Grant Thornton

IFRS Accounting Standards Quarterly Navigator

Your Financial Reporting Roadmap

Quarter 4 2025

Introduction

IFRS News is your quarterly update on issues relating to International Financial Reporting Standards (IFRS) Accounting Standards. We'll bring you up to speed on topical issues and all recent developments, provide comments and give our perspective on relevant topics.

We are pleased to welcome you to this IFRS-related news edition by Grant Thornton Greece, your quarterly update on issues related to International Financial Reporting Standards (IFRS) Accounting Standards.

The main objective of this edition is to keep you informed about the recent news and advancements in the field of IFRS Accounting Standards.

Our aim is to provide you with relevant support, useful information, and an understanding of the potential impact these developments may have on your business, by bringing to you the most relevant and up-to-date information and keeping you at the forefront of the ever-evolving world of financial reporting.

From significant standard updates and IASB proposed amendments to thought-provoking articles, our team of experts has crafted this edition to address your informational needs.

This edition includes:

- **Latest IFRS updates**
  - Disclosures about Uncertainties in the Financial Statements
  - Translation to a Hyperinflationary Presentation Currency
- **Technical insights from our experts**
  - Accounting for cryptocurrencies-the basics
  - Get Ready for IFRS 18
  - Hyperinflation Update
- **IASB proposed amendments**
- **Grant Thornton International Ltd's Thought Leadership**
  - IFRS Example Consolidated Financial Statements 2025

We also invite you to actively engage with us by sharing your thoughts, questions, or suggestions. Your input is invaluable in shaping the content of future editions.

We hope that you find our IFRS Quarterly Navigator edition enlightening and a valuable resource for your professional journey, and should you wish to discuss any of the topics covered, please feel free to contact us.

Contents

01 Latest IFRS updates

This section presents IASB new amendments which have been published in the period from October 2025 until December 2025.

Latest IFRS updates

Disclosures about Uncertainties in the Financial Statements

Background

The IFRS Foundation has issued 'Disclosures about Uncertainties in the Financial Statements,' addressing practical application of the disclosure requirements in IFRS Accounting Standards.

The illustrative examples were developed by International Accounting Standards Board (IASB) in collaboration with the International Sustainability Standards Board (ISSB) to address feedback from stakeholders about insufficient information around uncertainties – particularly climate-related uncertainties. The illustrative examples also address feedback regarding inconsistencies that may arise in the financial statements by complying with the disclosure requirements of the IFRS Accounting Standards and IFRS Sustainability Disclosure Standards.

Illustrative Examples on reporting uncertainties

The collection of examples illustrates how entities can improve the reporting of uncertainties in their financial statements to avoid creating inconsistencies within their annual report. The illustrative examples are mainly focused on climate-related fact patterns. However, the principles and requirements illustrated can be applied equally to all types of uncertainties.

The IASB had previously published a near-final staff draft of the illustrative examples in July 2025. Apart from minor editorial changes, the final examples issued also include the amendments made to the Basis for Conclusions for each relevant IFRS Accounting Standard.

A summary of each example as disclosed in the publication is indicated below:

1. Materiality judgements applying paragraph 31 of IAS 1 'Presentation of Financial Statements' [paragraph 20 of IFRS 18 ‘Presentation and Disclosure in Financial Statements’]

- Illustration of how an entity makes materiality judgements in the context of financial statements
- The illustrative example contains two scenarios: one scenario in which these judgements lead to additional disclosures beyond those specifically required by IFRS Accounting Standards and a second scenario in which they do not.

2. Disclosure of disaggregated information applying [IFRS 18]

- Illustration of how an entity might disaggregate the information it provides in the notes about a class of property, plant and equipment (PP&E) on the basis of dissimilar risk characteristics if necessary to provide material information.

3. Disclosure about credit risk applying IFRS7 ‘Financial Instruments; Disclosures’

- Illustration of how an entity might disclose information about the effects of particular risks on its credit risk exposures and credit risk management practices and how these practices relate to the recognition and measurement of expected credit losses.

4. Disclosure of assumptions: general requirements applying IAS 1 [IAS 8 ‘Basis of Preparation of Financial Statements’]

Illustration of how an entity:

- might be required to disclose information about assumptions it makes about the future, even if the specific disclosure requirements in other IFRS Accounting Standards require no such disclosure

Disclosures about Uncertainties in the Financial Statements

- identifies the assumptions about which it is required to disclose information, and
- determines what information about these assumptions it is required to disclose

5. Disclosure of assumptions: specific requirements applying IAS 36 'Impairment of Assets'

- illustration of how an entity discloses information about the key assumptions it uses to determine the recoverable amounts of assets.

