

**IFRIC – Items not taken onto the agenda (with final decisions published)  
IFRS and IFRIC (IFRIC Update)**

**Disclaimer:** The following explanations are provided for information purposes only, and do not represent or change existing IFRS requirements. Interpretations of the Committee are determined only after extensive deliberation and due process, including a formal vote. IFRIC Interpretations become final only when approved by nine of the fourteen members of the IASB.

The reasons given below reflect past deliberations of the Committee (as published in IFRIC Update <http://www.ifrs.org/Updates/IFRIC+Updates/IFRIC+Updates.htm> ), and may not reflect subsequent developments.

Details of the issues that have been considered by the Committee but not added to its agenda are as follows:

| #   | Date Considered | Issue   | Reason for not adding to the IFRIC agenda  |
|---|-----------------|---|--|
| <b>IFRS 1 <i>First-time Adoption of International Financial Reporting Standards</i></b> |                 |   |  |
| IFRS 1-2  | May 2010        | <p><b><i>Accounting for costs included in self-constructed assets on transition</i></b></p> <p>The Committee received two requests concerning the application of IFRSs for an entity that capitalises certain costs, including actuarial gains and losses, as part of self-constructed assets, in accordance with its previous GAAP accounting policies. On transition to IFRSs, the entity changes its accounting policy for actuarial gains and losses and determines that they should no longer be capitalised. The requests ask whether the entity should adjust the carrying amount of self-constructed assets on transition to IFRSs and, if not, how the change in its actuarial gains and losses accounting policy should be reflected in the carrying amount of self-constructed assets in subsequent reporting periods.</p> | <p>The Committee noted that paragraph 7 of IFRS 1 requires an entity to use ‘the same accounting policies in its opening IFRS statement of financial position and throughout all periods presented in its first IFRS financial statements’.</p> <p>The Committee concluded that the issue is not currently widespread, although it may impact certain entities in jurisdictions transitioning to IFRS, and that there are not significantly divergent interpretations (either emerging or already existing in practice). Therefore, the Committee decided not to add this issue to its agenda.</p> |

| #  | Date Considered | Issue   | Reason for not adding to the IFRIC agenda   |
|--|-----------------|---|---|
| IFRS 1-4                                 | September 2010  | <p><b>IFRS 1 <i>First-time Adoption of International Financial Reporting Standards</i> – Repeat application of IFRS 1</b></p> <p>The Committee received a request identifying an entity that had previously reported in accordance with IFRSs to meet foreign listing requirements, and had applied IFRS 1. However, the entity then delisted and no longer presents its financial statements in accordance with IFRSs, instead reporting only in accordance with its national GAAP. In a subsequent reporting period, the reporting requirements in the entity’s local jurisdiction change from national GAAP to IFRSs, and the entity is again required to present its financial statements in accordance with IFRSs. The request asks the Committee to clarify how the entity should transition back to reporting in accordance with IFRSs, and specifically whether it can apply IFRS 1 for a second time.</p> <p>The Committee observed that the scope of IFRS 1 requires an entity to apply the standard in its first IFRS financial statements. Paragraph 3 of IFRS 1 provides examples of when an entity’s financial statements are considered to be its first IFRS financial statements. These examples are based upon assessing whether the entity’s most recent previous financial statements were presented in accordance with IFRSs.</p> | <p>The Committee noted that an entity is required to apply IFRS 1 for a second time in the circumstances described. However, the Committee observed that the scope of IFRS 1 should be made clearer.</p> <p>Consequently, the Committee decided not to add this issue to its agenda. However, the Committee decided to recommend that the Board should clarify the guidance relating to the repeat application of IFRS 1 as part of <i>Annual Improvements</i>.</p> |
| <b>IFRS 2 <i>Share-based Payment</i></b> |                 |   |   |

| #        | Date Considered | Issue  | Reason for not adding to the IFRIC agenda   |
|----------|-----------------|--|---|
| IFRS 2-1 | November 2005   | <p data-bbox="660 279 985 311"><b><i>Employee share loan plans</i></b></p> <p data-bbox="660 327 1288 486">The IFRIC was asked to consider the accounting treatment of employee share loan plans. Under many such plans, employee share purchases are facilitated by means of a loan from the issuer with recourse only to the shares.</p> <p data-bbox="660 502 1288 670">The IFRIC was asked whether the loan should be considered part of the potential share-based payment, with the entire arrangement treated as an option, or whether the loan should be accounted for separately as a financial asset.</p> | <p data-bbox="1310 279 2004 502">The IFRIC noted that the issue of shares using the proceeds of a loan made by the share issuer, when the loan is recourse only to the shares, would be treated as an option grant in which options were exercised on the date or dates when the loan was repaid. The IFRIC decided it would not expect diversity in practice and would not take this item onto its agenda.</p> |

| #        | Date Considered | Issue  | Reason for not adding to the IFRIC agenda   |
|----------|-----------------|--|---|
| IFRS 2-2 | May 2006        | <p data-bbox="663 280 1290 344"><b><i>Scope of IFRS 2: Share plans with cash alternatives at the discretion of the entity</i></b></p> <p data-bbox="663 360 1290 584">The IFRIC considered whether an employee share plan in which the employer had the choice of settlement in cash or in shares, and the amount of the settlement did not vary with changes in the share price of the entity should be treated as a share-based payment transaction within the scope of IFRS 2 <i>Share-based Payment</i>.</p> | <p data-bbox="1312 280 2018 440">The IFRIC noted that IFRS 2 defines a share-based payment transaction as a transaction in which the entity receives goods or services as consideration for equity instruments of the entity or amounts that are based on the price of equity instruments of the entity.</p> <p data-bbox="1312 456 2018 855">IFRIC further noted that the definition of a share-based payment transaction does not require the exposure of the entity to be linked to movements in the share price of the entity. Moreover, it is clear that IFRS 2 contemplates share-based payment transactions in which the terms of the arrangement provide the entity with a choice of settlement, since they are specifically addressed in paragraphs 41 - 43 of IFRS 2. The IFRIC, therefore, believed that, although the amount of the settlement did not vary with changes in the share price of the entity, such share plans are share-based payment transactions in accordance with IFRS 2 since the consideration may be equity instruments of the entity.</p> <p data-bbox="1312 871 2018 1031">The IFRIC also believed that, even in the extreme circumstances in which the entity was given a choice of settlement and the value of the shares that would be delivered was a fixed monetary amount, those share plans were still within the scope of IFRS 2.</p> <p data-bbox="1312 1046 2018 1182">The IFRIC believed that, since the requirements of IFRS 2 are clear, the issue is not expected to create significant divergence in practice. The IFRIC, therefore, decided not to take the issue onto the agenda.</p> |

