

IASB publishes its review of impairment requirements relating to financial instruments

The International Accounting Standards Board (IASB) has concluded its Post-implementation Review (PIR) of the impairment requirements in IFRS 9 *Financial Instruments—Impairment*. Access the [Post-Implementation Review of IFRS 9 *Financial Instruments—Impairment* Project Summary and Feedback Statement](#).

The objective of the PIR was to assess whether the effects of applying the impairment requirements are as the IASB intended when it developed these requirements. Overall, feedback and research carried out during the PIR show that the impairment requirements in IFRS 9 are working as intended and provide useful information to users of financial instruments. Specifically, the requirements:

- have led to more timely recognition of credit losses;
- provide useful information to investors about expected credit losses, although targeted improvements to credit risk disclosures were suggested; and
- can generally be applied consistently, with some areas requiring further clarification and guidance.

In response to the feedback, the IASB will explore whether requirements for modification, derecognition and write-off of financial instruments, and the consequential effects on recognition of expected credit losses, can be clarified as part of its project on Amortised Cost Measurement. Furthermore, the [IASB has added a new project to its pipeline](#) to investigate targeted improvements to the credit risk disclosure requirements in IFRS 7 *Financial Instruments: Disclosures*.

Andreas Barckow, Chair of the IASB, said:

The IASB introduced IFRS 9 in the aftermath of the financial crisis, aimed to address the issue of ‘too little, too late’ recognition of credit losses. The PIR has confirmed that the impairment requirements are effectively meeting their intended objectives, despite some areas that could benefit from clarification or targeted improvements.

The IASB started this PIR in July 2022. A wide range of stakeholders—including investors, companies, auditors, standard-setters, regulators and academics—provided feedback to this review. The IASB received 79 comment letters and attended 48 meetings with stakeholders as part of the review process.