Australian Government
Australian Accounting Standards Board

AASB Action Alert

From the Australian Accounting Standards Board

Issue No. 250
4 November 2026

Welcome to the AASB Action Alert

The AASB Board met in public and in private on 29–30 October 2026. At the meeting, the Board made key decisions in relation to:

- **Review of AASB 1060 – Updating AASB 1060 to Align the Classification and Presentation Requirements with AASB 18**
- **Implementation Guidance for Not-for-Profit Entities on Income and Expense Categorisation**
- **Risk Mitigation Accounting**
- **Editorial Corrections and Repeal of Redundant Standards**

The Board also discussed the following topics:

- **Climate-related Financial Disclosures**
- **Research Update**

Review of AASB 1060 – Updating AASB 1060 to Align the Classification and Presentation Requirements with AASB 18

After considering stakeholder feedback on Exposure Draft ED 341 *Updating AASB 1060 to Align the Classification and Presentation Requirements with AASB 18*, the Board decided to proceed with finalising the amendments as proposed in ED 341. The Board voted to make Accounting Standard AASB 2026-6 *Amendments to Australian Accounting Standards – Tier 2 Classification and Presentation*, which applies to annual periods beginning on or after 1 July 2030. Earlier application is permitted. The Standard will be published shortly on the AASB Digital Standards Portal.

Contact us: **Australian Accounting Standards Board**, PO Box 204, Collins Street West, Victoria 8007
Phone (03) 9617 7600 **Email** standard@aasb.gov.au **Website** www.aasb.gov.au

The AASB Action Alert is issued by the Australian Accounting Standards Board (AASB). It reports on meetings of the AASB as a service to stakeholders. Decisions reported are tentative and may be changed or modified by the AASB. Decisions become final only after completion of the formal processes required to issue documents. No responsibility is taken for the results of actions or omissions to act taken on the basis of any information in this report, or for any errors or omissions. © Australian Accounting Standards Board 2026.

The principal amendments in AASB 2026-6 are to:

(a) align the classification, presentation and transition requirements in AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* with those in AASB 18 *Presentation and Disclosure in Financial Statements*;

(b) include application guidance from AASB 18 Appendix B in a new Appendix B to AASB 1060;

(c) update the presentation requirements for the statement of cash flows; and

(d) extend to Tier 2 not-for-profit (NFP) public sector entities the same presentation reliefs provided to Tier 1 NFP public sector entities through AASB 2026-4 *Amendments to Australian Accounting Standards – Application of AASB 18 and AASB 107 by Superannuation and Not-for-Profit Entities and Operating Cash Flow Reconciliation*.

The Board also decided to seek feedback on the costs and benefits of applying the AASB 18 categorisation requirements to Tier 2 NFP private sector entities, as part of its forthcoming Exposure Draft *Implementation Guidance for Not-for-Profit Entities on Income and Expense Categorisation*. The Board noted that some Tier 2 entities want to adopt the AASB 18-aligned requirements for annual periods beginning on or after 1 January 2027, at the same time as Tier 1 entities, and so decided to address the NFP private sector application of AASB 18 separately from finalising AASB 2026-6.

Implementation Guidance for Not-for-Profit Entities on Income and Expense Categorisation

The Board approved the publication of an Exposure Draft *Implementation Guidance for Not-for-Profit Entities on Categorising Income and Expenses*. The Exposure Draft will propose mandatory implementation guidance for Tier 1 and Tier 2 NFP entities on:

(a) assessing whether investing in particular types of assets or providing financing to customers is a specified main business activity under AASB 18 and AASB 1060 (as amended by AASB 2026-6); and

(b) categorising income recognised under AASB 1058 *Income of Not-for-Profit Entities* in the operating category.

The Exposure Draft will also propose illustrative examples to accompany AASB 18 and AASB 1060, to assist NFP entities in applying the specified main business activity assessment requirements.

Having regard to feedback received from some stakeholders on ED 341 about the costs and benefits of the requirements, the Board will seek further feedback through the new ED on the expected incremental

costs and benefits for NFP entities of applying the income and expense categorisation requirements in AASB 18 and AASB 1060.

The Exposure Draft is expected to be published shortly, with a 120-day comment period.

Risk Mitigation Accounting

The Board deliberated its response to the IASB Exposure Draft IASB/ED/2025/1 *Risk Mitigation Accounting* (AASB ED 339), which proposes amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures*.

The Board considered the level and nature of stakeholder engagement to date in relation to the Exposure Draft, noting that while views had been expressed through outreach, no formal stakeholder views had been received. The Board decided that its comment letter should reflect the following observations:

(a) no Australian banks that participated in the AASB's outreach indicated an intention to adopt the proposed Risk Mitigation Accounting (RMA) model;

(b) feedback indicated that Australian banks are unlikely to change their existing hedge accounting practices, having developed and embedded those practices over time to address limitations in the accounting requirements, supported by established investor communication processes;

(c) stakeholders who provided feedback were not convinced that the proposed RMA model would provide materially more useful information than their existing practices to justify a change in practice and raised significant concerns about whether the proposed RMA model would be workable; and

(d) the Board considers that addressing these stakeholder concerns could require significant further time and effort by the IASB. Given the limited demand for the proposed model among Australian stakeholders, the Board suggests that the IASB reassess the priority of the RMA project having regard to other projects addressing more pressing stakeholder needs.