| #        | Date Considered | Issue   | Reason for not adding to the IFRIC agenda  |
|----------|-----------------|---|--|
| IFRS 2-3 | May 2006        | <p><b><i>Share plans with cash alternatives at the discretion of employees: grant date and vesting periods</i></b></p> <p>The IFRIC considered an employee share plan in which employees were provided a choice to have cash at one date or shares at a later date. At the date the transactions were entered into, the parties involved understood the terms and conditions of the plans including the formula that would be used to determine the amount of cash to be paid to each individual employee (or the number of shares to be delivered to each individual employee) but the exact amount of cash or number of shares would only be known at a future date. The IFRIC was asked to confirm the grant date and vesting period for such share plans.</p> | <p>The IFRIC noted that IFRS 2 defines grant date as the date when there is a shared understanding of the terms and conditions. Moreover, IFRS 2 does not require grant date to be the date when the exact amount of cash to be paid (or the exact number of shares to be delivered) is known to the parties involved.</p> <p>The IFRIC further noted that share-based payment transactions with cash alternatives at the discretion of the counterparty are addressed in paragraphs 34 - 40 of IFRS 2. Paragraph 35 of IFRS 2 states that, if an entity has granted the counterparty the right to choose whether a share-based payment transaction is settled in cash or by issuing equity instruments, the entity has granted a compound financial instrument, which includes a debt component (i.e. the counterparty's right to demand cash payment) and an equity component (i.e. the counterparty's right to demand settlement in equity instruments). Paragraph 38 of IFRS 2 states that the entity shall account separately for goods or services received or acquired in respect of each component of the compound financial instrument. The IFRIC, therefore, believed that the vesting period of the equity component and that of the debt component should be determined separately and the vesting period of each component may be different.</p> <p>The IFRIC believed that, since 'grant date' is defined in IFRS 2 and the requirements set out in paragraphs 34 - 40 of IFRS 2 are clear, the issues are not expected to create significant divergence in practice. The IFRIC, therefore, decided that the issues should not be taken onto the agenda.</p> |

| #        | Date Considered | Issue   | Reason for not adding to the IFRIC agenda   |
|----------|-----------------|---|---|
| IFRS 2-4 | Nov 2006        | <p data-bbox="660 279 1292 343"><b><i>Fair value measurement of post-vesting transfer restrictions</i></b></p> <p data-bbox="660 359 1292 678">The IFRIC was asked whether the estimated value of shares issued only to employees and subject to post-vesting restrictions could be based on an approach that would look solely or primarily to an actual or synthetic market that consisted only of transactions between an entity and its employees and in which prices, for example, reflected an employee's personal borrowing rate. The IFRIC was asked whether this approach was consistent with the requirements under IFRS 2.</p> | <p data-bbox="1310 279 2011 630">The IFRIC noted the requirements in paragraph B3 of Appendix B to IFRS 2, which states that, 'if the shares are subject to restrictions on transfer after vesting date, that factor shall be taken into account, but only to the extent that the post-vesting restrictions affect the price that a knowledgeable, willing market participant would pay for that share. For example, if the shares are actively traded in a deep and liquid market, post-vesting transfer restrictions may have little, if any, effect on the price that a knowledgeable, willing market participant would pay for those shares.'</p> <p data-bbox="1310 654 2011 917">Paragraph BC168 of the Basis for Conclusions on IFRS 2 notes that 'the objective is to estimate the fair value of the share option, not the value from the employee's perspective.' Furthermore, paragraph B10 of Appendix B to IFRS 2 states that 'factors that affect the value of the option from the individual employee's perspective only are not relevant to estimating the price that would be set by a knowledgeable, willing market participant.'</p> <p data-bbox="1310 941 2011 1093">The IFRIC noted that these paragraphs require consideration of actual or hypothetical transactions, not only with employees, but rather with all actual or potential market participants willing to invest in restricted shares that had been or might be offered to them.</p> <p data-bbox="1310 1117 2011 1236">The IFRIC believed that the issue was not expected to create significant divergence in practice and that the requirements of IFRS 2 were clear. The IFRIC, therefore, decided not to take the issue onto the agenda.</p> |

| #        | Date Considered | Issue  | Reason for not adding to the IFRIC agenda  |
|----------|-----------------|--|--|
| IFRS 2-5 | Nov 2006        | <p><b><i>Incremental fair value to employees as a result of unexpected capital restructurings</i></b></p> <p>The IFRIC was asked to consider a situation in which the fair value of the equity instruments granted to the employees of an entity increased after the sponsoring entity undertook a capital restructuring that was not anticipated at the date of grant of the equity instruments. The original share-based payment plan contained neither specific nor more general requirements for adjustments to the grant in the event of a capital restructuring. As a result, the equity instruments previously granted to the employees became more valuable as a consequence of the restructuring. The issue was whether the incremental value should be accounted for in the same way as a modification to the terms and conditions of the plan in accordance with IFRS 2 <i>Share-based Payment</i>.</p> | <p>The IFRIC believed that the specific case presented was not a normal commercial occurrence and was unlikely to have widespread significance. The IFRIC, therefore, decided not to take the issue onto the agenda.</p> |

| #        | Date Considered | Issue  | Reason for not adding to the IFRIC agenda  |
|----------|-----------------|--|--|
| IFRS 2-6 | Nov 2006        | <p><b><i>Employee benefit trusts in the separate financial statements of the sponsor</i></b></p> <p>The IFRIC discussed the application to separate financial statements of an issue that had been submitted in connection with the amendment of SIC-12 <i>Consolidation—Special Purpose Entities</i> to include within its scope special purpose entities established in connection with equity compensation plans. The issue related to an employee benefit trust (or similar entity) that has been set up by a sponsoring entity specifically to facilitate the transfer of its equity instruments to its employees under a share-based payment arrangement. The trust holds shares of the sponsoring entity that are acquired by the trust from the sponsoring entity or from the market. Acquisition of those shares is funded either by the sponsoring entity or by a bank loan, usually guaranteed by the sponsoring entity. In most circumstances, the sponsoring entity controls the employee benefit trust. In some circumstances, the sponsoring entity may also have a direct control of the shares held by the trust. The issue is whether guidance should be developed on the accounting treatment for the sponsor’s equity instruments held by the employee benefit trust in the sponsor’s separate financial statements.</p> | <p>The IFRIC discussed whether the employee benefit trust should be treated as an extension of the sponsoring entity, such as a branch, or as a separate entity. The IFRIC noted that the notion of ‘entity’ is defined neither in the <i>Framework</i> nor in IAS 27 <i>Consolidated and Separate Financial Statements</i>. The IFRIC then discussed whether the sponsoring entity should, in its separate financial statements, account for the net investment according to IAS 27 or rather for the rights and obligations arising from the assets and liabilities of the trust. The IFRIC noted that, in some circumstances, the sponsoring entity may have direct control of the shares held by the trust. The IFRIC also noted that the guidance included in the <i>Framework</i> and IAS 27 does not address the accounting for the shares held by the trust in the sponsor’s separate financial statements.</p> <p>The IFRIC concluded that it could not reach a consensus on this matter on a timely basis, given the different types of trusts and trust arrangements that exist. The IFRIC noted that this issue related to two active projects of the IASB: the <i>Conceptual Framework</i> and the revision of IAS 27 <i>Consolidated and Separate Financial Statements</i> in the course of the Consolidation project. For these reasons, the IFRIC decided not to take the issue onto its agenda.</p> |

