IFRS Accounting Standards Update

国际财务报告准则更新

2026 reporting priorities and the changes ahead

Wau Accountants & Business Consultants

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For directors, finance teams and businesses in Papua New Guinea

English and Chinese professional services

Selected developments issued by the IASB, reviewed using IFRS Foundation publications. Relevant Big Four publications were reviewed as supplementary resources. Entity-specific applicability and PNG legal or regulatory acceptance must be assessed separately. This is an original WABC summary, not an IFRS Foundation publication.

The timetable separates current requirements from future changes

生效时间一览

Effective for annual periods beginning on or after 1 January 2026:

- IFRS 9/IFRS 7 classification and measurement amendments.
- Annual Improvements, Volume 11.
- Contracts Referencing Nature-dependent Electricity.

Effective for annual periods beginning on or after 1 January 2027:

- IFRS 18; IFRS 19 and related catch-up amendments; IAS 21 hyperinflationary presentation currency amendments; third edition of IFRS for SMEs.
- IAS 28 fair value option amendments apply when the entity first applies IFRS 18.

Effective for annual periods beginning on or after 1 January 2029:

- IFRS 20, subject to its scope.

Earlier application is permitted for the listed future standards and amendments, subject to their conditions and applicable local requirements.

A beginning-of-period effective date is not a universal deadline for every financial year end.

Sources: [S1, S5–S8, S10–S13].

Financial instrument changes apply to 2026 periods

金融工具：2026年起适用

IFRS 9 and IFRS 7 amendments address electronic settlement of liabilities, contractual cash-flow assessments and disclosures.

An accounting policy option permits earlier derecognition of a financial liability settled electronically only when specified criteria are met. Initiating an electronic payment does not automatically qualify.

Financial assets with contingent features, including ESG-linked features, need a contractual cash-flow assessment. Additional disclosures cover relevant contingent features and equity investments designated at FVOCI.

WABC implementation actions: review payment-system terms, document settlement timing, inventory affected instruments and update disclosure checklists.

Status: effective for annual periods beginning on or after 1 January 2026.

Source: [S2].

Annual improvements need a targeted applicability review

年度改进：逐项评估适用性

Volume 11 makes limited clarifications and corrections affecting IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7.

These amendments are effective for annual periods beginning on or after 1 January 2026, with earlier application permitted.

WABC review approach:

- Assign each amended standard to a technical owner.
- Identify relevant transactions and existing policy wording.
- Document whether the amendment changes accounting, disclosure or neither for the entity.
- Update checklists and retain the assessment even where no material effect arises.

> The maintenance nature of the package does not justify assuming that it has no entity-specific impact.

Source: [S3]. Actions are WABC practical recommendations.

Electricity contracts require a scope and accounting assessment

自然依赖型电力合同

The IFRS 9 and IFRS 7 amendments address contracts linked to electricity generated from sources such as wind and solar, where output depends on natural conditions.

They clarify own-use requirements, permit hedge accounting in specified circumstances and introduce disclosures about the contracts' effects.

Status: effective for annual periods beginning on or after 1 January 2026. Earlier application is permitted.

WABC action for PNG purchasers and generators: assemble PPAs and related side agreements, assess contractual scope, examine volume variability and settlement provisions, and document the accounting conclusion.

A renewable label alone does not establish an own-use exemption or qualify a relationship for hedge accounting.

Source: [S4].

IFRS 18 changes how financial performance is presented

IFRS 18：财务业绩列报

IFRS 18 replaces IAS 1 and applies for annual reporting periods beginning on or after 1 January 2027. Early application is permitted.

The standard introduces defined profit-or-loss subtotals, including operating profit and profit before financing and income taxes, with specific provisions relevant to entities with specified main business activities.

It also introduces disclosures for management-defined performance measures and stronger aggregation and disaggregation principles.

WABC action: map the chart of accounts to the new presentation, identify measures used in public communications and review the level of detail in primary statements and notes.

Source: [S5]. This is a presentation and disclosure project; assess consequential amendments as well.

IFRS 18 requires comparative information and coordinated implementation

IFRS 18：比较数据与实施安排

IFRS 18 applies retrospectively, including restatement of comparative information. It also affects interim financial statements in the first year of application.

For a calendar-year entity first applying IFRS 18 in 2027, the comparative year is 2026. Preparing the mapping during 2026 helps preserve the required detail.

Implementation workstreams: transaction classification, public performance measures, note structure, reporting systems and review controls.

Related update: the IASB issued targeted IAS 28 fair value option amendments in June 2026. They clarify eligibility for the option and take effect when the company first applies IFRS 18.

WABC action: assign responsibility across financial reporting, investor communications and systems. Entities with associates or joint ventures should include IAS 28 in their assessment.

