Grant Thornton

IFRS Accounting Standards Quarterly Navigator

Your Financial Reporting Roadmap

Quarter 2 2026

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.

Introduction

This edition includes:

- **Latest IFRS updates**
  - IFRS 20-Regulatory Assets and Regulatory Liabilities
  - Amendments to IAS 28 on the use of the fair value option
- **Technical insights & other updates**
  - Hyperinflation Update
- **IASB proposed amendments**
  - IFRS for SMEs Accounting Standard-Consolidation Exception
- **Grant Thornton International's Thought Leadership**
  - Insights into IFRS 18 - Classification of income and expenses
  - Insights into IFRS 15 - Step two: identifying a performance obligation
  - Insights into IFRS 15 - Principal versus agent considerations
  - Insights into IFRS 2 - Share-based payment transactions with non-employees
  - Insights into IFRS 2 - Presentation and disclosure of share-based payment transactions
  - IFRS interim example financial statements 2026 - appendix on IFRS 18

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 the IASB's new amendments which have been published in the period from April 2026 until June 2026.

Latest IFRS updates

IFRS 20-Regulatory Assets and Regulatory Liabilities

Executive summary

On 27 May 2026, the International Accounting Standards Board (IASB) issued a new standard on accounting for companies subject to rate regulation entitled IFRS 20 'Regulatory Assets and Regulatory Liabilities' (the Standard). This Standard replaces IFRS 14 'Regulatory Deferral Accounts' and will impact entities that provide goods and/or services that are subject to specific types of rate regulation. The Standard includes new recognition and measurement requirements, as well as presentation and disclosures to enable users of the financial statements to understand how differences in timing due to rate regulations impact the performance of an entity.

Background

Reporting entities operating in specific industries which provide vital services such as water, gas and electricity are often subject to regulations which determine how much they are allowed to charge their customers. These arrangements are governed by regulatory agreements. This Standard applies to entities that are subject to regulatory agreements that determine the compensation that the entity is entitled to charge for regulatory goods and services, and when the entity is allowed to change that compensation through regulated rates.

In certain circumstances, such agreements give rise to so called differences in timing, where the revenue recognised in a period when applying IFRS 15 'Revenue from Contracts with Customers' does not match the compensation to which an entity is entitled. It is these situations that IFRS 20 aims to address with the requirements summarised below.

Summary of new requirements

IFRS 20 is a standard which supplements the information provided by applying other IFRS Accounting Standards such as IFRS 15. An entity is required to apply other IFRS Accounting Standards to account for rights and obligations created by regulatory agreements before applying IFRS 20. IFRS 20 key requirements are summarised below.

Definition of regulatory assets and liabilities

- A regulatory asset or liability is an enforceable present right or obligation, created by a regulatory agreement, to add or deduct an amount when determining a regulated rate charged to customers in future periods.
- Regulatory assets arise when part or all of the total allowed compensation for goods or services already supplied has not yet been included in IFRS 15 revenue. Regulatory liabilities arise when part or all of the allowed compensation for goods or services to be supplied in the future has already been included in IFRS 15 revenue.
- Regulatory income and expenses arise from changes in regulatory assets and liabilities.

IFRS 20-Regulatory Assets and Regulatory Liabilities

Recognition and measurement

- Except for certain specific circumstances, an entity must recognise all regulatory assets and liabilities that exist at the end of a reporting period, and all regulatory income and expenses that arise during the reporting period.
- Regulatory assets and liabilities should be measured using a cash-flow-based method using up-to-date estimates of future cash flows, which are discounted using the regulatory interest rate which can be specified or implied by the regulatory agreement.
- When measuring regulatory assets and liabilities after initial recognition, an entity updates the estimated future cash flows arising from the asset or liability. It continues to use the regulatory discount rate determined on initial recognition.

