



## Financial Reporting Council Communiqué

The Financial Reporting Council (FRC) met on 26 March 2026. The key matters considered and decided are outlined below:

<b>Environmental Scan</b>	<ul style="list-style-type: none"><li>• Members made reflections on climate-related financial disclosure and noted that the first group of disclosers included inbound subsidiaries, with a few with US headquarters.</li><li>• Some reporters observed differences in Australian reporting compared to international standards and believed Australian standards were more prescriptive.</li><li>• Members also noted that the boundaries of what constitutes a legal entity for the purposes of climate-related financial disclosure is not straightforward and that separately, reconciliation needs to occur between voluntary and mandatory reporting.</li></ul>
<b>AASB</b>	<p>International engagement</p> <ul style="list-style-type: none"><li>• Australia has been the co-chair of IFASS since last year and the AASB is hosting the next international meeting in Melbourne.</li><li>• The AASB has led engagement with Pacific jurisdictions on accounting issues, including the use of IFRS-aligned standards.</li></ul> <p>Sustainability</p> <ul style="list-style-type: none"><li>• AASB have been hosting workshops around the country to help companies prepare for sustainability reporting requirements.</li><li>• IFRS announced that the AASB was accepted as a member of SSAF.</li></ul> <p>Consultation</p> <ul style="list-style-type: none"><li>• The AASB 2027–2031 Agenda Consultation finished in late March.</li></ul>
<b>AUASB</b>	<ul style="list-style-type: none"><li>• The majority of current work concerns sustainability assurance implementation.</li><li>• The AUASB are considering how to influence international standards setting and have found that collaboration with other jurisdictional standard setters has improved greatly.</li></ul>
<b>XRB</b>	<ul style="list-style-type: none"><li>• The XRB provided updates on key priorities. The NZ Sustainability Board is developing a climate reporting roadmap. As NZ's standards are temporary, eventual transition is needed. However, some stakeholders are opposed to transitioning prior to the post-implementation review of climate reporting in a few years' time.</li><li>• The NZ Accounting Standards Board is reviewing standards to assess if splits and tiers are appropriate.</li></ul>
<b>Auditor Review Working Group report</b>	<ul style="list-style-type: none"><li>• The merger of financial reporting bodies and the removal of FRC's audit quality function may affect future work of the Auditor Review Working Group, where issues cross many portfolios.</li><li>• The Chair noted that formal activities of the working group are to be placed on hold.</li></ul>

**The next FRC meeting is scheduled to be held in Sydney on 5 June 2026**