

Project:	Research Centre	Meeting:	AASB November 2025 (M216)
Topic:	Research updates	Agenda Item:	8.1
		Date:	30 October 2025
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		Decision-Making:	N/A
		Project Status:	Report to Board

Objectives of this paper

- 1 The objective of this agenda item is to provide the Board with **updates** on the key AASB Research Centre activities.

Structure

- 2 This paper is structured as follows:
 - (a) Background (paragraph [3](#));
 - (b) Key Projects Updates:
 - (i) Cash Flows Statement and Related Matters (paragraphs [4-6](#));
 - (ii) Intangible Assets (paragraphs [7-10](#));
 - (c) Updates on Post-implementation Review Projects (paragraph [11](#));
 - (d) AASB Research Report (paragraphs [12-15](#));
 - (e) AASB SSRN Working Papers (paragraph [16](#));
 - (f) 2025 AASB Forums (paragraph [17](#));
 - (g) AASB Dialogue Series (paragraph [18](#)); and
 - (h) Other International Matters (paragraphs [19-20](#)).

Background

- 3 This paper provides an overview of research activities that have taken place since the Board received updates in the July 2025 meeting. Alongside the research-related work in other pertinent agenda papers concerning standard-setting work, this paper provides a summary of activities recently completed or scheduled for the near future.

Key Projects Updates

Cash Flows Statement and Related Matters

- 4 IASB's Cash Flows Statement and Related Matters project updates:

- (a) The table below presents a high-level summary of the recent IASB discussions related to the Cash Flow Statement and associated matters in July 2025 and September 2025.

IASB Updates	Summaries
IASB Update July 2025	The IASB discussed how the requirements for management-defined performance measures (MPMs) in IFRS 18 <i>Presentation and Disclosure in Financial Statements</i> could be extended to also apply to cash flow measures, aiming to enhance transparency in disclosures of non-IFRS cash flow measures. The IASB tentatively decided to propose: • applying to cash flow measures, unchanged, the parts of the IFRS 18 definition of an MPM that describe an MPM as a measure that: ○ an entity uses in public communications outside financial statements; and ○ an entity uses to communicate to users of financial statements management's view of an aspect of the financial performance of the entity as a whole; and • extending the rebuttable presumption for MPMs in IFRS 18 so it also applies to cash flow measures.
IASB Update September 2025	The IASB discussed how it could improve the disaggregation of cash flow information in the financial statements in response to stakeholder feedback. The IASB tentatively decided to develop potential requirements: • strengthening the link between the statement of cash flows and information presented or disclosed in other parts of the financial statements in accordance with IFRS Accounting Standards other than IAS 7 Statement of Cash Flows; and • improving the consistency in presenting cash flows from discontinued operation disclosure.

- (b) In [October 2025](#), the IASB discussed approach to non-cash transactions and other changes in balances together with examples of potential solutions. Staff will share further updates on the outcomes of this meeting as soon as they become available.

5 AASB's Cash Flows Statement and Related Matters project updates

- (a) In September 2025, the AASB released a [Research report](#) investigating the statement of cash flows and related matters, drawing on evidence from the ASX 50. This research contributes to the IASB's current project exploring potential improvements to IAS 7 Statement of Cash Flows. The Australian research highlights diversity in practice regarding the presentation and disclosure of cash flow statements and related information. The findings support and reinforce the need for revisions to IAS 7 to improve consistency and the usefulness of cash flow related information, thereby better meeting user needs.
- (b) In addition, staff provided feedback for Asian-Oceanian Standard-Setters Group (AOSSG) comments to October Accounting Standards Advisory Forum (ASAF) meeting on [Agenda paper 3](#) and [Agenda paper 3A](#) discussing underlying scenarios that might contribute to inconsistent application of the requirements in IAS 7 *Statement of Cash Flows*. Staff viewed that while the principles of IAS 7 can be applied to the examples and scenarios presented in ASAF's papers, there is room for improvement, particularly in terms of

clarifying the structure and language of IAS 7. Follow-up investigation and consultation with stakeholders who reported difficulties might be warranted to ensure that the issue is fully understood.

- 6 Staff are currently developing the next research report, which will focus on issues related to cash and cash equivalents and cash flow measures.

