



Regulatory updates

Recent regulatory developments in financial reporting

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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 reporting periods 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 gives 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 may 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 reporting periods 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 apply the recognition, measurement and presentation requirements of IFRS Accounting Standards, but benefit from reduced disclosure requirements.

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

1.3 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 in several areas, such as electronic cash transfer, assessing the SPPI criterion and requiring selected additional disclosures.

Status:

- Effective for reporting periods 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.

1.4 Amendments to IFRS 9, 'Financial Instruments' and IFRS 7, 'Financial Instruments: Disclosures': 'Contracts Referencing Nature-dependent Electricity'

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

Status:

- Effective for reporting periods 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 the 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.

2 Swiss GAAP FER

2.1 Swiss GAAP FER 16 'Pension benefit obligations' (revised)

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

Status:

- Effective for reporting periods beginning on or after 1 January 2027
- Earlier adoption permitted

The revised standard 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 by 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.

For detailed insights, please refer to PwC's 'Manual for pension benefit obligations in accordance with Swiss GAAP FER 16', which is freely available at pwc.ch ([link](#)).

2.2 Periodic improvements to Swiss GAAP FER

The periodic improvements to Swiss GAAP FER remediate inconsistencies and improve clarity with regard to certain guidelines.

Status:

- Effective for reporting periods beginning on or after 1 January 2027

Main improvements are as follows:

- FER 13 'Leases': With regard to finance leases, non-lease components such as maintenance and insurance must be deducted for the calculation of the present value of lease payments.
- Disclosures relating to the no longer permitted 'authorised capital' have been replaced with disclosures relating to the capital band.

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