| #         | Date Considered | Issue  | Reason for not adding to the IFRIC agenda  |
|-----------|-----------------|--|--|
| IFRS 2-13 | January 2010    | <p data-bbox="660 279 1292 343"><b><i>Transactions in which the manner of settlement is contingent on future events</i></b></p> <p data-bbox="660 375 1292 502">The IFRIC received a request to clarify the classification and measurement of share-based payment transactions for which the manner of settlement is contingent on either:</p> <ul data-bbox="660 510 1292 638" style="list-style-type: none"> <li data-bbox="660 510 1292 574">• a future event that is outside the control of both the entity and the counterparty; or</li> <li data-bbox="660 582 1292 638">• a future event that is within the control of the counterparty.</li> </ul> <p data-bbox="660 646 1292 798">The IFRIC noted that paragraphs 34-43 of IFRS 2 provide guidance only on share-based payment transactions in which the terms of the arrangement provide the counterparty or the entity with a choice of settlement.</p> | <p data-bbox="1310 279 2004 598">The IFRIC noted that IFRS 2 does not provide guidance on share-based payment transactions for which the manner of settlement is contingent on a future event that is outside the control of both the entity and the counterparty. The IFRIC noted that many other issues have been raised concerning the classification and measurement of share-based payments as cash-settled or equity-settled. The IFRIC therefore noted that it would be more appropriate for these issues to be considered collectively as part of a post-implementation review of IFRS 2.</p> <p data-bbox="1310 606 2004 702">Therefore, the IFRIC decided not to add these issues to its agenda and recommended that those issues be dealt with by the IASB in a post-implementation review of IFRS 2.</p> |

| #          | Date Considered | Issue   | Reason for not adding to the IFRIC agenda   |
|------------|-----------------|---|---|
| IFRS 2 -15 | September 2010  | <p data-bbox="663 296 1211 355"><b><i>Share-based payment awards settled net of tax withholdings</i></b></p> <p data-bbox="663 379 1285 834">The Committee received a request to consider the classification of a share-based payment transaction in which the entity withholds a specified portion of the shares that would otherwise be issued to the counterparty upon exercise (or vesting) of the share-based payment award. The shares are withheld by the entity in return for settling the counterparty's tax withholding obligation associated with the share-based payment. The request received by the Committee asked whether the portion of the share-based payment that is withheld should be classified as cash-settled or equity-settled. Under US GAAP, such arrangements do not require liability classification for any portion of the share-based payment award.</p> <p data-bbox="663 858 1285 1177">The Committee noted that the definitions in Appendix A <i>Defined terms</i> of IFRS 2 of 'cash-settled share-based payment transaction' and 'equity-settled share-based payment transaction' provide that an award is classified as cash-settled if the entity incurs a liability to transfer cash or other assets as a result of acquiring goods or services. In the circumstances considered by the Committee, cash is transferred to the tax authority, in settlement of the counterparty's tax obligation, in respect of the shares withheld.</p> | <p data-bbox="1312 296 2007 616">The Committee noted that IFRS 2 provides sufficient guidance to address this issue and that it does not expect diversity in practice. Consequently, the Committee [decided] not to add the issue to its agenda. Additionally, the Committee recommended that the issue should be reconsidered by the Board as part of its post-implementation review of IFRS 2 to determine if the introduction of an exception in IFRS 2, to permit equity-settled classification of the portion of the share-based payment withheld, would be appropriate.</p> |

| #                                   | Date Considered | Issue   | Reason for not adding to the IFRIC agenda  |
|-------------------------------------|-----------------|---|--|
| IFRS 2-15                           | March 2011      | <p>The Interpretations Committee received a request to consider the classification of a share-based payment transaction in which the entity withholds a specified portion of the shares that would otherwise be issued to the counterparty upon exercise (or vesting) of the share-based payment award. The shares are withheld by the entity in return for settling the counterparty's tax withholding obligation associated with the share-based payment. The request received by the Committee asked whether the portion of the share-based payment that is withheld should be classified as cash-settled or equity-settled.</p> <p>The Committee identified a number of issues arising from the submission for which the application of the requirements of IFRS 2 caused concern, such as separately classifying components of a single award.</p> | <p>The Committee decided not to add the issue to its agenda because addressing these concerns would require an amendment to IFRS 2. Instead, the Committee decided to recommend to the Board that this issue should be included in a future agenda proposal for IFRS 2.</p>  |
| <b>IFRS 3 Business Combinations</b> |                 |   |  |
| IFRS 3-1                            | February 2005   | <p><b><i>Acquisition of a minority interest</i></b></p> <p>The IFRIC discussed a potential agenda item regarding the accounting for the acquisition by the reporting entity of a third party interest in a subsidiary.</p>  | <p>The IFRIC recognised that this is an urgent issue and that there is wide divergence in current practice, but that this issue is to be addressed in the Board's Phase 2 project on Business Combinations. The IFRIC concluded that it would monitor the progress of the Board's project, and reconsider whether to add the issue to the agenda later in 2005. No further decisions were made at this meeting regarding issues to be added to the agenda.</p> |

| #        | Date Considered | Issue  | Reason for not adding to the IFRIC agenda  |
|----------|-----------------|--|--|
| IFRS 3-2 | March 2006      | <p data-bbox="660 279 1292 343"><b><i>Whether a New Entity that pays Cash can be identified as the Acquirer</i></b></p> <p data-bbox="660 359 1292 486">The IFRIC considered an issue regarding whether a new entity formed to effect a business combination in which it pays cash as consideration for the business acquired could be identified as the acquirer.</p> | <p data-bbox="1310 279 2009 438">IFRS 3.22 states that when a new entity is formed to issue equity instruments to effect a business combination, one of the combining entities that existed before the combination shall be identified as the acquirer on the basis of the evidence available.</p> <p data-bbox="1310 454 2009 614">The IFRIC decided that, as it is clear that IFRS 3.22 does not prohibit a newly formed entity that pays cash to effect a business combination from being identified as the acquirer, it would not expect diversity in practice and would not take this item onto its agenda.</p> |

| #        | Date Considered | Issue  | Reason for not adding to the IFRIC agenda   |
|----------|-----------------|--|---|
| IFRS 3-3 | March 2006      | <p data-bbox="660 279 1025 311"><b><i>'Transitory' Common Control</i></b></p> <p data-bbox="660 327 1288 454">The IFRIC considered an issue regarding whether a reorganisation involving the formation of a new entity to facilitate the sale of part of an organisation is a business combination within the scope of IFRS 3.</p> | <p data-bbox="1310 279 2011 502">IFRS 3 does not apply to business combinations in which all the combining entities or businesses are under common control both before and after the combination, unless that control is transitory. It was suggested to the IFRIC that, because control of the new entity is transitory, a combination involving that newly formed entity would be within the scope of IFRS 3.</p> <p data-bbox="1310 526 2011 853">IFRS 3.22 states that when an entity is formed to issue equity instruments to effect a business combination, one of the combining entities that existed before the combination must be identified as the acquirer on the basis of the evidence available. The IFRIC noted that, to be consistent, the question of whether the entities or businesses are under common control applies to the combining entities that existed before the combination, excluding the newly formed entity. Accordingly, the IFRIC decided not to add this topic to its agenda.</p> <p data-bbox="1310 877 2011 1093">The IFRIC also considered a request for guidance on how to apply IFRS 3 to reorganisations in which control remains within the original group. The IFRIC decided not to add this topic to the agenda, since it was unlikely that it would reach agreement in a reasonable period, in the light of existing diversity in practice and the explicit exclusion of common control transactions from the scope of IFRS 3.</p> |

