

# IFRS Adviser Alert

Disclosure about uncertainties in the financial statements –  
Publication of near-final illustrative examples

September 2025

## Executive summary

The IFRS Foundation has published *Disclosures about Uncertainties in the Financial Statements Illustrated using Climate-related Examples*, addressing practical application of the disclosure requirements in IFRS Accounting Standards.

## Context

The examples were developed by the International Accounting Standards Board (IASB) in collaboration with the International Sustainability Standards Board (ISSB) to address feedback from stakeholders about insufficient information on uncertainties – particularly climate-related uncertainties. The examples also address feedback regarding inconsistencies that may arise in the financial statements by complying with the disclosure requirements of the IFRS Accounting Standards and IFRS Sustainability Disclosure Standards.

## Examples on reporting uncertainties

The collection of examples published as “near final” illustrates how entities can improve the reporting of uncertainties in their financial statements to avoid creating inconsistencies within the Annual Report. The examples are mainly focused on climate-related fact patterns. However, the principles and requirements illustrated can be applied to all types of uncertainties. A summary of the examples is shown below:

Example	Name of example	Relevant IFRS Accounting Standard*	Summary of example (as disclosed in the publication)
1	Materiality judgments applying paragraph 31 of IAS 1 [paragraph 20 of IFRS 18]	IAS 1 <i>Presentation of Financial Statements</i> [IFRS 18 <i>Presentation and Disclosure in Financial Statements</i> ]	Illustration of how an entity makes materiality judgments in the context of financial statements.  The example contains two scenarios: one scenario in which these judgments lead to additional disclosures beyond those specifically required by IFRS Accounting Standards and a second scenario in which they do not.
2	Disclosure of assumptions: specific requirements	IAS 36 <i>Impairment of Assets</i>	Illustration of how an entity discloses information about the key assumptions it uses to determine the recoverable amounts of assets.
3	Disclosure of assumptions: general requirements	IAS 1 <i>Presentation of Financial Statements</i> [IAS 8 <i>Basis of Preparation of Financial Statements</i> ]	Illustration of how an entity: <ul style="list-style-type: none"> <li>• might be required to disclose information on assumptions it makes about the future, even if the specific disclosure requirements in other IFRS Accounting Standards require no such disclosure;</li> <li>• identifies the assumptions about which it is required to disclose information; and</li> <li>• determines what information about these assumptions it is required to disclose.</li> </ul>

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4	Disclosure about credit risk	IFRS 7 <i>Financial Instruments: Disclosures</i>	Illustration of how an entity might disclose information about the effects of particular risks on its credit risk exposures and credit risk management practices and how these practices relate to the recognition and measurement of expected credit losses.
5	Disclosure about decommissioning and restoration provisions	IAS 37 <i>Provisions, Contingent Liabilities and Contingent Assets</i>	Illustration of how an entity might disclose information about plant decommissioning and site restoration obligations, even if their effect on the carrying amount of the entity's plant decommissioning and site restoration provision is immaterial.
6	Disclosure of disaggregated information	[IFRS 18 <i>Presentation and Disclosure in Financial Statements</i> ]	Illustration of how an entity might disaggregate the information it provides in the notes about a class of property, plant and equipment (PP&E) on the basis of dissimilar risk characteristics if necessary to provide material information.

\*IFRS Accounting Standards that are not yet effective as at the date of this publication are included in brackets.



## **Status of near-final examples**

The examples have not yet been approved by the IASB. The IASB expects to issue the final examples, together with the accompanying *Basis for Conclusions*, in October 2025. No material changes are expected before finalization. Once finalized, the examples will be included for illustrative purposes in the relevant IFRS Accounting Standard to which they relate. There will be no effective date of the examples since they do not amend the current IFRS Accounting Standards. In other words, they will be effective immediately.

## **Our thoughts**

We support the release of the near-final examples, which should improve the overall quality of financial reporting and ensure consistency with sustainability reporting. We believe issuing a near-final version of the examples will provide reporting entities with more time to consider whether any changes to their reporting need to be made before the final versions are released. All the examples are uncontroversial in nature, and our view is they add clarity to the impacted IFRS Accounting Standards. We encourage entities to consider the application of the examples to their financial statements.

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