

## UK ENDORSEMENT BOARD REGULATORY STRATEGY 2025/28: YEAR 2 (DRAFT)

Issued 6 February 2026

ICAEW welcomes the opportunity to comment on the UK Endorsement Board Regulatory Strategy 2025/28: Year 2 (Draft) published by the UK Endorsement Board on 15 December 2025, a copy of which is available from this [link](#).

We broadly agree with the proposed allocation of resources as set out in the UK Endorsement Board's (UKEB's) draft workplan. In particular, we agree that the project to determine the suitability of IFRS 20 *Regulatory Assets and Regulatory Liabilities* for use in the UK is likely to be "significant". However, given it presents an opportunity for the UKEB to influence the International Accounting Standards Board's (IASB's) priorities, we had expected the IASB Agenda Consultation to also be classified as a "significant" project (rather than "moderate" as it appears in the draft workplan). We recommend the UKEB carefully considers this classification as it finalises its workplan for 2026/27.

With respect to research priorities, we recommend the UKEB prioritises research into accounting for intangible assets, and carbon and other environmental credits. We believe that existing and further research work on intangible assets would provide the UKEB the opportunity to influence the IASB's views on the topic. Further, we agree that there is current diversity in practice in accounting for carbon and other environmental credits meaning research into this topic will be valuable.

This response of 6 February 2026 has been prepared by the ICAEW Corporate Reporting Faculty. Recognised internationally as a leading authority on corporate reporting, the faculty, through its Financial and Non-Financial Reporting committees, is responsible for formulating ICAEW policy on corporate reporting issues and makes submissions to standard setters and other external bodies on behalf of ICAEW. The faculty provides an extensive range of services to ICAEW members and faculty subscribers including providing practical assistance with common corporate reporting problems.

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## KEY POINTS

1. ICAEW welcomes the opportunity to comment on the UK Endorsement Board (UKEB) Regulatory Strategy 2025/28: Year 2 (Draft). Having called for more detailed information to be provided on the UKEB's proposed research topics in prior consultation responses, we particularly appreciate the additional insight provided in the Annex to the Invitation to Comment (ITC) and the opportunity to comment on the proposed topics. We commend the UKEB for responding to stakeholder feedback in this way.
2. While acknowledging the timetable for this consultation may have been determined by the Financial Reporting Council (FRC), we note that, given the additional content on research topics, it has been challenging to develop as substantial a response as we might like in the timeframe allowed; timing that is exacerbated by being over the Christmas and New Year period. We encourage the UKEB to make the FRC aware of this issue and recommend such practicalities are considered more carefully in the future.
3. Reflecting the structure of the ITC, our response is presented in two parts. Our comments on the draft Strategy are included in the main body of this response, with comments on the proposed research topics included in the [appendix](#). We note that the UKEB refers to this draft Strategy as the draft Regulatory Strategy 2026/27 on the relevant webpage for the consultation despite the consultation document referring to Regulatory Strategy 2025/2028: Year 2 (Draft). For consistency and to avoid confusion, we will hereafter refer to the draft Strategy under consultation as the "draft 2026/27 Strategy".

## UKEB DRAFT WORKPLAN

4. We broadly agree with the proposed allocation of resources to the UKEB's anticipated projects. In particular, we agree that the project to determine the suitability of IFRS 20 *Regulatory Assets and Regulatory Liabilities* for use in the UK is likely to be "significant" and that it is appropriate to dedicate a reasonable amount of time to projects relating to provisions. However, we question whether the project to endorse IFRS 19 *Subsidiaries without Public Accountability: Disclosures* is a "moderate" sized project. Given that the [Draft] Endorsement Criteria Assessment of IFRS 19 has already been published, we had expected to see this as a "limited" sized project in 2026/27.
5. With respect to influencing projects, we agree that the UKEB should focus on projects that are relevant to the International Accounting Standards Board's (IASB's) priorities to ensure the UKEB's work is as impactful as possible. It is therefore unclear to us why it is proposed that the project on the IASB Agenda Consultation should be classified as "moderate". We had expected this to be a "significant" project. We recommend that the UKEB considers this classification carefully as it finalises the workplan for 2026/27.
6. Further detail of our views on the UKEB's draft workplan is included in our response to question one below.

