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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: July 2007, London

**Project: Review of tentative agenda decision published in May
IFRIC Update
IAS 39 *Financial Instruments: Recognition and
Measurement* – AG33(d)(iii) of IAS 39 (Agenda Paper 7F)**

Tentative agenda decision published in May 2007 IFRIC Update

The IFRIC was asked about the application of paragraph AG33(d)(iii) of IAS 39, particularly, what the economic environment is in determining whether a currency is commonly used in contracts to buy or sell non-financial items.

The IFRIC noted that paragraph AG33(d)(iii) requires an entity:

- to identify where the transaction takes place; and
- to identify currencies that are commonly used in the economic environment in which the transaction takes place.

The IFRIC [decided] not to take the issue on to its agenda because any guidance developed would be more in the nature of application guidance than an interpretation.