Beyond the GAAP

Forvis Mazars' monthly newsletter on financial and sustainability reporting

Contents

The drafting of the present issue was completed on 5 February 2026.

Editorial

This month, the IASB approved updates to six agenda decisions of the IFRS IC, a move made necessary by the application of IFRS 18 as of 1 January 2027, which will replace IAS 1. Regarding the Committee's recommendation to withdraw the Agenda Decision "*Supply Chain Financing Arrangements—Reverse Factoring*", the IASB decided to defer its decision, and will undertake targeted outreach to identify any specific accounting matters that might arise from withdrawal of the Agenda Decision.

IFRS Highlights

IFRS 18: IASB confirms update to six agenda decisions

In light of the upcoming implementation of IFRS 18, the IFRS Interpretations Committee (IFRS IC) proposed replacing references to IAS 1 with references to IFRS 18 in nine of its agenda decisions (see **Beyond the GAAP no. 201**, July-August 2025).

At its January meeting, the IASB approved updates to the following six decisions:

- *Disclosure of Revenues and Expenses for Reportable Segments* (IFRS 8 *Operating Segments*);
- *Demand Deposits with Restrictions on Use Arising from a Contract with a Third Party* (IAS 7 *Statement of Cash Flows);*
- *Subsequent Expenditure on Biological Assets* (IAS 41 *Agriculture) ;*
- *Disclosure of Changes in Liabilities Arising from Financing Activities* (IAS 7)*;*
- *Physical Settlement of Contracts to Buy or Sell a Non-financial Item* (IFRS 9 *Financial Instruments)*; and
- *Normal Operating Cycle* (IAS 1).

The IASB also followed the IFRS IC's recommendation to withdraw the agenda decision related to *"Income and Expenses arising on Financial Instruments with a Negative Yield—Presentation in the Statement of Comprehensive Income"*.

With respect to the "*Supply Chain Financing Arrangements—Reverse Factoring*" agenda decision, the IASB decided to defer its decision until a subsequent meeting, allowing time for a targeted outreach on the potential consequences of a withdrawal.

IPTF publishes document for discussion on hyperinflationary economies

During January, the International Practices Task Force (IPTF) at the Center for Audit Quality's SEC Regulations Committee updated its working document listing countries that are considered to have hyperinflationary economies (available **here**).

The countries with a three-year cumulative inflation rate exceeding 100% are Argentina, Burundi, Ethiopia, Ghana, Haiti, Iran, Lao P.D.R, Lebanon, Malawi, Myanmar, Nigeria, Sierra Leone, South Sudan, Sudan, Suriname, Turkey, Venezuela and Zimbabwe.

It should be noted that Egypt has been removed from this list.

As with previous editions, the IPTF cautions that this list has been compiled on the basis of available data and recommends that official sources and documents should be consulted when exercising professional judgement to determine whether there is sufficient evidence to conclude that a country should or should no longer be classified as highly inflationary.

Appointments to the IFRS Advisory Council

On 14 January, the Trustees of the IFRS Foundation announced the appointment and reappointment of IFRS Advisory Council members.

The *Advisory Council* is the body providing strategic advice to the Trustees, the IASB and the ISSB.

The press release is available **here**.

ISSB announced amendments to greenhouse gas emissions disclosures

On 17 December 2025, the International Sustainability Standards Board (ISSB) issued amendments to IFRS S2 – *Climate-related Disclosures*, titled "**Amendments to Greenhouse Gas Emissions Disclosures**" (see related **press release**). These changes respond to challenges and practical difficulties entities faced when applying the original standard, particularly in meeting certain disclosure requirements with respect to GHG emissions reporting (especially for financed emissions and jurisdiction-specific reporting obligations).

The main amendments to GHG emissions disclosures under IFRS S2 can be detailed as follows:

- limiting measurement and reporting of scope 3, category 15 emissions:
  - entities may restrict scope 3 category 15 disclosures to financed emissions only (loans, investments, and assets under management);
  - emissions attributable to derivatives can now be excluded of such category, provided that entities using this relief explain which instruments were treated as derivatives and describe excluded financial activities;
- introducing jurisdictional reliefs:
  - entities no longer need to strictly follow the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) if a jurisdiction mandates a different method;
  - similar relief applies to global warming potential values, allowing use of jurisdiction-required values for the part of the entity to which that requirement applies;
- setting principles for industry-level disaggregation:
  - entities that participate in commercial banking or insurance activities must disclose absolute gross financed emissions, broken down by Scope 1, Scope 2, and Scope 3 for each industry by asset class;
  - such entities can choose an alternative classification system, instead of being limited to Global Industry Classification Standard (GICS) to classify their investees or counterparties when disclosing their disaggregated financed emissions information by industry, that helps users understand climate-related transition risks and ensures comparability. Such entities must then disclose the chosen system and explain how it meets the standard's requirements.

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