Sources: [S6–S7]. Calendar-year example and workplan are WABC analysis.

IFRS 19 offers reduced disclosures to eligible subsidiaries

IFRS 19：合资格子公司简化披露

Effective for annual reporting periods beginning on or after 1 January 2027, with early application permitted.

An eligible subsidiary has no public accountability and has a parent producing IFRS-compliant consolidated financial statements available for public use.

Public accountability can arise from public-market debt or equity, or from holding assets for a broad group of outsiders as a primary business.

IFRS 19 changes disclosures. Other IFRS recognition and measurement requirements continue to apply.

The August 2025 catch-up amendments update reduced disclosures for selected developments, including IFRS 18.

WABC action: confirm eligibility, local acceptance, group reporting needs and expected savings before electing. IFRS 19 is distinct from the IFRS for SMEs Accounting Standard.

Sources: [S8–S10].

IAS 21 has a specific presentation-currency amendment

IAS 21：恶性通胀列报货币

The November 2025 amendments clarify translation from a non-hyperinflationary currency into a hyperinflationary presentation currency.

They apply for annual periods beginning on or after 1 January 2027, with earlier application permitted.

WABC action: identify whether any group reporting package uses an affected presentation currency, then assess the translation and disclosure requirements.

This topic is different from lack of exchangeability and from general exchange-rate volatility. It does not imply that PNG is a hyperinflationary economy.

Maintain separate assessments for currency translation, exchangeability and any hyperinflation accounting questions relevant to the group.

Source: [S11].

The third edition of IFRS for SMEs begins in 2027

中小企业准则第三版

The IASB issued the third edition in February 2025. It is effective for annual periods beginning on or after 1 January 2027, and early adoption is permitted.

Entities may continue with the 2015 edition until the new edition’ s effective date, subject to the applicable reporting framework.

WABC action: establish whether the entity can use this framework under local requirements and stakeholder arrangements. Compare its current policies with the third edition and identify transition information needs.

This is a separate accounting framework. It is not an automatic disclosure option for every small business and is not the same as IFRS 19.

Source: [S12]. This update does not provide a complete section-by-section comparison.

IFRS 20 adds a future priority for qualifying regulated entities

IFRS 20：受监管业务的新准则

The IASB issued IFRS 20 Regulatory Assets and Regulatory Liabilities in May 2026.

It addresses a specific type of rate regulation and the timing differences between supplying regulated goods or services and charging customers for them.

The standard supplements IFRS 15 information and replaces IFRS 14. It is effective for annual periods beginning on or after 1 January 2029, with early application permitted.

WABC action for utilities and regulated operations: assess the regulatory agreement, identify potential timing differences and determine which data the transition will require.

A regulated price alone does not establish that an entity is within scope. No conclusion about a named PNG entity’ s eligibility is made here.

Source: [S13].

Uncertainty disclosures and management commentary need consistency

不确定性披露与管理层评论

In November 2025 the IASB issued illustrative examples on disclosures about uncertainties. They explain existing requirements using climate-related scenarios, with principles that also apply to other uncertainties.

The examples have no effective date. The IFRS Foundation expects resulting reporting changes on a timely basis.

The revised Management Commentary Practice Statement, issued in June 2025, supports connected narrative reporting. Applying it is not necessary to state compliance with IFRS Accounting Standards.

WABC action: compare significant assumptions and risks across financial statements, budgets and external communications. Explain entity-specific judgements where material rather than relying on generic wording.

IFRS Sustainability Disclosure Standards form a separate reporting framework. Their local applicability must be assessed separately.

Sources: [S14–S15].

A practical impact matrix for PNG finance teams

巴新财务团队影响评估

Priorities depend on the entity’ s transactions, reporting period and chosen framework. This matrix is WABC implementation analysis.

Workstream	Relevant topics	Evidence to prepare
Treasury	electronic settlement and financial instruments	payment-system assessment and contract inventory.
Energy procurement	electricity contracts	PPAs, volume data and accounting memo.
Group reporting	IFRS 18 and IAS 28	account mapping, comparative data and public measure inventory.
Subsidiary reporting	IFRS 19 or IFRS for SMEs	framework and eligibility assessment.
Utilities	IFRS 20	regulatory contract scope and timing-difference analysis.
Financial statement preparation	uncertainty disclosures	assumptions, sensitivities and consistency checks.

The reporting team needs an owned implementation plan

实施计划与WABC支持

2026 reporting: complete assessments of effective amendments, document conclusions and identify material disclosure changes.

2027 readiness: confirm IFRS 18 comparative mapping, assess IFRS 19 or SME-framework choices where relevant, and review IAS 21 and IAS 28 applicability.

