Regulatory updates

Recent regulatory developments in financial reporting

Last update: September 2025

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1 IFRS® Accounting Standards

1.1 IFRS 18 ‘Presentation and Disclosure in Financial Statements’

The new IFRS 18 standard, ‘Presentation and Disclosure in Financial Statements’, will give investors more transparent and comparable information about companies’ financial performance. It will affect all companies applying IFRS Accounting Standards.

Status:	• Effective for annual reports beginning on or after 1 January 2027 • Earlier adoption permitted

IFRS 18 replaces IAS 1, ‘Presentation of Financial Statements’.

IFRS 18 introduces three sets of new requirements to improve companies’ reporting on financial performance and give investors a better basis for analysing and comparing companies:
- Improved comparability in the statement of profit or loss (income statement)
- Enhanced transparency of management-defined performance measures
- More useful grouping of information in the financial statements

IFRS 18 will apply to reporting periods beginning on or after 1 January 2027 (earlier adoption is permitted) and will also apply to comparative information. The changes in presentation and disclosure required by IFRS 18 might entail system and process changes for many entities, so entities should focus on these aspects now in order to be ready for adoption.

1.2 IFRS 19 ‘Subsidiaries without Public Accountability: Disclosures’

The new IFRS 19 standard, ‘Subsidiaries without Public Accountability: Disclosures’, offers certain entities the option of benefiting from reduced disclosure requirements.

Status:	• Effective for annual reports beginning on or after 1 January 2027 • Earlier adoption permitted

IFRS 19 is a voluntary standard that may be applied only by subsidiaries (and sub-groups) that are not publicly accountable and whose ultimate or intermediate parent company prepares consolidated financial statements that comply with IFRS Accounting Standards. Financial institutions and entities that have either a debt or an equity listing are publicly accountable.

Entities applying IFRS 19 use the recognition, measurement and presentation requirements of IFRS Accounting Standards, but benefit from reduced disclosure requirements.

The IASB issued an amendment to IFRS 19 in August 2025 which reflects the changes to IFRS Accounting Standards that take effect up until 1 January 2027, when IFRS 19 becomes applicable.

1.3 Amendments to IAS 21 'The Effects from Changes in Foreign Exchange Rates': 'Lack of Exchangeability'

The amendments provide requirements to help determine whether one currency is exchangeable for another and the spot exchange rate to use if it is not.

Status:	• Effective for annual reports beginning on or after 1 January 2025

The amendments introduce requirements that should help entities to:

- assess exchangeability between two currencies; and
- determine the spot exchange rate when exchangeability is lacking.

One currency is not exchangeable into another if there is no way of obtaining the other currency (with a normal administrative delay) and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations. The new requirements introduce a framework under which an entity can determine the spot exchange rate at the measurement date if there is a lack of exchangeability between two currencies.

1.4 Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures': 'Amendments to the Classification and Measurement of Financial Instruments'

The amendments provide clarifications to several areas, such as electronic cash transfer, assessing the SPPI criterion and requiring selected additional disclosures.

Status:	• Effective for annual reports beginning on or after 1 January 2026 • Earlier adoption permitted

The amendments introduce requirements that:

- clarify the date of recognition and derecognition of certain financial assets and liabilities, with a new exception for certain financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the 'solely payments of principal and interest' (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance [ESG] targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The amendments included in the second bullet point are most relevant to financial institutions, but the other amendments are relevant to all entities.

1.5 Amendments to IFRS 9 ‘Financial Instruments’ and IFRS 7 ‘Financial Instruments: Disclosures’ ‘Contracts Referencing Nature-dependent Electricity’

The amendment helps companies better report nature-dependent electricity contracts, which are often structured as power purchase agreements (PPAs).

Status:	• Effective for annual reports beginning on or after 1 January 2026 • Earlier adoption permitted

The IASB has amended the own use and hedge accounting requirements of IFRS 9 and added targeted disclosure requirements to IFRS 7. These amendments apply only to contracts that expose an entity to variability in the underlying amount of electricity because the source of its generation depends on uncontrollable natural conditions (such as the weather). These are described as ‘Contracts Referencing Nature-dependent Electricity’.

The amendments:

- clarify the application of the ‘own-use’ requirements for such nature-dependent electricity contracts;
- Permit designation of a variable notional amount of forecasted electricity as a hedged item if a contract referencing nature-dependent electricity is used as hedging instrument; and
- add new disclosure requirements to enable investors to understand the effect of these contracts on a company’s financial performance and cash flows.

Some of the amendments apply prospectively, whereas others apply retrospectively.

1.6 Near-final staff draft – Climate-related and other uncertainties in the financial statements

Additional examples that illustrate how companies apply existing IFRS Accounting Standards to enhance disclosure of various uncertainties in the financial statements.

Status:	• No effective date, to be applied for 2025

The IASB has published near-final examples that demonstrate how companies can improve the reporting of uncertainties in their financial statements using climate-related examples. Although the examples focus on climate-related fact patterns, they illustrate the application of guidance that applies broadly to all types of uncertainties.

The version currently available was published as a near-final staff draft. The final version is expected to be issued in late 2025. The pre-publication is intended to support timely and informed application, as these additional examples do not amend the IFRS Accounting Standards and clarify the application of existing guidance. It is therefore expected that entities reflect them in their financial statements for 2025.

2 Swiss GAAP FER

2.1 Swiss GAAP FER 16 ‘Pension benefit obligations’ (Exposure Draft)

The proposed amendments to FER 16 clarify the accounting and disclosure of pension benefit obligations for both Swiss and foreign pension plans.

Status:	• Exposure draft: final standard expected to be released in December 2025 • Proposed effective date: annual periods beginning on or after 1 January 2027 with earlier adoption permitted (only once the standard is effective)

The exposure draft on FER 16 was published in January 2025. The final standard is expected to be released in December 2025. The exposure draft mainly incorporates the current accounting practice of pension benefit obligations, clarifies the treatment of foreign plans and amends presentation and disclosure requirements.

Main aspects of the new/amended requirements are as follows:

- The accounting of Swiss pension plans is mostly unchanged and is based on the financial statements of the pension vehicle prepared under FER 26. The use of valuation methods applied under international accounting standards is no longer foreseen.
- Foreign plans are reflected using one of the following options:
  1. as for Swiss plans if the pension vehicle is a separate legal entity
  2. based on generally accepted accounting requirements (e.g., HGB for Germany)
  3. based on international accounting standards (e.g., IFRS Accounting Standards)
- Changes in the net pension asset/liability other than those resulting from a change in the scope of consolidation and foreign exchange are recognised in the income statement. They are primarily presented within personnel expenses. Limited effects are included in a new line item ‘other result from pension plans’ which shall be presented before the financial result.
- Disclosure requirements have been completely revised. New disclosures include a movement table of the entity’s obligation or benefit for each pension plan, with the option of aggregation.

3 Swiss CO

3.1 Opting out of a statutory audit

Prospective effect of opting out	
Status:	• Effective on 1 January 2025

With the consent of all shareholders, a company with fewer than ten employees (annual average full-time equivalents) that is not subject to an ordinary audit may opt out of the statutory audit requirement. The amendment to art. 727a CO requires companies to file a request for opting out and submit this, together with the most recent financial statements,
to the commercial register before the start of a financial year.