



# [DRAFT] ENDORSEMENT CRITERIA ASSESSMENT OF IFRS 19 SUBSIDIARIES WITHOUT PUBLIC ACCOUNTABILITY: DISCLOSURES

Issued 19 February 2026

ICAEW welcomes the opportunity to comment on the [Draft] Endorsement Criteria Assessment of IFRS 19 *Subsidiaries without Public Accountability: Disclosures* published by the UK Endorsement Board on 28 November 2025, a copy of which is available from this [link](#).

ICAEW agrees with the UKEB's tentative decision to endorse IFRS 19 *Subsidiaries without Public Accountability: Disclosures* for use in the UK.

In the context of the wider UK financial reporting framework, we do not believe that either the UK Endorsement Board or the Financial Reporting Council is suggesting that FRS 101 *Reduced Disclosure Framework* would be withdrawn following an endorsement of IFRS 19. That said, we wish to take this opportunity to state that we would not support such a withdrawal.

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## KEY POINTS

1. ICAEW welcomes the opportunity to comment on the [Draft] Endorsement Criteria Assessment (DECA) of IFRS 19 *Subsidiaries without Public Accountability: Disclosures*. We agree with the proportionate approach taken by the UK Endorsement Board (UKEB) to its assessment of IFRS 19.

### IFRS 19 SHOULD BE ENDORSED FOR USE IN THE UK

2. We agree with the UKEB's tentative decision to endorse IFRS 19 for use in the UK. From an international harmonisation perspective, we believe in principle that IFRS 19 can serve as a valuable option that enables consistent reporting across a group's subsidiaries when they are based in a range of jurisdictions. We agree that it is in the public interest to endorse the Standard; to not do so may add to the costs of doing business in the UK for international groups.

### FRS 101 SHOULD REMAIN PART OF THE UK'S REPORTING FRAMEWORK

3. While we support the endorsement of IFRS 19 for use in the UK, we wish to take this opportunity to state that we would not support the withdrawal of FRS 101 *Reduced Disclosure Framework*.
4. FRS 101 is a standard tailor-made for use in the UK and remains an attractive option for qualifying entities. Assuming IFRS 19 is endorsed for use, we expect that most preparers currently applying FRS 101 would continue to do so given that, broadly, fewer disclosures are required under FRS 101 compared to IFRS 19 and FRS 101 provides an exemption from the requirement to prepare a statement of cash flows. Due to its narrower requirements, FRS 101 is likely to provide a more cost-effective option than IFRS 19 (at least at the individual subsidiary level). In this respect, our expectations echo feedback the UKEB heard during its outreach work, as well as the findings of its assessment of the benefits of IFRS 19 to preparers (as outlined in paragraphs 1.37 and 3.42(b)(i) of the DECA).
5. We challenge, however, the UKEB's statement that FRS 101 "is conceptually similar to IFRS 19" (paragraph 1.34 of the DECA). While both are reduced disclosure frameworks, we note that the International Accounting Standards Board's (IASB's) starting point when drafting IFRS 19 was the *IFRS for SMEs Accounting Standard*. We believe the IASB's approach created a lack of clarity around who it believes the specific identified users of subsidiary financial statements to be and what their information needs are. Consequently, while we support its endorsement as an optional alternative to FRS 101, we have concerns about the proportionality of the requirements of IFRS 19.

### ANSWERS TO SPECIFIC QUESTIONS

6. We have provided our responses to the individual consultation questions in the appendix below.

APPENDIX – DETAILED RESPONSE

## Call for comments on Draft Endorsement Criteria Assessment of IFRS 19 *Subsidiaries without Public Accountability: Disclosures*

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

**Close of business, 26 February 2026**

**Please submit to:**

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

### Introduction

The objective of this Invitation to Comment is to obtain input from stakeholders on the endorsement and adoption of IFRS 19 *Subsidiaries without Public Accountability: Disclosures*, published by the International Accounting Standards Board (IASB) in May 2024<sup>1</sup>. IFRS 19 is a new voluntary reduced disclosure standard. It has an effective date of 1 January 2027 with earlier application permitted (subject to the UKEB's adoption for use in the UK). The information collected from this Invitation to Comment is intended to help with the endorsement assessment.