## UKEB DRAFT 2026/27 STRATEGY – OTHER POINTS

7. We have included points on stakeholder engagement, impact assessment and the UKEB's consideration of IFRS® Sustainability Disclosure Standards in our response to question one. In particular, we agree with the UKEB's plan to host a one-day conference for key UK and international stakeholders. We believe a conference will provide an excellent opportunity for the UKEB to engage with a broader range of interested parties and hear fresh perspectives.

## RESEARCH PRIORITIES

8. In addition to considering the UKEB's proposals for research into accounting for intangible assets, and carbon and other environmental credits, we have identified issues and gaps in

IFRS® Accounting Standards that the UKEB may wish to investigate as part of its research work, namely accounting for levies and non-reciprocal transactions, and acquisition accounting issues in the insurance sector. We believe the UKEB could help to answer fundamental questions about whether a levy is a non-reciprocal transaction, helping to inform the development of accounting requirements in this respect. We also think the UKEB could identify potential solutions to issues caused by fair value accounting requirements when an insurance company is acquired in a business combination.

9. We acknowledge that the UKEB only has capacity to focus on two major research projects in addition to ad-hoc research requirements. In our view, the UKEB's proposed projects on research into accounting for intangible assets, and carbon and other environmental credits are the two highest-priority projects. We believe that existing and further research work on intangible assets would provide the UKEB the opportunity to influence the IASB's views on the topic. Further, we agree that, currently, there is diversity in practice in accounting for carbon and other environmental credits meaning research into this topic will be valuable.
10. Further detail of our views on research topics is included in our response to Part Two of the consultation in the [appendix](#) at the end of this response.

## ANSWERS TO SPECIFIC QUESTIONS

### PART ONE – REGULATORY STRATEGY

#### **Question 1**

***Do you have any comments on the UKEB's 2026/27 (Draft) Regulatory Strategy?***

#### **UKEB Workplan**

11. While the draft 2026/27 Strategy is understandably presented at a high level, it is helpful that it contains an indication of the relative sizes of the projects the UKEB expects to complete in 2026/27. This provides a useful indication of the UKEB's priorities and how it plans to use the resources at its disposal over the coming year.
12. We broadly agree with the proposed allocation of resources to the UKEB's anticipated projects.

#### **Endorsement projects**

13. We agree that the project to determine the suitability of IFRS 20 for use in the UK is likely to be complex and time-consuming and therefore "significant" for the UKEB. We would like to take this opportunity to emphasise the importance, and benefits, of international comparability of financial reporting. We are confident that the UKEB will factor this in to its thinking as it assesses IFRS 20 and we support the UKEB in this respect.
14. We also agree that the UKEB should be dedicating a reasonable amount of time to projects relating to provisions and thus with its classification as "moderate". We believe this to be a topic on which further research might be considered. We have provided further details [below](#).
15. However, it is unclear to us why the UKEB expects the endorsement of IFRS 19 to be a "moderate" sized project. Given that the [Draft] Endorsement Criteria Assessment of IFRS 19 was published in November 2025, meaning the UKEB has already completed a certain amount of work on this project, we had expected to see this as a "limited" sized project in 2026/27. To help stakeholders understand the assessment of the project's size as "moderate", it would be helpful for the UKEB to explain what sort of work it still needs to undertake with respect to the endorsement of IFRS 19.

## Influencing projects

16. As stated in [our response to the UKEB's consultation on its 2025/28 Regulatory Strategy](#), we would expect the UKEB to allocate a reasonable proportion of its resources to influencing activities. Such activities are, on behalf of UK stakeholders, most likely to influence the IASB as it develops or amends its Standards. We therefore agree that the UKEB should focus on projects that are relevant to the IASB's priorities to ensure the UKEB's work is as impactful as possible.
17. With this in mind, we were surprised to see the UKEB's assessment of its influencing work on the IASB Agenda Consultation as a "moderate" sized project; we had expected this to be a "significant" project. While we acknowledge that the UKEB might have completed some work on the Agenda Consultation prior to the IASB's decision to postpone the Request for Information to 2027, this project continues to offer a vital opportunity for the UKEB to influence the IASB's workplan in the interest of UK stakeholders. It is important that the UKEB does not under-allocate resources to this key project. We recommend that the UKEB considers this carefully as it finalises the workplan for 2026/27.
18. We note that there is a disconnect between the influencing projects outlined in the workplan contained in the draft 2026/27 Strategy and the research projects proposed in Part Two of the ITC. We understand from the ITC that the UKEB has capacity to focus on two major research projects in addition to ad-hoc research requirements. However, there does not seem to be space in the workplan for new projects on the topics suggested in Part Two (such as pollutant pricing mechanisms). We believe that it would be helpful for the workplan to contain a complete depiction of the projects the UKEB intends to undertake as part of its influencing work.

