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**International
Accounting Standards
Board**

This observer note is provided as a convenience to observers at IFRIC meetings, to assist them in following the IFRIC's discussion. Views expressed in this document are identified by the staff as a basis for the discussion at the IFRIC meeting. This document does not represent an official position of the IFRIC. Decisions of the IFRIC are determined only after extensive deliberation and due process. IFRIC positions are set out in Interpretations.

Note: The observer note is based on the staff paper prepared for the IFRIC. Paragraph numbers correspond to paragraph numbers used in the IFRIC paper. However, because the observer note is less detailed, some paragraph numbers are not used.

INFORMATION FOR OBSERVERS

IFRIC meeting: 2 November 2006, London

Project: Review of published tentative agenda decisions

Subject: IAS 38 *Intangible Assets* – Adoption of IAS 38 (revised 2004)
(Agenda Paper 7(xvi))

Tentative agenda decision published in September-2006 IFRIC Update

In December 2003 consequential amendments were made to IAS 38 *Intangible Assets* arising from the improvements to IAS 16 *Property, Plant and Equipment*. These amendments did not change the transitional provisions in IAS 38. In March 2004, further amendments to IAS 38 were made, as a consequence of the issue of IFRS 3 *Business Combinations*. These later amendments changed the transitional provisions in IAS 38 to require prospective application. Both the December 2003 and March 2004 amendments became effective for annual periods beginning on or after 1 January 2005.

The IFRIC received a request for guidance on whether the December 2003 consequential amendments should be applied retrospectively or prospectively if an entity adopted the March 2004 version of IAS 38 early.

Whilst the IFRIC agreed that divergence may have occurred in the way that the two sets of amendments to IAS 38 were adopted in 2004, it believed that the issue was not

widespread and that further diversity was unlikely to develop in the future. The [IFRIC therefore decided] not to take the issue onto its agenda.

Deloitte.

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20 October 2006

Robert Garnett, Chairman
International Financial Reporting Interpretations Committee
30 Cannon Street
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Dear Bob,

Proposed agenda decision wording: IAS 38 *Intangible Assets* – Adoption of IAS 38 (revised 2004)

Deloitte Touche Tohmatsu is pleased to respond to the IFRIC's publication in the September 2006 *IFRIC Update* of the tentative decision not to take onto the IFRIC's agenda a request for an Interpretation of the adoption of IAS 38 (revised 2004).

We support the IFRIC's decision not to take this item to the agenda for Interpretations. The proposed Agenda Decision wording states that divergence may have occurred in the way that the two sets of amendments to IAS 38 were adopted in 2004 but that the issue is unlikely to be widespread and that further diversity is unlikely to develop in the future. We concur with the IFRIC's statement that further diversity is unlikely to develop in the future because the issue is likely to have been overtaken by passage of time. We believe it would be an inappropriate allocation of staff resources to address this issue.

If you have any questions concerning our comments, please contact Ken Wild in London at +44 (0)20 7007 0907.

Sincerely,



Ken Wild
Global IFRS Leader

cc: Allan Cook, IFRIC