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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: 21 June 2007, London

Project: Annual Improvements Process

Subject: IAS 38 *Intangible Assets* – Advertising and Promotional Activities (Agenda paper 12A)

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1. In May 2007, the Board agreed to amend paragraphs 68-70 of IAS 38 to clarify that an entity should recognise expenditure on advertising and promotional activities as an expense when that entity receives access to the goods or services acquired by the expenditure.
 2. The Board also agreed that this should not preclude an entity from recognising a prepayment in situations in which it has paid in advance for goods or services and has not yet received access to those goods or services.
 3. Draft changes to IAS 38 to reflect these decisions (incorporating comments from Board members) are included in attachment 1 to this paper [attachment omitted from observer note].
 4. One Board member, who was absent from the May 2007 Board discussion, disagreed with the proposed amendments. At the June 2007 Board meeting, that member will be given the opportunity to express his views in a public meeting.
 5. For reference, the paper originally discussed by the Board in May 2007 was Agenda Paper 5A [remainder of sentence omitted from observer note].

6. The purpose of this paper is to assist Board members in considering the alternative view.