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INSIGHTS

ACCOUNTING & TECHNOLOGY

# IFRS 19 reduced disclosures for subsidiaries in Cambodia

How IFRS 19 lets eligible subsidiaries without public accountability apply IFRS recognition and measurement with reduced disclosures from 1 January 2027, and what Cambodian groups should check.



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## CAN A CAMBODIAN SUBSIDIARY USE IFRS 19 TO REDUCE ITS DISCLOSURES?

IFRS 19 Subsidiaries without Public Accountability: Disclosures is effective for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. It allows an eligible subsidiary to apply the recognition, measurement and presentation requirements of other IFRS standards while applying IFRS 19's reduced disclosure requirements instead of the disclosures in those standards. The subsidiary must not have public accountability, and its parent must prepare consolidated financial statements under IFRS. Cambodia's NAC adoption is not confirmed in this article; a Cambodian group should confirm the effective date and eligibility with the NAC and its auditor.

IN SHORT

- IFRS 19 reduces disclosures, not recognition or measurement; the subsidiary still applies the other IFRS standards.
- It is available to eligible subsidiaries without public accountability whose parent prepares consolidated IFRS financial statements.
- The subsidiary applies IFRS 19 instead of the disclosure requirements in the other standards, with some retained disclosures.
- It is effective for periods beginning on or after 1 January 2027, with earlier application permitted.
- Cambodia's NAC adoption is unconfirmed; confirm eligibility and the effective date with the NAC and the auditor.

# What IFRS 19 does

IFRS 19 permits an eligible subsidiary to apply the recognition, measurement and presentation requirements of other IFRS Accounting Standards while applying IFRS 19's reduced disclosure requirements instead of the disclosures in those standards. It is a disclosure standard, not a measurement standard.

The subsidiary still applies IFRS 3, IFRS 9, IFRS 15, IFRS 16, IAS 19 and the other standards to its transactions. It does not get a simpler measurement model. The relief is in the notes: fewer disclosures, but the same recognition and measurement.

IFRS 19 replaces the disclosure requirements in the other standards for the eligible subsidiary, with some exceptions and retained disclosures. The entity should use the IFRS 19 disclosure checklist, not the full IFRS checklist.

# Who is eligible

An entity is eligible if it is a subsidiary, does not have public accountability, and its parent prepares consolidated financial statements under IFRS Accounting Standards. The parent may be a parent that applies IFRS, and the subsidiary may be intermediate or ultimate. The eligibility is assessed at the reporting date.

A subsidiary has public accountability if its debt or equity instruments are traded in a public market, or it holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses. A bank, insurer, securities dealer or mutual fund is likely to have public accountability; a trading or manufacturing subsidiary is not.

A subsidiary that files with a regulator for a public offering may have public accountability. The assessment should consider the substance of the subsidiary's business, not only its legal form.

IFRS 19 ELIGIBILITY

| Criterion | Question | Effect |
|---|---|---|
| Subsidiary | Is the entity controlled by a parent? | Required |
| Public accountability | Are its instruments traded, or does it hold fiduciary assets? | Must not have |
| Parent's reporting | Does the parent prepare consolidated IFRS statements? | Required |
| NAC adoption | Has Cambodia adopted IFRS 19, and from when? | Confirm locally |

# What changes in the notes

The subsidiary applies the IFRS 19 disclosure requirements instead of the disclosure requirements in the other standards. Some disclosures are retained because they are needed to understand the financial statements, and some are replaced by simplified requirements.

The transition may reduce the notes significantly, especially for financial instruments, leases, revenue, employee benefits and business combinations. The entity should map its current notes to the IFRS 19 checklist and identify the disclosures that are no longer required, the ones that are retained and the ones that are new or simplified.

The reduction is not a reason to omit a disclosure that is necessary for a fair presentation. If the IFRS 19 requirements are not enough to enable users to understand a material transaction, additional disclosure may still be needed.

# Cambodian group considerations

A Cambodian subsidiary of a foreign or local group may be eligible if it has no public accountability and the parent prepares consolidated IFRS statements. The subsidiary's statutory financial statements, the ACAR filing and the group reporting pack may have different disclosure requirements; the group should decide which set applies to which deliverable.

Cambodia's National Accounting Council has not confirmed IFRS 19 adoption in this article. The CIFRS framework is the NAC's adoption of IFRS, and the effective date for IFRS 19 should be confirmed with the NAC and the auditor. Early application may be permitted by IFRS 19 but not by the local framework.

A lender or an investor may require the full IFRS disclosures even if the subsidiary is eligible for IFRS 19. The contractual requirement is separate from the accounting standard, and the subsidiary may need to prepare a full-disclosure set for that user.

> **Reduced disclosure is not reduced recognition**
>
> IFRS 19 changes the notes, not the measurement. The subsidiary still applies IFRS 3, IFRS 9, IFRS 15, IFRS 16 and the other standards to its transactions.

# Audit and transition

The auditor should confirm the eligibility, the parent's consolidated reporting, the IFRS 19 checklist and the retained disclosures. The audit plan and the disclosure checklist should be updated, and the comparatives should be presented on a consistent basis.

The group auditor should coordinate with the component auditor on the disclosure set and the group reporting pack. The component may use IFRS 19 for its own statutory statements while the group uses full IFRS for consolidation; the difference should be mapped.

The transition should be documented, including the eligibility assessment, the NAC position, the checklist mapping and the communication with lenders or investors.

- Eligibility assessment and parent's consolidated reporting.
- NAC adoption and effective date.
- IFRS 19 disclosure checklist and retained disclosures.
- Lender/investor requirements for full disclosures.
- Group and component audit coordination.

# Key facts

### How this article is checked

Figures were verified against the sources listed below in November 2026 and are re-checked each January or when the rule changes. Written by Liv Bonito, Co-founder & Managing Director. General information, not advice on your situation: for that, talk to a partner.

QUESTIONS

# Questions people ask

### Does IFRS 19 change the recognition or measurement of transactions?

No. It changes the disclosure requirements. The subsidiary still applies the recognition, measurement and presentation requirements of the other IFRS standards to its transactions.

### Can a listed subsidiary use IFRS 19?

No, if it has public accountability. A subsidiary whose debt or equity instruments are traded in a public market, or that holds assets in a fiduciary capacity for a broad group of outsiders as a primary business, is not eligible.

### Is IFRS 19 available in Cambodia?

IFRS 19 is effective for periods beginning on or after 1 January 2027, but Cambodia's NAC adoption is not confirmed in this article. Confirm the effective date and eligibility with the NAC and the auditor.

### Does the parent still prepare consolidated financial statements?

Yes. IFRS 19 is available to a subsidiary whose parent prepares consolidated financial statements under IFRS. The parent's consolidation is separate from the subsidiary's reduced disclosures.

SOURCES

## Where the rules come from


01 IFRS 19 Subsidiaries without Public Accountability: Disclosures (https://www.ifrs.org/issued-standards/list-of-standards/ifrs-19-subsidiaries-without-public-accountability-disclosures/) — IFRS Foundation

02 IFRS 10 Consolidated Financial Statements (https://www.ifrs.org/issued-standards/list-of-standards/ifrs-10-consolidated-financial-statements/) — IFRS Foundation

03 IFRS 18 Presentation and Disclosure in Financial Statements — IFRS Foundation

04 Cambodian International Financial Reporting Standards (CIFRS) — National Accounting Council / ACAR, Ministry of Economy and Finance