IFRS accounting standards adopted by the European Union

IFRS standards and amendments issued by the IASB and endorsed by the EU as at 30 June 2025.

July 2025

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1. The European endorsement mechanism for IFRS accounting standards

In July 2002, the European Parliament adopted Regulation No. 1606/2002 which required publicly traded European Union (EU) incorporated companies to prepare, by 2005 at the latest, their consolidated financial statements under IFRS accounting standards ‘adopted’ for application within the EU. This Regulation established the basic rules for the creation of an endorsement mechanism for the adoption of IFRS accounting standards, the timetable for implementation and a review clause to permit an assessment of the overall approach proposed. The European Commission (the Commission) took the view that an endorsement mechanism was needed to provide the necessary public oversight. The Commission considered also that it was not appropriate, politically or legally, to delegate accounting standard-setting unconditionally and irrevocably to a private organisation over which the Commission had no influence. In addition, the endorsement mechanism is responsible for examining whether the standards adopted by the International Accounting Standards Board (IASB) satisfy relevant EU public policy criteria.

The role of the endorsement mechanism is not to reformulate or replace IFRS accounting standards, but to oversee the adoption of new standards and interpretations, intervening only when they contain material deficiencies or have failed to cater for features specific to the EU economic or legal environments. The central task of this mechanism is to confirm that IFRS accounting standards provide a suitable basis for financial reporting by listed EU companies. The mechanism is based on a two-tier structure, combining a regulatory level with an expert level, to assist the Commission in its endorsement role. The following describes each individual step of the endorsement process:

1. The IASB adopts a new standard, an amendment to an existing standard, or an interpretation of a standard.
2. The European Financial Reporting Advisory Group (EFRAG) provides its advice to the Commission on endorsement.
3. If the Commission decides to endorse the new standard, interpretation or amendment, it prepares a draft regulation and submits it to the Accounting Regulatory Committee of representatives of EU Member States (ARC).
4. If the ARC's opinion is positive, the Commission submits the draft regulation to the European Parliament and the Council of Europe for a 3-month scrutiny period.
5. If there are no objections from the European Parliament or the Council of Europe, the Commission adopts the endorsing regulation.

2. Published IFRS accounting standards

The table below provides an overview of the status of the EU endorsement process of IFRS accounting standards, interpretations and amendments issued by the IASB as at 30 June 2025, with an EU effective date on or after 1 January 2025. Information related to EU endorsement has been updated as at 30 June 2025 with the latest official EFRAG endorsement status report being available as at 10 July 2025.

Some standards and amendments are adopted by the EU with an effective date later than that established by the IASB. Therefore, the effective date of application in the EU is separately listed in the table below:

IASB			EU		
				EU adoption	
Standards	Amendments	Effective date	Effective date	Regulation as of	Published on
IFRS 1 *First-time Adoption of International Financial Reporting Standards*, IFRS 7 *Financial Instruments: Disclosures*, IFRS 9 *Financial Instruments*, IFRS 10 *Consolidated Financial Statements* and IAS 7 *Statement of Cash Flows*	*Annual Improvements* Volume 11	1 January 2026	1 January 2026	9 July 2025	10 July 2025
IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures*	Classification and Measurement of Financial Instruments	1 January 2026	1 January 2026	27 May 2025	28 May 2025
IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures*	Contracts Referencing Nature-dependent Electricity	1 January 2026	1 January 2026	30 June 2025	1 July 2025
IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures*	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred indefinitely	Postponed	Postponed	Postponed
IFRS 18 *Presentation and Disclosure in Financial Statements*	N/A	1 January 2027	Open	Open	Open
IFRS 19 *Subsidiaries without Public Accountability: Disclosures*	N/A	1 January 2027	Open	Open	Open
IAS 21 *The Effects of Changes in Foreign Exchange Rates*	Lack of Exchangeability	1 January 2025	1 January 2025	12 November 2024	13 November 2024

3. Status of IFRS accounting standards, interpretations or amendments in the endorsement process

The table in this section reflects a summary of IFRS accounting standards, interpretations and amendments still being considered for endorsement by the EU. The EU endorsement process is only completed when the standard, interpretation or amendment is published in the Official Journal of the European Union. The advice from EFRAG and the vote by the ARC are not sufficient to adopt a standard, interpretation or an amendment.

All IASB/IFRS Interpretations Committee documents not shown in the table below have been endorsed, except for certain IAS 39 *Financial Instruments: Recognition and Measurement* hedge accounting requirements that have not been endorsed. In October 2004, a qualified majority of Member States in the ARC believed the Commission should adopt IAS 39 with two "carve outs". The European Parliament also supported this solution. Therefore, in November 2004, the Commission adopted a Commission Regulation endorsing IAS 39 except for certain provisions on the use of the full fair value option and hedge accounting. This referred to the provisions relating to hedge accounting that prevent the application of hedge accounting to a portfolio of core deposits, and the provisions that assimilate a prepayment risk to an interest rate risk. The Commission did not replace any of the provisions contained in the standard, nor did it add anything; it simply removed, or carved out, certain provisions. The two issues were carved out because the Commission considered that the related provisions were not yet suitable for adoption and required further revision.[1] In November 2005, the Commission endorsed the amended version of IAS 39 *Financial Instruments*: *Recognition and Measurement – the Fair Value Option* with a restricted fair value option. The second carve-out relating to certain hedge accounting provisions is still effective.

