

# Feedback Statement

## *Annual Improvements to IFRS Accounting Standards – Volume II*

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**Endorsement Criteria Assessment (ECA)**

**January 2025**

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# Purpose of this Feedback Statement

This Feedback Statement presents the views of UK stakeholders received during the UK Endorsement Board (UKEB)'s public consultation on the [Draft Endorsement Criteria Assessment](#) (DECA) of *Annual Improvements to IFRS Accounting Standards – Volume 11* which contains amendments to IFRS 1, 7, 9, 10 and IAS 7 (the Amendments). 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 Draft Endorsement Criteria Assessment on *Annual Improvements to IFRS Accounting Standards – Volume 11* 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 were issued by the IASB in July 2024 and are effective for annual reporting periods beginning on or after 1 January 2026, with earlier application permitted. The Amendments are a collection of separate amendments to five IFRS Accounting Standards.

Title	IFRS	Amendments
Transaction price	IFRS 9	<ul style="list-style-type: none"> <li>delete the reference to 'transaction price' and revise the wording around it in paragraph 5.1.3</li> <li>remove the reference to IFRS 15 in Appendix A</li> </ul>
Lessee derecognition of lease liabilities	IFRS 9	<ul style="list-style-type: none"> <li>clarify a lessee's accounting for derecognition of a lease liability by adding a cross-reference to paragraph 3.3.3 of IFRS 9 in paragraph 2.1(b)(ii) of IFRS 9</li> </ul>
Gain or loss on derecognition	IFRS 7	<ul style="list-style-type: none"> <li>replace the reference to paragraph 27A of IFRS 7, a paragraph that no longer exists, with a reference to paragraphs 72–73 of IFRS 13</li> <li>replace the phrase 'inputs that were not based on observable market data' with 'unobservable inputs'</li> </ul>
Hedge accounting by a first-time adopter	IFRS 1	<ul style="list-style-type: none"> <li>replace the word 'conditions' with 'qualifying criteria'</li> <li>add cross-references to paragraph 6.4.1 of IFRS 9 in paragraphs B5–B6 of IFRS 1</li> </ul>
Determination of a 'de facto' agent	IFRS 10	<ul style="list-style-type: none"> <li>clarify the requirements in paragraph B74 of IFRS 10</li> </ul>
Cost method	IAS 7	<ul style="list-style-type: none"> <li>replace the term 'cost method', a term that is no longer defined in IFRS Accounting Standards, with 'at cost' in paragraph 37 of IAS 7</li> </ul>

# Limited scope outreach

- Initial research and previous influencing work indicated that the Amendments were unlikely to lead to pervasive or material concerns for the UK. Accordingly, the Board considered and approved a project plan that is proportionate to a limited scope project.
- Outreach to develop the UKEB ECA consisted of a 91-day public consultation on the UKEB's DECA, which concluded that the Amendments meet the statutory endorsement criteria set out in Regulation 7 of Statutory Instrument 2019/685.
- The UKEB promoted awareness of the DECA through the UKEB's advisory groups, the UKEB website, the UKEB subscriber news alerts, and the UKEB's LinkedIn account.
- [Five formal responses](#) to the DECA were received; four from accounting firms and one from an accounting and audit representative organisation. All responses were supportive of the adoption of the Amendments as proposed in the DECA with no further comment.
- Given the supportive stakeholder feedback, no substantive changes have been made from the DECA.

# Glossary

Term	Description
Annual Improvements to IFRS Accounting Standards – Volume 11	Contains amendments to IFRS 1, 7, 9, 10 and IAS 7
IAS 7	IAS 7 <i>Statement of Cash Flows</i>
IFRS 1	IFRS 1 <i>First-time Adoption of International Financial Reporting Standards</i>
IFRS 7	IFRS 7 <i>Financial Instruments : Disclosures</i>
IFRS 9	IFRS 9 <i>Financial Instruments</i>
IFRS 10	IFRS 10 <i>Consolidated Financial Statements</i>
IFRS 13	IFRS 13 <i>Fair Value Measurement</i>
IFRS 15	IFRS 15 <i>Revenue from Contracts with Customers</i>

## **Contact Us**

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