| #        | Date Considered | Issue   | Reason for not adding to the IFRIC agenda   |
|----------|-----------------|---|---|
| IFRS 3-4 | Nov 2006        | <p><b><i>Are puts or forwards received by minority interests in a business combination contingent consideration?</i></b></p> <p>The IFRIC considered a request for an interpretation of whether a put or forward entered into by a parent entity, as part of a business combination, to acquire the shares held by the [non-controlling] minority interest was contingent or deferred consideration.</p>  | <p>The accounting for these arrangements, including the circumstances considered by the IFRIC, was being considered by the Board as part of the current redeliberations on the proposed revised IFRS 3 <i>Business Combinations</i>. The IFRIC expected that the revised IFRS 3 would assist in clarifying whether this type of arrangement includes a component of contingent consideration. The IFRIC therefore believed that it could not develop guidance more quickly than it was likely to be developed in the Business Combinations project and decided not to take a project on this issue onto its agenda.</p> |
| IFRS 3-5 | May 2007        | <p><b><i>Reassessments on a business combination</i></b></p> <p>The IFRIC was asked to provide guidance on whether, and in what circumstances, a business combination triggers reassessment of the acquiree's classification or designation of assets, liabilities, equity and relationships acquired in a business combination. Reassessment issues include, for instance, whether embedded derivatives should be separated from the host contract, the continuation or de-designation of hedge relationships and the classification of leases as operating or finance leases.</p> | <p>At its meeting in February 2007, the Board decided that the issue should be dealt with in Business Combinations phase II.</p> <p>Given that decision, the IFRIC decided not to take this item on to its agenda.</p>  |

| #        | Date Considered | Issue  | Reason for not adding to the IFRIC agenda  |
|----------|-----------------|--|--|
| IFRS 3-9 | September 2011  | <p><b>Business combinations involving newly formed entities: factors affecting the identification of the acquirer</b></p> <p>The Interpretations Committee received a request for guidance on the circumstances or factors that are relevant when identifying an acquirer in a business combination under IFRS 3. More specifically, the submitter described a fact pattern in which a group plans to spin off two of its subsidiaries using a new entity ('Newco'). Newco will acquire these subsidiaries for cash from the parent company (Entity A) only on condition of the occurrence of Newco's initial public offering (IPO). The cash paid by Newco to Entity A to acquire the subsidiaries is raised through the IPO. After the IPO occurs, Entity A loses control of Newco. If the IPO does not take place, Newco will not acquire the subsidiaries.</p> | <p>The Committee observed that the accounting for a fact pattern involving the creation of a newly formed entity is too broad to be addressed through an interpretation or through an annual improvement. The Committee determined that the specific fact pattern submitted would be better considered within the context of a broader project on accounting for common control transactions, which the Board is planning to address at a later stage.</p> <p>Consequently, the Interpretations Committee decided not to add the issue to its agenda and recommended the Board to consider the fact pattern described in the submission as part of its project on common control transactions.</p> |

| #         | Date Considered | Issue   | Reason for not adding to the IFRIC agenda   |
|-----------|-----------------|---|---|
| IFRS 3-11 | September 2011  | <p><b>Business combinations involving newly formed entities: business combinations under common control</b></p> <p>The Interpretations Committee received a request for guidance on accounting for common control transactions. More specifically, the submission describes a fact pattern that illustrates a type of common control transaction in which the parent company (Entity A), which is wholly owned by Shareholder A, transfers a business (Business A) to a new entity (referred to as 'Newco') also wholly owned by Shareholder A. The submission requests clarification on (a) the accounting at the time of the transfer of the business to Newco; and (b) whether an initial public offering (IPO) of Newco, which might occur after the transfer of Business A to Newco, is considered to be relevant in analysing the transaction under IFRS 3.</p> | <p>The Committee observed that the accounting for common control transactions is too broad to be addressed through an interpretation or through an annual improvement. The Committee also noted that the issues raised by the submitter have previously been brought to the Board's attention. The Committee determined that the specific fact pattern submitted would be better considered within the context of a broader project on accounting for common control transactions, which the Board is planning to address at a later stage.</p> <p>Consequently, the Interpretations Committee decided not to add the issue to its agenda and recommended the Board to consider the fact pattern described in the submission as part of its project on common control transactions.</p> |

| #         | Date Considered | Issue  | Reason for not adding to the IFRIC agenda  |
|-----------|-----------------|--|--|
| IFRS 3-12 | September 2011  | <p><b>Acquirer in a reverse acquisition</b></p> <p>The Interpretations Committee received a request for guidance asking whether a business that is not a legal entity could be considered to be the acquirer in a reverse acquisition under IFRS 3.</p> <p>The Committee noted that in accordance with paragraph 7 of IFRS 3, the acquirer is ‘the entity that obtains control of the acquiree’ and, in accordance with Appendix A of IFRS 3, the acquiree is ‘the business or businesses that the acquirer obtains control of in a business combination’. Paragraph B19 in IFRS 3 states that ‘...The entity whose equity interests are acquired (the legal acquiree) must be the acquirer for accounting purposes for the transaction to be considered a reverse acquisition.’</p> | <p>The Committee observed that IFRSs and the current Conceptual Framework do not require a ‘reporting entity’ to be a legal entity. Consequently, the Committee noted that an acquirer that is a reporting entity, but not a legal entity, can be considered to be the acquirer in a reverse acquisition.</p> <p>The Committee noted that this issue is not widespread. Consequently, the Committee decided not to add this issue to its agenda.</p> |

