IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 replaces IAS 1 presentation requirements, carrying forward many IAS 1 requirements and adding new structure and disclosures. Are you ready to lean in to IFRS 18?

WHEN IS IT EFFECTIVE?

IFRS 18 will be effective for annual reporting periods beginning on or after **January 1, 2027**, with earlier application permitted.

WHAT DOES MANAGEMENT NEED TO KNOW?

Management Performance Measures ("MPMs") are required to be disclosed and reconciled in a single note to the financial statements.

Classification of income and expenses by category is required (operating, investing, financing, income taxes and discontinued operations as applicable).

Retrospective application is required. For example, for companies with a calendar year end, the comparative financial information **must be presented under IFRS 18 in the December 31, 2027** financial statements.

WHAT ARE THE NEXT STEPS?

1. Create an **inventory** of your potential MPMs (using non-GAAP measures).
2. Map **income and expenses** to the new categories.
3. Determine MPMs and prepare **reconciliations**.
4. Prepare **draft financial statements** applying IFRS 18 and the reconciliation note for auditor review.

GET IN TOUCH

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