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EY's Financial Reporting Developments for public companies

May 20, 2026

Presenters



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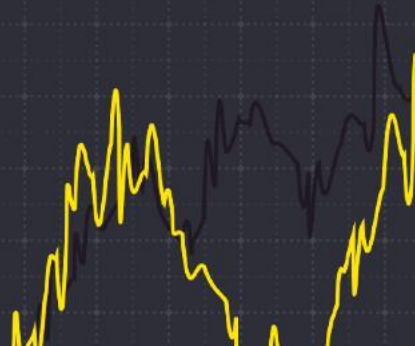
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AGENDA

- 1** IFRS 18: Panel Discussion
- 2** IFRS 18 Technical Updates
- 3** Geopolitical and Tariff-related Reminders for Financial Reporting
- 4** IFRS 9 Amendments - Derecognition of Financial Liabilities
- 5** Regulatory Update

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IFRS 18 Presentation and Disclosure in Financial Statements: Panel Discussion



Panel Participants



Jeff Davidson

Controller
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Maple Leaf Foods



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IFRS 18 Presentation and Disclosure in Financial Statements: Technical Updates



IFRS 18: Technical Updates



Individually and Largely Independently of other resources

- IFRS 18.53(c) requires an entity to identify assets that generate a return 'individually' and 'largely independently' of the entity's other resources. The return could be positive or negative.
- "Individually" & "Largely Independently" are not defined in IFRS Accounting Standards
 - Individually - capable of individual returns, separate of other assets
 - Largely Independently - discussion around interpretation

Examples

- Investment Property
- Equipment Rental

Status of discussion

- Judgement is required

IFRS 18: Technical Updates



Presentation of Tax items

- IFRS 18 maintains the same “Income Taxes” category that IAS 1 had within profit and loss (paragraph 67):
 - *An entity shall classify in the income taxes category tax expense or tax income that is included in the statement of profit or loss applying IAS 12 Income Taxes and any related foreign exchange differences*
- The IFRIC was asked to discuss whether IFRS 18 permitted entities to present taxes and other charges that are not income taxes within the Income Taxes section.

IFRIC discussion

The Committee concluded in March 2026 that the principles and requirements in IFRS Accounting Standards provide an adequate basis for an entity applying IFRS 18 to determine how it presents in the statement of profit or loss taxes or other charges that are not tax expense or tax income applying IAS 12.

Application in practice

- Investment Tax Credits
- Canadian flow-through shares
- Penalties

IFRS 18: Technical Updates



Realised and unrealized gains and losses

- Historic presentation - Historical practice in some industries of entities presenting realised and unrealized gains and losses as separate line items on the income statement
- IFRS 18 specifies that an entity presents additional subtotals and line items on the income statement if the following criteria are met:
 - Such presentations are necessary for a primary financial statement to provide a useful structured summary
 - Includes consideration of whether disaggregation criteria are met

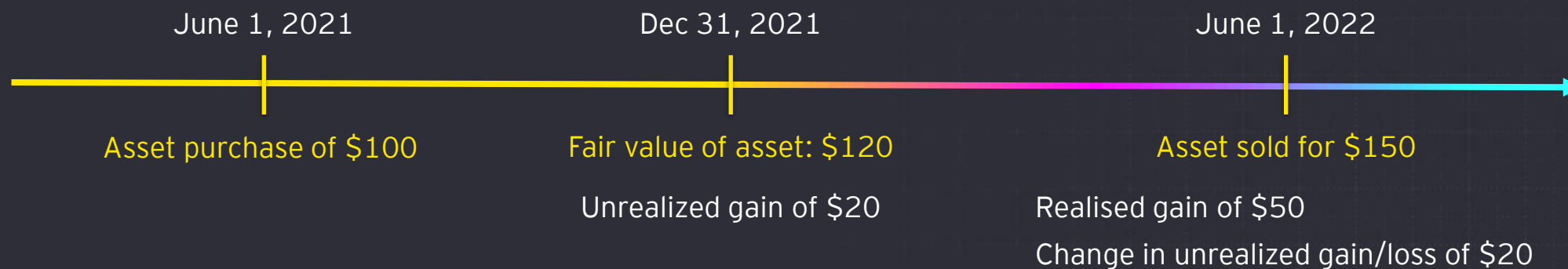
And

- Constitute an amount “recognised and measured in accordance with IFRS Accounting Standards”

IFRS 18: Technical Updates



Realised and unrealized gains and losses: Example



Potentially impacted industries

- Investment funds and other investment entities (National Instrument 81-106)
- Mining and resource companies
- REITs

Question

Is the current disaggregation of realised gains/losses and unrealized gains/losses consistent with the requirements of IFRS 18.24?

