

PRESS RELEASE

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IASB and FASB align presentation requirements for other comprehensive income

The International Accounting Standards Board (IASB) and the Financial Accounting Standards Board (FASB), the US national standard-setter, issued today amendments that will improve and align the presentation of items of other comprehensive income (OCI) in financial statements prepared in accordance with International Financial Reporting Standards (IFRSs) and those prepared in accordance with US generally accepted accounting principles (GAAP).

The amendments to IAS 1 *Presentation of Financial Statements* require companies preparing financial statements in accordance with IFRSs to group together items within OCI that may be reclassified to the profit or loss section of the income statement. The amendments also reaffirm existing requirements that items in OCI and profit or loss should be presented as either a single statement or two consecutive statements.

The FASB today issued an Update to Topic 220: *Presentation of Comprehensive Income* that brings US GAAP into alignment with IFRSs for the presentation of OCI.

The changes issued today do not address which items should be presented in OCI or which and when items should be recycled through profit or loss. However, requiring OCI to be presented as part of, or in close proximity to, the profit or loss (income) statement will make it easier for users of financial statements to assess the impact of OCI items on the overall performance of an entity and improve comparability between IFRSs and US GAAP.

Commenting on the amendments, Sir David Tweedie, IASB Chairman, said:

These amendments maintain an appropriate separation between OCI and profit or loss while ensuring that the two can be easily read together. The changes do not address the issue of which items of income and expense should be included in profit or loss or OCI. The Board will be asking stakeholders in the near future whether this important issue should be added to the Board's agenda.

The IASB's amendments to IAS 1 are set out in *Presentation of Items of Other Comprehensive Income* and are effective for financial years beginning on or after 1 July 2012. An IASB Project Summary and Feedback Statement explaining how the IASB responded to views received during its consultations as well as a podcast introducing the amendments is available on the project page on www.ifrs.org.

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Notes to editors***About the IASB***

The IASB was established in 2001 and is the standard-setting body of the IFRS Foundation, an independent, private sector, not-for-profit organisation. The IASB is committed to developing, in the public interest, a single set of high quality global accounting standards that provide high quality transparent and comparable information in general purpose financial statements. In pursuit of this objective the IASB conducts extensive public consultations and seeks the co-operation of international and national bodies around the world. The IASB has 15 full-time members drawn from 11 countries and a variety of professional backgrounds. By 2012 the IASB will be expanded to 16 members. IASB members are appointed by and accountable to the Trustees of the IFRS Foundation, who are required to select the best available combination of technical expertise and diversity of international business and market experience. In their work the Trustees are accountable to a Monitoring Board of public authorities.

About the Financial Accounting Standards Board

Since 1973, the US Financial Accounting Standards Board has been the designated organization in the private sector for establishing standards of financial accounting and reporting. Those standards govern the preparation of financial reports and are officially recognized as authoritative by the Securities and Exchange Commission and the American Institute of Certified Public Accountants. Such standards are essential to the efficient functioning of the economy because investors, creditors, auditors and others rely on credible, transparent and comparable financial information. For more information about the FASB, visit its Website at www.fasb.org.

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