made through the Thai Revenue Department ("TRD")'s e-Donation system, subject to an overall limit of 10% of net assessable income after deduction of allowable expenses and personal allowances, but before charitable donation deductions.

This extension will apply retrospectively to qualifying donations made between 1 January 2025 and 31 December 2027. Donations supported solely by conventional receipts remain eligible for the standard tax deduction but will not qualify for the additional deduction benefit.

To claim this benefit, taxpayers will be required to file an amended personal income tax return (P.N.D.90 or P.N.D.91) once the TRD completes the necessary enhancements to its e-filing system. The right to claim remains valid until 8 April 2029, being three years from the original filing deadline for the 2025 tax year.

The supported beneficiaries are listed below:

Educational institutions	Sports entities
• Government and other state educational institutions • Registered private schools (excluding non-formal/informal schools) • Private higher education institutions • Educational institutions established in Thailand under a treaty or agreements between the Thai government and a UN specialised agency (e.g. AIT) • Designated high-potential higher education institutions from abroad (e.g. CMKL University)	• The Sports Authority of Thailand (SAT) • Provincial sports committees • Provincial sports associations • The Department of Physical Education • National-level sports associations bearing the name "...of Thailand", or the National Sports Development Fund established under the Sports Authority of Thailand Act

References (in Thai):

- TRD Public Relations News No. 14/2569. *Retrieved from the Revenue Department.*
- TRD Public Relations News No. 15/2569. *Retrieved from the Revenue Department.*

Disclaimer: The measures are currently pending enactment into law.

Thailand approves participation in the GloBE Information Return MCAA

On 16 June 2026, the Thai Cabinet approved Thailand's intention to participate in the Multilateral Competent Authority Agreement on the Exchange of GloBE Information (GloBE MCAA).

The GloBE MCAA provides a framework for the automatic exchange of GloBE Information Returns (GIR) between participating jurisdictions, enabling tax authorities to access consistent and standardised data to support the enforcement of GloBE rules. This framework facilitates the automatic exchange of GIR data among participating jurisdictions, thereby enhancing transparency and coordination in the administration of the Pillar Two rules.

How the GIR MCAA works?

Under the GIR MCAA framework, a GIR filed in one participating jurisdiction will be exchanged with other member jurisdictions, potentially reducing the need for duplicate filings across multiple countries.

When will the exchange begin?

Based on current indications, the first exchange of GIR information in respect of FY2025 is expected to take place in December 2027.

What does this mean for Thailand?

If Thailand becomes a GIR MCAA member before the first filling deadline of 30 June 2027, Thai constituent entities may not be required to submit a separate GIR in Thailand, provided that the Ultimate Parent Entity ("UPE"), or an appointed Constituent Entity has filed the GIR in a jurisdiction that is a member of the GIR MCAA for the relevant fiscal year.

Reference (in Thai):

- Revenue Department Announcement News (16 June 2026). *Retrieved from the Revenue Department*.

Investment in SEZs at Thailand's borders: Opportunities for business expansion with a 10% CIT reduction

On 19 March 2026, the Director-General of the Thai Revenue Department ("TRD") issued Notification No. 468, setting out further details on a reduced corporate income tax ("CIT") rate of 10% for companies or juristic partnerships operating in targeted industries designated by the Board of Investment Promotion within Special Economic Zones ("SEZs") in line with Royal Decree No. 797.

This measure is intended to create a more supportive environment for business expansion and to attract investment, helping to strengthen economic linkages with key domestic and neighbouring markets.

According to this update, this article summarises the key incentives and eligibility conditions under this measure.

Key tax incentives

Companies or juristic partnerships can claim a reduced CIT rate of 10% on income from the production of goods in the SEZs and services performed and used within the SEZs for up to 10 consecutive accounting periods, starting from 6 June 2025.

To claim the tax incentives, companies or juristic partnerships must meet the following eligibility conditions:

- operate in targeted industries within the SEZs, which refer to 10 areas located along Thailand's border regions, namely Chiang Rai, Kanchanaburi, Mukdahan, Nakhon Phanom, Narathiwat, Nong Khai, Sa Kaeo, Songkhla, Tak, and Trat;
- submit a notification to the Director-General of the TRD to claim the tax incentives, through the Large Taxpayers Office ("LTO") or the relevant Revenue Area Office where the business is located;
- have accounting documentation separating the parts of the business that are eligible and ineligible for the tax incentive under the Royal Decree;
- compute net profit or loss in accordance with the Thai Revenue Code, with separate calculations for eligible and non-eligible activities, appropriate allocation of expenses, and activity-specific loss carryforward;
- not claim any tax exemptions or tax reductions under the Board of Investment Promotion Act (whether in whole or in part), or under Royal Decrees No. 564, No. 583, No. 591, or No. 693.