## Consideration of Sustainability Disclosure Standards

19. We note that the Department for Business and Trade has asked the UKEB to consider the interplay between IFRS Accounting Standards and IFRS Sustainability Disclosure Standards. However, it is not clear from the draft 2026/27 Strategy how the UKEB plans to consider this, or whether any capacity is available for this work. We recommend that the UKEB includes further information in the Strategy in this respect.
20. We acknowledge that the UKEB's statutory functions relate to financial, rather than sustainability (or other non-financial), reporting and agree that this mandate is appropriate. That said, there may be circumstances in which sustainability matters are relevant to the work of the UKEB. For example, research work might be undertaken on connectivity issues, or into accounting issues associated with sustainability initiatives. We recommend that the UKEB remains mindful of the rapid pace of policy change regarding sustainability issues, both in the UK and in other jurisdictions. Recognising that standard setters face challenges in balancing financial reporting and sustainability reporting demands, we encourage the UKEB to remain driven in its endorsement work by the information needs of users of financial statements and efficient capital allocation through comparable and proportionate reporting standards. We note that these aims correspond to the UKEB's own objectives for the adoption of IFRS Accounting Standards for use in the UK, meaning we anticipate the UKEB is already working in this manner.

## Stakeholder engagement

21. We note that throughout 2025 the UKEB has made considerable effort to engage with stakeholders, including ICAEW members. We commend the UKEB's collaborative and open approach, which helps keep ICAEW members up to date with UKEB activities.

22. The draft 2026/27 Strategy outlines the UKEB's plan to host a one-day conference for key UK and international stakeholders. We support this proposal and believe the conference will provide an excellent opportunity for the UKEB to engage with a broader range of interested parties and hear fresh perspectives.

### **Impact**

23. We note the draft 2026/27 Strategy does not include any detail on how the UKEB might assess its impact. While we acknowledge that it is likely to be challenging for certain aspects of its work, we expected some indication of how the UKEB might assess its impact given the prominence of this topic in the UKEB's 2025/28 Regulatory Strategy. We encourage the UKEB to consider whether and how to address this point as it finalises the 2026/27 Strategy.

## APPENDIX – DETAILED RESPONSE TO PART TWO OF THE ITC

# Invitation to Comment

## Regulatory Strategy (2025/28): Year 2 (Draft)

**Deadline for completion of this Invitation to Comment:**  
**Close of business on Friday, 6 February 2026**

**Please submit to:**

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

## UK Endorsement Board

The UK Endorsement Board (UKEB) is the UK's National Standard Setter for IFRS Accounting Standards and is, therefore, 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 accounting standards, amendments and interpretations.

## Objectives and Context

This consultation is a subset of the overall UKEB Regulatory Strategy (2025/28)<sup>1</sup> which remains unchanged. The UKEB is seeking stakeholder feedback on its Regulatory Strategy and Research topics for the 2026/27 period.

## Who should respond to this Invitation to Comment?

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

## 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 [UKEndorsementBoard@endorsement-board.uk](mailto:UKEndorsementBoard@endorsement-board.uk) by close of business on Friday, 6 February 2026.

## 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 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>2</sup>.

<sup>1</sup> UKEB Regulatory Strategy 2025–2028

<sup>2</sup> These policies can be accessed from the footer in the UKEB website: <https://www.endorsement-board.uk>

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.

## Part One – Regulatory Strategy

### Question One: Regulatory Strategy

Do you have any comments on the UKEB's 2026/27 (Draft) Regulatory Strategy?

We have included our comments on the UKEB's draft 2026/27 Strategy in the main body of this response.