| #          | Date Considered | Issue   | Reason for not adding to the IFRIC agenda   |
|------------|-----------------|---|---|
| IFRS3R – 1 |                 | <p data-bbox="660 279 1070 308"><b><i>Customer-related intangible assets</i></b></p> <p data-bbox="660 327 1290 818">The IFRIC received a request to add an item to its agenda to provide guidance on the circumstances in which a non-contractual customer relationship arises in a business combination. IFRS 3 (as revised in 2008) requires an acquirer to recognise the identifiable intangible assets of the acquiree separately from goodwill. An intangible asset is identifiable if it meets either the contractual-legal criterion or the separable criterion in IAS 38 <i>Intangible Assets</i>. Contractual customer relationships are always recognised separately from goodwill because they meet the contractual-legal criterion. However, non-contractual customer relationships are recognised separately from goodwill only if they meet the separable criterion.</p> <p data-bbox="660 837 1285 1230">The IFRIC noted that the IFRS Glossary defines the term ‘contract’. Paragraphs B31–B40 of IFRS 3 provide application guidance on the recognition of intangible assets and the different criteria related to whether they are established on the basis of a contract. The IFRIC also noted that paragraph IE28 in the illustrative examples accompanying IFRS 3 provides indicators for identifying the existence of a customer relationship between an entity and its customer and states that a customer relationship ‘may also arise through means other than contracts, such as through regular contact by sales or service representatives.’</p> <p data-bbox="660 1249 1281 1596">The IFRIC concluded that how the relationship is established helps to identify whether a customer relationship exists but should not be the primary basis for determining whether the acquirer recognises an intangible asset. The IFRIC noted that the criteria in paragraph IE28 might be more relevant. The existence of contractual relationships and information about a customer’s prior purchases would be important inputs in valuing a customer relationship intangible asset but should not determine whether it is recognised.</p> | <p data-bbox="1310 327 2013 523">In the light of the explicit guidance in IFRS 3, the IFRIC decided that developing an Interpretation reflecting its conclusion is not possible. Noting widespread confusion in practice on this issue, the IFRIC decided that it could be best resolved by referring it to the IASB and the FASB with a recommendation to review and amend IFRS 3 by:</p> <ul data-bbox="1310 542 1993 754" style="list-style-type: none"> <li data-bbox="1310 542 1993 639">▪ removing the distinction between ‘contractual’ and ‘non-contractual’ customer-related intangible assets recognised in a business combination; and</li> <li data-bbox="1310 659 1993 754">▪ reviewing the indicators that identify the existence of a customer relationship in paragraph IE28 of IFRS 3 and including them in the standard.</li> </ul> |

| #         | Date Considered | Issue  | Reason for not adding to the IFRIC agenda   |
|-----------|-----------------|--|---|
| IFRS 3R-2 | July 2009       | <p data-bbox="660 279 1292 311"><b><i>Acquisition related costs in a business combination</i></b></p> <p data-bbox="660 327 1292 486">The IFRIC has received requests to clarify the treatment of acquisition-related costs that the acquirer incurred before it applies IFRS 3 (as revised in 2008) that relate to a business combination that is accounted for according to the revised IFRS.</p> <p data-bbox="660 502 1292 933">In accordance with the revised IFRS 3, because acquisition-related costs are not part of the exchange transaction between the acquirer and the acquiree (or its former owners), they are not considered part of the business combination. Therefore, except for costs to issue debt or equity securities that are recognised in accordance with IAS 32 and IAS 39, the revised IFRS 3 requires an entity to account for acquisition-related costs as expenses in the periods in which the costs are incurred and the services are received. In contrast, IFRS 3 (as issued in 2004) required the acquisition-related costs to be included in the cost of a business combination.</p> | <p data-bbox="1310 279 2016 534">The IFRIC noted that more than one interpretation of how the requirements of the two IFRSs interact is possible. Accordingly, the IFRIC concluded that an entity should disclose its accounting policy for such costs and the amount recognised in the financial statements. Because this is a transitional issue that will not arise for accounting periods beginning on after 1 July 2009, the IFRIC decided not to add the issue to its agenda.</p> |

| #         | Date Considered | Issue  | Reason for not adding to the IFRIC agenda   |
|-----------|-----------------|--|---|
| IFRS 3R-3 | July 2009       | <p><b><i>Earlier application of revised IFRS 3</i></b></p> <p>The IFRIC has received requests to clarify whether IFRS 3 (as revised in 2008) must be applied from the beginning of an annual period if it is adopted early.</p> <p>The IFRIC noted that paragraph 64 of IFRS 3 (as revised in 2008) requires the revised IFRS to be applied for the whole annual period if it is applied early.</p> <p>The IFRIC also noted that the question of whether an entity can decide during a reporting period to apply a revised IFRS early is not unique to the revised IFRS 3. The IFRIC observed that this question should be answered in accordance with the general principles in IAS 8 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>. Accordingly, if an entity chooses to apply the revised IFRS 3 early, it must apply it to all business combinations that occurred in the annual period in which the revised IFRS is first applied.</p> | <p>The IFRIC concluded that relevant guidance on the early application of the revised IFRS 3 exists in IFRSs and it did not expect divergence in practice. Therefore, the IFRIC decided not to add the issue to its agenda.</p> |

| #         | Date Considered | Issue   | Reason for not adding to the IFRIC agenda  |
|-----------|-----------------|---|--|
| IFRS 3R-4 | November 2009   | <p data-bbox="660 279 918 311"><b><i>Measurement of NCI</i></b></p> <p data-bbox="660 327 1288 622">The IFRIC received requests to clarify whether an entity should apply the measurement choice in paragraph 19 of IFRS 3 (as revised in 2008) to all components of non-controlling interest (NCI). Paragraph 19 states that, for each business combination, the acquirer shall measure any NCI in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.</p> <p data-bbox="660 638 1288 1037">In addition to minority interests as defined in IFRS 3 (issued in 2004), the definition of NCI includes, for example, options or warrants over an acquiree's own shares that are classified as equity and the equity component of a convertible instrument. Some believe that if an entity chooses to measure NCI as a proportionate share of the acquiree's identifiable net assets, it should apply this measurement to all components of the acquiree's equity. The consequence would be that instruments other than those equivalent to minority interest would be measured at nil on acquisition.</p> | <p data-bbox="1310 279 2016 574">The IFRIC noted that it would be appropriate that the measurement choice should apply only to instruments currently entitled to a proportionate share of the acquiree's net assets. However, because IFRSs do not provide sufficient guidance to resolve this issue an amendment to revised IFRS 3 is required. Therefore, the IFRIC decided not to add the issue to its agenda but to recommend that the Board amend IFRS 3 to address the issues identified as a part of the annual improvements project.</p> |

| #  | Date Considered | Issue   | Reason for not adding to the IFRIC agenda  |
|--|-----------------|---|--|
| IFRS 3R-5                                | November 2009   | <p data-bbox="663 280 1290 344"><b><i>Unreplaced and voluntarily replaced share-based payment awards</i></b></p> <p data-bbox="663 360 1290 751">The IFRIC received requests to clarify the measurement of unreplaced and voluntarily replaced share-based payment awards of an acquiree in a business combination. IFRS 3 (as revised in 2008) contains requirements for outstanding acquiree share-based payment awards that the acquirer is obliged to replace or that expire as a consequence of the business combination. However, IFRSs do not provide requirements for other acquiree share-based payment awards. As a consequence, divergent interpretations have developed in practice as to how those awards should be accounted for.</p> | <p data-bbox="1312 280 2007 671">The IFRIC noted that when an acquirer does not replace unexpired share-based payment awards of the acquiree or voluntarily issues share-based payment awards to replace such awards, at least some portion of the amount recognised for those awards should be regarded as part of the consideration transferred in the business combination. However, because IFRSs do not provide sufficient guidance to resolve this issue an amendment to IFRS 3 (as revised in 2008) is required. Therefore, the IFRIC decided not to add the issue to its agenda. However, the IFRIC recommended that the Board amend revised IFRS 3 to address the issues identified as a part of the annual improvements project.</p> |
| <b><i>IFRS 4 Insurance Contracts</i></b> |                 |   |  |

