

*Henry*

One of the  
RSM team



## Accounting and Reporting by RBSs

IAS 26

# IAS 26 on investments

Paragraph 32:

“Retirement benefit plan investments shall be carried at fair value. In the case of marketable securities fair value is market value.”

This would include fixed interest government securities and corporate bonds, the fair value of which declines as market interest rates go up.

Paragraph 35(b):

“[Financial statements include] a statement of changes in net assets available for benefits showing the following:

...

(ix) profits and losses on disposal of investments and changes in value of investments.”

...”

# IAS 26 - Scope

Paragraph 1: “This Standard [IAS 26] shall be applied in the financial statements of retirement benefit plans.”

Paragraph 2:

“All other Standards apply to the financial statements of retirement benefit plans to the extent that they are not superseded by this Standard.”

Paragraph 32 therefore supersedes the classification and measurement requirements of IFRS 9 – Financial Instruments.

Legal Notice No 18 of 18 January 2024 amended the Retirement Benefits (Managers and Custodians) Regulations, 2000 by inserting the proviso:

“Provided that the investment report shall provide:

- a) With respect to financial assets that are available for sale, a one-year and three-year time-weighted performance figure using a fair value approach; and
- b) With respect to financial assets intended to be held to maturity, a performance figure based on an amortised cost approach.”

And Legal Notices Nos 19, 20, 21, and 22 added the following proviso in various Regulations:

“Provided that unrealised gains and losses arising from the valuation of financial assets using the fair value approach shall not form part of the distributable income”.

# Joint Communique – ICPAK and RBA

A 'joint' communique dated 12 February 2024 clarified that the Annual Financial Statements of Retirement Benefit Schemes have to comply with IFRS, and IAS 26 in particular, and that the amendments in the Legal Notices apply only to the Trustees Report and to the determination of net interest to be declared and credited to members' accounts.

The Trustees Report will therefore need to include a reconciliation of the income for the year as per the financial statements to the net interest credited to members' accounts.

Further guidance is expected but it should not hold up preparation of the annual financial statements, due by 31 March.

# Questions?



*Jona*

One of the  
RSM team



We exist to instill confidence  
in a world of change.

6th largest global assurance, tax and consulting network

**64,000**

People worldwide

**820**

Offices

**120**

Countries