
Panel Discussion 2

Climate-related and Other Uncertainties in the Financial Statements

Summary of findings from work done to date

Concerns

- **Insufficient** information about effects of climate-related risks in financial statements
- **Inconsistencies** between information about climate-related risks reported in financial statements and elsewhere

Standards generally sufficient

- Investor information needs might go beyond objective of financial statements
 - Some information needs may be satisfied by sustainability-related financial disclosures
- IFRS Accounting Standards generally sufficient in requiring useful information about effects of climate-related and other risks
 - However, there may be **challenges in application**

Evolving area

- Some **improvements** in recent years
- As sustainability-related financial disclosures evolve, they may better inform and improve compliance with IFRS Accounting Standards

Decisions and next steps

Educational material

Explore development of **examples** to help improve application of IFRS Accounting Standards

Translate and make more **visible** existing educational material

Standard-setting

Explore **possible targeted amendments** to improve disclosures about estimates

- estimates require significant judgement
- IASB to assess whether standard-setting is feasible and helpful
- any amendments about uncertainties generally—not specific to climate

Other ongoing IASB projects may also help address concerns about accounting for climate-related matters

Interpretations Committee

Discuss:

- recognition of **liabilities** for climate-related commitments
- measurement of some non-financial assets when testing for **impairment**

IASB will continue to **monitor developments**

Information on accounting for climate-related matters

Visit our project page

The screenshot shows the IFRS website page for the project 'Climate-related and Other Uncertainties in the Financial Statements'. It includes a navigation menu, a breadcrumb trail, and a table of project stages. A large blue arrow labeled 'Includes' points from this page to the educational material document.

The document cover for 'Full IFRS' Educational Material (July 2023) features the IFRS Accounting logo and the title 'Effects of climate-related matters on financial statements'. It includes a table of contents and a detailed introduction explaining the purpose of the material and its relationship to the IFRS Sustainability Disclosure Standards.

The document cover for 'IFRS for SMEs Accounting Standard Standard Educational Material (May 2023)' features the IFRS Accounting logo and the title 'Effects of climate-related matters on financial statements prepared in accordance with the IFRS for SMEs Accounting Standard'. It includes a table of contents and an introduction explaining the material's focus on SMEs.

[Link](#)

[Link](#)

[Link](#)

Translations coming soon...

Follow us online

 [ifrs.org](https://www.ifrs.org)

 [@IFRSFoundation](https://twitter.com/IFRSFoundation)

 [IFRS Foundation](https://www.youtube.com/IFRSFoundation)

 [International Accounting
Standards Board](https://www.linkedin.com/company/ifrs-foundation)