| #        | Date Considered | Issue  | Reason for not adding to the IFRIC agenda   |
|----------|-----------------|--|---|
| IFRS 4-1 | November 2005   | <p data-bbox="660 279 1292 343"><b><i>Discretionary participation features in insurance contracts or financial liabilities</i></b></p> <p data-bbox="660 359 1292 422">The IFRIC received a request for interpretative guidance on:</p> <ul data-bbox="705 438 1292 694" style="list-style-type: none"> <li data-bbox="705 438 1292 518">• the definition of a discretionary participation feature (DPF) in IFRS 4 Insurance Contracts</li> <li data-bbox="705 526 1292 694">• the interaction of the liability adequacy test (paragraphs 15-19 of IFRS 4) with the minimum measurement of the guaranteed element of a financial liability containing a DPF (paragraph 35(b) of IFRS 4)</li> </ul> | <p data-bbox="1310 279 2004 566">The IFRIC was informed of concerns that key disclosures regarding these features are required only in respect of items regarded as DPF. Consequently, a narrow interpretation of DPF would fail to ensure clear and comprehensive disclosure about contracts that include these features. The IFRIC noted that disclosure is particularly important in this area, given the potential for a wide range of treatments until the IASB completes phase II of the project on insurance contracts.</p> <p data-bbox="1310 582 2004 790">The IFRIC noted that IFRS 4 requires an insurer to disclose information that identifies and explains the amounts in its financial statements arising from insurance contracts (paragraph 36) and information that helps users to understand the amount, timing and uncertainty of future cash flows from insurance contracts (paragraph 38).</p> <p data-bbox="1310 805 2004 901">The IFRIC also noted that the Guidance on Implementing IFRS 4 was designed to help entities to develop disclosures about insurance contracts that contain a DPF.</p> <p data-bbox="1310 917 2004 1109">The IFRIC decided not to add this topic to the agenda, because it involves some of the most difficult questions that the IASB will need to resolve in phase II of its project on insurance contracts. The fact that, in developing IFRS 4, the IASB chose to defer such questions to phase II limits the scope for reducing diversity through an Interpretation.</p> |

| #   | Date Considered | Issue  | Reason for not adding to the IFRIC agenda  |
|---|-----------------|--|--|
| IFRS 4-2  | January 2010    | <p><b><i>Scope issue for REITs</i></b></p> <p>In some jurisdictions, a Real Estate Investment Trust (REIT) is a tax or regulatory designation used for an entity investing in real estate that meets certain criteria, for example to attain preferential income tax status. In some of these cases, the contractual terms of the ownership units of such REITs require it to distribute 90% of the Total Distributable Income (TDI) to the investors. The remaining 10% of TDI may be distributed at the discretion of management. The IFRIC received a request to provide guidance on whether the discretion to distribute the remaining 10% of TDI met the definition of a Discretionary Participation Feature (DPF) as defined in IFRS 4. If the DPF definition is met, IFRS 4 permits the ownership units to be classified as a liability rather than assessing the instrument for financial liability and equity components in accordance with IAS 32.</p> | <p>The IFRIC noted that the objective of IFRS 4 is to specify the financial reporting for insurance contracts. The IFRIC noted that the definition of DPF in Appendix A of IFRS 4 requires, amongst other things, that the instrument provides the holder with guaranteed benefits and that the DPF benefits are additional to those guaranteed benefits. Furthermore, the IFRIC noted that there must be guaranteed benefits to the holder for the definition to be met and that such guaranteed benefits are typically those present in insurance activities.</p> <p>The IFRIC noted that providing guidance on this issue would be in the nature of application guidance, rather than interpretative guidance. Therefore, the IFRIC decided not to add the issue to its agenda.</p> |
| <b><i>IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations</i></b> |                 |  |  |

| #        | Date Considered | Issue   | Reason for not adding to the IFRIC agenda  |
|----------|-----------------|---|--|
| IFRS 5-1 | July 2007       | <p data-bbox="660 279 1292 311"><b><i>Plan to sell the controlling interest in a subsidiary</i></b></p> <p data-bbox="660 319 1292 646">The IFRIC was asked to provide guidance on applying IFRS 5 when an entity is committed to a plan to sell the controlling interest in a subsidiary. The request considered situations in which the entity retained a non-controlling interest in its former subsidiary, taking the form of either an investment in an associate, an investment in a joint venture or a financial asset. The submitter raised four issues relating to the consolidated financial statements of the entity:</p> <ul data-bbox="705 662 1292 1141" style="list-style-type: none"> <li data-bbox="705 662 1292 758">• What triggers classification of the subsidiary’s assets and liabilities as held for sale under IFRS 5?</li> <li data-bbox="705 774 1292 909">• When classification as held for sale is required, should all the subsidiary’s assets and liabilities be classified as held for sale or only the portion to be sold?</li> <li data-bbox="705 925 1292 1061">• Is classification as a discontinued operation relevant when the entity plans to retain significant influence over its former subsidiary after the sale?</li> <li data-bbox="705 1077 1292 1141">• After the sale, how should the remaining non-controlling equity investment be measured?</li> </ul> | <p data-bbox="1310 279 2009 734">In considering the first two issues, the IFRIC noted that paragraph 6 of IFRS 5 states: ‘An entity shall classify a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use’ [emphasis added]. The IFRIC decided to recommend to the Board that it amend IFRS 5 to clarify whether the criteria for classification as held for sale are met for all of a subsidiary’s assets and liabilities when the parent is committed to a plan that involves loss of control over the subsidiary. The IFRIC believed that IFRS 5 should be amended to clarify that having a plan that meets the conditions in IFRS 5 involving loss of control over a subsidiary should trigger classification as held for sale of all the subsidiary’s assets and liabilities.</p> <p data-bbox="1310 750 2009 1045">On the third issue, the IFRIC noted that a disposal group classified as held for sale will also be a discontinued operation if the criteria of paragraph 32 of IFRS 5 are met. Because the IFRIC did not expect divergence to emerge in practice, it decided not to address the issue. The IFRIC also noted that IFRS/US GAAP differences are likely to arise until a common definition of discontinued operations is adopted with a consistent approach to continuing involvement (as discussed in BC70 of IFRS 5).</p> <p data-bbox="1310 1061 2009 1165">The IFRIC noted that the last issue is being considered in the Board’s joint project on business combinations and, therefore, decided not to address that issue.</p> |