<sup>1</sup> The following are being assessed as a single package for endorsement by the UKEB: IFRS 19 issued in May 2024, Amendments to IFRS 19 issued in August 2025, and consequential Amendments to IFRS 19 resulting from the amendments to the *Classification and Measurement of Financial Instruments* issued in May 2024 and *Contracts Referencing Nature-Dependent Electricity* issued in December 2024.

## UK endorsement and adoption process

The requirements for UK adoption are set out in Statutory Instrument 2019/685<sup>2</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>3</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.

## 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 **26 February 2026**.

**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 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>4</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>2</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>3</sup> The International Accounting Standards (Delegation of Functions) (EU Exit) Regulations 2021: <https://www.legislation.gov.uk/ukSI/2021/609/contents/made>

<sup>4</sup> These policies can be accessed from the footer in the UKEB website: <https://www.endorsement-board.uk>

## Assessment against endorsement criteria

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

- IFRS 19 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 19 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 19 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 it will generally improve the quality of financial reporting;
  - the costs and benefits that are likely to result from its use; and
  - whether it is likely to have an adverse effect on the economy of the UK, including on economic growth.

The UKEB's draft assessment also concludes that IFRS 19 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 2–5** of the [Draft] ECA.

## Questions

### Technical accounting criteria assessment

1. Do you agree that the technical accounting criteria assessment considers the main key aspects? (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:

No comments
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3. Do you agree with the draft assessment of IFRS 19 against the technical accounting criteria? (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:

No comments
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### UK long term public good assessment

5. Do you agree with the initial overall assessment of the **costs** likely to arise from the implementation of IFRS 19? (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 costs that may have been omitted from the analysis:

We have included comments on the public good assessment in our <a href="#">covering letter</a> . We have no further comments to add.
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7. Do you agree with the initial overall assessment of the **benefits** likely to arise from the implementation of IFRS 19? (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 benefits that may have been omitted from the analysis:

We have included comments on the public good assessment in our [covering letter](#).  
We have no further comments to add.

9. Do you agree with the draft assessment that IFRS 19 is likely to be conducive to the long term public good in the UK? (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 including, if applicable, any economic effects that have been omitted from the analysis:

We have included comments on the public good assessment in our [covering letter](#).  
We have no further comments to add.

11. In its [Draft] ECA, the UKEB described a set of users who may use the financial statements of subsidiaries without public accountability. Do you agree that the UKEB has not overlooked any user category that could be substantially affected by the reduced disclosure requirements of IFRS 19? (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

## Company Law interaction

13. IFRS 19 provides a definition of “public accountability” to set the scope for a subsidiary’s eligibility to voluntarily apply the Standard. The IFRS 19 definition differs from the definitions of “public interest entity” and “public interest company” set out in Part 16 of the Companies Act 2006, which relate to audit. As the definitions in the Act do not relate to reporting under UK-adopted international accounting standards, do you agree that this issue is not relevant to the UKEB’s endorsement assessment of IFRS 19? *Please see paras 19 – 21 of the [Draft] ECA Executive Summary for further detail.*

<b>Yes</b>	<input checked="" type="checkbox"/>	<b>No</b>	<input type="checkbox"/>
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14. If you disagree, please provide the rationale for your answer to question 13:

n/a
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## True and fair view assessment

15. Do you agree with the draft assessment that IFRS 19 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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16. Please include any comments you may have in response to question 15:

No comments
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## Is IFRS 19 likely to lead to a significant change in accounting practice?

17. Do you agree with the tentative assessment in the [Draft] ECA that IFRS 19 is not likely to lead to a significant change in accounting practice? (please select one option):

<b>Yes</b>	<input checked="" type="checkbox"/>	<b>No</b>	<input type="checkbox"/>
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18. Please provide your rationale for the answer to Question 17—namely, the reasons for concluding whether or not IFRS 19 is likely to lead to a significant change in accounting practice:

No comments
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## Other comments

19. Do you have any **other comments** on the [Draft] ECA you would like to add?

No further comments.
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## Response generation

20. Did you/your organisation use a large language model (e.g. Chat GPT, Microsoft Copilot) to create any part of your/its response (response to this Invitation to Comment or a comment letter you are submitting as part of your response)?

<b>Yes</b>	<input type="checkbox"/>	<b>No</b>	<input checked="" type="checkbox"/>
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21. If you answered yes to Question 20, please specify which model and what prompt(s) you used for the large language model.

n/a
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**Thank you for completing this Invitation to Comment**

**Please submit this document**

**by close of business on 26 February 2026 to:**

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