IFRS 18: Technical Updates



Intercompany Foreign Exchange impact

IFRIC Tentative Agenda Decision - Two acceptable readings of IFRS 18

- View 1: Operating category (default)
- View 2: Same category in which the income and expenses from the intragroup loan would have been classified before their elimination on consolidation, or if undue cost or effort, in the Operating category.

At its April 2026 meeting, the IASB concluded that the two readings are acceptable under existing requirements of IFRS 18 (paragraph B65).



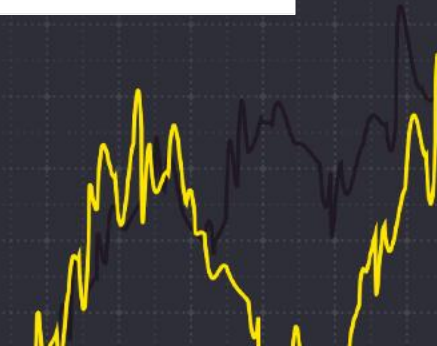
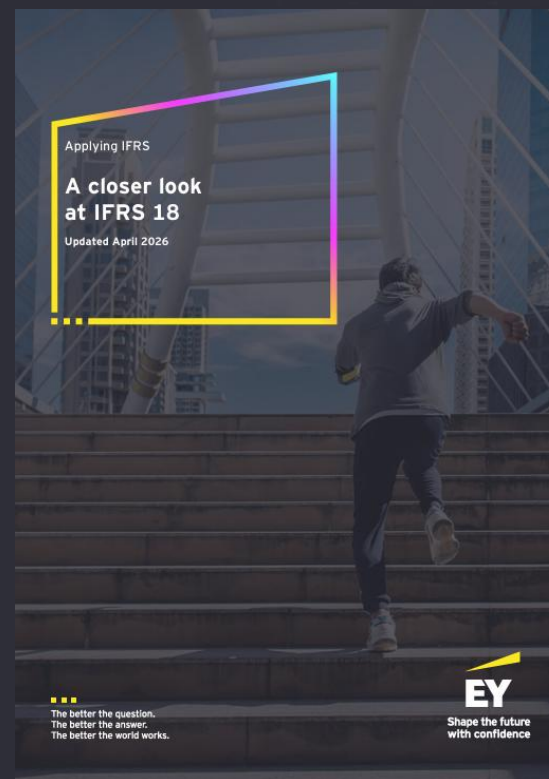
52-112 Amendments

- The definition of a non-GAAP measure has been updated to reflect that measures disclosed as MPMs continue to be treated as non-GAAP financial measures when presented outside the financial statements.
- A new definition has been added for '*Additional Subtotals*', which will require disclosure with appropriate context and prominence considerations when these subtotals are disclosed outside of the financial statements.
- Issuers may reduce duplication by cross-referencing the financial statement note containing MPM disclosures (subject to applicable conditions).

IFRS Developments

Refer to our recent publications:

- [Applying IFRS: A closer look at IFRS 18](#) (Updated April 2026) for current guidance on the application of IFRS 18, including frequently asked questions and additional consideration for banks
- [Applying IFRS 18: Agenda decisions](#) for further discussion on the IASBs ratification of four agenda decisions



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Geopolitical and Tariff-related Reminders for Financial Reporting



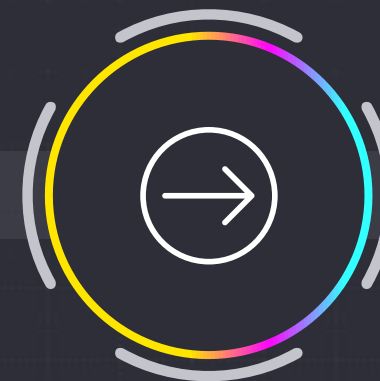
Recent Developments in Tariffs



The US Supreme Court ruled on 20 February 2026 that the tariffs imposed under the US International Emergency Economic Powers Act (IEEPA) are unlawful.



The US Court of International Trade (CIT) ordered US Customs and Border Protection (CBP) to progress with a refund process, indicating that importers whose entries were subject to IEEPA duties are entitled to the benefit of the US Supreme Court ruling.