Intangible Assets

- 7 At the October 2025 ASAF meeting, it was noted that the IASB staff plan to conduct exploratory work to test potential updates to the definition and recognition requirements of intangible assets using two test cases:
 - (a) Cloud computing (SaaS arrangements): This examines whether customers control an asset, what the underlying asset is (software, access right or service) and consistency with IFRS 15 concepts of transferred rights.
 - (b) Agile software development: This explores challenges with applying the research and development distinction when development is iterative. Issues include determining the unit of account, assessing capitalisation thresholds and distinguishing enhancement from maintenance expenditure.
- 8 The objectives of the test cases are to explore issues such as:
 - whether IAS 38's definition of an intangible asset appropriately captures rights-based assets and control in service based arrangements;
 - the adequacy of the two-phased recognition model (research/development) for agile or continuously updated assets;
 - interaction with IFRS 15 and IFRS 16 when assessing whether arrangements are service contracts, licences or leases; and
 - user needs for improved transparency on and assets arising from internal development activities.
- 9 Although AI and data resources raise similar recognition challenges, the agenda paper concluded these are sufficiently captured through the cloud computing and agile software development test cases and will not be examined further at this stage.
- 10 This topic closely aligns with concerns observed in Australian practice, particularly the accounting for SaaS arrangements and agile development costs. Staff are currently undertaking research about this topic and will continue to monitor IASB discussions, providing updates to the Board as the project progresses.

Updates on Post-implementation Review (PIR) Projects

- 11 The table below provides a summary of updates on key PIR projects:

Post-implementation Review Projects	Status
<u>ITC 51 Post-implementation Review of Not-for-Profit Topics</u>	AASB concluded its PIR of certain Not-for-Profit (NFP) topics included in ITC 51. <u>Feedback Statement</u> was issued in October 2025.



Post-implementation Review Projects	Status
<u>ITC 55 Post-implementation Review of AASB 16 Leases</u>	Comments due to the AASB by 5 September 2025. Staff will analyse the feedback received and provide the Board with a summary and issues identified in Q1 2026, with a particular focus on matters relevant to NFP and public sector entities.
<u>ITC 56 Post-implementation Review of Tier 2 and the Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities and Further Update of Tier 2</u>	ITC 56 was issued in September 2025. Comments to the AASB by 22 January 2026.
<u>ITC 49 Post-implementation Review of AASB 1059 Service Concession Arrangements: Grantor</u>	In Agenda Item 5, the Board is asked to decide whether sufficient feedback and evidence have been obtained regarding the PIR of AASB 1059 to determine whether any action is required.
Public Sector PIR including AASB 1050 Administered Items, AASB 1051 Land Under Roads, AASB 1052 Disaggregated Disclosures, AASB 1004 Contributions and Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities.	Subject to feedback on the forthcoming Agenda Consultation regarding the priority of this PIR, staff plan to recommence the PIR in 2027.

AASB Research Report

- 12 The AASB Research Centre has recently published three research reports:
- (a) [Preparedness of ASX-listed entities for climate-related reporting and assurance requirements](#)
 - (b) [Statement of Cash Flows and Related Matters – Australian Listed Entities](#)
 - (c) [Biodiversity, Ecosystems and Ecosystem Services \(BEES\) Disclosure Practices: Observations in Australia and Korea](#)
- 13 In July 2025, the AASB Research Centre published the research report titled, *Preparedness of ASX-listed entities for climate-related reporting and assurance requirements*, developed in collaboration with AUASB and CA ANZ. The joint research report examines the Annual Report disclosure practices of climate-related reporting of Australian listed entities in 2023 and 2024, with focus on Group 1, 2 and 3 entities, as these face mandatory reporting and assurance requirements. The findings offer timely insights for the AASB, AUASB and stakeholders as we navigate the challenges of climate-related reporting and assurance.
- 14 In September 2025, the AASB Research Centre published the research report titled *Statement of Cash Flows and Related Matters – Australian Listed Entities*. The report examines the annual reports of the top 50 entities listed on the Australian Securities Exchange. This research contributes to the IASB's current project exploring potential improvements to IAS 7 *Statement of Cash Flows*. The Australian research highlights diversity in practice regarding the presentation and disclosure of cash flow statements and related information. The findings

support and reinforce the need for revisions to IAS 7 to improve consistency and the usefulness of cash flow related information, thereby better meeting user needs.

- 15 In September 2025, the AASB Research Centre published the research report titled, *Biodiversity, Ecosystems and Ecosystem Services (BEES) Disclosure Practices: Observations in Australia and Korea*, developed in collaboration with Korean Sustainability Standards Board (KSSB). The report analyses annual and/or sustainability-related reports from 2021 to 2023, covering 110 publicly listed entities across 11 Global Industry Classification Standard (GICS) sectors in Australia and Korea. The findings offer an exploratory view of how BEES-related information is incorporated within corporate reporting.

