



# June year-end accounting reminders – IFRS<sup>®</sup> Accounting Standards

June 2026



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# 1 Introduction

This document outlines reporting requirements as at 30 June 2026.

The first section highlights topical issues that entities might want to consider as they approach the 30 June year-end.

The second section covers recent agenda decisions from the IFRS Interpretations Committee, issued over the past year, which entities should consider when preparing their year-end reporting.

The third section details the latest amendments to IFRS® Accounting Standards that apply to 30 June year-ends.

The final section includes the new and amended IFRS Accounting and Sustainability Reporting Standards that, while effective in the future, may require attention now, including possible disclosures under IAS 8.

## 2 Topical issues

### Geopolitical risks

Geopolitical conflicts continue to create significant shifts in the global risk landscape, with pervasive economic impacts. For example, the current conflict in the Middle East results in financial impacts that include, but are not limited, to:

- Oil and gas price shocks. The conflict has disrupted navigation in the Strait of Hormuz, causing oil prices to surge. Damage to energy facilities, including oil refineries and liquefied natural gas (LNG) plants, has led to reduced output across the region. This destabilised global gas markets, particularly in Europe and Asia.
- The threat of a global recession. Analysts caution that a prolonged closure of the Strait of Hormuz could spark a global recession, given its pivotal role in global energy flows and Asia's reliance on oil from the Gulf Cooperation Council (GCC).
- Equity market losses. Early in the conflict, disruptions in the Strait of Hormuz and energy gridlock significantly impacted global equity markets. Asian markets, notably Japan and South Korea, experienced crash-level declines, triggering emergency trading halts.
- Supply chain and shipping disruptions. Shipping lines halted or rerouted vessels, turning routine energy transport into a high-risk operation. Freight costs, maritime insurance, and logistics premiums surged globally.

Investors will want to understand if and how this is affecting an entity's operations, risk exposure and outlook. Entities must carefully consider the impact on their financial statements and disclosures.

[Our publication from May 2022](#) provides accounting guidance in the context of the conflict between Russia and Ukraine and includes considerations relevant to other geopolitical conflicts.

### Import tariffs

On 20 February 2026, the US Supreme Court issued its decision that the US import tariffs imposed in 2025 by executive orders pursuant to the International Emergency Economic Powers Act (IEEPA) were imposed without statutory authority. This decision invalidates only the tariffs imposed under IEEPA.

Groups with entities (importers of record) operating in and importing certain goods and services into the United States need to consider whether the decision gives rise to an asset for tariffs previously paid by those entities. Entities should provide appropriate disclosure in their financial statements to the extent material.

[Our publication from May 2025](#) provides further guidance.

### Private capital transactions

We continue to see an increase in private capital transactions in the market, with increased complexity.

Private capital transactions can be attractive to companies, but the bespoke nature of these deals often introduces a high degree of accounting complexity.

Given the inherent complexity of these types of transactions, determining the appropriate accounting treatment requires a thorough, holistic assessment of the contractual terms and the specific facts and circumstances of each transaction. Without such analysis, the accounting outcome may be incorrect (for example, debt instruments may be misclassified as equity).

## AI ecosystem transactions

The demand for artificial intelligence (AI) is fuelling some of the largest and most complex transactions, including acquisitions, strategic investments, and partnership structures that often differ from traditional deals. These transactions often involve multiple counterparties, including asset managers, private equity firms, leading technology firms, AI architects, sovereign wealth funds, specialised operators, and supply chain providers.

For entities involved in such transactions, it is essential to confirm that the financial reporting and disclosure of the transactions reflect their substance, since they often span multiple IFRS Accounting Standards. There is a risk of inconsistency and incomplete accounting conclusions if all of the elements of these transactions are not evaluated together.

These transactions might also require expanded disclosure of significant judgements and critical estimates, as well as transparent reporting of their structure and commercial substance.

