

IFRS 3 *Business Combinations* (February 2005)

Acquisition of a minority interest

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.

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.