With respect to IAS 27 *Separate Financial Statements*, the Commission issued two interpretations in February 2007 that address the conflict between the requirements of IAS 27 and the 4th Company Law Directive (78/660/EEC; the 4th Directive) and 7th Company Law Directive (83/349/EEC; the 7th Directive).[2]
The first interpretation states that the Commission Services are of the opinion that a parent company always has to prepare annual accounts as defined by the 4th Directive. Where, under the 7th Directive, a parent company is exempt from preparing consolidated accounts, but chooses, or is required, to prepare its annual accounts in accordance with IFRS accounting standards as adopted by the EU, the provisions in the then extant IAS 27 *Consolidated and Separate Financial Statements* (now superseded by IFRS 10 *Consolidated Financial Statements*) setting out the requirement to prepare consolidated accounts do not apply. Such annual accounts are prepared in accordance with IFRS accounting standards as adopted by the EU. The second interpretation states that the Commission Services are of the opinion that, if a company chooses, or is required, to prepare its annual accounts in accordance with IFRS accounting standards as adopted by the EU, it can prepare and file them independently from the preparation and filing of its consolidated accounts and, thus, in advance, where the national law transposing the 4th and 7th Directives requires or permits separate publication.

Regarding the July 2014 version of IFRS 9, the October 2017 amendments to IFRS 9 and, the amendments to IFRS 4 *Insurance Contracts* delaying the application of IFRS 9 for certain insurers until 2021, the European Commission considered that the amendments were not sufficiently broad in scope to meet the needs of all significant insurance entities in the European Union. Consequently, for those entities that prepare financial statements in accordance with IFRS accounting standards as adopted by the EU, the following modification applies:

'A financial conglomerate as defined in Article 2(14) of Directive 2002/87/EC may elect that none of its entities operating in the insurance sector within the meaning of Article 2(8)(b) of that Directive apply IFRS 9 in the consolidated financial statements for financial years the commencement of which precedes 1 January 2021, where all of the following conditions are met:

[1] Please refer for further information to: https://ec.europa.eu/commission/presscorner/detail/en/MEMO_04_265.

[2] Please refer to the agenda paper for the meeting of the Accounting Regulatory Committee on 24 November 2006 (Document ARC/19/2006) and to the agenda paper for the meeting of the Accounting Regulatory Committee on 2 February 2007 (Document ARC/8/2007).

(a) No financial instruments are transferred between the insurance sector and any other sector of the financial conglomerate after 29 November 2017 other than financial instruments that are measured at fair value with changes in fair value recognised through the profit or loss account by both sectors involved in such transfers;

(b) The financial conglomerate states in the consolidated financial statements which insurance entities in the group are applying IAS 39;

(c) Disclosures required by IFRS 7 *Financial Instruments: Disclosures* are provided separately for the insurance sector applying IAS 39 and for the rest of the group applying IFRS 9'.[3]

The purpose of (a) above is to prevent a group transferring financial instruments between different 'sectors' (i.e., between insurance and non-insurance subsidiaries) with the purpose of either avoiding measurement of those financial instruments at fair value through profit or loss in the group financial statements or recognising previously unrecognised fair value gains or losses in profit or loss.

Based on paragraph 16 of IAS 1 *Presentation of Financial Statements*, a financial conglomerate (as defined above) which takes advantage of this 'top-up' to use a mixed IFRS 9/IAS 39 measurement model for financial instruments in its consolidated financial statements must not make an explicit and unreserved statement that those consolidated financial statements comply with IFRS accounting standards as issued by the IASB. The amendment to IFRS 4 regarding the deferral of IFRS accounting standards to 2021 was endorsed for use in the European Union, including the 'top up' described above. In June 2020, the IASB issued another amendment to IFRS 4 deferring the mandatory application of IFRS 9 for certain insurers to 2023. In December 2020, the 2020 amendments to IFRS 4 regarding the deferral of IFRS 9 were endorsed for use in the EU, again including this 'top up'.

In November 2021, IFRS 17 *Insurance Contracts* and the 2020 amendments to IFRS 17 were endorsed for use in the EU. The respective regulation includes an optional exemption from the requirement to apply annual cohorts to intergenerationally-mutualised and cash flow-matched contracts. This exemption was included as the European Commission was of the opinion that the annual cohort requirement as a unit of account for groups of insurance and investment contracts does not always reflect the business model, nor the legal and contractual features of certain intergenerationally-mutualised and cash flow-matched contracts. Those contracts represent more than 70% of the total life insurance liabilities in the EU. According to the European Commission, the annual cohort requirement applied to such contracts does not always have a favourable cost-benefit balance. Therefore, EU entities should have the option to exempt intergenerationally-mutualised and cash flow-matched contracts from the annual cohort requirement of IFRS 17. Entities making use of the exemption in their consolidated financial statements must not make an explicit and unreserved statement that those consolidated financial statements comply with IFRS accounting standards as issued by the IASB and need to disclose the fact that they have made use of the exemption.[4]

[3] Commission Regulation (EU) 2017/1988 of 3 November 2017 amending Regulation (EC) No 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council in respect of International Financial Reporting Standard 4, Official Journal of the European Union, 9 November 2017.

[4] Commission Regulation (EU) 2021/2036 of 19 November 2021 amending Regulation (EC) No 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council as regards International Financial Reporting Standard 17.

The following IASB documents were still being considered for endorsement as of 1 July 2025 (date of the latest official EFRAG endorsement status report being available):

IASB		EU		
Standard/ amendment[5]	IASB-effective date	EFRAG endorsement advice	ARC vote	Expected adoption
IFRS 18 *Presentation and Disclosure in Financial Statements* (issued on 9 April 2024)	1 January 2027	5 May 2025	Open	Open
IFRS 19 *Subsidiaries without Public Accountability: Disclosures* (issued on 9 May 2024)	1 January 2027	Open	Open	Open

[5] The EC has decided not to launch the endorsement process of the interim standard IFRS 14 *Regulatory Deferral Accounts* (issued on 30 January 2014) and to wait for the final IFRS accounting standard.

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