## Hyper-inflationary economies

The IMF [World Economic Outlook](#) report released on 14 April 2026 provides updated data in respect of current and projected levels of inflation. We have used this data in our assessment of whether an economy is considered hyperinflationary, together with the other qualitative factors in paragraph 3 of IAS 29.

The most significant changes and updates compared to our In brief from May 2025 relate to the following:

- Burundi and Sierra Leone are no longer considered to be hyperinflationary economies for periods ending on or after 30 June 2026.
- Zimbabwe was considered to be a hyperinflationary economy as at December 2025. Currently, there is a lack of reliable information to conclude whether it is no longer hyperinflationary as at 30 June 2026.
- the hyperinflationary economies relate to the currencies of Argentina, Haiti, Islamic Republic of Iran, Lebanon, Malawi, South Sudan; Sudan, Turkey, and Venezuela. Consistent and reliable inflation data is not currently available for Afghanistan, Eritrea, Myanmar, Bolivia, Syrian Arab Republic, Sri Lanka, and Zimbabwe. Entities with the currency of these countries should consider the information available at the reporting date to determine whether IAS 29 is applicable.

[Our internal publication](#) <sup>1</sup> provides guidance on hyperinflationary economies, including a country tracker as well as countries on a watch list. Watch out for our next In brief in this series which will be released early November when the next IMF World Economic Outlook will have been released.

## Climate change and connectivity between sustainability reporting and financial reporting

In many cases, an entity's exposure to climate-related risks might not have changed significantly since its last annual reporting period; however, climate-related risks remain an important topic for many investors and so entities should ensure that all material information affecting the financial statements in this respect is provided.

Entities should also ensure consistency between financial and non-financial reporting on key climate-related assumptions, if these are relevant for the purposes of estimating and recognising IFRS compliant transactions/balances. If there is commentary in the sustainability report that hasn't been reflected in financial reporting (for example, because the entity is relying on market participants assumptions which differ) the entity

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should consider the need for additional commentary on why such items have been reflected on a different basis in financial reporting.

In November 2025, the IASB issued [Examples](#) illustrating how an entity applies the requirements in IFRS Accounting Standards to disclose the effects of uncertainties in its financial statements. The Examples demonstrate how to disclose the impacts of uncertainties within climate-related scenarios, but the principles and requirements are also applicable to disclosure of other uncertainties. These Examples do not add or change requirements in IFRS Accounting Standards and therefore there are no transition requirements. Instead, these Examples will accompany the respective IFRS Accounting Standards to which they relate.

The IASB expects entities to be entitled to sufficient time to implement any changes to the information disclosed in their financial statements as a result of these Examples. Determining how much time is sufficient is a matter of judgement that depends on an entity's particular facts and circumstances, but entities would be expected to implement any changes on a timely basis. Entities are encouraged to consider the impact of these Examples on their 30 June year-end reporting.

## EU Omnibus package

On 26 February 2026, the 'Omnibus' directive was published in the Official Journal of the European Union, following its official adoption by the Council of the European Union on 24 February 2026. This directive is the outcome of an agreement reached in December 2025 on the European Commission's 26 February 2025 'Omnibus' proposal intended to simplify and reduce EU sustainability reporting rules. The overall goal of the 'Omnibus' directive is to reduce reporting burdens, particularly for smaller and mid-sized entities, and increase efficiency in sustainability reporting. As part of its overall 'Omnibus' proposals, the European Commission (EC) also adopted a Delegated Act to make changes to the EU Taxonomy Regulation.

[Our publication from March 2025](#) provides further guidance.

On 6 May 2026, the EC published a draft delegated act containing the simplified European Sustainability Reporting Standards (ESRS) and opened a four-week period for comment.

