

# IFRS Accounting Standards Quarterly Navigator

Your Financial Reporting Roadmap

Quarter 2 2025



# Introduction

IFRS Quarterly Navigator 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**
  - Revised "Practice Statement management commentary"
- **Technical insights from our experts**
  - Hyperinflation Update
- **IASB proposed amendments**
- **Grant Thornton International Ltd's Thought Leadership**
  - IFRS Example Interim Condensed Consolidated Financial Statements 2025
  - Insights into IFRS 2 "Share-based Payment": (a) Group share-based payments and (b) Modification of share-based payment arrangements.



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.

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# 01 Latest IFRS updates

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

# Latest IFRS updates



## IASB issues revised “Practice Statement management commentary”

### Executive summary

The International Accounting Standards Board (IASB) has issued a revised “Practice Statement on management commentary” (the Practice Statement). The objective of the revision is to provide a global benchmark for the preparation of management commentary accompanying financial statements including sustainability-related financial disclosures. The Practice Statement achieves this by adopting an objectives-based framework, focusing on what investors need to enable them to assess an entity’s ability to create value and generate cash flows over time. The Practice Statement is non-mandatory but designed to be used alongside IFRS Accounting Standards and IFRS Sustainability Disclosure Standards.

### Background

The Practice Statement was originally issued in 2010 to provide a broad, non binding framework for the presentation of management commentary that relates to financial statements that have been prepared in accordance with International Financial Reporting Standards (IFRS).

The revised Practice Statement was designed to improve the quality and consistency of management commentary globally. This was achieved by addressing shortcomings in current practice, particularly around the clarity and connectivity of narrative reporting and thereby provides a global benchmark for regulators to update or develop national guidance. The Practice Statement also aligns with IFRS Sustainability Disclosure Standards, helping entities identify material sustainability-related information for inclusion in management commentary.

### Status of the Practice Statement

The Practice Statement is **not an IFRS Accounting Standard or an IFRS Sustainability Disclosure Standard**. Financial statements can comply with IFRS Accounting Standards even if they are not accompanied by management commentary or if they are accompanied by management commentary that does not comply with this Practice Statement.

Conversely, the management commentary can comply with the Practice Statement even if it accompanies financial statements prepared on a basis other than IFRS Accounting Standards or if it does not accompany or include sustainability-related financial disclosures prepared in accordance with IFRS Sustainability Disclosure Standards or on another basis.

Therefore, the management commentary might accompany financial statements as a distinguishable part of a larger report or as a stand-alone report.

# Latest IFRS updates



## IASB issues revised “Practice Statement management commentary”

### Key elements of the framework

The Practice Statement introduces an objectives-based framework based on six key areas of content:

1. the entity’s business model focusing on how the entity creates value and generates cash flows.
2. management’s strategy for sustaining and developing that business model, including the opportunities management has chosen to pursue;
3. the resources and relationships on which the business model and strategy depend, including resources not recognised as assets in the entity’s financial statements;
4. risks that could disrupt the business model, strategy, resources or relationships;
5. factors and trends in the external environment that have affected or could affect the business model, strategy, resources, relationships or risks, and
6. the entity’s financial performance and financial position—including how they have been affected or could be affected in the future by the matters discussed for the other areas of content.

Each area of content has predetermined disclosure objectives which comprise a headline objective—describing the overall information needs of users for the area of content; and specific objectives—describing the detailed information needs of users for the area of content.

To identify the information needed to meet the disclosure objectives for an area of content, management:

- considers the descriptions of users’ assessments for the area of content
- identifies the information needed to meet the specific objectives for the area of content, and
- evaluates whether the information needed to meet the specific objectives is sufficient to meet the headline objective for the area of content. If the information is insufficient, management identifies additional information needed to meet the headline objective for the area of content.

### Concept of materiality

To ensure that the management commentary is useful to the entity’s stakeholders, the Practice Statement requires that information is disclosed if it is material.

In the context of management commentary, information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial reports make on the basis of those reports, which include the management commentary and the related financial statements and which provide financial information about a specific reporting entity.

To help management to identify material information to meet the disclosure objectives, the Practice Statement focuses on key matters, that is, matters that are fundamental to the entity’s ability to create value and generate cash flows, including in the long term. The Practice Statement assumes that key matters likely relate to matters that management actively monitors, manages or reports to internal and external stakeholders. Identifying key matters is therefore entity-specific and considered an area where management will need to apply judgement.

# Latest IFRS updates



## IASB issues revised “Practice Statement management commentary”

### Attributes of useful information

The management commentary should provide a single, concise and coherent narrative setting out management’s perspective of the factors—including sustainability-related factors—that have affected the entity’s financial performance or financial position or that could affect the entity’s ability to create value and generate cash flows in the future.

