

## Quarterly Newsletter

(April -June 2025)

### 1. Recent Board Activities

#### 169<sup>th</sup> Board Meeting

The 169<sup>th</sup> Board meeting was convened on June 02, 2025. The Board discussed and made decisions regarding creating a roster of technical consultants, appointment of an auditor, nomination for AOSSG vice chair and other administrative matters.

#### Second Meeting of the Capacity Development Committee

The second meeting of the Capacity Development Committee was convened on March 06, 2025 to discuss and plan an awareness program on accounting and financial reporting standards for the Officers of the Inland Revenue Department.

#### Second Meeting of NSRS Development Committee

The second meeting of the Nepal Sustainability Reporting Standards (NSRS) Development Committee was convened on May 08, 2025 to discuss and approve the roadmap for the development of Nepal Sustainability Reporting Standards. The committee also finalised the proposal for conducting an interaction program on sustainability reporting. The Committee also discussed on the draft GAP Analysis Report of IFRS S1 & S2. The Committee has requested the Board to publish a public consultative document shortly based on the Gap analysis report.

#### First Meeting of Budget Committee

The first meeting of the Budget Committee was convened on April 03, 2025 to discuss and plan the budget and activities for the financial year 2082/83 (2025/26).

#### Key Engagements and Meetings

The Board Chair and other representatives of the Board met with ICAN Leadership on May 04, 2025 to discuss coordination efforts related to NFRS 9, NFRS 17, and NSRS. The Board Chair and Coordinator of the NSRS Development Committee met with SEBON Leadership on May 21, 2025 to discuss a collaborative program related to sustainability reporting.

#### Reference Materials for NAS for MEs and NAS for NPOs

The Board initiated a project for the development of reference materials in Nepali language for NAS for MEs and NAS for NPOs previously issued by the Board. The reference materials are aimed at providing practical guidance to the practitioners as they include relevant illustrations and a model financial statement.

## 2. International Updates

### IASB Meeting (June 2025)

The International Accounting Standards Board (IASB) met from 16–18 June 2025. Key highlights include:

- **Financial Instruments with Characteristics of Equity:** The IASB tentatively decided on significant changes to presentation and disclosure requirements, including requiring separate presentation of profit or loss attributable to ordinary, participating, and non-participating rights holders. They also decided to withdraw proposed presentation requirements for the statement of financial position and changes in equity, opting instead for enhanced disclosures in IFRS 7 and IFRS 18.
- **Amortised Cost Measurement:** The IASB decided to move this project from the research program to the standard-setting work plan.
- **Equity Method:** The IASB decided to maintain the project's objectives and proceed with redeliberating proposals from the Exposure Draft, while setting a high hurdle for adding new application questions.
- **Translation to a Hyperinflationary Presentation Currency (IAS 21):** The IASB tentatively decided on disclosure requirements for subsidiaries applying IFRS 19 and transition requirements for implementing the amendments. They also set an effective date of January 1, 2027, for annual reporting periods and permitted early application, with a view to issuing the amendments in Q4 2025.
- **Climate-related and Other Uncertainties in the Financial Statements:** The IASB tentatively decided to proceed with issuing illustrative examples (1-4 and 6-8) to accompany IFRS Accounting Standards, aiming to improve reporting of climate-related and other uncertainties. They expect to issue these examples in October 2025.
- **Intangible Assets, Business Combinations—Disclosures, Goodwill and Impairment, and Provisions—Targeted Improvements:** These projects were discussed, but no decisions were made at this meeting, with next steps involving further planning or redeliberation.

For more details, visit the [IASB Update June 2025](#) page.

### IASB Meeting (May 2025)

The International Accounting Standards Board (IASB) met from 19–22 May 2025. Key highlights include:

- **Post-implementation Review of IFRS 16 Leases:** The IASB approved the publication of a request for information for public comment, setting a 120-day comment period.
- **Rate-regulated Activities:** The IASB tentatively decided on several aspects for the prospective IFRS Accounting Standard Regulatory Assets and Regulatory Liabilities, including no requirements for a minimum interest rate, disclosure of quantitative information using time bands, and clarification on assumptions about market variables.
- **Equity Method:** The IASB discussed feedback on its Exposure Draft *Equity Method of Accounting—IAS 28 Investments in Associates and Joint Ventures* but did not make any decisions.