The revised ESRS issued on 6 May 2026 are based on the technical advice to the EC on the simplified ESRS provided by EFRAG on 3 December 2025. EFRAG's technical advice was based on areas targeted for change in the EC's February 2025 'Omnibus' package including reducing the number of mandatory datapoints, clarifying unclear provisions, simplifying the structure and presentation of the standards, and enhancing interoperability. The EC made targeted modifications to the technical advice "with the primary aim of facilitating the application of the standards by clarifying certain provisions and granting additional flexibilities" to entities subject to the scope of Corporate Sustainability Reporting Directive (CSRD).

The draft delegated act was available for comment until 3 June 2026. The EC stated that it intends to adopt the delegated act as soon as possible following the end of the consultation. The delegated act containing revised ESRS will be applicable for financial years beginning on or after 1 January 2027. Entities will be permitted to apply the revised ESRS for financial years beginning in 2026.

Other changes approved in response to the EC's February 2025 'Omnibus' proposals include the 'stop-the-clock' Directive which extends the reporting deadlines for 'wave 2' and 'wave 3' reporters by two years, and the 'quick fix' Delegated Act, which extends the year one transition relief in ESRS to entities currently reporting under CSRD ('wave 1' reporters) to 2026 and 2027.

## EU VSME standard

On 30 July 2025, the European Commission adopted a recommendation on the voluntary sustainability reporting standard for non-listed micro, small, and medium-sized entities (VSME standard) issued by EFRAG in December 2024. The VSME standard is a simplified standard that was developed by EFRAG and was designed for entities that are not required to report in accordance with the Corporate Sustainability Reporting Directive (CSRD)—specifically non-listed micro, small, and medium-sized entities (non-listed SMEs) with fewer than 250 employees.

On 6 May 2026, the European Commission published a draft delegated act containing the sustainability reporting standard for voluntary use (voluntary standard), based on the recommendation of the VSME standard. The draft delegated act was available for comment until 3 June 2026. The EC has stated that it intends to adopt the delegated act as soon as possible following the end of the consultation. The February 2026 'Omnibus' directive contains two main provisions that reference voluntary sustainability reporting standards — stating that entities no longer in scope of reporting under the CSRD could voluntarily report sustainability information using the voluntary standards, and stating that the voluntary standard would form the basis of the 'value chain cap'.

## Taxonomy regulation updates

On 4 July 2025, the European Commission adopted a delegated act that amends the Taxonomy Regulation delegated acts. The changes are part of the 26 February 2025 'Omnibus' package of improvements intended to reduce the regulatory burden on entities in the European Union. The final delegated act was published in the Official Journal of the European Union on 8 January 2026 and will enter into force 28 January 2026.

While the new delegated act impacts the content and presentation of taxonomy disclosures, it does not change the scope of entities required to apply the Taxonomy Regulation.

The amendments to the Taxonomy Regulation must be applied to reports issued after 28 January 2026.

### 3 Agenda Decisions published by the IFRS Interpretations Committee (IFRS IC)

Agenda decisions (including any explanatory material contained within them) cannot add or change requirements in IFRS Accounting Standards. Instead, explanatory material explains how the applicable principles and requirements in IFRS Accounting Standards apply to the transaction or fact pattern described in the agenda decision.

Agenda decisions do not have an effective date but, typically, entities are afforded a sufficient amount of time to implement them. Entities need to apply judgement to determine what might be sufficient time, based on their facts and circumstances. Typically, changes applied in response to an agenda decision result in voluntary accounting policy changes in accordance with IAS 8 and are not accounted for as a correction of a prior period error.

The table below sets out the agenda decisions that have been published by the IFRS IC between July 2025 and May 2026.