References (in Thai):

- Royal Decree No. 797. R*etrieved from the Revenue Department.*
- Notification of the Director-General of the TRD No. 468. *Retrieved from the Revenue Department.*

Thailand's Revenue Department launches a foreign tax credit tool for individuals with foreign income

The Revenue Department has introduced a Foreign Tax Credit (FTC) calculation tool for foreign income brought into Thailand. This tool helps taxpayers calculate their FTC more easily.

Four key eligibility checks for using the FTC calculation tool

1. Are you an individual?
2. Have you stayed in Thailand for more than 180 days in the tax year?
3. Do you have foreign-sourced income earned from 1 January 2024 onwards in a country that has a Double Tax Agreement (DTA) with Thailand?
4. Have you remitted the foreign-sourced income into Thailand from 1 January 2024 onwards?

If yes, you may use the tool. A calculation tool is available to help eligible individuals compute their FTC on foreign-sourced income.

How the tool works, and what you need?

The tool determines the allowable FTC by comparing the foreign tax paid on remitted income with the calculated credit, in line with DTA principles. Under these rules, a Thai tax resident may claim a credit for foreign tax paid against Thai tax on the same income, subject to a cap. The allowable FTC is limited to the lower of

i. the foreign tax paid on the remitted income; and

ii. the maximum credit allowable under Thai law (credit limitation).

To use the FTC calculation tool, taxpayers are required to input key information relating to their foreign-sourced income and tax position, including:

- The year in which the income was earned
- The type of foreign income, classified under Section 40(1) to 40(8) of the Thai Revenue Code
- The total amount of foreign-sourced income
- The foreign tax paid on such income
- The assessable income in Thailand
- The Thai tax payable
- The amount of foreign income remitted into Thailand

For calculation purposes, the foreign income must be converted into Thai Baht using either the commercial bank exchange rate or the Bank of Thailand reference rate on the date of remittance.

How to report your FTC?

After completing all three sections, the total allowable FTC from foreign income will be displayed. This amount should be reported in the Personal Income Tax Return (PND 90 or PND 91) as follows:

- PND 90: "Tax Calculation" section → "Foreign Tax Credit"
- PND 91: Section A → "Foreign Tax Credit"

For taxpayers filing via the e-Filing system, the FTC amount will be calculated and populated automatically.

Preparation before claiming foreign tax credit

Before claiming a foreign tax credit, taxpayers must prepare all relevant documents as evidence of foreign tax payment and remittance of income into Thailand for verification by the tax authorities including:

- The foreign income tax return that was filed and paid in the foreign jurisdiction
- A foreign withholding tax certificate
- Proof of tax payment or official tax receipts from the foreign country
- Evidence of remittance into Thailand, such as a bank transfer slip

Reference (in Thai):

- Foreign Tax Credit Calculation Tool (Personal Income Tax). *Retrieved from the Revenue Department.*

New draft 'Lemon Law' to protect buyers from defective products

The Thai Cabinet has approved the Draft Product Defect Liability Act, following review by the Council of State (Special Committee). The draft was proposed by the Office of the Consumer Protection Board (OCPB) and is intended to create clearer and more practical rules on defective goods, the rights of buyers and sellers, and the seller's legal responsibility for different types of products.

This draft law is important because the current rules in the Civil and Commercial Code do not clearly or fully protect both buyers and sellers, especially in cases where the defect cannot easily be seen at the time of purchase or delivery. The new draft law aims to solve this problem by setting out more specific rules that match modern business and consumer situations.

Why this draft law matters

Under the existing legal framework, disputes about defective goods can be difficult because the law does not always clearly explain:

- what counts as a product defect,
- when a buyer may ask for repair, replacement, price reduction, or contract cancellation, and
- how long the seller remains responsible.

The draft law is designed to give both parties more certainty and improve fairness in the market.

Scope

The draft law applies to transactions involving general goods between:

- "**Buyer**" includes not only the original purchaser, but also any person who later receives or legally succeeds to the goods.
- "**Seller**" means a person or business that regularly sells goods in the ordinary course of business.

The law will also apply to both Business-to-Consumer (B2C) transactions, and Businesses to Business(B2B) transactions.