| #        | Date Considered | Issue   | Reason for not adding to the IFRIC agenda   |
|----------|-----------------|---|---|
| IFRS 5-2 | September 2007  | <p><b>Disclosures</b></p> <p>The IFRIC received a request to clarify whether the disclosure requirements of other standards, in the absence of specific exclusion, would apply to non-current assets (or disposal groups) classified as held for sale or discontinued operations in accordance with IFRS 5. At the May 2007 IFRIC meeting, the staff presented a paper with two alternative views:</p> <ul style="list-style-type: none"> <li>• view A: IFRS 5 and other standards that specifically relate to non-current assets (or disposal groups) classified as held for sale or discontinued operations set out all the disclosures required in respect of those assets or operations. Disclosures required by other standards do not apply to such assets (or disposal groups);</li> <li>• view B: disclosures required by IFRSs, whose scope does not exclude non-current assets (or disposal groups) classified as held for sale or discontinued operations, continue to apply to such assets (or disposal groups).</li> </ul> | <p>The IFRIC believed that this issue could be resolved efficiently through an amendment to clarify IFRS 5 and decided to draw the issue to the attention of the Board rather than taking the item on to its own agenda. The IFRIC also believed that such an amendment should generally reflect view A, but believed that additional disclosures about such assets (or disposal groups) may be necessary to comply with the general requirements of IAS 1 <i>Presentation of Financial Statements</i>.</p> |

| #        | Date Considered | Issue  | Reason for not adding to the IFRIC agenda  |
|----------|-----------------|--|--|
| IFRS 5-3 | November 2009   | <p data-bbox="660 279 1032 311"><b><i>Write-down of a disposal group</i></b></p> <p data-bbox="660 327 1288 518">The IFRIC received a request for guidance on how a disposal group should be recognised at the lower of its carrying amount and fair value less costs to sell when the difference between the carrying amount and fair value less costs to sell exceeds the carrying amount of non-current assets.</p> <p data-bbox="660 558 1288 885">The IFRIC noted paragraph 23 of IFRS 5 requires the impairment loss recognised for a disposal group to be allocated to reduce the carrying amount of the non-current assets of the group that are within the measurement requirements of IFRS 5. This can result in a conflict between IFRS 5's requirement to recognise the disposal group at fair value less costs to sell and its limitation on the assets to which that loss can be allocated. Consequently, the IFRIC noted that divergence could arise in practice.</p> | <p data-bbox="1310 279 2004 502">The IFRIC also noted that the issue could be widespread in the current economic environment. The IFRIC concluded that the issue relates to the basic requirements of IFRS 5 and therefore could not be addressed by an interpretation. For this reason, the IFRIC decided not to add the issue to its agenda. However, the IFRIC recommended that the Board considers an amendment to IFRS 5 to address this issue.</p> |

| #        | Date Considered | Issue  | Reason for not adding to the IFRIC agenda   |
|----------|-----------------|--|---|
| IFRS 5-4 | May 2010        | <p data-bbox="660 296 1196 359"><b><i>Reversal of disposal group impairment losses relating to goodwill</i></b></p> <p data-bbox="660 379 1267 539">The Committee received a request for guidance on whether an impairment loss for a disposal group classified as held for sale can be reversed if it relates to the reversal of an impairment loss recognised for goodwill.</p> <p data-bbox="660 560 1279 884">The Committee noted a potential conflict between the guidance in paragraph 22 and paragraph 23 of IFRS 5 relating to the recognition and allocation of the reversal of an impairment loss for a disposal group when it relates to goodwill. However, the Committee also observed that the issue may not be resolved efficiently within the confines of existing IFRSs and the <i>Framework</i> and that it is not probable that the Committee will be able to reach a consensus on a timely basis.</p> | <p data-bbox="1310 296 2009 520">The Committee also noted the decision taken by the Board in December 2009 not to add a project to its agenda to address IFRS 5 impairment measurement and reversal issues at this time. Consequently, the Committee decided not to add this issue to its agenda and recommended that the Board address this issue in a post-implementation review of IFRS 5.</p> |

| #   | Date Considered | Issue   | Reason for not adding to the IFRIC agenda  |
|---|-----------------|---|--|
| <b>IFRS 6 - Exploration for and Evaluation of Mineral Resources</b> |                 |   |  |
| IFRS 6-1  | January 2006    | <p><b><i>Application of the ‘full-cost’ method</i></b></p> <p>The IFRIC was asked to clarify the effect of the limited scope of IFRS 6 on exploration and evaluation (E&amp;E) activities. The IFRIC was asked if this limited scope (a) reflected the Board’s intention to impose limits on current national GAAP practices only in respect of activities conducted in the E&amp;E phase, while permitting industry practices in other extractive industry areas (egg, development and exploitation) to continue unchanged, or (b) whether the IASB focused only on E&amp;E activities because it was the only area for which the IASB was willing to grant some relief from the hierarchy for selection of accounting policies in IAS 8. Under the latter view, the IAS 8 hierarchy would apply fully to an entity’s selection of IFRS accounting policies for activities outside of the E&amp;E phase. The submission identified some inconsistencies between current extractive industry full-cost accounting practices in respect of development and exploitation activities but questioned whether the IASB intended to require change from current practices in these areas in advance of a comprehensive extractive industry project.</p> | <p>The IFRIC noted that the effect of the limited scope of IFRS 6 was to grant relief only to policies in respect of E&amp;E activities, and that this relief did not extend to activities before or after the E&amp;E phase. The Basis for Conclusions on IFRS 6 includes the Board’s intention of limiting the need for entities to change their existing accounting policies for E&amp;E activities. The IFRIC believed it was clear that the scope of IFRS 6 consistently limited the relief from the hierarchy to policies applied to E&amp;E activities and that there was no basis for interpreting IFRS 6 as granting any additional relief in areas outside its scope. Therefore, the IFRIC believed that diversity in practice should not become established and decided not to add the issue to its agenda.</p> |
| <b>IFRS 7 Financial Instruments: Disclosures</b>                    |                 |   |  |

| #                                  | Date Considered | Issue  | Reason for not adding to the IFRIC agenda  |
|------------------------------------|-----------------|--|--|
| IFRS 7-1                           | Nov 2006        | <p><b><i>Presentation of ‘net finance costs’ on the face of the income statement</i></b></p> <p>At its meeting in October 2004, the IFRIC noted that, taken together, paragraphs 32 and 81 of IAS 1 <i>Presentation of Financial Statements</i> preclude the presentation of ‘net finance costs’ on the face of the income statement unless finance costs and finance revenue are also shown on the face of that statement. IFRS 7 <i>Financial Instruments: Disclosures</i> was issued in 2005. Paragraph IG13 of IFRS 7 states that ‘The total interest income and total interest expense disclosed in accordance with paragraph 20(b) is a component of the finance costs, which paragraph 81(b) of IAS 1 requires to be presented separately on the face of the income statement. The line item for finance costs may also include amounts that arise on non-financial assets or non-financial liabilities.’</p> | <p>The IFRIC was asked whether the IFRIC’s October 2004 analysis regarding presenting ‘net finance costs’ on the face of the income statement was still valid in the light of paragraph IG13 of IFRS 7.</p> <p>The IFRIC believed that its analysis in October 2004 was still valid. Consequently, the IFRIC decided not to take the issue onto the agenda.</p> <p>The IFRIC believed that the words in paragraph IG13 of IFRS 7 might result in confusion. It therefore decided to recommend to the Board that the paragraph should be amended.</p> |
| <b>IFRS 8 – Operating Segments</b> |                 |  |  |