<b>Embedded Prepayment Option (IFRS 9)</b>	This <b>decision</b> looks into whether an assessment of lost interest should be made from the lender or borrower perspective when evaluating whether an embedded prepayment option in a financial liability should be separated.
<b>Published</b>	2 February 2026
<b>Determining and Accounting for Transaction Costs (IFRS 9)</b>	This <b>decision</b> deals with the application of the definition of transaction costs in IFRS 9 and the requirements in IFRS 9 relating to transaction costs.
<b>Published</b>	2 February 2026
<b>Scope of the Requirement to Disclose Expenses by Nature (IFRS 18)</b>	This <b>decision</b> considers questions related to the scope of the requirements of paragraph 83 of IFRS 18.
<b>Published</b>	22 April 2026
<b>Fair Presentation and Compliance with IFRS Accounting Standards (IAS 1)</b>	This <b>decision</b> deals with a request received by the IFRS IC about the application of the requirements in paragraphs 15–24 of IAS 1 relating to fair presentation and compliance with IFRS Accounting Standards. The IFRS IC concluded that the matter does not have widespread effect.
<b>Published</b>	22 April 2026
<b>Economic Benefits from Use of a Battery under an Offtake Arrangement (IFRS 16)</b>	This <b>decision</b> deals with requests received by the IFRS IC about how an entity applies the requirements in paragraph B9(a) of IFRS 16—specifically, how an entity determines whether a customer has the right to obtain substantially all of the economic benefits from use of an identified asset.  For further guidance on battery energy storage system (BESS) agreements, see <a href="#">our internal publication</a> . <sup>1</sup>
<b>Published</b>	22 April 2026

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<b>Classification of Gains and Losses on a Derivative Managing a Foreign Currency Exposure (IFRS 18)</b>	This <b>decision</b> relates to a question on how an entity classifies any gain or loss arising from the derivative in its consolidated statement of profit or loss.
<b>Published</b>	22 April 2026
<b>Classification of a Foreign Exchange Difference from an Intragroup Monetary Liability (or Asset) (IFRS 18)</b>	This <b>decision</b> relates to a question on how an entity applying paragraph B65 of IFRS 18 classifies a foreign exchange difference if the income and expenses from the intragroup monetary liability (or asset) that gave rise to the foreign exchange difference have been eliminated on consolidation.
<b>Published</b>	22 April 2026
<b>Assessment of a Specified Main Business Activity for the Purposes of the Separate Financial Statements of a Parent (IFRS 18)</b>	This <b>decision</b> relates to a question on how a parent entity assesses, for the purposes of its separate financial statements, whether it has a specified main business activity. The fact pattern in the question described the entity's main business activity as investing in unconsolidated subsidiaries.
<b>Published</b>	22 April 2026

## 4 IFRS Accounting Standards newly applicable for 30 June 2026 year ends

### Amendments to IAS 21 - Lack of Exchangeability

An entity is impacted by these amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date. A currency is exchangeable when there is an ability to obtain 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.

For further details see [our publication from September 2023](#).

## 5 New and amended IFRS accounting standards effective after 1 July 2026

Paragraph 30 of IAS 8, requires an entity to disclose if there are new IFRS Accounting Standards that are issued but not yet effective and information relevant to assessing the possible impact that the application of the new and amended Accounting Standards will have on the entity's financial statements. This summary includes all new and amended IFRS Accounting Standards issued before 30 June 2026 with an effective date for accounting periods beginning on or after 1 July 2026.

These Accounting Standards can generally be adopted early, subject to local endorsement.

<b>Amendments to IFRS 9 and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments</b>	<p>These amendments:</p> <ul style="list-style-type: none"> <li>clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;</li> <li>clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;</li> <li>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</li> <li>make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).</li> </ul> <p>For further details see <a href="#">our publication from June 2024</a>.</p>
<b>Published</b>	May 2024
<b>Effective date</b>	Annual periods beginning on or after 1 January 2026, with earlier application permitted (subject to local endorsement).
<b>Annual improvements to IFRS – Volume 11</b>	<p>These amendments are part of the Annual Improvements to IFRS Accounting Standards. Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 list of amended Accounting Standards and accompanying guidance include the following:</p> <ul style="list-style-type: none"> <li>IFRS 1 First-time Adoption of International Financial Reporting Standards;</li> <li>IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;</li> <li>IFRS 9 Financial Instruments;</li> <li>IFRS 10 Consolidated Financial Statements; and</li> <li>IAS 7 Statement of Cash Flows.</li> </ul>
<b>Published</b>	July 2024
<b>Effective date</b>	Annual periods beginning on or after 1 January 2026 with earlier application permitted.
<b>Amendment to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity</b>	<p>These amendments change the 'own use' and hedge accounting requirements of IFRS 9 and include 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'.</p>
<b>Published</b>	December 2024
<b>Effective date</b>	Annual periods beginning on or after 1 January 2026, with earlier application permitted (subject to local endorsement).

