



**SUPPLEMENTARY FOR
JUNE 2026 TERM
OF EXAMINATION**

PAPER - 18

**CORPORATE FINANCIAL
REPORTING**

SYLLABUS 2022



SUPPLEMENTARY PAPER 18 FOR JUNE 2026 TERM OF EXAMINATION SYLLABUS 2022

Module 1: Specific Accounting Standards

Following changes as prescribed in Companies (Indian Accounting Standards) Second Amendment Rules, 2025 notified on 13th August 2025, should be considered.

I. Indian Accounting Standard 12, Income Taxes

Paragraph 4A (New Insertion)

4A This Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD), including tax law that implements qualified domestic minimum top-up taxes described in those rules. Such tax law, and the income taxes arising from it, are hereafter referred to as ‘Pillar Two legislation’ and ‘Pillar Two income taxes’. As an exception to the requirements in this Standard, an entity shall neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

After Paragraph 88 (New Insertion)

International tax reform—Pillar Two model rules

88A An entity shall disclose that it has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes (see paragraph 4A).

88B An entity shall disclose separately its current tax expense (income) related to Pillar Two income taxes.

88C In periods in which Pillar Two legislation is enacted or substantively enacted but not yet in effect, an entity shall disclose known or reasonably estimable information that helps users of financial statements understand the entity’s exposure to Pillar Two income taxes arising from that legislation.

88D To meet the disclosure objective in paragraph 88C, an entity shall disclose qualitative and quantitative information about its exposure to Pillar Two income taxes at the end of the reporting period. This information does not have to reflect all the specific requirements of the Pillar Two legislation and can be provided in the form of an indicative range. To the extent information is not known or reasonably estimable, an entity shall instead disclose a statement to that effect and disclose information about the entity’s progress in assessing its exposure.



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Examples illustrating paragraphs 88C–88D

Examples of information an entity could disclose to meet the objective and requirements in paragraphs 88C–88D include:

- (a) qualitative information such as information about how an entity is affected by Pillar Two legislation and the main jurisdictions in which exposures to Pillar Two income taxes might exist; and
- (b) quantitative information such as:
 - (i) an indication of the proportion of an entity’s profits that might be subject to Pillar Two income taxes and the average effective tax rate applicable to those profits; or
 - (ii) an indication of how the entity’s average effective tax rate would have changed if Pillar Two legislation had been in effect.

Paragraph 98M (New Insertion)

98M International Tax Reform—Pillar Two Model Rules, added paragraphs 4A and 88A–88D.

An entity shall:

- (a) apply paragraphs 4A and 88A immediately upon the issue of these amendments and retrospectively in accordance with Ind AS 8; and
- (b) apply paragraphs 88B–88D for annual reporting periods beginning on or after 1 April 2025. An entity is not required to disclose the information required by these paragraphs for any interim period ending on or before 31 March 2026.

II. Indian Accounting Standard 108, Operating Segments

in Appendix 1, in paragraph 1, for the letters and figures “IFRS 108”, the letters and figure “IFRS 8” shall be substituted;

III. Indian Accounting Standard 115, Revenue

in Appendix D, in Information note 2, in the table, —

- (i) for letters and figures “Ind AS 17”, the letters and figures “Ind AS 116” shall be substituted;
- (ii) for letters and figures “Ind AS 18”, the letters and figures “Ind AS 115” shall be substituted;
- (iii) for the words and letter “This Appendix A”, the words and letter “This Appendix D” shall be substituted;



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Module 3: Accounting for Financial Instruments

Following changes as prescribed in Companies (Indian Accounting Standards) Second Amendment Rules, 2025 should be considered.

I. Indian Accounting Standard 32, Financial Instruments: Presentation

in Appendix A, before paragraph AG36, for the heading, the heading “Treasury Shares (paragraphs 33-34)” shall be substituted.

II. Indian Accounting Standard 109, Financial Instruments

Paragraph 3 of Appendix 1 (Substitution)

3 Paragraphs 7.1.1 to 7.1.3 of IFRS 9 related to effective date have not been included in Ind AS 109 as these paragraphs are not relevant in Indian context. However, in order to maintain consistency with paragraph numbers of IFRS 9, these paragraph numbers are retained in Ind AS 109.

Module 6: Consolidated Financial Statements and Separate Financial Statements

Following changes as prescribed in Companies (Indian Accounting Standards) Second Amendment Rules, 2025 should be considered.

I. Indian Accounting Standard 28, Investments in Associates and Joint Ventures

Paragraph 6 of Appendix 1 (Substitution)

6. Paragraph 45J of IAS 28 has not been included as it refers to amendments due to issuance of IFRS 17, *Insurance Contracts*, for which corresponding Ind AS is under formulation. Paragraph 45J of IAS 28 related to temporary exemption from IFRS 9 in accordance with erstwhile IFRS 4, *Insurance Contracts*, has not been included in Ind AS 28 since the said exemption was not given under erstwhile Ind AS 104. However, in order to maintain consistency with paragraph numbers of IAS 28, the paragraph numbers are retained in Ind AS 28.