



# Financial Reporting Advisory Board

## *IFRS 19 – workstream update*

<b>Issue:</b>	This paper provides the Board with HM Treasury's work plan for considering the public sector impact of IFRS 19 and highlights some of the issues expected to be considered by the technical working group.
<b>Impact on guidance:</b>	None at this stage. The FReM and other relevant guidance may need to be updated in due course.
<b>IAS/IFRS adaptation or interpretation for the public sector context?</b>	This will be revisited in a later paper to the Board.
<b>Impact on WGA?</b>	This will be revisited in a later paper to the Board.
<b>IPSAS compliant?</b>	To be determined, based on any adaptations/interpretations.
<b>Alignment with National Accounts</b>	N/A for this workstream.
<b>Impact on budgetary regime and Estimates?</b>	To be determined, based on any adaptations/interpretations.
<b>Recommendation:</b>	The Board agree the approach and work plan.
<b>Timing:</b>	We plan to start engaging with technical working group meetings in August 2025.

### DETAIL

#### Background

1. The International Accounting Standards Board (IASB) has issued IFRS 19 Subsidiaries without Public Accountability Disclosures. This is expected to be implemented by the private sector effective for accounting periods beginning on or after 1 January 2027.
2. IFRS 19 is not yet endorsed for use in the UK. The UK Endorsement Board (UKEB) is undertaking research and preparatory work ahead of the endorsement project to adopt IFRS 19 for use in the UK.
3. IFRS 19 allows entities to apply reduced disclosure requirements, rather than applying the disclosure requirements in most other accounting standards.
4. An entity may elect to apply IFRS 19 if the following criteria are met: it is a subsidiary, it does not have public accountability and it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that complies with IFRS accounting standards.

5. An entity has public accountability if: It's debt or equity instruments are traded in a public market, or it is in the process of issuing such instruments for trading in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets) or It holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses (for example, banks, credit unions, insurance companies, securities brokers/dealers, mutual funds and investment banks often meet this criterion).
6. At FRAB 154 in November 2024, members discussed the need to consider the size of bodies and whether bodies are consolidated into departmental accounts as part of the applicability of public accountability under IFRS 19.
7. The NAO is due to release a VFM report into proportionality of standards for small bodies. HM Treasury welcomes this work and has engaged closely with NAO throughout. The expectation is that over the coming years increased focus will be given to where simplified accounting or disclosure requirements can aid efficiency, without undue negative impact to users of the accounts. This work is ongoing and in parallel to work on IFRS 19. Further updates on this will be presented at a future FRAB.
8. Given the above, our initial view is that the reduced disclosure framework under IFRS 19 is appropriate for some bodies in the public sector and the standard should be implemented with adaptations/interpretations focused on defining public accountability, subject to discussion by the technical working group.

#### **Work Plan**

9. Our proposed high level work plan can be found in Annex A.
10. We plan to start technical working group discussions in Autumn 2025.
11. Our initial expectation is for implementation of IFRS 19 in 2028-29, one year after the private sector. This will be considered as part of technical working group meetings.

**HM Treasury would like the Board's agreement to the proposed work plan for public sector implantation of IFRS 19.**

#### **Issues for Consideration**

12. We plan to use the following questions as the basis for technical working group discussions commencing in August 2025.
  - a. How should public accountability under IFRS 19 be defined from a public sector perspective?
  - b. How should the size of bodies and group structure impact applicability of IFRS 19?
  - c. Are there any standards where disclosure requirements are key for transparency and accountability in the public sector?
13. The financial year for implementing IFRS 19 will also be considered by the technical working group.

**HM Treasury would welcome views from the Board on the above questions and whether there are any additional areas the Board feels should be included in technical working group discussions.**

**Recommendation:** That the Board agrees to the work plan. We also welcome views on the proposed questions to be included as part of technical working group discussions.

## Annex A: High Level Work Plan

Date	Activities
July 2025 – August 2025	HMT prepare for working groups.
August 2025 – December 2025	Technical working group meetings - See 'Issues for consideration' section of paper for more details of questions to be discussed as part of technical working group meetings.
March 2026	FRAB paper: IFRS 19 - Summary of working group findings. Paper to include update following technical working groups and informal consultation on potential interpretations/adaptations for the Public Sector.
April 2026 – June 2026	Technical working group meetings, consider Exposure Draft and Application Guidance.
June 2026	FRAB paper: Exposure Draft and Application Guidance for approval for consultation. Following meeting issue exposure draft inviting comment from stakeholders.
June 2026 - October 2026	HMT consideration of responses to Exposure Draft, consider adoption of the Standards based on the exposure draft and responses.
November 2027	Approve 2028-2029 FReM.
December 2027	Publish 2028-2029 FReM.
1st April 2028	UK Public Sector implementation of IFRS 19