The Practice Statement asserts that the management commentary can achieve this if the information is

- complete, neutral, and free from error;
- understandable;
- comparable with information provided by the entity in previous periods, and with information provided by other entities, and
- provided in a way that enhances its verifiability.

The Practice Statement further asserts that the attributes all rely on information being presented as a well-integrated, coherent whole. Coherence does not require information provided outside management commentary to be duplicated in management commentary. Instead, for the management commentary to be considered coherent, the Practice Statement requires information in the management commentary to be provided in a way that clarifies relationships between either related areas of content or related pieces of information.

### Interaction with other reporting requirements or guidelines

Entities can apply this Practice Statement alongside local law or regulation. If local law or regulation specifies only general requirements, an entity can apply the Practice Statement requirements and guidance to help it comply with that law or regulation. Conversely, if local law or regulation is detailed and prescribes disclosure of specific information, an entity is permitted to include all of that information in its management commentary, even if some of the information is not required by the Practice Statement, as long it does not obscure material information.

Entities can also apply this Practice Statement together with narrative reporting requirements or guidelines published by another standard-setting body or other organisation, including requirements or guidelines for use by entities in specific industries or on specific topics, such as sustainability reporting. Such requirements or guidelines could help management identify information it might need to provide to meet the requirements of this Practice Statement. That is more likely to be the case if the requirements or guidelines have a reporting objective that focuses on the information needs of the primary users of general-purpose financial reports, such as IFRS Sustainability Disclosure Standards.

# Latest IFRS updates



## IASB issues revised “Practice Statement management commentary”

### Effective date

This Practice Statement supersedes ‘Practice Statement 1 Management Commentary’ for annual reporting periods beginning on or after 23 June 2025. Earlier application is permitted. If an entity applies this Practice Statement for an earlier period, it must disclose that fact.

### Grant Thornton International Ltd's thoughts

We support the release of this Practice Statement, which should improve the overall quality of financial and sustainability reporting and enable better comparison of financial statements by investors.

We encourage entities to consider the application of the Practice Statement to their management commentary. For entities that apply the Practice Statement, care should be taken to ensure that any statutory financial statements that include management commentary still comply with the requirements of local law or regulation.

# 02 Technical Insights

In this section, 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.

In the present edition, this section presents GTI's hyperinflation update according to the World Economic Outlook (WEO) report issued by IMF in April 2025.

# Technical Insights

## Hyperinflation Update

### Executive summary

According to data in the World Economic Outlook (WEO) report issued by the International Monetary Fund (IMF) in April 2025, and based on economic conditions that currently exist, certain countries are considered to be hyperinflationary at 30 June 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 30 June 2025 or thereafter should reflect IAS 29 in their IFRS financial statements.

There are two main changes to the countries considered to be hyperinflationary:

- Firstly, from 30 June 2025 onwards we believe Burundi is considered to be hyperinflationary. The WEO reported a 3-year cumulative rate of inflation of 108% as of December 2024 and predicts a 3-year cumulative inflation rate of 123% for 2025.
- Secondly, the WEO report also identifies that Ethiopia and Yemen are no longer considered hyperinflationary as of June 2025 due to the predicted decline in inflation numbers from the succeeding three-year period from 31 December 2024.

This means that from **30 June 2025 onwards there are fifteen 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, Ghana, Haiti, Iran, Lao PDR, Lebanon, Malawi, Sierra Leone, South Sudan, Sudan, Suriname, Turkey, Venezuela and Zimbabwe (Zimbabwe dollar until April 2024).

Countries that are currently being monitored include Angola, Egypt, Myanmar and Nigeria. For the time being, they are not considered hyperinflationary, but we will be keeping a close eye on further inflation data from these countries.

Countries that could potentially have hyperinflationary economies due to their past inflationary trends but lack reliable information include Syria and Zimbabwe (From April 2024). Entities in these countries should consider the information available at the reporting date to determine whether IAS 29 is applicable.

# Technical Insights

## Hyperinflation Update

### 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
- 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.



# Technical Insights

## Hyperinflation Update

### **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 — IAS 12 requires these adjustments to be recognised in profit or loss.

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.



# Technical Insights

## Hyperinflation Update

### 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

No Exposure drafts for IASB proposed amendments have been published in the period from April 2025 until June 2025.

