



# **[DRAFT] ENDORSEMENT CRITERIA ASSESSMENT OF IFRS 18 PRESENTATION AND DISCLOSURE IN FINANCIAL STATEMENTS**

Issued 6 October 2025

ICAEW welcomes the opportunity to comment on the [Draft] Endorsement Criteria Assessment of IFRS 18 *Presentation and Disclosure in Financial Statements* published by the UK Endorsement Board (UKEB) on 9 July 2025, a copy of which is available from this [link](#).

ICAEW agrees that IFRS 18 *Presentation and Disclosure in Financial Statements* meets the statutory endorsement criteria and supports the endorsement of IFRS 18 for use in the UK.

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## **ICAEW**

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## KEY POINTS

1. ICAEW welcomes the opportunity to comment on the [Draft] Endorsement Criteria Assessment (DECA) of IFRS 18 *Presentation and Disclosure in Financial Statements*. It is clear that the UK Endorsement Board (UKEB) has put considerable work into its assessment, making efforts to engage with UK stakeholders wherever possible.
2. We support the endorsement of IFRS 18 for use in the UK. We have made some comments in our detailed response to the individual consultation questions, included in the appendix below, that the UKEB may wish to consider as it finalises the Endorsement Criteria Assessment.

## APPENDIX – DETAILED RESPONSE

# Invitation to Comment

## Call for comments on Draft Endorsement Criteria Assessment of *IFRS 18 Presentation and Disclosure in Financial Statements*

**Deadline for completion of this Invitation to Comment:**

**Close of business, 7 October 2025**

**Please submit to:**

**[IFRS18@endorsement-board.uk](mailto:IFRS18@endorsement-board.uk)**

## Introduction

The objective of this Invitation to Comment is to obtain input from stakeholders on the endorsement and adoption of *IFRS 18 Presentation and Disclosure in Financial Statements*, published by the International Accounting Standards Board (IASB) in April 2024. IFRS 18 replaced IAS 1 *Presentation of Financial Statements*. IFRS 18 sets out general presentation and disclosure requirements that apply across the primary financial statements and the notes. It has an effective date of 1 January 2027 with earlier application permitted (subject to the UKEB adoption in the UK). The information collected from this Invitation to Comment is intended to help with the endorsement assessment.

## UK endorsement and adoption process

The requirements for UK adoption are set out in Statutory Instrument 2019/685<sup>1</sup>.

The powers to formally adopt international accounting standards for use in the UK were delegated to the UK Endorsement Board in May 2021<sup>2</sup>.

## Who should respond to this Invitation to Comment?

Stakeholders with an interest in the quality of accounts prepared in accordance with IFRS Accounting Standards.

<sup>1</sup> The International Accounting Standards and European Public Limited-Liability Company (Amendment etc.) (EU Exit) Regulations 2019: <https://www.legislation.gov.uk/ukSI/2019/685/made>

<sup>2</sup> The International Accounting Standards (Delegation of Functions) (EU Exit) Regulations 2021: <https://www.legislation.gov.uk/ukSI/2021/609/contents/made>

## How to respond to this Invitation to Comment

Please download this document, answer any questions on which you would like to provide views, and return it to [IFRS18@endorsement-board.uk](mailto:IFRS18@endorsement-board.uk) by close of business on **7 October 2025**.

**Brief responses to individual questions are welcome, as well as comprehensive responses to all questions.**

## Privacy and other policies

The data collected through submitting this document will be stored and processed by the UKEB. By submitting this document, you consent to the UKEB processing your data for the purposes of influencing the development of and adopting IFRS Accounting Standards for use in the UK. For further information, please see our Privacy Statements and Notices and other Policies (e.g. Consultation Responses Policy and Data Protection Policy)<sup>3</sup>.

The UKEB's policy is to publish on its website all responses to formal consultations issued by the UKEB unless the respondent explicitly requests otherwise. A standard confidentiality statement in an e-mail message will not be regarded as a request for non-disclosure. If you do not wish your signature to be published, please provide the UKEB with an unsigned version of your submission. The UKEB prefers to publish responses that do not include a personal signature. Other than the name of the organisation/individual responding, information contained in the "Your Details" document will not be published. The UKEB does not edit personal information (such as telephone numbers, postal or e-mail addresses) from any other response document submitted; therefore, only information that you wish to be published should be submitted in such responses.

<sup>3</sup> These policies can be accessed from the footer in the UKEB website here: <https://www.endorsement-board.uk>

## Assessment against endorsement criteria

The UKEB's draft assessment [tentatively] concludes that:

- IFRS 18 meets the criteria of relevance, reliability, understandability and comparability required of the financial information needed for making economic decisions and assessing the stewardship of management, as required by SI 2019/685 (see Regulation 7(1)(c));
- application of IFRS 18 is not contrary to the principle that an entity's accounts must give a true and fair view as required by SI 2019/685 (see Regulation 7(1)(a)); and
- that IFRS 18 is likely to be conducive to the long term public good in the UK as required by SI 2019/685 (see Regulation 7(1)(b)), having considered:
  - whether they will generally improve the quality of financial reporting;
  - the costs and benefits that are likely to result from their use; and
  - whether they are likely to have an adverse effect on the economy of the UK, including on economic growth.