<b>Amendments to IAS 21 - Translation to a Hyperinflationary Presentation Currency</b>	<p>These narrow-scope amendments specify the translation procedures for an entity whose presentation currency is that of a hyperinflationary economy. The entity applies the amendments if:</p> <ul style="list-style-type: none"> <li>its functional currency is that of a non-hyperinflationary economy and it is translating its results and financial position into the currency of a hyperinflationary economy; or</li> <li>it is translating into the currency of a hyperinflationary economy the results and financial position of a foreign operation whose functional currency is that of a non-hyperinflationary economy.</li> </ul> <p>The amendments aim to improve the usefulness of the resulting information in a cost-effective manner and reduce diversity in practice.</p>
<b>Published</b>	November 2025
<b>Effective date</b>	Annual periods beginning on or after 1 January 2027, with earlier application permitted (subject to local endorsement).
<b>IFRS 18 – Presentation and Disclosure in Financial Statements</b>	<p>IFRS 18 is the new Accounting Standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:</p> <ul style="list-style-type: none"> <li>the structure of the statement of profit or loss;</li> <li>required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity’s financial statements (that is, management-defined performance measures); and</li> <li>enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.</li> </ul> <p>To comply with paragraph 30 of IAS 8, it is expected that June 2026 year-end disclosures include disclosures about:</p> <ul style="list-style-type: none"> <li>the nature of the changes,</li> <li>the fact that IFRS 18 application is required for annual periods beginning on or after 1 January 2027,</li> <li>the planned adoption date, and</li> <li>either: <ul style="list-style-type: none"> <li>known or reasonably estimable information relevant to assessing the possible impact that application of IFRS 18 will have on the entity’s financial statements in the period of initial application; or</li> <li>if that impact is not known or reasonably estimable, a statement to that effect.</li> </ul> </li> </ul> <p>When preparing disclosures related to the adoption of IFRS 18 to comply with paragraph 30 of IAS 8, entities should consider the following principles:</p> <ul style="list-style-type: none"> <li>Disclosures are expected to become increasingly detailed as entities’ implementation process progresses toward 2027.</li> </ul> <p>The level of detail that an entity includes in its disclosures will depend on the progress of its implementation activities, including those related to internal controls. For the year ending 30 June 2026, entities that have yet to make significant progress in implementation might only disclose that they are actively assessing the impact of IFRS 18 and that more comprehensive disclosures cannot reasonably be provided.</p> <ul style="list-style-type: none"> <li>Where appropriate and reliable, consider including quantitative information.</li> </ul> <p>It may be appropriate to disclose preliminary figures, when the entity has an appropriate and reliable basis for making such disclosures and provides clear explanations regarding their provisional nature. For example, an entity might quantify the effects on profit and loss subtotals. If the quantitative impact is not reasonably estimable, a statement to that effect should be included. An entity may disclose known and reasonably quantifiable impacts, but it is not expected to early provide IFRS 18 disclosures, such as an MPM reconciliation, before the application date.</p> <ul style="list-style-type: none"> <li>Consider alignment with other public communications.</li> </ul> <p>If management has publicly detailed anticipated impacts, such as in an investor presentation, the IAS 8 financial statement disclosures should be consistent with these communications.</p> <p>Disclosures should be based on the information available through the date of issuance of the financial statements, not only the end of the reporting period.</p> <p>For further guidance, see our <a href="#">illustrative consolidated financial statements</a> applying IFRS 18.</p>
<b>Published</b>	April 2024

