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**International
Accounting Standards
Board**

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: 18 July 2007, London

Project: Annual Improvements

Subject: Earnings per share disclosures in interim reports (Agenda paper 5H)

1. The staff has identified that the following issue would be most appropriately resolved via the annual improvements process.

Issue: Should the requirement in IAS 34 *Interim Financial Reporting* to present earnings per share in an interim report be made clear that this requirement only applies to entities that fall within the scope of IAS 33 *Earnings per Share*?

Staff recommendation

2. The staff recommends that the Board:
 - should add this issue to the annual improvements project; and
 - should amend IAS 34 as proposed in paragraph 8 of this paper.

Background

3. The staff has been notified of a potentially unclear requirement of IAS 34.
4. Paragraph 11 of IAS 34 requires the disclosure of basic and diluted earnings per share in an interim report. However, it does not clarify that this disclosure is required only if the entity falls within the scope of IAS 33. Paragraph 11 of IAS 34 states:

‘Basic and diluted earnings per share shall be presented on the face of an income statement, complete or condensed, for an interim period.’

5. The staff believes that the requirement to present earnings per share in an interim report is intended to apply only to those entities that fall within the scope of IAS 33.

Staff recommendation

6. The staff recommends that IAS 34 is amended as proposed in paragraph 8 of this paper to clarify that earnings per share need only be presented when required by IAS 33.
7. **Does the Board agree?**

Drafting

8. The staff recommends that IAS 34 should be amended as follows:

Form and content of interim financial statements

...

- 11 **Basic and diluted earnings per share shall be presented on the face of an income statement, complete or condensed, for an interim period when required by IAS 33.**

Basis for Conclusions on Proposed Amendments to IAS 34 Interim Financial Reporting

This Basis for Conclusions accompanies, but is not part of, the draft amendments.

Form and content of interim financial statements

- BC1 The Board identified a potentially unclear requirement of IAS 34 *Interim Financial Reporting*. Paragraph 11 of IAS 34 might be read by some as requiring the disclosure of earnings per share in an interim report even if the entity does not fall within the scope of IAS 33 *Earnings per Share*.
- BC2 The Board decided to clarify IAS 34 to require the presentation of basic and diluted earnings per share only when the entity falls within the scope of IAS 33.