This covers sale contracts, hire-purchase agreements, financed sales where a third-party lender pays the seller and the buyer takes possession of the goods, and exchange contracts. The law is also intended to apply to certain contracts made before it comes into force.

What is excluded from the law

The draft law will not apply to used goods, live animals, or other products that may be excluded by future Ministerial Regulations.

Presumption of defect within a specified period

One of the most important features of the draft law is that if a defect appears within a certain period after delivery, the law will presume that the defect already existed at the time of delivery.

Product type	Presumption period
General goods	6 months
Motor vehicles	1 year
Motorcycles	6 months

Rights and remedies for general goods

For general goods, the buyer's rights depend on whether the defect is material or non-material.

Material defects

If a serious defect is discovered within 7 days of receipt of the goods, the buyer shall be entitled to require the seller to replace the goods with goods of the same type and quality.

If the seller refuses to replace the goods or cannot do so, the buyer may terminate the contract.

Non-material defects

For non-material defects, the buyer must first give the seller an opportunity to repair the goods. If the repair reduces the value or quality of the goods, the buyer may claim compensation or request a price reduction. Alternatively, the seller may choose to replace the goods instead of repairing them.

If the seller fails to fully repair the defect within 60 days after receiving the goods for repair, or refuses to repair or replace the goods, the buyer may seek a price reduction, or terminate the contract.

Cars and motorcycles

The draft law gives additional protection for cars and motorcycles, reflecting the safety concerns and high value of these products. The seller is responsible if the defect appears within:

Vehicle type	Time limit*	Mileage limit*
Car	1 year	10,000 km
Motorcycle	6 months	5,000 km

* whichever occurs first.

Serious safety-related defects

If the defect is serious and affects the safety of the car or motorcycle, and it cannot be properly fixed, or even after repair it may still cause danger to body, health, or hygiene, the seller must replace the vehicle. If the seller does not have a new vehicle to replace it, the buyer may terminate the contract.

Non-serious defects

If the defect is not serious, the buyer must first request repair, without being charged any repair cost. If the repair causes loss of value, the buyer may also claim compensation.

The seller may choose to replace the vehicle instead of repairing it. In addition, the seller must also pay expenses or provide another benefit to compensate the buyer during the repair period.

Failure to repair within the legal period

The buyer may ask for a price reduction or terminate the contract if repairs are not completed within 90 days (cars), or 60 days (motorcycle), counting from the date the seller receives the vehicle for repair.

If the defect affects safety, the buyer may request replacement or termination of the contract.

Additional claims on contract termination

The draft law preserves the buyer's right to claim:

- compensation for reasonable loss of use,
- the purchase price already paid, together with interest, and
- other damages caused by the defect.

Special rules for electrical and electronic products

This category includes electrical appliances, electronic devices, and engine-powered appliances, but excludes items that are components or accessories of cars and motorcycles. The term also includes engines sold as spare parts.

Serious defects found within 14 days

If a serious defect is identified within 14 days after receipt, the buyer may demand a replacement. If replacement is unavailable or refused, the buyer may terminate the contract and claim:

- compensation for reasonable loss of use,
- the purchase price already paid, together with interest, and
- other damages caused by the defect.

Non-serious defects

If the defect is not serious, the rules for general goods apply. This means repair is normally the first remedy, followed by replacement, price reduction, or termination depending on the circumstances.

Right to claim damages remains protected

The draft law clearly states that using the remedies under this law does not affect the buyer's right to claim:

- necessary and reasonable expenses,
- damages under the Civil and Commercial Code, including in cases of contract termination under section 391, and
- damages where repair causes the goods to lose value or deteriorate.

This means the law adds more practical remedies, but does not take away other legal rights.

Limitation periods

The draft law establishes clear limitation periods for bringing defect claims.

Product type	Limitation period
General goods	1 year
Vehicles	2 years
Electrical, electronic and engine-powered appliances	2 years

The limitation period begins from the date the defect is discovered or from the date the seller agrees to repair, replace, or reduce the price.

Additional concerns for service providers

Although the draft law is focused on goods / products, many businesses provide services together with goods, such as installation, maintenance, repair, after-sales support, software setup, or operational assistance. For this reason, it is important to consider how service elements may be treated in practice.

This draft law is mainly about defects in goods. It does not appear to create a full legal framework for service defects or poor service performance in the same way it does for defective products.

Therefore, for a pure service contract, such as consulting, maintenance-only services, training, or labour-based services, the legal position would still mainly depend on:

- the service agreement,
- the Civil and Commercial Code,
- consumer protection laws (where applicable), and
- general contractual principles, including breach of contract and damages.