## Part Two – Research topics

### Question One: Accounting for Intangible Assets

Do you agree with the proposed approach of the UKEB:

1. continuing to develop an understanding of what information is most useful for stakeholders;
2. developing potential principles-based accounting treatments; and
3. considering potential connectivity issues with ISSB Sustainability Disclosure Standards

| Yes | <input checked="" type="checkbox"/> | No | <input type="checkbox"/> |
|-----|-------------------------------------|----|--------------------------|
|-----|-------------------------------------|----|--------------------------|

We commend the UKEB for its research work to date on accounting for intangible assets. With the breadth and depth of evidence the UKEB has already generated on this topic in mind, together with the progress the IASB is making on its own intangibles research project, we believe the UKEB is most likely to be able to influence developments in this area if it turns its attention to specific, self-contained topics that it can address on a timely basis. For example, we would support a project to investigate accounting for cryptoassets. We believe this topic is increasingly important and have heard views from some who do not believe the current approach to accounting for cryptoassets is appropriate. We think any project on the topic could usefully be broadened to extend to the accounting for other digital assets, such as stablecoins, tokens (which take many different forms including utility, security, asset-backed and non-fungible tokens), and other digital currencies, as well as a broader consideration of intangible assets arising from blockchain technology more generally. The absence of guidance leads to holders of digital assets adopting a range of different accounting treatments which may include intangible assets but might also include cash equivalents, financial assets and, for certain entities, inventory.

As a second example, the UKEB could perform research into accounting information about customer-related intangibles recognised in a business combination. We have heard that some investors strip out figures relating to these intangibles when analysing financial statements due to concerns around usefulness and reliability. A research project could investigate where boundaries are drawn when determining whether an entity has control over an intangible resource such as a customer relationship, and therefore whether current requirements for recognition of intangible assets acquired in a business combination are appropriate.

We note from the Annex to the ITC, the UKEB could continue to build on its 2025/26 case-study based intangibles research as this would allow the UKEB to test the

IASB's proposals. However, it isn't clear to us which case studies the UKEB plans to examine. Without this clarity, it is difficult to express support (or otherwise).

In determining which topics or case studies to investigate, we encourage the UKEB to plan its work in parallel to the IASB's work. For example, we understand that the IASB has decided to use test cases related to newer types of intangible assets (possibly to include cloud computing and agile software development) to help it understand the underlying causes of application issues. For its case-based research work, the UKEB may wish to either perform a similar analysis of other newer types of intangible assets, or to investigate the same test cases as the IASB to verify or supplement the IASB's findings from a UK perspective. For example, we have heard calls for a wider review of accounting for software as a service, due to members identifying issues when applying the IFRS Interpretations Committee's [agenda decision on the topic](#).

Performing research in parallel with the IASB's work could help to maximise the impact of the UKEB's research, as this approach would allow the UKEB to add to the IASB's body of evidence.

## Question Two: Carbon and Other Environmental Credits

Do you agree with the proposed approach of the UKEB:

- documenting the current schemes, disclosures and approaches adopted in the UK;
- considering potential principles-based accounting treatments; and
- assessing any potential connectivity implications for the financial statements from ISSB Sustainability Disclosure Standards.

|     |                                     |    |                          |
|-----|-------------------------------------|----|--------------------------|
| Yes | <input checked="" type="checkbox"/> | No | <input type="checkbox"/> |
|-----|-------------------------------------|----|--------------------------|

We agree that, currently, there is diversity in practice in accounting for carbon and other environmental credits. In our view, carbon and other environmental credits will remain a relevant issue for the foreseeable future and we note that members are being asked to advise on the appropriate accounting treatment for various arrangements. We therefore agree that research into this topic will be valuable.

Noting that political uncertainty may lead to policy changes in sustainability matters, we encourage the UKEB to remain mindful of international developments as it designs any research projects on this topic (see paragraph 20 in our response to Part One of this consultation above). For example, the UKEB may wish to consider the Financial Accounting Standards Board's (FASB's) discussions of [Accounting for Environmental Credit Programs](#) to help it understand how standard setters in other jurisdictions are addressing these issues.