# 04 Grant Thornton International Ltd's Thought Leadership

Grant Thornton International Ltd has released, during the period from April to June 2025, the following editions:

- IFRS Example Interim Condensed Consolidated Financial Statements 2025, and
- two articles in series on Insights to IFRS 2 "Shared based Payment"

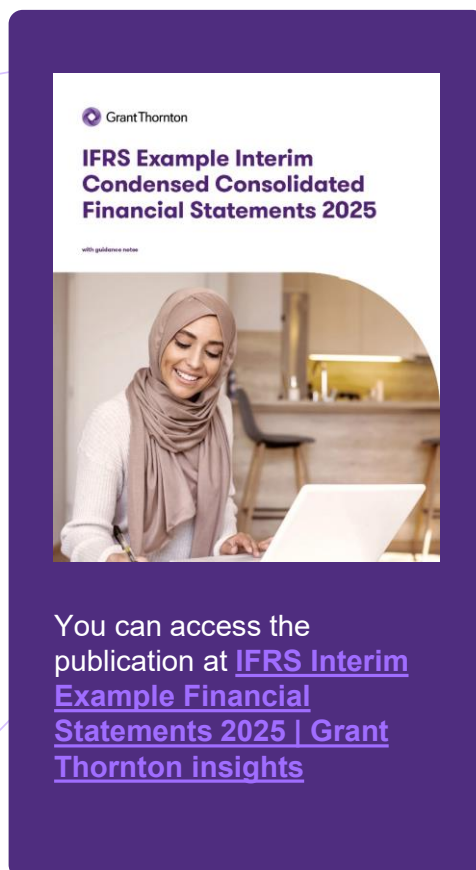
# 04 Grant Thornton International Ltd's Thought Leadership

## IFRS Example Interim Condensed Consolidated Financial Statements 2025

Each year, new Standards and amendments are published by the International Accounting Standards Board (IASB) with the potential to significantly impact the presentation of a complete set of financial statements. GTIL, through its IFRS Team, develops general guidance that supports its member firms' commitment to high quality, consistent application of IFRS and is therefore pleased to share these insights.

The Interim Financial Statements have been reviewed and updated to reflect changes in IAS 34 and other IFRS Accounting Standards that are effective for the year ending 31 December 2025 that have been issued prior to 31 March 2025. The publication draws attention to climate change considerations. Also included is a new note dealing with required Pillar Two income tax disclosures.

The Interim Financial Statements illustrate a six month accounting period beginning on 1 January 2025. They are based on the activities and results of Illustrative Corporation Ltd and its subsidiaries ('the Group') – a fictional consulting, service and retail entity that has been preparing IFRS financial statements for several years. The Group produces half-yearly interim financial statements in accordance with IAS 34 'Interim Financial Reporting' at 30 June 2025.



You can access the publication at [IFRS Interim Example Financial Statements 2025 | Grant Thornton insights](#)

# 04 Grant Thornton International Ltd's Thought Leadership

## Insights into IFRS 2 “Share-based Payment”: (a) Group share-based payments and (b) Modification of share-based payment arrangements

Grant Thornton International Ltd has released two (2) new articles in series on Insights into IFRS 2 "Share-based Payment".

Share-based payments have become increasingly popular over the years, with many entities using equity instruments or cash and other assets based on the value of equity instruments as a form of payment to directors, senior management, employees and other suppliers of goods and services.

Grant Thornton International Ltd's 'Insights into IFRS 2' series is aimed at demystifying the Standard by explaining the fundamentals of accounting for share-based payments using relatively simple language and providing insights to help entities cut through some of the complexities associated with accounting for these types of arrangements.

The two new articles are Group share-based payments, and Modifications and cancellations of share-based payment arrangements with employees.

### (a) Group share-based payments

This article discusses the accounting for share-based payment transactions when employees of an entity receive shares or rights to shares in another entity within the consolidated group, such as the parent entity.

### (b) Modification of share-based payment arrangements

This article explains and provides examples of the accounting treatment for modifications and cancellations of share-based payment arrangements with employees.



**Insights into IFRS 2**  
Group share-based payments

Share-based payments have become increasingly popular over the years, with many entities using equity instruments or cash and other assets based on the value of equity instruments as a form of payment to directors, senior management, employees and other suppliers of goods and services.

With the general accounting principles have been revised, IFRS 2 (Share-based Payments) has been revised. The new standard requires entities to account for share-based payments in a consistent manner. The new standard also requires entities to account for share-based payments in a consistent manner. The new standard also requires entities to account for share-based payments in a consistent manner.

Our Insights into IFRS 2 series is aimed at demystifying the Standard by explaining the fundamentals of accounting for share-based payments using relatively simple language and providing insights to help entities cut through some of the complexities associated with accounting for these types of arrangements.

*"This article discusses the accounting for share-based payment transactions when employees of an entity receive shares or rights to shares in another entity within the consolidated group, such as the parent entity."*

You can access the publication at [Group share-based payments | Grant Thornton insights](#)



**Insights into IFRS 2**  
Modifications and cancellations of share-based payment arrangements with employees

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*"This article explains and provides examples of the accounting treatment for modifications and cancellations of share-based payment arrangements with employees."*

You can access the publication at [IFRS 2 Modification of share-based payment arrangements | Grant Thornton insights](#)

# What defines our unparalleled edge

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

In making these 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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