



**International  
Accounting Standards  
Board**

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*This document is provided as a convenience to observers at IASB meetings, to assist them in following the Board's discussion. It does not represent an official position of the IASB. Board positions are set out in Standards.*

*These notes are based on the staff papers prepared for the IASB. Paragraph numbers correspond to paragraph numbers used in the IASB papers. However, because these notes are less detailed, some paragraph numbers are not used.*

### **INFORMATION FOR OBSERVERS**

**Board Meeting:**        **March 2006, London**

**Project:**                **Joint Ventures Research Project - Paper II: The Definition of a  
Joint Venture (Agenda Paper 9C)**

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#### ***Abstract:***

This paper aims to develop a definition of a joint venture that leads to improved financial reporting. It examines the elements of the definitions of a joint venture in a number of jurisdictions. It notes that joint control is an important feature of a joint venture but that joint control on its own should not make a joint arrangement a joint venture. It proposes that the definition of a joint venture should be based on the two pillars of 'joint control' and 'integrated resource arrangement'.

The paper argues that the proposed definition of a joint venture should distinguish between the rights and obligations of a joint venture identified as a separate entity carrying on its own economic activity (an integrated resource arrangement), and the rights and obligations of participants relating to their direct interests in the assets and direct responsibility for the liabilities involved in the joint arrangement. This underlies the distinction between the control of an investment in an entity and the control of the underlying assets and liabilities.

[Remainder of paper not reproduced in observer note]