6. Disclosure about decommissioning and restoration provisions applying IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'

- illustration of how an entity might disclose information about plant decommissioning and site restoration obligations, even if their effect on the carrying amount of the entity's plant decommissioning and site restoration provision is immaterial.

**IFRS Accounting Standards that are not yet effective as at the date of this publication are included in brackets.*

Status of the illustrative examples

The illustrative examples have now been approved by the IASB and have been included as illustrative examples in the relevant IFRS Accounting Standard to which they relate. There is no effective date of the illustrative examples as they do not amend the IFRS Accounting Standards as they are currently written. In other words, they are effective immediately.

Grant Thornton International Ltd's thoughts

We support the release of the illustrative examples, which should improve the overall quality of financial reporting and ensure consistency with sustainability reporting. All the illustrative examples are uncontroversial in nature, and our view is they increase clarity to the impacted IFRS Accounting Standards. We encourage entities to consider the application of the illustrative examples to their financial statements.

Translation to a Hyperinflationary Presentation Currency

Executive summary

The International Accounting Standards Board (IASB) has issued amendments to IAS 21 'The Effects of Changes in foreign Exchange Rates' to clarify how entities should translate financial statements from a non-hyperinflationary currency into a hyperinflationary one.

Background

The objective of IAS 21 is to prescribe how to include foreign currency transactions and foreign operations in the financial statements of an entity and how to translate financial statements into a presentation currency.

In June 2022, the IFRS Interpretations Committee (IFRIC) received a submission regarding the accounting treatment applied by a parent entity with a functional currency in a hyperinflationary economy when consolidating a subsidiary with a functional currency in a non-hyperinflationary economy. During its research, the IFRIC concluded that the matter identified was common and there was diversity in practice, which was expected to increase in the future. The IFRIC also identified a related issue, where an entity with a non-hyperinflationary functional currency presents its financial statements in a hyperinflationary presentation currency.

The IFRIC referred the matter to the IASB and recommended a narrow-scope amendment to provide an appropriate translation method for both the original and related issues. In July 2024, the IASB proposed amendments to IAS 21 to address these matters, which have been finalised following consideration of feedback on the proposals. These targeted amendments aim to enhance information quality cost-effectively, reduce reporting differences, and clarify guidelines for hyperinflationary currencies.

The amendments

Amendments to IAS 21

The amendments to IAS 21 introduce new translation provisions as follows:

- Entities with a non-hyperinflationary functional currency but a hyperinflationary presentation currency must now translate all amounts (assets, liabilities, equity, income, expenses, including comparatives) at the closing rate at the date of the most recent statement of financial position. Previously, assets and liabilities were translated at the closing rate, but income and expenses were translated at transaction rates. This change ensures all amounts are expressed in terms of a current measuring unit, improving comparability and usefulness for users of financial statements.
- When an entity applies IAS 29 'Financial Reporting in Hyperinflationary Economies' and translates the results and financial position of a foreign operation with a non-hyperinflationary functional currency, comparative amounts for the foreign operation should be restated using a general price index, not the closing rate. This exception reduces preparation costs and maintains consistency in financial ratios.
- Entities must disclose when these new requirements have been applied and therefore all amounts have been translated at the closing rate.
- If the presentation currency ceases to be hyperinflationary, this fact must also be disclosed. Entities with foreign operations affected by these amendments must provide summarised financial information about those operations, helping users assess their impact on the entity's results and financial position.

Translation to a Hyperinflationary Presentation Currency

Amendments to other IFRS Accounting Standards

In addition, the following changes are reflected in other IFRS Accounting Standards as follows:

- IFRS 19 ‘Subsidiaries without Public Accountability: Disclosures’ – the new disclosure requirements that are being introduced in IAS 29 are being replicated in IFRS 19.
- IAS 29 ‘Financial Reporting in Hyperinflationary Economies’ – corresponding paragraph references are amended to reflect the new paragraphs added in IAS 21.

Effective date

The amendments are effective from annual reporting periods beginning on or after 1 January 2027. Early adoption of the Standard is permitted.

Grant Thornton International Ltd’s thoughts

We support the release of the amendments to IAS 21, which should increase the usefulness of the presented information in a cost-effective manner. While the effective date isn’t until 1 January 2027, we would encourage reporting entities to consider early application if they are in scope of IAS 21.