AASB SSRN Working Papers

- 16 The AASB Research Centre has recently accepted one working paper to the AASB SSRN Working Paper Series: [25-06: Unveiling the Nexus between Financialisation and State Governance: Data Assetisation in China](#). This study investigates a recent government-led initiative in China that seeks to financial data as an asset on corporate financial statements. Adopting the theoretical perspective of financialisation, the paper argues that this transformation in accounting practices signifies a broader process of financialization, which is strategically deployed as an instrument of state governance in China. By examining the public discussions among regulators, academics, and practitioners, this study identifies and analyses the key conceptual themes that have informed the prevailing understanding of this accounting policy change in China. It further explores how these conceptualisations are embedded within the broader socio-political context of China, and how this relationship contributes to extending the current understanding of accounting in the process of financialisation within the accounting literature. The findings indicate that while the prevailing discussions in China reflect broader themes of financialisation commonly observed in Western contexts such as the restructuring of business models through market integration. They also highlight a distinctive characteristic: in China, financialization is predominantly directed toward advancing state's objectives, rather than prioritising market efficiency or the maximisation of financial returns. Engaging with socio-political literature that underscores the active role of the state in shaping financialisation, this paper provides empirical insights into the interplay between accounting, financialisation, and the state. It contributes to critical accounting literature by extending its traditional focus on accounting's function in facilitating free-market mechanisms in contexts with lighter state intervention.

2025 AASB Forums

- 17 The AASB will be hosting three Forums across 17 - 19 November 2025, in Melbourne. The 2025 AASB Research Forum, themed '*Accounting and Reporting in the Digital Era*', will take place in Melbourne on 17 November 2025. The University of Melbourne will serve as the university partner for this event. The Sustainability Research Forum will be held on 18 November 2025, followed by the Applied Research – Shaping Standard Setting Forum on 19 November 2025.

AASB Dialogue Series

- 18 The AASB Research Centre held three Dialogue Series sessions since June 2025:
 - (a) On 16 July 2025, 73 domestic and international stakeholders attended the AASB Dialogue Series session on Segment Reporting. The session explored how operating segment information supports decision-making in today's diverse business landscape. The session began with a presentation by Dr Eka Tan (Deakin University), followed by a panel discussion featuring Dr Dean Ardern (BDO), Amir Ghandar (CA ANZ), Siva Sivanantham (Department of Treasury and Finance (Victoria)), Anne Waters (AUASB) and David Wilson (Australian Equities Growth).

- (b) On 25 September 2025, 165 domestic and international stakeholders attended the AASB Dialogue Series session on Goodwill and Impairment. In this webinar, Dr Mark Wallis shared new research on goodwill impairment testing in Australia. A panel of experts (Jannaya James – Grant Thornton, Moana Overton – Deloitte, Adam Sofoulis – Covalent Lithium, Ann Tarca – Professor Emeritus and Martin Lawrence – Ownership Matters) then provided perspectives on challenges and potential solutions for goodwill and impairment reporting.
- (c) On 22 October 2025, 161 domestic and international stakeholders attended the AASB Dialogue Series session on Rethinking Intangibles in a Digital World. This Dialogue Series explored how data is reflected across financial statements, management commentary, and broader disclosures. Dr Junhao Liu and Dr Lina Xu presented their research on China's recent reforms, which allow listed companies to recognise data assets. Following this was a panel discussion featuring Sean Osborn (NSW Treasury), James Price (Experience Matters) and Michael Van Houten (EY).

Other International Matters

2025 International Accounting Standards Board (IASB) Research Forum

- 19 The 2025 IASB Research Forum will be held on 6-7 November 2025 in partnership with Accounting Horizons and Paderborn University in Germany and discuss the following topics:

2025 IASB Research Forum	
Paper session 1: Intangible assets	- Paper 1: Discretionary impairments of finite and indefinite intangible assets - Paper 2: Recognising non-compete clauses as intangible assets: A step towards putting human capital on the balance sheet
Paper session 2: IFRS 17 and amendments to standards	- Paper 3: Making sense of the IFRS 17 transition effects - Paper 4: How did IFRSs evolve over time? A study of amendments to IFRSs
Paper session 3: Current and potential topics	- Paper 5: How does reporting complexity in the statement of cash flows affect the decision usefulness of cash flow information? - Paper 6: When the pieces move: Do financial analysts pick up on segment reporting reshuffling?
Paper session 4: IFRS effects and research	- Paper 7: Comprehensive review of IFRS research: A text mining-based approach - Paper 8: IFRS adoption and capital flows sensitivity to global uncertainty in Latin America
Practitioner views	Cost-benefit assessments of accounting standards
Panel session	Cost-benefit evaluation in accounting standard setting

- 20 Professor Tom Scott (former AASB Research Fellow) will present Paper 2 *Recognising non-compete clauses as intangible assets: A step towards putting human capital on the balance sheet* in the Intangible asset session.

Question to the Board:

Do Board members have any comments or questions about the research update?