The CBP outlined its intention to establish a refund mechanism within approximately 45 days, while also highlighting operational constraints and the need for a structured administrative process.

On 31 March 2026, the CBP declared it had made material progress on the refund mechanism.

Phase 1 refunds began processing on 20 April 2026.



Refund Asset Accounting Reminders



CONSIDERATIONS

- Until an entity has established that it has a legally enforceable right to a refund, we believe the right to refund is a contingent asset
 - Recognition of a contingent asset subject to virtually certain threshold
 - Consideration of status and clarity of the CBP refund mechanism
- Other considerations
 - Source of refund (government vs. vendor)
 - Appropriate presentation and consistency with original tariff accounting
 - Transparent disclosures
 - Assessment of all relevant facts and circumstances, including subsequent event considerations

Geopolitical and Economic Uncertainty - Other Considerations



Geopolitical concerns and economic uncertainty around the world continue to impact entities globally and may trigger a number of accounting considerations affecting both the annual and interim financial statements.

Volatility in commodity prices, foreign exchange rates, inflation and interest rates, as well as supply-chain disruptions and restrictions on trade, can have a pervasive impact across financial statements - both annual and interim reporting.

Key Accounting Areas of Potential Impact:



Impairment of Assets



Going Concern



Deferred Tax Asset Recognition



Fair Value Measurement



Financial Instruments



Revenue Recognition



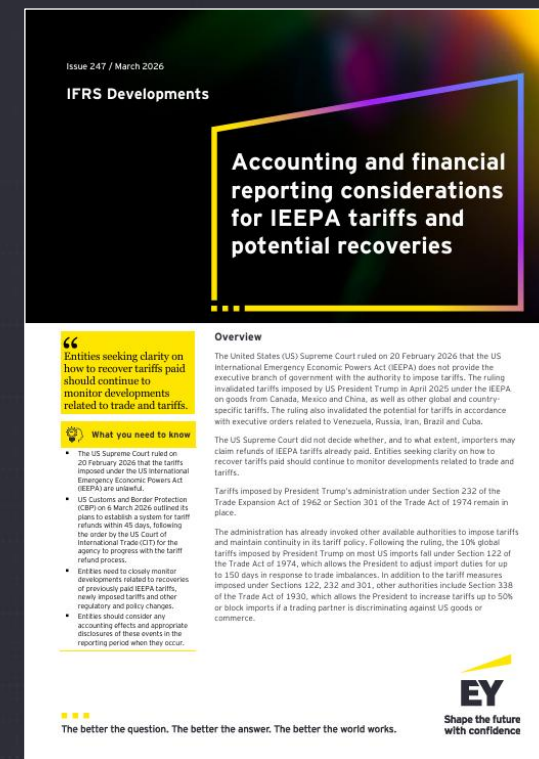
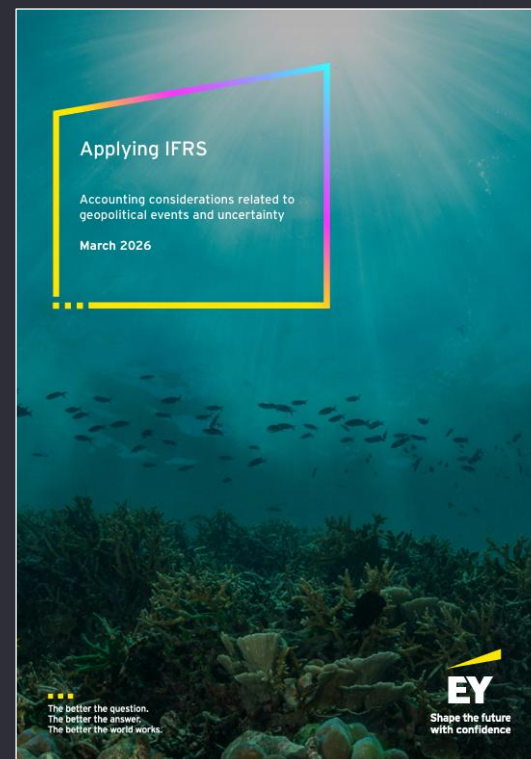
Onerous Contracts



Other considerations

Helpful Resources

- Refer to our recent publication, *Applying IFRS: Accounting considerations related to geopolitical events and uncertainty*, for further guidance on accounting considerations
- Also refer to our publication on *Accounting considerations for IEEPA tariffs and potential recoveries*



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IFRS 9 Amendments - Derecognition of Financial Liabilities



IFRS 9 Amendments – Derecognition of Financial Liabilities



Effective for reporting periods beginning on or after **1 January 2026**.