Mixed contracts may create legal overlap

In real business situations, many transactions involve both goods and services, for example:

- sale of machinery plus installation,
- sale of electronic systems plus setup and testing,
- sale of equipment plus maintenance support,
- sale of a vehicle plus after-sales service package.

In these cases, a dispute may involve both: a defective product issue, and a service performance issue. For example, if a machine does not function properly, the buyer may argue that the machine itself is defective, while the seller may argue that the problem came from improper installation, which is a service issue. As a result, businesses should clearly separate in their contracts:

- product warranty terms,
- service scope,
- responsibility for installation and testing,
- response times,
- repair obligations, and
- liability allocation.

Businesses should not assume service obligations are unlimited

Even though this draft law strengthens buyer protection for goods, service providers should still carefully define:

- what service is included,
- what is excluded,
- service period and service levels,
- conditions for free repair or support,
- customer responsibilities,
- whether on-site visits, replacement parts, or transport costs are covered.

Clear drafting is especially important in B2B contracts.

Consumer-facing services may still attract regulatory scrutiny

Even if the law does not directly regulate service defects, consumer authorities may still look closely at unfair contract terms, misleading advertising, and failure to provide promised after-sales support. Therefore, businesses should ensure that marketing materials, warranty cards, and service commitments are aligned.

Conclusion

Thailand's Draft Product Defect Liability Act is a significant development in product-sale law. It aims to give buyers stronger and clearer remedies while also giving sellers a more structured framework for handling defective goods. The draft law introduces practical rules on replacement, repair, price reduction, contract termination, damages, presumption periods, and claim time limits.

If enacted, the law will likely affect a wide range of businesses involved in selling goods in Thailand, especially sellers of vehicles, electronics, appliances, and machinery. Although the law mainly addresses goods, businesses that provide services together with goods should also review their contracts and operations carefully, because service-related disputes may still arise under general contract law.

References (in Thai):

- Cabinet meeting resolution on 16 June 2026. *Retrieved from National Innovation Agency (NIA).*
- Consumer Protection Board News on Lemon Law. *Retrieved from Office of the Consumer Protection Board (OCPB).*

Full TFRS, fewer notes: Understanding the opportunity under TFRS 19

Some subsidiaries apply full Thai Financial Reporting Standards because their parent requires full-TFRS information for group consolidation, even though the subsidiary's own financial statements are used by a relatively limited group of shareholders, lenders and regulators.

TFRS 19, *Subsidiaries without Public Accountability: Disclosures*, offers eligible subsidiaries a new option. They may continue applying the recognition, measurement and presentation requirements of full TFRSs while using a reduced set of disclosures.

In simple terms, the accounting remains under full TFRSs, but the notes may become shorter and more proportionate to users' needs.

TFRS 19 will apply in Thailand for annual reporting periods beginning on or after 1 January 2028 (B.E. 2571), with early application permitted.

Why TFRS 19 matters

Using the same accounting basis for statutory and group reporting can reduce differences and simplify reconciliation. At the same time, the reduced-disclosure framework may lower the effort required to prepare, support and review information that is less relevant to users of a subsidiary's financial statements.

TFRS 19 therefore creates a middle path: it preserves the consistency of full-TFRS accounting while allowing eligible subsidiaries to prepare more focused financial statements. The potential reduction can be substantial. According to the IFRS Foundation's effects analysis, disclosure requirements may be reduced by approximately 68% for IFRS 12, 52% for IFRS 15, 53% for IAS 12 and 64% for IAS 16.

This indicates that eligible subsidiaries may significantly streamline their notes while continuing to apply the full recognition, measurement and presentation requirements of TFRSs.

Source: IFRS Foundation, Effects Analysis—IFRS 19 Subsidiaries without Public Accountability: Disclosures, May 2024.

Who can apply TFRS 19?

TFRS 19 is optional and may be applied only by an entity that:

- is a subsidiary under TFRS 10, including an intermediate parent;
- does not have public accountability, meaning its debt or equity instruments are not publicly traded or being issued for public trading, and it does not hold assets in a fiduciary capacity for a broad group of outsiders as a primary business; and
- has an ultimate or intermediate parent that prepares TFRS-compliant consolidated financial statements available for public use.

All conditions must be met, and eligibility should be assessed for each legal entity.

What changes—and what does not

TFRS 19 changes the disclosure framework, not the underlying accounting. Eligible subsidiaries must continue to apply full-TFRS requirements for areas such as revenue, leases, financial instruments, impairment, employee benefits, income taxes and business combinations.

