HM Treasury

Financial Reporting Advisory Board

IFRS Interpretations Committee update

Issue:	A summary of the IFRS Interpretations Committee meetings since the last FRAB Board meeting, noting any particular relevance to the public sector. To note, there has been one full agenda decision since our last review.
Impact on guidance:	Potential adaptation or interpretation in the FReM dependent on outcomes of any standard-setting adjustments.
IAS/IFRS adaptation?	No adaptations or interpretations proposed but further agenda decisions will be considered as needed.
Impact on WGA?	None.
IPSAS compliant?	This would depend on whether IPSASB adjust for any new IFRS amendments and interpretations. There have been no proposed changes to IFRS following meetings of the Interpretations Committee.
Interpretation for the public-sector context?	No adaptations or interpretations proposed.
Impact on budgetary regime and Estimates?	None.
Alignment with National Accounts	No impact on the National Accounts.
Recommendation:	For the Board to note, HM Treasury is not proposing any adaptations or interpretations in relation to the agenda decision.
Timing:	Ongoing

DETAIL

Background

1. This paper is provided for information and covers the one agenda decision issued by the IFRS Interpretations Committee since FRAB last met in June.

2. Relevance to the public sector and any impacts on the FReM have been considered and noted. HM Treasury do not anticipate any specific adaptations or interpretations being required for the public sector because of the decision of the Interpretations Committee since the Board's last meeting.

3. There has been one full agenda decision for the IASB's consideration published since the last update. This was published on the 28th July 2025 and is titled: Assessing Indicators of Hyperinflationary Economies.

4. More detail on the agenda decision can be found in Annex A.

5. The committee concluded that the matters described in the requests do not have widespread effect, consequently a standard-setting project was not added to the workplan.

Recommendation: No action for the public sector proposed at this time.

HM Treasury
20th November 2025

Annex A: Agenda Decision

Assessing Indicators of Hyperinflationary Economies (IAS 29 Financial Reporting in Hyperinflationary Economies)

The Committee received a request about applying IAS 29 to identify when an economy becomes hyperinflationary.

The request asked:

a. whether all indicators in paragraph 3 of IAS 29 should be considered in assessing when an economy becomes hyperinflationary, including whether to continue to consider all indicators even when one indicator in paragraph 3 has been met;

b. whether IAS 29 requires the consideration of indicators other than those listed in paragraph 3 of IAS 29 if relevant; and

c. whether IAS 29 requires both a subsidiary (in its financial statements) and a parent (in its consolidated financial statements) to reach the same conclusion on when an economy becomes hyperinflationary.

Findings

Evidence gathered by the Committee indicates little, if any, diversity in understanding the requirements for assessing when an economy becomes hyperinflationary. According to the evidence, stakeholders:

a. do not conclude that an economy becomes hyperinflationary based solely on one of the indicators listed in paragraph 3 of IAS 29;

b. consider indicators other than those listed in paragraph 3 of IAS 29 when relevant; and

c. do not reach different conclusions for different levels within a group when preparing financial statements using the same basis of preparation. Evidence gathered by the Committee indicates that stakeholders use judgement in assessing the indicators in paragraph 3 of IAS 29 and might assign different weights to those, or other, indicators.

Conclusion:

Based on its findings, the Committee concluded that the matter described in the request does not have widespread effect. Consequently, the Committee decided not to add a standard-setting project to the work plan.