Our draft assessment also concludes that IFRS 18 is not likely to lead to a significant change in accounting practice and therefore does not meet the criteria for a post-implementation review under Regulation 11 in SI 2019/685.

The UKEB's assessment is set out in **Sections 3–6** of the [Draft] ECA.

## Questions

### Technical accounting criteria assessment

1. Do you agree with the draft assessment of IFRS 18 against the technical accounting criteria? (please select one option)

Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
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2. Please include any comments you may have in response to question 1:

While we broadly agree with the UKEB's draft assessment of IFRS 18 against the technical accounting criteria, we have heard concerns relating to the use of IFRS 18 by entities in the insurance sector.

We note that the DECA reflects some concerns raised by preparers in the insurance sector relating to the classification of income and expenses from associates and joint ventures (paragraphs B8 and B10) and acknowledge that the UKEB has highlighted how other requirements in IFRS 18 can be used to mitigate these concerns (paragraph B15).

Our members have highlighted a further concern relevant to the insurance sector. As described in paragraphs 19 – 22 of [our response](#) to the IASB's [Exposure Draft General Presentation and Disclosures \(Primary Financial Statements\)](#) we have concerns with the requirement in paragraph 64(b) of IFRS 18 regarding the treatment of insurance finance income and expenses. We believe this requirement leads to a lack of comparability between insurers who, under paragraph 88 of IFRS 17 *Insurance Contracts* have an accounting policy choice between:

- a fair value through profit or loss approach (meaning all movements in assets and liabilities, including fair value movements, are recognised in the statement of profit or loss); and
- disaggregating insurance finance income or expense and including only a systematic allocation of the expected total insurance finance income or expense within profit or loss, with the remainder reported in other comprehensive income.

### UK long term public good assessment

3. Do you agree with the initial overall assessment of the **costs** likely to arise from the implementation of IFRS 18? (please select one option).

Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
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4. Please include any comments you may have in response to question 3 including, if applicable, any costs that may have been omitted from the analysis:

We broadly agree with the UKEB's initial overall assessment of the costs likely to arise from the implementation of IFRS 18. That said, we have some observations that the UKEB may wish to reflect on as it finalises the adoption of IFRS 18.

As noted in our response to question 16 (below), we have concerns that not all entities have assessed the impact of the Standard in detail yet. As the Standard's effective date approaches and entities develop a greater understanding of its requirements, entities may find that the costs of implementation are higher than initially estimated. Our observations lead us to question the UKEB's comment in paragraph D5(d) of the DECA that preparers may have exercised caution when responding to survey and interview questions on the topic of implementation costs and that cost estimates may therefore lie at the higher end of the distribution.

Additionally, we recommend that the UKEB considers the completeness of its cost estimates with respect to implementation of IFRS 18 in the insurance sector. Where insurers have a number of subsidiaries with different main business activities (for example, investing in assets, providing finance to customers and service activities), the subsidiaries will each classify income and expenses differently. This can create challenges, and therefore additional costs, in the production of consolidated financial statements.

Finally, it is not clear to us how the circumstances of unlisted IFRS preparers have been considered in establishing cost estimates. We anticipate that unlisted entities may face additional difficulties when identifying management-defined performance measures (MPMs) as it may not be immediately obvious which measures management have used in communications outside the financial statements. This may give rise to additional implementation costs that are not captured in the initial estimates.

5. Do you agree with the initial overall assessment of the **benefits** likely to arise from the implementation of IFRS 18? (please select one option).

Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
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6. Please include any comments you may have in response to question 5 including, if applicable, any benefits that may have been omitted from the analysis:

No comments
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7. Do you agree with the draft assessment that IFRS 18 is likely to be conducive to the long term public good in the UK? (please select one option)

Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
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8. Please include any comments you may have in response to question 7 including, if applicable, any economic effects that have been omitted from the analysis:



No comments

9. In our assessment of implementation costs we have concluded that implementing IFRS 18 will not be disproportionately costly for listed small- and medium-cap entities. Do you agree with this assessment? (please select one option).

<b>Yes</b>	<input checked="" type="checkbox"/>	<b>No</b>	<input type="checkbox"/>
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10. Please include any comments you may have in response to question 9:

Please see our comments in response to questions 4 and 16, which indicate our concern that entities may have underestimated the amount of work that will be required to implement IFRS 18, meaning there is a risk that initial estimates of the costs to implement the Standard are too low.

## True and fair view assessment

11. Do you agree with the draft assessment that IFRS 18 is not contrary to the true and fair view requirement? (please select one option)

<b>Yes</b>	<input checked="" type="checkbox"/>	<b>No</b>	<input type="checkbox"/>
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12. Please include any comments you may have in response to question 11:

No comments