

The Preliminary discussion of IFRIC issues meeting agenda and timetable for individual agenda items is posted in advance of the meeting on the IASB Website but is subject to change. Observers are encouraged to check the Website shortly before the meeting for last minute changes. The timing of sessions may change on the day of the meeting (without notice) if previous sessions take less or more time than anticipated. IASB cannot accept any responsibility for losses or inconvenience caused by changes to timing or difficulties in accommodating members of the public.

Preliminary discussion of IFRIC issues
Wednesday 7 March 2007
Agenda and Running Order
IASB Offices - 30 Cannon Street, London (Boardroom)
(Posted 1 March 2007)

Time	Agenda Item
14.00 – 14.05	Opening remarks
14.05 – 14.40	<p>IAS 39 <i>Financial Instruments: Recognition and Measurement</i> Hedging future cash flows with purchased options</p> <p>The IFRIC received submissions regarding a purchased option in its entirety being designated as a hedging instrument to hedge variability in future cash flows. The submissions suggest using a hypothetical derivative approach in assessing and measuring hedge effectiveness. That approach requires an entity to take into account the time value of the option when it determines changes in the fair value of the hedged item in assessing and measuring hedge effectiveness. The submission asks for guidance on whether the approach is allowed under IAS 39.</p>
14.40 – 15.15	<p>IAS 18 <i>Revenue</i> Customer Contributions</p> <p>The IFRIC received a submission which asked for guidance on how a government or private sector utility company should account for customer contributions. Such contributions arise when the entity enters into an arrangement with a customer such that the customer has to provide either an infrastructure asset or cash to fund the acquisition and/or construction of such an asset in order to obtain connection to the utility company's network. The contributed infrastructure asset is necessary for the utility entity to provide an ongoing utility service to the customer but does not have a direct impact on the rates the utility company charges its customer.</p> <p>The staff will ask IFRIC members to identify alternative views or treatments which they feel are sufficiently widespread in practice and have sufficient technical merit to be included in the staff paper to be presented to the IFRIC.</p>

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Preliminary discussion of IFRIC issues
Wednesday 7 March 2007
Agenda and Running Order (Cont)

Time	Agenda Item
15.15 – 15.45	<p><i>IAS 39 Financial Instruments: Recognition and Measurement</i> Hedging multiple risks with a single derivative hedging instrument</p> <p>The IFRIC received a submission that relates to a situation in which a single derivative hedging instrument is used to hedge more than one different type of risk. The submission asks for guidance on whether IAS 39 allows an entity to impute notional cash flows to split the fair value of the derivative hedging instrument into multiple components for the purposes of assessing and measuring hedge effectiveness.</p>
15.45 – 16.00	Tea/coffee break
16.00 – 16.30	<p><i>IAS 39 Financial Instruments: Recognition and Measurement</i> Scope of IAS 39 paragraph 11A</p> <p>The IFRIC received a submission asking for guidance on whether or not IAS 39 paragraph 11A can be applied to all contractual arrangements that contain one or more embedded derivatives, particularly whether IAS 39 paragraph 11A can be applied to hybrid contracts that contain financial or non-financial hosts outside the scope of IAS 39.</p>
16.30 – 17.00	<p><i>IAS 18 Revenue</i> Gaming transactions</p> <p>The IFRIC received a request for guidance as to how a gaming institution should account for bets or wagers received. The question focussed on whether such transactions give rise to revenue or whether unsettled wagers are financial instruments which should be accounted for using IAS 39.</p> <p>The staff will ask IFRIC members to identify any alternative views or treatments which they feel have sufficient merit to be included in the staff paper to be presented to the IFRIC. IFRIC members will also be asked whether, in their experience, widespread divergence exists in this area.</p>
17.00 – 17.15	IFRIC Issues Progress Lists