Longer horizon: assess IFRS 20 scope and information needs where applicable.

Governance: assign a finance owner, agree technical decisions with the reporting team and allow time for review before approval of the financial statements.

WABC supports accounting-policy reviews, implementation planning, financial reporting and audit readiness in English and Chinese, subject to engagement scope and professional independence requirements.

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This publication summarises selected developments as at 18 October 2026. Apply the full standards, transition requirements and applicable PNG requirements to each engagement.

Implementation lessons for finance teams

财务团队实施要点

Selected reporting priorities and practical WABC analysis, not new standards. References B1–B5 are listed on the next page.

- Effective-date assessments must use the beginning of each entity's annual reporting period.
- Make an entity-specific assessment of issued-but-not-yet-effective standards and related disclosures.
- Test IFRS 18 chart-of-accounts mapping and comparative data early.
- Review whether changes affect covenant definitions, management KPIs and remuneration measures. Not every KPI is a management-defined performance measure.
- Keep assumptions and material uncertainty disclosures consistent across the annual report.

Closing review checklist

- Impairment assumptions
- Expected credit losses
- Provisions
- Liquidity and going concern
- Subsequent events

Australian ASIC rules and AASB-specific legislation are not assumed to apply in PNG.

Sources: 2026 reporting and presentation changes

资料来源：2026年要求及列报变化

IFRS Foundation primary publications. Summaries and practical actions are independently written by WABC.

[S1] Required 2026 editions and overview. **https://www.ifrs.org/news-and-events/news/2026/01/now-available-ifrs-accounting-standards-required-2026-two-editions/**

[S2] Classification and measurement amendments, May 2024. **https://www.ifrs.org/news-and-events/news/2024/05/iasb-issues-amendments-cmfi-ifrs7-ifrs9/**

[S3] Annual Improvements Volume 11, July 2024. **https://www.ifrs.org/news-and-events/news/2024/07/iasb-issues-annual-improvements-ifrs-accounting-standards/**

[S4] Nature-dependent electricity contracts, completed project. **https://www.ifrs.org/projects/completed-projects/2024/power-purchase-agreements/**

[S5] IFRS 18 overview. **https://www.ifrs.org/issued-standards/list-of-standards/ifrs-18-presentation-and-disclosure-in-financial-statements/**

[S6] IFRS 18 project summary, including transition. **https://www.ifrs.org/content/dam/ifrs/project/primary-financial-statements/ifrs-standard/projectsummary-ifrs18-april2024.pdf**

[S7] IAS 28 fair value option amendments, June 2026. **https://www.ifrs.org/news-and-events/news/2026/06/iasb-issues-amendments-clarifying-fair-value-option-ias-28/**

These summaries do not replace authoritative text. Effective dates refer to annual reporting periods beginning on or after the stated date unless otherwise specified.

Sources: forthcoming standards and related guidance

资料来源：后续准则与相关指引

[S8] IFRS 19 overview. **https://www.ifrs.org/issued-standards/list-of-standards/ifrs-19-subsidiaries-without-public-accountability-disclosures/**

[S9] IFRS 19 eligibility and public accountability. **https://www.ifrs.org/supporting-implementation/supporting-materials-by-ifrs-standards/ifrs-19/key-terms/**

[S10] IFRS 19 catch-up amendments, August 2025. **https://www.ifrs.org/news-and-events/news/2025/08/iasb-issues-amendments-ifrs-19-to-complete-catch-up-work/**

[S11] IAS 21 presentation-currency amendments, November 2025. **https://www.ifrs.org/news-and-events/news/2025/11/iasb-issues-amendments-ias-21/**

[S12] Third edition IFRS for SMEs supporting materials. **https://www.ifrs.org/supporting-implementation/2025-ifrs-for-smes-supporting-materials/**

[S13] IFRS 20 issuance and effective date, May 2026. **https://www.ifrs.org/news-and-events/news/2026/05/iasb-issues-ifrs-20/**

[S14] Uncertainty examples and their status. **https://www.ifrs.org/news-and-events/updates/nss-newsletter/national-standard-setters-newsletter-march-2026/**

[S15] Revised Management Commentary Practice Statement. **https://www.ifrs.org/issued-standards/list-of-standards/management-commentary-practice-statement-1/**

Independence and scope: selected publications reviewed as supplementary implementation resources. IFRS Foundation publications remain the primary basis for requirements and effective dates. This is an independent WABC publication. No affiliation or endorsement is implied. Australian-specific requirements and examples must not be assumed to apply in PNG.

Review date: 18 October 2026. Selected update, not an exhaustive register of every amendment or agenda decision. No IFRS Foundation affiliation or endorsement is implied.