
IASB[®] Meeting

Date	March 2025
Project	Statement of Cash Flows and Related Matters
Topic	Cover Paper
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Purpose of this meeting

1. The purpose of this meeting is to provide the International Accounting Standards Board (IASB) with a summary of the research work that we have undertaken since our last meeting with the IASB in September 2024 and to report our initial conclusions and recommended next steps.
2. This is in preparation for a next meeting when we plan to ask the IASB to decide whether to eliminate or constrain any detailed matters to be assessed for feasible solutions and the most efficient timing for assessing the remaining topics. Our recommendations at the next meeting will be based on analysis of the potential complexity of resolving matters related to each topic and meeting the information needs of users of financial statements (investors), while balancing the needs of other stakeholders. A preliminary assessment is included in this month's agenda papers.

Papers for the meeting

3. The papers for this meeting are:

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- (a) Agenda Paper 20A Outreach feedback—we summarise the feedback received from our initial outreach activities with investors, preparers, members of the accounting profession and auditors and regulators.
 - (b) Agenda Paper 20B National standard-setter outreach and research—we summarise the feedback from outreach activities with, and recent research performed by, national standard-setters (NSS).
 - (c) Agenda Paper 20C Financial statement analysis—we report the results of our initial financial statement analysis.
 - (d) Agenda Paper 20D Initial research findings and next steps—we summarise the findings of the research detailed in agenda papers 20A–20C and report our initial findings and recommended next steps in the project.

Summary of research work

Background

- 4. At its [September 2024](#) meeting, the IASB started its research project on the statement of cash flows and related matters and discussed the initial work it will do on the project. The IASB also discussed the list of topics raised by stakeholders in the [Third Agenda Consultation](#), an [academic literature review](#) and the [preliminary research plan](#).

Research topics

- 5. Leading up to the September 2024 meeting, we performed initial work to identify research topics that the IASB might consider in deciding the scope of the project.¹ Based on this initial work, we identified seven research topics that the IASB might explore:

¹ In [Agenda Paper 20B](#) of the September 2024 meeting, we reported that we reviewed feedback received in the Third Agenda Consultation and the available academic research. During the [June 2024](#) joint meeting of the Capital Markets Advisory Committee (CMAC) and the Global Preparers Forum (GPF), we asked members to share their experiences in preparing and using the information presented in the statement of cash flows or disclosed in the notes applying IFRS Accounting Standards.

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- (a) **requirements for classifying cash flows**—should the project consider changing the requirements for classifying cash flows into operating, investing and financing categories?
 - (b) **aggregation and disaggregation of cash flow information**—should the project consider specific disaggregation requirements for information about cash flows? For example, separating capital expenditures into maintenance and growth.
 - (c) **definitions of cash and cash equivalents**—should the project consider changing the definitions of cash and cash equivalents?
 - (d) **effects of non-cash transactions**—should the project consider presentation or disclosure requirements for additional information about the non-cash effects of some transactions?
 - (e) **method of reporting operating cash flows**—should the project consider requiring the use of the direct method?
 - (f) **information about commonly used cash-flow measures**—should the project consider presentation or disclosure requirements for information about commonly used cash flow measures? For example, Free Cash Flows (FCF).
 - (g) **statement of cash flows for financial institutions**—should the project consider specific requirements for the statement of cash flows for financial institutions?

Research work performed

6. In [Agenda Paper 20B](#) of the IASB's September 2024 meeting, we set out a plan to meet with stakeholders individually and in representative groups (including consultative group meetings) to better understand their experiences (including perceived deficiencies and challenges) with the statement of cash flows and related disclosures.

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7. The purpose of our research work was to gather evidence to enable the IASB to decide which research topics to explore further during the project. To corroborate our findings, we also reviewed research performed by NSS and performed a preliminary review of a sample of financial statements.
 8. In the appendices of Agenda Papers 20A–20C we explain the research work that we performed relevant to each paper.

Next steps

9. We will bring a paper to the IASB recommending a project plan, based on what we learned from the initial feedback.