- Derecognition of financial assets when entity's **rights to contractual cash flows expire or are transferred**.
- Derecognition of liabilities on the **settlement date**.
 - **Accounting policy election** for financial liabilities settled via electronic payment system, if specific conditions are met, **prior to the settlement date**.
- The amendments made to IFRS 9 did **not include consequential amendments** to other IFRS Accounting Standards.



Q1 2026 REPORTING OBSERVATIONS

- ✓ Adjustments to opening balances
- ✓ Disclosure of impact on adoption, including the use of electronic payment system accounting policy election, if applicable
- ✓ Sufficient analysis and evidence to support assertions



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Regulatory Updates



CSA - Semi-annual Reporting (SAR) Pilot



The blanket order came into effect in March 2026.



WHO IS IMPACTED

- Certain venture issuers on TSX or CSE
- Voluntary Participation



WHAT CHANGED

- Exempt from Q1 & Q3 reporting
- Other exemptions for Q2 interim presentation



WHY IT MATTERS

- Lower regulatory burden & costs
- Test pilot for broader future rule-making initiative



Changes to financial year end



Active base shelf prospectus

SEC Proposal to Allow Optional Semi-annual Reporting



- On May 5, 2026, the Securities and Exchange Commission proposed rule and form amendments that would give public companies the option of filing **semi-annual reports in lieu of quarterly reports** to meet their interim reporting obligations under federal securities laws.
- Proposal would give US listed public companies subject to Exchange Act Section 13(a) or 15(d), who are currently required to file quarterly reports on Form 10-Q, the option to elect to file semi-annual reports on **new Form 10-S** instead of quarterly reports on Form 10-Q.



- The public comment period will remain open until 60 days after the date of publication of the proposing release in the Federal Register.
- Support for the expected proposal remains uncertain, particularly as many institutional investors rely heavily on frequent disclosure to assess their investments.



APPENDIX A

IASB Workplan
(as of April 27, 2026)



IASB Workplan: Completed Projects

Topic	Related Standard	Effective date	
Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	IFRS 9, IFRS 7	January 1, 2026	
Power Purchase Agreements	IFRS 9, IFRS 7	January 1, 2026	
Annual Improvements to IFRS Accounting Standards - Volume 11	Cost Method (Amendments to IAS 7)	IAS 7	January 1, 2026
	Derecognition of Lease Liabilities (Amendments to IFRS 9)	IFRS 9	January 1, 2026
	Determination of a 'De Facto Agent' (Amendments to IFRS 10)	IFRS 10	January 1, 2026
	Disclosure of Deferred Difference between Fair Value and Transaction Price (Amendments to Guidance on implementing IFRS 7)	IFRS 7	January 1, 2026
	Gain or Loss on Derecognition (Amendments to IFRS 7)	IFRS 7	January 1, 2026
	Hedge Accounting by a First-time Adopter (Amendments to IFRS 1)	IFRS 1	January 1, 2026
	Introduction and Credit Risk Disclosures (Amendments to Guidance on implementing IFRS 7)	IFRS 7	January 1, 2026
	Transaction Price (Amendments to IFRS 9)	IFRS 9	January 1, 2026
Presentation and Disclosure in Financial Statements - Primary Financial Statements	IFRS 18	January 1, 2027	
Subsidiaries without Public Accountability: Disclosures	IFRS 19	January 1, 2027	
Updating IFRS 19 Subsidiaries without Public Accountability: Disclosures	IFRS 19	January 1, 2027	
Translation to a Hyperinflationary Presentation Currency (IAS 21)	IAS 21	January 1, 2027	

IASB Workplan: Standard-setting Projects

Topic	Next milestone	Expected date
Rate-regulated Activities	IFRS Accounting Standard	May 2026
Equity Method	Decide Project Direction	June 2026
Business Combinations–Disclosures, Goodwill and Impairment	Decide Project Direction	H2 2026
Risk Mitigation Accounting	Exposure Draft Feedback	H2 2026
Amortised Cost Measurement	Exposure Draft	H2 2026
Financial Instruments with Characteristics of Equity	Final Amendments	2027
Statement of Cash Flows and Related Matters	Exposure Draft	2027

