



30 June 2026

To: **Members of the Hong Kong Institute of CPAs**  
**All other interested parties**

**INVITATION TO COMMENT ON IFRS INTERPRETATIONS COMMITTEE  
TENTATIVE AGENDA DECISIONS**

***Comments to be received by 31 July 2026***

The IFRS Interpretations Committee (IC) works together with the International Accounting Standards Board to support the consistent application of IFRS Accounting Standards. They do so by, among other things, issuing narrow-scope amendments and IFRIC Interpretations, and publishing agenda decisions to address application questions.

If the IC decides that a standard-setting project should not be added to the work plan, it explains why in a tentative agenda decision, and requests comments within a period normally of 60 days. An agenda decision explains why a standard-setting project has not been added to the work plan and, in many cases, includes explanatory material. Agenda decisions cannot add or change requirements in IFRS Accounting Standards.

At its June meeting, the IC discussed the following matters regarding IFRS 10 *Consolidated Financial Statements* and IFRS 18 *Presentation and Disclosure in Financial Statements*, and tentatively decided not to add a standard-setting project to the work plan.

*IFRS 10:*

- (1) [Control Assessment for a Single-investor Fund](#) – how an entity (the only investor in a fund other than the fund manager) assesses whether it has delegated decision-making authority to the fund manager, if the fund manager is an agent and does not control the fund.

*IFRS 18:*

- (2) [Presentation of Operating Expenses](#) – when an entity is required to use a ‘mixed presentation’, i.e. presenting some operating expenses by nature and others by function; and whether it can disaggregate expenses of the same nature and classify and present some of those expenses in line items comprising operating expenses by nature and others in line items comprising operating expenses by function.
- (3) [Classification of Income and Expenses from Cash and Cash Equivalents](#) – how an entity classifies income and expenses from cash and cash equivalents in its consolidated statement of profit or loss if the entity has a main business activity of investing in financial assets and providing financing to customers, alongside other business activities.
- (4) [Labels of Subtotals](#) – whether the label of a subtotal which is also a management-defined performance measure (MPM) is required to explicitly list all the elements excluded from (or included in) the MPM.
- (5) [Classification of Income and Expenses when an Entity Has a Main Business Activity of Providing Financing to Customers](#) – how an entity that has a main business activity of providing financing to customers classifies income and expenses from liabilities that arise from transactions that involve only the raising of finance in its consolidated statement of profit or loss.
- (6) [Assessment of Specified Main Business Activities for a Manufacturer-Lessor](#) – how an entity that is a manufacturer-lessor assesses whether, applying IFRS 18, the entity’s aggregated lease activity, comprising its finance lease and operating lease activities, is a main business activity of providing financing to customers.

- (7) [Management-defined Performance Measures—Hypothetical Income and Expenses](#) – whether a performance measure that includes hypothetical income and expenses can meet the definition of a MPM in IFRS 18.
- (8) [Management-defined Performance Measures—Public Communications](#) – whether presentations provided on a confidential basis to a small number of identifiable shareholders or potential investors are public communications for the purpose of identifying a MPM applying IFRS 18.

The Financial Reporting Standards Committee of the Hong Kong Institute of Certified Public Accountants is seeking comments on the above tentative agenda decisions by **31 July 2026** to allow your comments to be considered in developing its response. Comments should be supported by specific reasoning and should be submitted in written form by email to [commentletters@hki CPA.org.hk](mailto:commentletters@hki CPA.org.hk).

Comments will be acknowledged and may be made available for public review unless otherwise requested by the respondent.