02 Technical Insights

In this section of our IFRS Accounting Standards Quarterly Navigator edition, we bring you technical insights and viewpoints from experts in the field of financial reporting. We encourage you to dive into these articles and join us on this intellectual journey as we explore the frontiers of financial reporting and unlock new insights that will empower you to navigate the complexities of IFRS Accounting Standards.

Technical Insights

Accounting for cryptocurrencies-the basics

The popularity of cryptocurrencies has soared in recent years, yet they do not fit easily within IFRS' financial reporting structure. For example, an approach of accounting for holdings of cryptocurrencies at fair value through profit or loss may seem intuitive but is incompatible with the requirements of IFRS in most circumstances.

This Viewpoint explores the acceptable methods of accounting for holdings in cryptocurrencies while touching upon other issues that may be encountered.

You can access the publication at IFRS Viewpoint

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Technical Insights

Get ready for IFRS 18

GTIL refreshed and republished the “Get ready for IFRS 18 publication” to reflect the latest thinking on the new presentation and disclosure standard.

IFRS 18 'Presentation and Disclosure in Financial Statements' will replace IAS 1 'Presentation of Financial Statements', effective for periods beginning on or after 1 January 2027, with earlier application permitted.

While the core principles set out in our publication remain unchanged, the updated version incorporates refinements and additional insights based on feedback and further analysis since our original release in November 2024. These updates aim to provide clearer guidance on areas that may present application challenges.

The refreshed publication continues to provide a high-level overview of IFRS 18’s requirements, along with practical considerations for implementation. It reinforces the message that for some entities, the changes could be significant, and early assessment remains critical. Key topics covered include:

- updates to the statement of profit and loss, and classification of income and expenses
- management-defined performance measures
- enhanced guidance on aggregation and disaggregation of information
- consequential amendments to other IFRS Accounting Standards

You can access the publication at Get ready for IFRS 18 | Grant Thornton insights

Technical Insights

Hyperinflation Update

Executive summary

According to data in the World Economic Outlook (WEO) report issued by the International Monetary Fund (IMF) in October 2025 and based on economic conditions that currently exist, certain countries will be considered to be hyperinflationary at 31 December 2025. Therefore, reporting entities in those countries will be required to apply IAS 29 'Financial Reporting in Hyperinflationary Economies'. Consequently, any entities with interim or annual financial reporting requirements at 31 December 2025 or thereafter should reflect IAS 29 in their IFRS financial statements.

The main change relates to three countries previously considered hyperinflationary. The WEO report identifies that Ghana, Lao PDR and Suriname are no longer considered hyperinflationary as of 31 December 2025 due to the predicted decline in inflation numbers from the succeeding three-year period from 31 December 2025.

This means that from 31 December 2025 onwards there are **twelve countries** around the world where IAS 29 **should be applied** when entities want to state they are in full compliance with IFRS Accounting Standards. These countries are Argentina, Burundi, Haiti, Iran, Lebanon, Malawi, Sierra Leone, South Sudan, Sudan, Turkey, Venezuela and Zimbabwe.

Countries that could potentially have hyperinflationary economies due to their past inflationary trends but lack reliable information include Syria and Yemen. Entities in these countries should consider the information available at the reporting date to determine whether IAS 29 is applicable.

Recapping the requirements of IAS 29

IAS 29 lists factors that indicate when an economy is hyperinflationary. One of the indicators of hyperinflation is if cumulative inflation over a three-year period approaches or is in excess of 100 per cent.

The mechanics of restatement

IAS 29 requires amounts in the statement of financial position that are not already expressed in terms of the measuring unit current at the end of the reporting period, are restated by applying a general price index. In summary:

- assets and liabilities linked by agreement to changes in prices, such as index linked bonds and loans, are adjusted in accordance with the agreement
- non-monetary items carried at current amounts at the end of the reporting period (such as net realisable value and fair value) are not restated
- all other non-monetary assets and liabilities are restated

Technical Insights

Hyperinflation Update

- monetary items (ie money held and items to be received or paid in money) are not restated because they are already expressed in terms of the monetary unit currency at the end of the reporting period, and
- all items in the statement of comprehensive income should be expressed using the measuring unit current at the end of the reporting period, so all amounts need to be restated from the dates when the items of income and expenditure were originally recorded in the financial statements.

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Other important factors that should be taken into consideration when applying IAS 29

IAS 29 sets out specific requirements on how to restate prior period comparatives. It requires corresponding figures for the previous reporting period to be restated by applying a general price index so that the comparative financial statements are presented in terms of the measuring unit current at the end of the reporting period.

