

IASB Update is published as a convenience for the Board's constituents. All conclusions reported are tentative and may be changed or modified at future Board meetings.

Decisions become final only after completion of a formal ballot to issue a Standard or Interpretation or to publish an Exposure Draft.

The International Accounting Standards Board met for an additional Board meeting in London on 2 October, when it discussed:

- Amendments to IFRS 7: *Financial Instruments Disclosures*
- Consolidation
- Disclosures: off balance sheet entities

Amendments to IFRS 7: *Financial Instruments Disclosures*

At the meeting held on 15–19 September the Board tentatively decided to propose amendments to IFRS 7 relating to fair value measurement disclosures and liquidity risk disclosures.

At this meeting the Board agreed that the proposed amendments should be published as soon as possible, and separately from the consolidation proposals. The Board tentatively decided to allow a 60-day comment period for the exposure draft. The Board also tentatively decided to propose an effective date for annual periods beginning on or after 1 July 2009, with earlier application permitted.

Consolidation

The Board continued its discussion of a staff draft of an exposure draft for consolidation. The draft reflected comments received at the September consolidation round table with constituents. No tentative decisions were reached about the draft. The Board's comments and revisions will be incorporated in the next version of the draft.

Next steps

The Board will discuss a revised staff draft of the exposure draft for consolidation at its meeting in October. The Board aims to publish the exposure draft in November 2008.

Disclosures: off balance sheet entities

The Board continued its discussion of possible disclosure requirements for off balance sheet entities. It tentatively decided that a reporting entity should disclose information that enables users of its financial statements to evaluate the nature of, and changes in, the market risk, credit risk and liquidity risk to which it is exposed as a consequence of its activities with structured entities. This exposure may arise as a result of both contractual and non-contractual commitments and from past and present activities. To meet this objective, a reporting entity would be required to disclose information about its involvement with structured entities, including details of the nature, purpose, size and type of activities in structured entities that it created or sponsored, or in which it has continuing involvement. Those disclosures would include:

- for off balance sheet activities created or sponsored by the reporting entity, the scale of those activities (to include information on assets securitised and fee income earned by the reporting entity).
- for off balance sheet activities in which the reporting entity has continuing involvement, the scale of those activities, its maximum exposure to loss and the carrying amount of its continuing involvement. If relevant to an assessment of exposure to risks, the reporting entity would disclose additional information about its exposure to loss (to include triggers and ranking of support), and the assets held by, and funding of, the structured entities.
- for off balance sheet activities for which the reporting entity has provided non-contractual support, information about the extent of, and reasons for, that support and whether

it led to controlling the structured entity.

Next steps

The Board will discuss disclosure requirements for off balance sheet entities at its meeting on 13–17 October.

Future Board meetings

The Board will meet in public session on the following dates. Meetings take place in London, UK, unless otherwise noted.

2008

13–17 October

20–22 October Norwalk, Connecticut, US

JOINT MEETING WITH THE FASB

17–21 November

15–19 December

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