- **Intangible Assets:** The IASB decided the project objectives are to improve the usefulness of information about intangible items and update IAS 38. They also decided to explore initial streams in parallel, focusing on user needs and updating the definition and recognition criteria of intangible assets.
- **Business Combinations—Disclosures, Goodwill and Impairment:** The IASB tentatively decided to retain proposed disclosure objectives, withdraw a proposal regarding combined entity information as an accounting policy, and made several other decisions related to disclosures for acquired businesses and strategic rationale.
- **Statement of Cash Flows and Related Matters:** The IASB decided to assess ways to improve disaggregation of cash flow information, reporting of non-cash transactions, transparency of non-standard cash flow measures, and consistent application of classification and definition of cash equivalents. They also decided on topics not to explore, such as redefining cash flow categories or expanding the definition of cash equivalents.
- **Translation to a Hyperinflationary Presentation Currency (IAS 21):** The IASB tentatively decided not to include this in broader hyperinflation considerations and set requirements for translating amounts using the closing rate, with an exception for entities applying IAS 29. They also decided on related disclosure requirements.
- **Climate-related and Other Uncertainties in the Financial Statements:** The IASB discussed preliminary feedback on the Exposure Draft but did not make any decisions.

For more details, visit the [IASB Update May 2025](#) page.

### [IASB Meeting \(April 2025\)](#)

The International Accounting Standards Board (IASB) met on 8–9 April 2025. Key highlights include:

- **Business Combinations—Disclosures, Goodwill and Impairment:** The IASB discussed proposals related to requiring entities to disclose information about the performance of a subset of business combinations and reviewed feedback on the proposed thresholds. No decisions were made, and redeliberation of the proposals will continue.
- **IFRS Interpretations Committee Agenda Decisions:** The IASB considered three agenda decisions from the IFRS Interpretations Committee’s March 2025 meeting:
  - “Guarantees Issued on Obligations of Other Entities”
  - “Recognition of Revenue from Tuition Fees (IFRS 15 Revenue from Contracts with Customers)”
  - “Recognition of Intangible Assets Resulting from Climate-related Expenditure (IAS 38 Intangible Assets)” No IASB member objected to these decisions, and they are slated for publication in April 2025.
- **Updates to agenda decisions for IFRS 18:** The IASB decided to ask the Committee to consider how IFRS 18 requirements apply to “Supply Chain Financing Arrangements—Reverse Factoring” and to replace references to IAS 1 with IFRS 18 in nine other agenda decisions. All 14 IASB members agreed with these decisions.
- **Climate-related and Other Uncertainties in the Financial Statements:** The IASB discussed a project completion plan and responses to stakeholder concerns regarding examples in the Exposure Draft, with no decisions made.

For more details, visit the [IASB Update April 2025](#) page.

## ISSB Meeting (June 2025)

The International Sustainability Standards Board (ISSB) met on 18 June 2025. Key highlights include:

- **Enhancing the SASB Standards:** The ISSB ratified a SASB exposure draft, which proposes amendments to nine prioritized SASB Standards and targeted amendments to 41 others to maintain consistent disclosure guidance. They decided on a 150-day comment period for this exposure draft and confirmed compliance with due process steps for its publication. All 14 ISSB members agreed with these decisions. The ISSB tentatively decided to set an effective date for these amendments 12–18 months after issuance, allowing for early application.
- **Consequential Amendments to the Industry-based Guidance on Implementing IFRS S2:** The ISSB tentatively decided to propose consequential amendments to the IFRS S2 industry-based guidance in an exposure draft to align it with climate-related content in the SASB Standards, also with a 150-day comment period.

The ISSB expects to publish both exposure drafts in July 2025.

For more details, visit the [ISSB Update June 2025](#) page.

## ISSB Meeting (May 2025)

The International Sustainability Standards Board (ISSB) met on 15 May 2025. Key highlights include:

- **Enhancing the SASB Standards:** The ISSB discussed the prospective exposure draft of proposed amendments to nine of the twelve SASB Standards that have been prioritized for enhancement. No decisions were made during this meeting. The next step for the ISSB is to decide whether to ratify the exposure draft in June 2025.

For more details, visit the [ISSB Update May 2025](#) page.