Presentation

- All regulatory income and expenses are classified as revenue in the statement of profit or loss. It is presented as a net figure in a separate line item from revenue recognised from applying IFRS 15.
- In some circumstances, applying other IFRS Accounting Standards may result in recognising items of income or expense in other comprehensive income. In these cases, regulatory income or expense relating to the item should also be presented in other comprehensive income.
- Regulatory assets and liabilities should be presented as separate line items in the statement of financial position and should also be classified as current or non-current in accordance with the requirements of IFRS 18.

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Disclosure

- Disclosures are required to enable users to understand the amounts recognised in respect of regulatory assets/liabilities and income/expenses, as well as the nature of any unrecognised regulatory assets and liabilities.
- For regulatory assets and liabilities, reconciliations are required from opening to closing balances, with changes grouped into changes included in profit or loss, changes included in other comprehensive income, and other changes not included in those categories.
- The Standard includes detailed requirements for the amounts that must be included in the reconciliations.

Effective date and transition

IFRS 20 is effective for annual reporting periods beginning on or after 1 January 2029, with early application permitted.

Our thoughts

IFRS 20 is a standard which addresses a very specific issue, and as such will not be relevant for all entities. However, for those entities that are affected, such as those operating in utilities or public transport services, the changes will need to be carefully considered. If you think that you might be impacted by this new Standard, or would like to discuss the requirements further, please reach out to the IFRS contact at your local Grant Thornton office.

Amendments to IAS 28 on the use of the fair value option

Executive summary

The International Accounting Standards Board (IASB) has issued amendments to IAS 28 'Investments in Associates and Joint Ventures' to clarify which investments in associates and joint ventures are eligible to be measured using the fair value option. The amendments link closely with the new concept of investing in certain types of assets as a specified main business activity that has been introduced by IFRS 18 'Presentation and Disclosure in Financial Statements'. The amendments will be effective from the same date a reporting entity first applies IFRS 18.

Background

These amendments were made following feedback from the insurance industry, which indicates there is current diversity in practice when interpreting who is eligible to apply the fair value option in IAS 28. Without these amendments, when IFRS 18 is applied, further diversity would arise when classifying income and expenses in the statement of profit or loss. The IASB therefore developed these narrow-scope amendments to address diversity in interpretation and clarify the circumstances in which the fair value option can be used. Although the issue arose due to feedback from the insurance sector, it is important to note the amendments will need to be considered by any entities that may apply the fair value option, regardless of sector.

Summary of amendments

The original text of IAS 28 allowed a reporting entity to apply the fair value option to investments that were "held by, or held indirectly through, an entity that is a venture capital organisation, or a mutual fund, unit trust and similar entities including investment linked insurance funds".

The amendments clarify explicitly that 'similar entities' include entities that have a specified main business activity of investing in particular types of assets that are defined in IFRS 18.

Effective date and transition

The amendments to IAS 28 will be applied by an entity in the first reporting period in which it applies IFRS 18 (including if an entity elects to adopt IFRS 18 early).

Our thoughts

We are supportive of these new amendments and agree that it adds greater clarity to the requirements of IAS 28. Greater linkage to IFRS 18 will be beneficial when entities begin to apply that standard from the start of 2027.

02 Technical Insights & other updates

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.

In the present edition, this section presents GTI’s hyperinflation update according to the World Economic Outlook (WEO) report issued by IMF in 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, and based on economic conditions that currently exist, certain countries will be considered to be hyperinflationary from 30 June 2026. 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 2026 or thereafter should reflect IAS 29 in their IFRS financial statements.

The main change relates to two countries previously considered hyperinflationary. The WEO report identifies that Burundi and Sierra Leone will no longer be considered hyperinflationary as of 30 June 2026 due to the predicted decline in inflation numbers from the succeeding three-year period from 30 June 2026.

This means that from 30 June 2026 onwards there are ten 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, Haiti, Iran, Lebanon, Malawi, South Sudan, Sudan, Turkey, Venezuela and Zimbabwe.