The relief is mainly in the notes, where reduced disclosures replace many requirements in individual standards. These disclosures focus on information most relevant to users, including liquidity, cash flows, commitments, measurement uncertainty, accounting policy choices and material components of reported amounts.

TFRS 19 should therefore not be viewed as simplified full-TFRS accounting. Complex calculations and judgements remain; the benefit comes mainly from a more focused disclosure process.

A simple example of reduced disclosure

For property, plant and equipment, an entity applying TFRS 19 would still disclose key information such as depreciation methods, useful lives, carrying amounts and movements during the year. However, comparative information is not required for the reconciliation of opening and closing carrying amounts. Certain additional details required under full TAS 16—such as expenditure included in assets under construction and specified compensation or related amounts recognised in profit or loss—may also no longer be specifically required.

TFRS 19 is not TFRS for NPAEs

The phrase “subsidiaries without public accountability” may cause some readers to associate TFRS 19 with TFRS for NPAEs. However, they are fundamentally different frameworks.

TFRS 19 is available only to eligible subsidiaries applying full TFRSs, while TFRS for NPAEs is a separate simplified financial-reporting framework. TFRS 19 may therefore reduce reporting effort for a subsidiary already applying full TFRSs, but an entity currently using TFRS for NPAEs should not assume that changing frameworks would simplify its reporting.

Assessing whether TFRS 19 is right for the entity

The benefits of TFRS 19 will depend on the volume and complexity of an entity’s current disclosures. Management should assess eligibility, the expected reduction in reporting effort, and the information needs of shareholders, lenders, regulators and other users.

A practical first step is to compare the current notes with TFRS 19 and consider whether financial-statement templates, reporting processes and group policies are ready for the change.

TFRS 19 does not simplify full-TFRS accounting or replace TFRS for NPAEs. Its value lies in enabling eligible subsidiaries to retain full-TFRS accounting while preparing fewer, more focused disclosures.

Although early application is permitted, the potential impact should be discussed with the auditor, particularly where an initial public offering (IPO) is planned, as the entity may cease to qualify once it begins issuing securities for public trading.

Forvis Mazars has also published a practical guide on IFRS 19 – Subsidiaries without Public Accountability: Disclosures.

The guide provides a clear Questions & Answers overview of the key requirements, including eligibility, scope, effective date, interaction with IFRS 18, and the main areas of disclosure relief. It is designed to help preparers, group finance teams and advisers understand how IFRS 19 can reduce reporting complexity while maintaining compliance. The guide is available here.

Reference (in Thai):

- TFAC, Seminar materials for the public hearing on the proposed new Thai financial reporting standards: Draft TFRS 18 and Draft TFRS 19, 25 March 2026. *Retrieved from The Federation of Accounting Professions.*

Technical update in Thailand
IFRS

IASB publishes new standard on rate-regulated activities (IFRS 20)

At the end of May 2026, the International Accounting Standards Board (IASB) published IFRS 20 – *Regulatory Assets and Regulatory Liabilities*, to replace IFRS 14, published in January 2014.

IFRS 14 was an interim short-term solution that was never endorsed in the European Union, as the European Commission halted the endorsement process.

IFRS 20 introduces a new accounting model for companies whose activities and rates are subject to regulation. It aims to reduce diversity in accounting practice and improve comparability between companies in these sectors.

It will come into effect for financial periods commencing on or after 1 January 2029; early application is permitted. EFRAG recommended delaying the effective date until 1 January 2030 but the IASB decided against this.

We will look at the content of the standard in more detail in a future edition.

Targeted improvements to IAS 37

The IASB has continued its redeliberations on the exposure draft of proposed targeted amendments to IAS 37 – *Provisions, Contingent Liabilities and Contingent Assets*, with new decisions on the concept of a "past event".

One key change is the IASB's tentative decision to withdraw the mechanism proposed in paragraph 14Q of the exposure draft, which related to when an entity must recognise a provision if the obligation arises from taking two or more separate actions.

Paragraph 14Q proposed that, when the obligation arises from multiple actions, the past-event condition is deemed to be met when the entity has taken one action and cannot avoid taking the remaining action(s). This approach was intended to change the timing of some provisions, which under the current rules are only recognised when the final condition giving rise to an obligation is met. Under paragraph 14Q, they would have been recognised earlier, and gradually over time. Situations in which this might have applied included taxes levied on revenue that are conditional on a future event (such as exceeding a threshold or continuing operations as of a given date), or commitments made on a given date to reduce greenhouse gas emissions by a specified amount by a later date.