| #  | Date Considered | Issue  | Reason for not adding to the IFRIC agenda  |
|--|-----------------|--|--|
| IFRS 8-1   | March 2010      | <p><b><i>Interaction with transition requirements of IFRS 8</i></b></p> <p>The IFRIC received a request for guidance on the transition requirements in IFRS 8 <i>Operating Segments</i> and its interaction with IAS 36.</p> <p>The IASB made a consequential amendment to IAS 36 when it issued IFRS 8 in November 2006. The consequential amendment replaced the reference to ‘segments’ (as determined in accordance with IAS 14 <i>Reporting Segments</i>) to ‘operating segments’ (as determined in accordance with IFRS 8). In particular, paragraph 80(b) of IAS 36 was amended to refer to IFRS 8 when setting the limit for the aggregation of cash-generating units when testing for goodwill impairment. Previously, the limit had been set by reference to segments identified by IAS 14. The IFRIC noted that when entities test goodwill for impairment in the first year of adoption of IFRS 8 some entities may need to recognise an impairment loss for goodwill, at least in part because of these changes in the segment definitions.</p> | <p>The question asked of the IFRIC is whether any incremental goodwill impairment loss (that would have been recognised in a prior period if cash-generating units had been grouped by reference to IFRS 8) determined as a result of retrospective application of the change from IAS 14 to IFRS 8 should be presented as a prior period adjustment or a current period event.</p> <p>The IFRIC noted that IFRS 8 is effective for annual periods beginning on or after 1 January 2009 and therefore applicable for entities with annual periods ending 31 December 2009 and thereafter. Based on the required due process procedures included in the <i>IFRIC Due Process Handbook</i>, it would not be able to provide guidance on a timely basis. Therefore, the IFRIC decided not to add the issue to its agenda.</p> |
| <b>IFRIC -12 Service Concession Arrangements</b> |                 |  |  |

| #  | Date Considered | Issue  | Reason for not adding to the IFRIC agenda  |
|--|-----------------|--|--|
| IFRIC 12-1   | July 2009       | <p>The IFRIC received requests for guidance on the application of IFRIC 12. One request related to the requirement that the grantor control or regulate the price the operator can charge to users of the service provided by the infrastructure. The other requested guidance on the accounting for aspects of the arrangement other than the infrastructure.</p> <p>The IFRIC noted that guidance in paragraphs AG2 and AG3 of IFRIC 12 on the requirement that the grantor controls or regulates the price of the service states that the grantor does not need to have complete control of the price. Rather, the IFRIC noted that any reviews or approvals by the grantor required by the agreement would generally be sufficient to meet this requirement, and it would be inappropriate to assume that they are perfunctory or ‘rubber stamps’ that can be disregarded.</p> | <p>The IFRIC also noted that in redeliberating the Interpretation it had decided to focus on the guidance on accounting for the infrastructure but had provided references to other IFRSs that apply to arrangements not within its scope. IFRIC 12 also refers to other IFRSs for accounting for aspects of the arrangement other than the infrastructure, such as repair and maintenance obligations and revenue recognition.</p> <p>Given the guidance in IFRSs, the IFRIC concluded that any guidance it could provide would be in the nature of implementation guidance rather than an interpretation. The IFRIC therefore decided not to add the issues to its agenda.</p> |
| <b><i>IFRIC 14 IAS 19–The Limit on a Defined Asset, Minimum Funding Requirements and their Interaction</i></b> |                 |  |  |

| #   | Date Considered | Issue  | Reason for not adding to the IFRIC agenda   |
|---|-----------------|--|---|
| IFRIC 14-1  | November 2008   | <p><b><i>Application to prepaid employer's contribution reserve</i></b></p> <p>The IFRIC received a request to consider an issue arising from IFRIC 14. The issue relates to the economic benefit available in the form of reductions in future contributions when there is a minimum funding requirement. IFRIC 14 requires the economic benefit to be determined assuming a stable workforce in the future unless the entity is demonstrably committed at the end of the reporting period to make a reduction in the number of employees covered by the plan. The request noted that in some circumstances the assumption of a stable workforce may understate the economic benefits available to the entity as a reduction in future contributions. The request noted that contributions to a plan are recognised as an expense, not an asset, if they provide no economic benefits in accordance with IFRIC 14. Therefore, by choosing the timing and the level of such contributions, an entity can affect its reported earnings.</p> | <p>The IFRIC noted that the requirements of IFRIC 14 regarding the assumption of a stable workforce are explicit. The issue was discussed extensively during the development of IFRIC 14 and the request provides no new information to cause the IFRIC to reconsider its conclusion. The IFRIC therefore decided not to add this issue to its agenda.</p>                              |
| IFRIC 14-2  | May 2009        | <p><b><i>Voluntary prepayments</i></b></p> <p>As a result of comment letters received on another issue related to IFRIC 14, the IFRIC noted that requirements in IFRIC 14 may produce unintended consequences in some circumstances in the treatment of voluntary prepaid contributions under a minimum funding requirement.</p>   | <p>At its meeting in November 2008 the IFRIC decided to add this issue to its agenda and expected to propose amendments to the wording of paragraph 22 of IFRIC 14. At the Board's meeting in January 2009, however, the Board decided to proceed with its own project to amend IFRIC 14 to address the issue. Consequently, the IFRIC decided to remove the issue from its agenda.</p> |
| <b><i>IFRIC 18 - Transfers of Assets from Customers</i></b> |                 |  |   |

| #          | Date Considered | Issue  | Reason for not adding to the IFRIC agenda   |
|------------|-----------------|--|---|
| IFRIC 18-1 | July 2009       | <p data-bbox="651 276 1301 319"><b><i>Applicability to the Customer</i></b></p> <p data-bbox="651 319 1301 526">The IFRIC received a request to provide guidance on how the customer should account for a transfer of assets that is in the scope of IFRIC 18 for the recipient. The IFRIC noted that IFRIC 18 addresses only the accounting by the recipient of the transferred assets.</p> <p data-bbox="651 526 1301 820">The IFRIC also noted that the accounting by customers transferring assets should be consistent with the principles in IFRIC 18 that, in a normal trading transaction, transfers of assets include exchanges of other goods, services or both. The IFRIC noted that other IFRSs provide relevant guidance for accounting for the goods or services received or given up in the exchange transaction.</p> | <p data-bbox="1301 276 2022 438">Therefore, the IFRIC concluded that the agenda criteria were not met mainly because IFRSs already provide relevant guidance and it did not expect divergent interpretations in practice. Therefore, the IFRIC decided not to add this issue to its agenda.</p> |