Countries that will continue to be monitored include Angola, Egypt, Myanmar, Nigeria, Syria and Yemen. For the time being, they are not considered hyperinflationary, but we will be keeping a close eye on further inflation data from these countries. Entities in these countries should consider the information available at the reporting date to determine whether IAS 29 is applicable.

Technical Insights

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.

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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 — 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

IFRIC decisions relating to hyperinflation

The IFRS Interpretations Committee (IFRIC) has 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.

Our 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 its existing accounting systems to be able to process the hyperinflationary adjustments. It is important that 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 the IASB's proposed amendments for which exposure drafts have been published in the period from April until June 2026.

IASB proposed amendments

IFRS for SMEs Accounting Standard-Consolidation Exception

The IASB has proposed an amendment to the IFRS for SMEs Accounting Standard following a question submitted to the SME Implementation Group (SMEIG) regarding the application of the exemption from preparing consolidated financial statements in paragraph 9.3.

Under the current requirements, an SME is exempt from presenting consolidated financial statements only if its parent prepares consolidated financial statements. Consequently, where an SME's ultimate (or intermediate) parent is an investment entity that applies IFRS 10 and measures its subsidiaries at fair value through profit or loss, rather than consolidating them, the exemption is not available and the SME is required to prepare consolidated financial statements.

This differs from the requirements of full IFRS Accounting Standards. Under IFRS 10, an intermediate parent may rely on the consolidation exemption even when its ultimate (or intermediate) parent is an investment entity that does not prepare consolidated financial statements but instead measures its subsidiaries at fair value through profit or loss.

To address this inconsistency, the IASB has proposed amending the IFRS for SMEs Accounting Standard to extend the exemption from preparing consolidated financial statements to SMEs whose ultimate (or intermediate) parent is an investment entity that measures its subsidiaries at fair value through profit or loss in accordance with IFRS 10.

04 Grant Thornton International Ltd’s Thought Leadership

Grant Thornton International Ltd has released from the period of April until June 2026 the following insights:

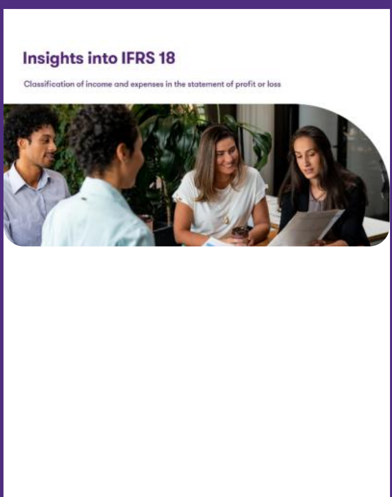
(a) one new article in series on Insights into IFRS 18 “Presentation and Disclosure in Financial Statements”.
(b) two new articles in series on Insights into IFRS 15 “Revenue from Contracts with Customers”.
(c) final two articles in the series on Insights into IFRS 2 “Shared based Payment”.
(d) first article in series on Insights into IAS 7 “Statement of Cash Flows”.
(e) IFRS interim example financial statements 2026 - appendix on IFRS 18.

Grant Thornton International Ltd's Thought Leadership

a) Insights into IFRS 18 "Presentation and Disclosure in Financial Statements"

Grant Thornton International Ltd's 'Insights into IFRS 18' series explains the new requirements of IFRS 18, highlighting some areas of the standard that we believe will be challenging to apply in practice. They also aim to help users of IFRS financial statements to understand how financial statements will change when applying the new Standard.

This article provides a comprehensive analysis of IFRS 18's classification requirements, exceptions, and practical challenges.



You can access the publication at [IFRS 18 - Classification | Grant Thornton International]

Grant Thornton International Ltd's Thought Leadership

b) Insights into IFRS 15 "Revenue from Contracts with Customers"

The new articles released are as follows:

- Step 2 – Identifying a performance obligation
- Principal versus agent considerations

Step 2 – Identifying a performance obligation

IFRS 15 introduced the five-step model for revenue recognition and applies specifically to contracts with customers. This article deals with Step 2 of the five-step model which covers the identification of performance obligations – the key units of account of IFRS 15.