The Board plans to finalise its comment letter at its November 2026 meeting.

Editorial Corrections and Repeal of Redundant Standards

The Board voted to make Accounting Standard AASB 2026-5 *Editorial Corrections to Australian Accounting Standards and Australian Sustainability Reporting Standards and Repeal of Redundant Standards*. The Standard applies to annual periods beginning on or after 1 January 2027 and is expected to be published shortly on the AASB Digital Standards Portal.

AASB 2026-5 makes minor editorial corrections to Australian Accounting Standards and Australian Sustainability Reporting Standards and repeals 27 redundant amending Standards.

The repeal of redundant amending Standards does not change the application of any Standards or requirements. The repealed Standards cease to be classified as in-force legislative instruments on the Federal Register of Legislation. There is no change to the availability of the repealed Standards on the AASB Digital Standards Portal.

Climate-related Financial Disclosures

The Board considered an update on implementation monitoring activities relating to AASB S2 *Climate-related Disclosures* drawing on an expanded review of disclosures from 484 entities, market commentary and stakeholder engagement. The extended evidence suggests that first-year implementation challenges continue to reflect a developing understanding of AASB S2 requirements, differential organisational capability and evolving reporting practices. The Board directed staff to:

(a) continue monitoring implementation as Group 1 entities enter their second annual reporting cycle and as Group 2 and Group 3 entities commence reporting;

(b) continue using existing communication and stakeholder-engagement channels to raise awareness of relevant AASB and ISSB educational material and consider how existing resources could be made easier for stakeholders to identify and use; and

(c) closely monitor the outcomes of Treasury's Consultation Paper *Improving the Efficiency of Climate-related Financial Disclosures* (August 2026) and work collaboratively with Treasury, ASIC and other relevant parties across the financial and sustainability reporting system to consider whether coordinated implementation guidance is needed on key proportionality concepts.

Research Update

The Board noted recent research activities, including:

(a) the 2026 AASB Research Forum, held in Sydney on 26–27 October 2026;

(b) progress on the post-implementation review projects; and

(c) stakeholder engagement and knowledge-sharing activities, including:

  (i) an AASB Dialogue Series session on *Accounting for grants: What might be missing?* (June 2026);

(ii) AASB presentations at the 2026 AFAANZ Conference, including meetings of the ESG, Public Sector and NFP, and Financial Reporting Special Interest Groups and a panel discussion titled Cost–Benefit Analysis in Reporting Requirements (July 2026);

(iii) a panel discussion titled What is Keeping National Standard-Setters Busy? Current Issues in Corporate Reporting at the 2026 American Accounting Association Conference held in Las Vegas (August 2026); and

(iv) AASB Research Fellowships.

Recently Approved Documents

Since last reported (Action Alert, 28 August 2026), the Board has approved the following Standards, Exposure Drafts or other proposal documents.

Date Approved	Document	Effective Date (Standards/Int'ns) or Due Date for Submissions (EDs)
5 October 2026	ITC 58 *Request for Comment on IASB Request for Information on Post-implementation Review of IFRS 9 and IFRS 7 – Hedge Accounting Requirements*	9 November 2026
12 October 2026	AASB 20 *Regulatory Assets and Regulatory Liabilities*	1 January 2029
29 October 2026	AASB 2026-5 *Editorial Corrections to Australian Accounting Standards and Australian Sustainability Reporting Standards and Repeal of Redundant Standards*	1 January 2027
29 October 2026	ED 342 *Implementation Guidance for Not-for-Profit Entities on Categorising Income and Expenses*	(TBD)
30 October 2026	AASB 2026-6 *Amendments to Australian Accounting Standards – Tier 2 Classification and Presentation*	1 July 2030

Documents Open for Comment

The following documents are open for comment. AASB submissions to the IASB, the ISSB, the IFRS Interpretations Committee, the IFRS Foundation, the IPSASB and other organisations are published on the AASB website.

AASB Action Alert

Issue No. 250
4 November 2026

Issuer	Document	AASB No.	AASB Due Date	Other Organisation Due Date
IFRS Found-ation	ED *Proposed Targeted Amendments to the IFRS Foundation* Constitution	–	–	16 November 2026
AASB	ED 339 *Risk Mitigation Accounting*	ED 339	closed	30 November 2026
AASB	ITC 58 *Request for Comment on IASB Request for Information on Post-implementation Review of IFRS 9 and IFRS 7 – Hedge Accounting Requirements*	ITC 58	9 November 2026	26 January 2027

AASB Board Future Meeting Dates
26 November 2026

Next AASB Board Meeting The Board is expected to address the following agenda items:
Hedge Accounting Post-implementation Review (ITC 58)
Reissue of AASB 1048 *Interpretation of Standards*
Review of AASB 1060 – IFRS 19 Disclosures
Risk Mitigation Accounting