IASB Workplan: Maintenance Projects

Topic	Next milestone	Expected date
Amendments to the Fair Value Option (IAS 28)	Exposure Draft Feedback	May 2026
Provisions - Targeted Improvements	Decide Project Direction	June 2026

IASB Workplan: Research Projects

Topic	Next milestone	Expected date
Intangible Assets	Decide Project Direction	H2 2026
Post-implementation Review of IFRS 16 Leases	Project Summary and Feedback Statement	H2 2026
Post-implementation Review of IFRS 9 Hedge Accounting	Request for Information	H2 2026

B

Appendix B

AcSB - Recent IFRS
Discussion Group Topics



Recent IFRS Discussion Group Topics (May 2025 to May 2026)

Topic	Meeting date
<p>IFRS 18: Discussion of Recent Tentative Agenda Decisions Issued by the IFRS Interpretations Committee Discuss the implications of recent Tentative Agenda Decisions issued by the IFRS Interpretations Committee on the application of IFRS 18 Presentation and Disclosure in Financial Statements.</p>	May 2026
<p>IFRS 18: Entities with Specified Main Business Activities Discuss how to assess whether an entity has a main business activity of investing in assets or providing financing to customers, and the implications for financial reporting under IFRS 18.</p>	May 2026
<p>Financial Reporting Considerations Arising from Current Global Economic and Geopolitical Developments Discuss financial reporting considerations arising from current global economic and geopolitical developments, including the impacts of tariffs and tariff refunds, geopolitical conflicts, and related volatility in commodity prices and broader economic impacts.</p>	May 2026
<p>IFRS 18: Disclosures about Management-defined Performance Measures (MPMs) Continue discussion on factors an entity might consider when determining whether a reported metric qualifies as an MPM under IFRS 18.</p>	May 2026

Recent IFRS Discussion Group Topics (May 2025 to May 2026)

Topic	Meeting date
<p>Year-end Financial Reporting Reminders Discuss several topics relating to the preparation of an entity's 2025 year-end financial statements.</p>	December 2025
<p>IFRS 18: Classification of Income and Expenses That Arise from Liabilities Discuss how to classify income and expenses from liabilities that arise from transactions that involve only the raising of finance (referred to as "Type 1" liabilities in this discussion) and liabilities other than those that involve only the raising of finance (referred to as "Type 2" liabilities in this discussion), as either operating or financing categories. This classification depends on whether the entity has a specified main business activity of providing financing to customers.</p>	December 2025
<p>Application Issues with the Statement of Cash Flows Discuss common application issues associated with the preparation of the statement of cash flows</p>	September 2025
<p>IFRS 18: Classification of Foreign Exchange Differences Discuss the income statement classification of foreign exchange different under IFRS 18 <i>Presentation and Disclosure in Financial Statements</i></p>	September 2025
<p>IFRS 18: Classification of Income and Expenses from "Other Assets" Discuss how to classify income and expenses from "Other Assets" as either operating or investing categories. This classification depends on whether the assets generate a return individually and largely independently of the entity's other resources.</p>	September 2025

Recent IFRS Discussion Group Topics (May 2025 to May 2026)

Topic	Meeting date
<p>IFRS 19: Subsidiaries Without Public Accountability Discuss key aspects of IFRS 19 <i>Subsidiaries Without Public Accountability</i>, including the eligibility requirements, the reduced disclosure requirements and other application considerations.</p>	September 2025
<p>IFRS 9: Amendments to the Derecognition of Financial Liabilities Discuss the application of the May 2024 amendment to IFRS 9 <i>Financial Instruments</i> related to the derecognition of financial liabilities settled using electronic payment systems and through other methods.</p>	September 2025
<p>Financial reporting considerations related to tariffs Discuss various financial reporting issues related to tariffs that may impact an entity's annual or interim financial reporting</p>	May 2025
<p>IFRS 18: Disclosures about management-defined performance measures (MPMs) Discuss factors an entity might consider when determining whether a reported metric qualifies as an MPM under IFRS 18 <i>Presentation and Disclosure in Financial Statements</i>.</p>	May 2025
<p>IFRS 19: Subsidiaries without public accountability Discuss key aspects of IFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>, including the eligibility requirements, the reduced disclosure requirements, and other application considerations</p>	May 2025

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