IAS 29 may result in the creation of additional temporary differences under IAS 12 'Income Taxes'. This is because the restatement of items under IAS 29 will often lead to adjustments to the carrying amounts of items without corresponding changes to their tax bases. Be mindful that IAS 12 requires these adjustments to be recognised in profit or loss.

Hyperinflation Update

Impairment testing should also not be overlooked. IAS 29 requires any restated non-monetary items to be reduced when it exceeds its recoverable amount, even if those assets were not previously considered impaired under historical cost accounting. It will be important when preparing financial statements to consider whether the restatement of asset carrying values affects the results of impairment tests that were conducted in previous reporting periods, and whether there are any indicators of impairment for assets that were not tested for impairment in previous periods.

IFRIC decisions relating to hyperinflation

The IFRS Interpretations Committee (IFRIC) have previously considered a number of accounting issues in relation to dealing with hyperinflation. These include:

- translating a hyperinflationary foreign operation and presenting exchange differences
- accounting for cumulative exchange differences before a foreign operation becomes hyperinflationary
- presenting comparative amounts when a foreign operation first becomes hyperinflationary, and
- consolidation of a non-hyperinflationary subsidiary by a hyperinflationary parent.

We encourage careful consideration of these issues when preparing IFRS financial statements and applying IAS 29.

Grant Thornton International Ltd's thoughts

IAS 29 is not a Standard that can be quickly implemented, particularly in group situations. Careful consideration needs to be given to the IFRIC guidance dealing with situations where there is a hyperinflationary parent that has subsidiaries who also report in a hyperinflationary currency versus situations where a non-hyperinflationary parent has subsidiaries that report in a hyperinflationary currency. Also be mindful of how a hyperinflationary parent with subsidiaries that do not report in a hyperinflationary currency should be accounted for given the requirements set out in IAS 21, ‘The Effects of Changes in Foreign Exchange Rates’.

Any reporting entity considering IAS 29 for the first time will have to adapt their existing accounting systems to be able to process the hyperinflationary adjustments. It is important they understand the mechanics of adjusting for hyperinflation so they can restate in their financial statements both current and comparative periods.

03 IASB proposed amendments

This section presents IASB proposed amendments for which exposure drafts have been published in period from October 2025 until December 2025.

No IASB exposure drafts were issued during the period from October 2025 to December 2025.

04 Grant Thornton International Ltd's Thought Leadership

Grant Thornton International Ltd has released from the period of October 2025 until December 2025 the following:

(a) IFRS Example Consolidated Financial Statements 2025

Grant Thornton International Ltd’s Thought Leadership

IFRS Example Consolidated Financial Statements 2025

Grant Thornton International has published 'IFRS Example Consolidated Financial Statements 2025'.

The publication has been updated to reflect changes in IFRS Accounting Standards that are effective for the year ending 31 December 2025. No account has been taken of any new developments after 31 August 2025.

Our objective is to illustrate one possible approach to reporting by an entity engaging in transactions that are 'typical' across a range of non-specialist sectors. However, as with any example, this illustration does not envisage every possible transaction and therefore cannot be regarded as comprehensive. Other approaches may be more appropriate in specific circumstances.

In addition, we are pleased to share the publication of Appendix E to the Example Financial Statements - IFRS 18 ‘Presentation and Disclosure in Financial Statements’. This appendix presents a selection of extracts from the Example Financial Statements, including the consolidated statement of profit or loss and statement of cash flows, prepared as if the Group had (early) adopted IFRS 18 in the year ended 31 December 2025. It also includes illustrative transition disclosures and illustrates the new disclosures about management-defined performance measures and disclosures of specified expenses by nature required by IFRS 18.

You can access the publication at IFRS Example Financial Statements 2025 | Grant Thornton insights

What defines our unparalleled edge

Grant Thornton works to support dynamic organizations to address financial reporting issues in today's complex word.

In making this changes, one thing does not change. Financial reporting is a regulated activity and compliance with the requirements is a must. Getting it right requires professional expertise, care and attention to detail, proper planning and project management and fit-for-purpose systems and controls.

We can help you get up to date with current trends in financial reporting by providing:

- thought leadership insights
- examples of best practice disclosures
- support you through the enhancing of your annual reports

Whatever stage you are at in making improvements to the content and presentation of your annual reports, our specialists offer pragmatic solutions, whilst still complying with IFRS Standards.

The Standards are detailed and technical. To the untrained eye, they can appear hard to navigate.

But at Grant Thornton,
we have people who are well versed in their intricacies and can translate them into language that you can understand and apply to your financial statements.

A dedicated team of experts

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