## Question Three: Fundamental issues or gaps with IFRS

Are there IFRS Accounting Standards that need to be developed or require fundamental revisions to ensure they continue to remain relevant in the contemporary business environment? Can you suggest a principles-based approach to address the issues you have identified?

| Yes   | <input checked="" type="checkbox"/> | No | <input type="checkbox"/> |
|---|-------------------------------------|----|--------------------------|
| We have identified the following areas in which we believe IFRS Accounting Standards would benefit from further development:  |                                     |    |                          |
| <b>Levies and non-reciprocal transactions</b>   |                                     |    |                          |
| <p>We believe the UKEB could usefully undertake research on the topic of non-reciprocal transactions and note that such research may contribute to the UKEB's planned work on targeted improvements to IAS 37 <i>Provisions, Contingent Liabilities and Contingent Assets</i>.</p> <p>In our view (as explained more fully in <a href="#">our response to the IASB's Exposure Draft (ED) <i>Provisions – Targeted Improvements: Proposed amendments to IAS 37</i></a>), there are issues with the current requirements for accounting for levies. We believe these issues may become more widespread should new levies (or similar charges) be introduced in relation to sustainability matters. To illustrate, we expect that charges arising from <a href="#">The Producer Responsibility Obligations (Packaging and Packaging Waste) Regulations 2024</a> will be recognised at a point in time at the start of the assessment year, rather than being recognised over the assessment year. We have heard members question whether this accounting treatment is appropriate.</p> <p>As a related issue, when developing our response to the IASB's ED, some members noted the lack of a standard on accounting for non-reciprocal transactions more generally. We have heard calls for such a standard to be developed.</p> <p>We believe there is a need to answer fundamental questions, such as whether a levy is a reciprocal transaction, before appropriate accounting requirements for levies can be developed. We have also heard calls for standard setters to consider whether a profit or loss-based approach to non-reciprocal transactions might be more suitable than a balance sheet-based approach (which would better align with the IASB's <i>Conceptual Framework for Financial Reporting</i>).</p> <p>There may be an opportunity for the UKEB to conduct research and gather evidence to influence the development of accounting requirements relating to levies and non-reciprocal transactions while the IASB considers feedback to its ED.</p> |                                     |    |                          |
| <b>Acquisition accounting in the insurance sector</b>   |                                     |    |                          |
| <p>We have heard from the insurance sector that there is a need to amend fair value accounting requirements in respect of claims in settlement when an insurance company is acquired in a business combination. In certain circumstances, the current requirements lead to recognition of revenue and profits in a way that does not reflect the economics of the transactions. The UKEB may wish to undertake research on this topic to identify the full extent of the issue and any potential solutions.</p> <p>By way of further explanation, through such research the UKEB may wish to consider whether offering an exemption from making certain fair value adjustments on the acquisition of an insurer would help to resolve the issues created in this sector by current requirements. IFRS 3 <i>Business Combinations</i> does not allow an exemption from measuring balances from revenue contracts at fair value at acquisition. This can lead to measurement adjustments when contracts contain variable consideration that the acquiree has constrained in accordance with IFRS 15 <i>Revenue from Contracts with Customers</i>. These fair value uplifts on acquisition can be complex. In contrast, we note that the FASB's requirements contain exceptions from fair value measurement for such balances. This typically results in the acquirer recognising and measuring the acquired contract balances consistently with how they were recognised</p>  |                                     |    |                          |

and measured in the acquiree's financial statements (ie, fair value adjustments are not needed). While consideration of such an exemption may be beneficial in respect of the insurance sector, it is worth noting that we are not of the view that such an exemption is necessary more widely outside of that sector.

## Question Four: Relative priority of research topics

Please indicate your view of the priority of research topics (1 Highest to 5 Lowest) considering their pervasiveness, feasibility, relevance to the UK and urgency. Please also add any alternative topics in the response box below the table.

| Potential Areas of UKEB Research              | Priority |
|---|----------|
| Accounting for Intangible Assets              | 1        |
| Carbon and Other Environmental Credits        | 2        |
| Fundamental gaps and issues in IFRS Standards | 3        |
| An alternative topic                          | n/a      |

No further comments.

## Question Five: Any Other Comments

The UKEB welcomes any other feedback on this overall consultation.

No further comments.

## Question Six: Use of large language models

|   |                          |           |                                     |
|---|--------------------------|-----------|-------------------------------------|
| <b>Yes</b>  | <input type="checkbox"/> | <b>No</b> | <input checked="" type="checkbox"/> |
| We did not use a large language model in developing our response. |                          |           |                                     |