Principal versus agent considerations

In many revenue transactions, more than one party is involved in delivering the goods and services to the customer. In those situations, it is sometimes difficult for an entity to determine whether it is acting as a principal or as an agent, and an entity must often apply significant judgement to reach a conclusion. While the principal-agent guidance in IFRS 15 does not eliminate the need for judgement, it is intended to make the principal versus agent assessment easier. This article deals with the principal versus agent considerations of IFRS 15.

You can access the publication at [Insights into IFRS 15: Step 2 – Identifying a performance obligation | Grant Thornton]

You can access the publication at [Principal versus agent considerations | Grant Thornton]

Grant Thornton International Ltd's Thought Leadership

c) Insights into IFRS 2 "Share-based Payments"

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 final new articles released are as follows:

- Share-based payment transactions with non-employees
- Presentation and disclosure of share-based payment transactions.

Share-based payment transactions with non-employees

This article covers share-based payment transactions with non-employees. This involves compensating parties other than employees, such as suppliers of goods and services.

Presentation and disclosure of share-based payment transactions

This article provides a summary of the IFRS 2 presentation and disclosure requirements for share-based payments, along with example disclosures.

You can access the publication at [IFRS 2 Share-based payment transactions with non-employees | Grant Thornton insights]

You can access the publication at [Insights into IFRS 2: Presentation and disclosure of share-based payment transactions | Grant Thornton insights]

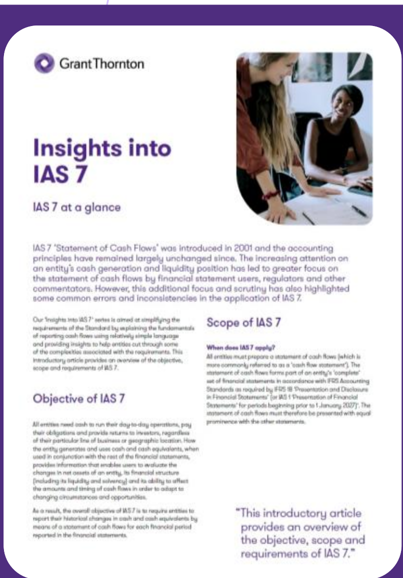
Grant Thornton International Ltd's Thought Leadership

d) Insights into IAS 7 "Statement of Cash Flows"

Grant Thornton International Ltd's 'Insights into IAS 7' series is aimed at simplifying the requirements of the Standard by explaining the fundamentals of reporting cash flows using relatively simple language and providing insights to help entities cut through some of the complexities associated with the requirements.

IAS 7 at a glance

This first introductory article provides an overview of the objective, scope and requirements of IAS 7.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Insights into IAS 7

IAS 7 at a glance

IAS 7 'Statement of Cash Flows' was introduced in 2001 and the accounting principles have remained largely unchanged since. The increasing attention on an entity's cash generation and liquidity position has led to greater focus on the statement of cash flows by financial statement users, regulators and other commentators. However, this additional focus and scrutiny has also highlighted some common errors and inconsistencies in the application of IAS 7.

Scope of IAS 7

When does IAS 7 apply?

Objective of IAS 7

"This introductory article provides an overview of the objective, scope and requirements of IAS 7."

You can access the publication at [Insights into IAS 7 – IAS 7 at a glance | Grant Thornton insights]

(e) IFRS interim example financial statements 2026 - appendix on IFRS 18

Following the release of the IFRS interim example financial statements, we are pleased to share [Appendix B - IFRS 18 'Presentation and Disclosure in Financial Statements]'.

This appendix presents a selection of extracts from the example interim condensed consolidated financial statements. These include a consolidated statement of profit or loss and a statement of cash flows, showing the impact of early adopting IFRS 18 for the interim period ended 30 June 2026.

It also shows how the new IFRS 18 disclosure requirements for management-defined performance measures and specified expenses by nature could be presented in practice.

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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