IAS 12 ***Income Taxes*** (August 2005)

Non-amortisable intangible assets

The IFRIC considered whether to develop guidance on various issues arising from the application of IAS 12 to non-amortised intangible assets, including the question of what tax rate should be applied to calculate deferred tax on intangible assets that are no longer to be amortised because of changes to accounting standards. The IFRIC also considered the relevance of SIC-21 *Income Taxes – Recovery of Revalued Non-Depreciable Assets*.

The IFRIC decided not to develop an Interpretation on this topic because the issues fell within the scope of the IASB's short-term convergence project with the FASB. An exposure draft is expected later this year. In response to concerns that the IAS 8 hierarchy requires an analogy to be made to the requirements of SIC-21 in all situations involving assets measured at fair value, the IFRIC noted that SIC-21 has a limited scope that does not address this particular issue.