The mechanism has been withdrawn as the IASB's tentative decision introduces specific requirements on levies that will achieve the same goals.

IAS 28: amendments to the fair value option finalised

At the IASB's May 2026 meeting, it examined the feedback received on the proposed amendments to IAS 28 on the fair value option for investments in associates and joint ventures, following the publication of the exposure draft in February 2026.

The IASB confirmed the main clarifications proposed in the exposure draft, explicitly aligning them with IFRS 18:

entities with a main business activity of investing in certain types of assets, as defined in paragraph 49(a) of IFRS 18, can apply the fair value option set out in IAS 28;

the amendments shall be applied at the same time as IFRS 18, with the same transition requirements as those for that standard.

The amendments are narrow-scope and do not broadly extend the fair value option for general use. They are particularly aimed at clarifying the application of the existing requirements of IAS 28 before IFRS 18 comes into effect on 1 January 2027.

However, the IASB has indicated that it may explore the possibility of an unrestricted fair value option in its future work.

Following this meeting, the IASB decided that a new exposure draft was not necessary and the amendments could be finalised.

The final version of the amendments is expected to be published in mid-2026.

IASB extends comment period on RMA project

At its May 2026 meeting, the IASB considered requests from stakeholders for a longer comment period on the *Risk Mitigation Accounting – Proposed amendments to IFRS 9 and IFRS 7* exposure draft, published by the IASB in December 2025.

The deadline for feedback was originally set at 31 July 2026 but the IASB has decided to extend it to 30 November 2026.

Statement of Cash Flows project

At its May 2026 meeting, the IASB continued its discussions on this project and tentatively decided to improve:

- the requirements for aggregating and disaggregating information on cash flows, by adding application guidance to IAS 7 with a view to strengthening links with information presented in the other primary financial statements; and
- information relating to changes in liabilities arising from financial activities, notably by clarifying that the aim is to enable users of financial statements to make links between these changes in the statement of financial position, and the statement of cash flows.

Readers may find it useful to have a look at the presentation prepared by the IASB for its joint meeting with the FASB in June (available here) for an overview of progress on this project.

Fourteenth compilation of IFRS IC agenda decisions published

The 14th compilation of agenda decisions taken by the IFRS IC between November 2025 and April 2026 has been published.

This compilation includes both recent agenda decisions taken by the committee, and updates to older decisions to replace references to IAS 1 in light of the forthcoming entry into effect of IFRS 18.

Call for new members of IFRS Advisory Council

The Trustees of the IFRS Foundation have published a call for nominations to the IFRS Advisory Council, which provides strategic support and advice to the Trustees and members of the IASB and ISSB.

The appointments will begin on 1 January 2027 for a three-year term, renewable once.

Details of the call for nominations are available on the IASB's website here.

ISSB has further discussions about nature-related disclosures

Following the April 2026 announcement that the ISSB plans to address nature-related disclosures through a Practice Statement, the Board met on 13 May 2026 to discuss information about the use of scenario analysis and the identification of nature-related risks and opportunities.

Regarding scenario analysis, the ISSB tentatively decided not to introduce additional requirements or guidance to those of IFRS S1 when disclosing information about the undertaking's use of scenario analysis for identifying nature-related risks. However, it tentatively agreed to require disclosures on whether and how scenario analysis is used to identify nature-related opportunities. It also decided to introduce additional disclosure requirements on how scenario analysis is used to assess the nature, likelihood, and magnitude of the effects of nature-related risks, including inputs used, keys assumptions, and scope of application.

The Board ISSB also tentatively put forward the requirement for an entity to provide information on their resilience to nature-related risks by using scenario analysis. The relevant requirements will be developed by the Board in a manner consistent with IFRS S2, including its proportionality mechanisms, while recognising that such assessments would be more location- and asset-specific.

Finally, the ISSB discussed the identification of nature-related risks and opportunities, noting that the Taskforce on Nature-related Financial Disclosures (TNFD) LEAP approach[1] could be relevant in providing nature-related disclosures in accordance with the objective of IFRS S1 and therefore form a helpful tool to support application of the Practice Statement. Its use would however remain optional and not mandatory for compliance with either the Practice Statement or the IFRS Sustainability Disclosure Standards.

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[1] See TNFD Guidance on identification and assessment of nature-related issues: The LEAP approach (last updated: April 2026) available here.

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