## ISSB Meeting (April 2025)

The International Sustainability Standards Board (ISSB) met on 9 April 2025. Key highlights include:

- **Biodiversity, Ecosystems and Ecosystem Services:** The ISSB received a summary of findings from the first phase of research, and discussed the objectives and approach for the next phase of research. No decisions were made. The next step is to discuss findings from the next phase of research.
- **Human Capital:** The ISSB received a summary of findings from the first phase of research, and discussed the objectives and approach for the next phase of research. No decisions were made. The next step is to discuss findings from the next phase of research.

For more details, visit the [ISSB Update April 2025](#) page.

## IFRS Foundation News (June 2025)

- The European Accounting Review, in collaboration with the International Accounting Standards Board (IASB), is now accepting submissions for a special issue featuring registered reports. A registered report is an extended research proposal in which

methods and proposed analyses are peer-reviewed before data is collected and analyzed. ([More Details](#))

- Thirty-six jurisdictions have adopted or otherwise used the IFRS Sustainability Disclosure Standards (ISSB Standards) or are in the process of finalising steps towards introducing them into their regulatory frameworks. The IFRS Foundation has published an initial set of 17 jurisdictional profiles to provide transparency to capital markets which evidences the high degree of alignment with the International Sustainability Standards Board (ISSB) Standards. Publishing these profiles represents a critical step in providing clarity about progress in achieving a global baseline of sustainability disclosures for capital markets. ([More Details](#))
- The IFRS Foundation has released new e-learning modules accessible through the IFRS Sustainability Knowledge Hub to support companies in getting started with understanding the Standards issued by the International Sustainability Standards Board (ISSB)—Introduction to IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures. ([More Details](#))
- The International Accounting Standards Board (IASB) has published a Request for Information as part of its Post-implementation Review of IFRS 16 Leases. IFRS 16 aimed to improve information that companies provide about their lease arrangements to investors and other users of financial statements. The Standard was issued in January 2016 and came into effect in January 2019. ([More Details](#))
- The International Accounting Standards Board (IASB) has issued a revised Practice Statement on management commentary. The revised Practice Statement supports improvements to and greater global alignment in management commentary and narrative reports accompanying the financial statements. ([More Details](#))

### IFRS Foundation News (May 2025)

- The IFRS Foundation has published an updated version of its educational material to support the consistent application of IFRS Accounting Standards related to going concern assessments. Companies preparing financial statements using IFRS Accounting Standards are required to assess their ability to continue as a going concern. This educational material brings together the relevant requirements and explains how they might apply to a range of company situations. ([More Details](#))
- The IFRS Foundation has published new educational materials to support the application of Section 11 Financial Instruments of the third edition of the IFRS for SMEs Accounting Standard. The new resources are: a webcast providing an overview of the amendments to Section 11; and an updated Educational Module 11 Financial Instruments. These educational materials are intended to assist SMEs in applying the third edition of the Standard. ([More Details](#))
- The IFRS Foundation has published today educational material about the requirements in IFRS S2 Climate-related Disclosures related to measurement and disclosure of greenhouse gas (GHG) emissions. This material is structured as questions and answers about the requirements for an entity to disclose its GHG emissions in accordance with IFRS S2. ([More Details](#))

### IFRS Foundation News (April 2025)

- The IFRS Foundation and the Taskforce on Nature-related Financial Disclosures (TNFD) have announced that they have signed a Memorandum of Understanding (MoU)

signaling both parties' commitment to build upon the TNFD recommendations in the ongoing work of the International Sustainability Standards Board (ISSB), to enable nature-related financial disclosures for use by capital markets. The ISSB will consider the relevance of the TNFD recommendations in meeting the needs of global capital markets. ([More Details](#))

- The Inter-American Development Bank (IDB), IDB Invest, and the IFRS Foundation have formalised a strategic partnership to promote the adoption and implementation of the IFRS Sustainability Disclosure Standards across Latin America and the Caribbean. ([More Details](#))
- In response to market feedback, the International Sustainability Standards Board (ISSB) has published an Exposure Draft proposing targeted amendments to IFRS S2 Climate-related Disclosures that would provide relief to ease the application of requirements related to the disclosure of greenhouse gas (GHG) emissions. ([More Details](#))