<b>Effective date</b>	Annual periods beginning on or after 1 January 2027, with earlier application permitted (subject to local endorsement).
<b>IFRS 19 - Subsidiaries without Public Accountability: Disclosures</b>	<p>This new standard and amendments (<i>see separate section below</i>) work alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries.</p> <p>A subsidiary is eligible if:</p> <ul style="list-style-type: none"> <li>• it does not have public accountability; and</li> <li>• it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.</li> </ul> <p>For further guidance see <a href="#">our publication from May 2024</a>.</p>
<b>Published</b>	May 2024
<b>Effective date</b>	Annual periods beginning on or after 1 January 2027, with earlier application permitted (subject to local endorsement).
<b>Amendment to IFRS 19, Subsidiaries without Public Accountability: Disclosures</b>	<p>In developing the reduced disclosure requirements in IFRS 19, the IASB considered the disclosure requirements in other IFRS Accounting Standards as at 28 February 2021. When IFRS 19 was issued, it did not contain reduced versions of any disclosure requirements that were added or amended after that date. Subsequently, the IASB issued these <u>amendments</u> to help eligible subsidiaries by reducing disclosure requirements for Standards and amendments issued between February 2021 and May 2024, specifically:</p> <ul style="list-style-type: none"> <li>• IFRS 18, 'Presentation and Disclosure in Financial Statements';</li> <li>• Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7);</li> <li>• International Tax Reform - Pillar Two Model Rules (Amendments to IAS 12);</li> <li>• Lack of Exchangeability (Amendments to IAS 21); and</li> <li>• Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7).</li> </ul> <p>In the future, IFRS 19 will be amended at the same time as the IASB issues or revises other IFRS Accounting Standards.</p>
<b>Published</b>	August 2025
<b>Effective date</b>	Annual periods beginning on or after 1 January 2027, with earlier application permitted (subject to local endorsement).
<b>IFRS 20 Regulatory Assets and Regulatory Liabilities</b>	This is a new Accounting Standard for entities subject to a specific type of rate regulation. It aims to help investors better understand how that rate regulation affects an entity's financial performance, financial position and its prospects for future cash flows.
<b>Published</b>	May 2026
<b>Effective date</b>	Annual periods beginning on or after 1 January 2029, with earlier application permitted (subject to local endorsement).

## 6 New and amended IFRS Sustainability Reporting Standards effective after 1 July 2026

This summary includes amended IFRS Sustainability Reporting Standards and amendments issued before 30 June 2026 with an effective date for accounting periods beginning on or after 1 July 2026. These Sustainability Reporting Standards can generally be adopted early, subject to local endorsement.

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<b>Amendment to IFRS S2 'Climate-related disclosures'</b>	<p>These amendments were in response to feedback regarding application challenges related to GHG emission disclosure requirements.</p> <p>These targeted amendments cover four topics:</p> <ul style="list-style-type: none"><li>• Allowing an entity to limit the measurement of Category 15 Scope 3 GHG emissions to only 'financed emissions'</li><li>• Permitting an entity to select an industry-classification to disaggregate 'financed emissions'</li><li>• Expanding the jurisdictional relief from using the GHG Protocol Corporate Standard, so that it applies if an entity – in whole or in part – is required to use a different method for measuring GHG emissions</li><li>• Introducing a new jurisdictional relief allowing an entity to use global warming potential (GWP) values other than the values currently required by IFRS S2</li></ul>
<b>Published</b>	December 2025
<b>Effective date</b>	Annual periods on or after 1 January 2027, with earlier application permitted (subject to local endorsement)

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