

# Feedback Statement

*Amendments to IFRS 9 and IFRS 7 –  
Amendments to the Classification and  
Measurement of Financial Instruments*

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**Endorsement Criteria Assessment (ECA)**

**March 2025**

# Contents

	Page
Purpose of this Feedback Statement	3
Description of the Amendments	4
UKEB consultation on the DECA	5
UKEB and stakeholder views	6-7

# Purpose of this Feedback Statement

This Feedback Statement presents the views of UK stakeholders received during the UK Endorsement Board (UKEB)'s consultation on the [Draft Endorsement Criteria Assessment](#) (DECA) of *Amendments to IFRS 9 and IFRS 7- Amendments to the Classification and Measurement of Financial Instruments*. Where relevant it explains how the UKEB has addressed those views in the final Endorsement Criteria Assessment (ECA).

The UKEB is the UK's National Standard Setter for IFRS Accounting Standards, responsible for the endorsement and adoption of IFRS Accounting Standards for use in the UK. The UKEB also leads the UK's engagement with the IFRS Foundation on the development of new international accounting standards, amendments and interpretations.

## Disclaimer

This Feedback Statement has been produced to set out the UK Endorsement Board's response to stakeholder comments received on the UKEB's DECA on the IASB's *Amendments to IFRS 9 and IFRS 7 - Amendments to the Classification and Measurement of Financial Instruments* and should not be relied upon for any other purpose.

The views expressed in this Feedback Statement are those of the UK Endorsement Board at the point of publication.

Any sentiment or opinion expressed within this Feedback Statement will not necessarily bind the conclusions, decisions, endorsement or adoption of any new or amended IFRS Accounting Standards by the UKEB.

# Description of the Amendments

The *Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments* (the Amendments) were issued by the IASB in May 2024. A summary of the Amendments is presented below.

The Amendments	Key changes
IFRS 9 <i>Financial Instruments</i> Recognition and derecognition	<p>Clarifies the requirements for the recognition and derecognition of financial assets and liabilities. In particular, notes that financial liabilities are derecognised on the settlement date, which is the date on which the liability is extinguished.</p> <p>Also provides a new alternative to the use of settlement date for financial liabilities if certain criteria are satisfied.</p>
IFRS 9 <i>Financial Instruments</i> Classification	<p>Adds further guidance to clarify how financial instruments with contingent features (such as ESG-linked features) should be assessed when considering the “basic lending” and “solely payments of principal and interest” requirements of IFRS 9.</p> <p>Also provides improved guidance for the classification of assets with non-recourse features and contractually linked instruments.</p>
IFRS 7 <i>Financial Instruments:</i> <i>Disclosures</i>	<p>Requires additional disclosure of gains or losses on the fair value of investments in equity instruments that have been designated at fair value through other comprehensive income.</p> <p>Requires qualitative and quantitative disclosures for financial assets and liabilities with contingent features.</p>

The Amendments are effective for annual reporting periods beginning on or after 1 January 2026, with earlier application permitted. It is also permitted to apply early only the Amendments to the requirements for the classification of financial assets (and associated disclosures) without applying the other Amendments to the standard.

The Amendments to IFRS 9 are to be applied retrospectively. However, entities are not required to restate prior periods to reflect the application of the Amendments.

# UKEB consultation on the DECA

- Prior to publishing the DECA, discussions were held with regulators and certain UKEB advisory and working groups. Their feedback was incorporated in the DECA.
- Outreach activities following publication of the DECA included:
  - Discussion with the UKEB Investor Advisory Group.
  - Discussions with a regulatory body and an accounting firm.
  - Public consultation on the DECA.
- The DECA was published for consultation for 107 days, between 26 September 2024 and 10 January 2025.
- During the consultation period, the UKEB promoted awareness of the DECA and encouraged stakeholders to respond through News Alerts, LinkedIn posts and the UKEB website.
- In addition to the feedback received during stakeholder discussions, seven formal consultation responses from stakeholders were received.
- These responses were published on the UKEB website.
- All stakeholder comments and views were considered in reaching the UKEB's final assessment of the Amendments.

Stakeholder consultation – post publication of the DECA	
Stakeholder type	Number of stakeholders
UKEB Investor Advisory Group	*
Accounting firms	5
Regulators	1
Professional body	1
Membership body	1

\*The UKEB Investor Advisory Group at the time of consultation comprised seven investors from a range of organisations. Further information about that group can be accessed [here](#).

# UKEB and stakeholder views

UKEB tentative assessment	Stakeholder views*	UKEB final assessment
<b>Technical Accounting Criteria Assessment</b>		
The draft ECA tentatively concluded that the Amendments met the technical criteria assessment, as required by Regulation 7(1) of SI 2019/685.	<p>Six written responses addressed the Technical Accounting Criteria. All six agreed with the UKEB's tentative conclusion.</p> <p>One verbal response recommended that the assessment describing the changes to the recognition and derecognition of financial assets, and the recognition of financial liabilities, should reference the improved clarity provided by the Amendments.</p>	The assessment now observes that the Amendments to the Application Guidance in these areas provide additional context and clarity to the guidance.
<b>True and fair view assessment</b>		
The draft ECA tentatively concluded that the Amendments were not contrary to the true and fair view principle set out in Regulation 7(1) of SI 2019/685.	Six written responses addressed the true and fair view assessment. All six agreed with the UKEB's tentative conclusion.	No changes.

\* Respondents were considered to have agreed with the assessment where they had noted this in the relevant Invitation to Comment question, or where they had stated that they support the adoption of the Amendments in the UK.

# UKEB and stakeholder views

UKEB Tentative Assessment	Stakeholder views*	UKEB final assessment
<b>UK long term public good</b>		
The draft ECA tentatively concluded that the use of the Amendments was likely to be conducive to the long term public good in the UK as required by Regulation 7(1) of SI 2019/685.	<p>Seven written responses addressed the UK long term public good. Six responses agreed with the UKEB's tentative conclusion.</p> <p>One response highlighted the wider environment. It recommended both the Amendments and the principles of the underlying IFRS 9 standard be reviewed in the context of current events, including the Government announcement on the role of regulators with respect to economic growth. It also noted that the impact of the Financial Conduct Authority (FCA)'s proposed Public Offers and Admission to Trading Regulations (POATR) requirements should be considered.</p>	<p>No changes.</p> <p>No changes are made to this section as suggested by the respondent. While the UKEB is a standard-setter, and not a regulator, in accordance with Regulation 7(1) of SI 2019/685 the draft ECA had included assessment of the impact of the Amendments on the long term public good in the UK, including consideration of the effect on economic growth as required by Regulation 7(2) of SI 2019/685.</p> <p>Further analysis was conducted to assess the interaction of the Amendments with the FCA's proposed POATR requirements, however no material overlap or interaction between these requirements was identified.</p>

\* Respondents were considered to have agreed with the assessment where they had noted this in the relevant Invitation to Comment question, or where they had stated that they support the adoption of the Amendments in the UK.

## Contact Us

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