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**IFRIC Meeting**  
**Thursday 1 November and Friday 2 November 2007**  
**Agenda and Running Order**

(Posted 19 October 2007; Revised 22 October – no changes to running order but minor changes made to topic descriptions)

**IASB Offices - 30 Cannon Street, London (Boardroom)**

**Thursday 1 November 2007**

Time	Agenda Item
10.00 – 10.15	<b>Introduction</b>
10.15 – 11.15	<b>IAS 27 Consolidated and Separate Financial Statements – Accounting for distributions of non-cash assets to owners</b> (Agenda paper 2)
11.15 – 11.30	Tea/coffee break
11.30 – 12.15	<b>IAS 27 Consolidated and Separate Financial Statements – Accounting for distributions of non-cash assets to owners (Cont)</b> (Agenda paper 2) The IFRIC will consider a draft Interpretation on accounting for non-cash asset distributions.
12.15 – 13.15	<b>IAS 39 Financial Instruments: Recognition and Measurement</b> (Agenda paper 3) <ul style="list-style-type: none"> <li>• Scope of IAS 39 paragraph 11A</li> <li>• Application of paragraph AG 33(d)(iii) of IAS 39</li> </ul>
13.15 – 14.15	Lunch
14.15 – 16.15	<b>IAS 18 Revenue – Customer contributions</b> (Agenda paper 4) In May 2007, the IFRIC agreed to take a project onto its agenda to consider the accounting for the receipt of customer contributions. Such contributions arise in situations in which a customer is required to contribute an asset (or cash towards the construction or acquisition of an asset) that is then used to provide access to an ongoing supply of goods or services to the customer. At this meeting, the IFRIC will consider the accounting for contributions of cash towards the construction or acquisition of an item of property, plant and equipment that must be used to provide a customer with access to a supply of goods or services. The IFRIC will also consider a draft Interpretation prepared by the staff based on its discussions to date.
16.15 – 16.30	Tea/coffee break

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## Thursday 1 November 2007 (Cont)

Time	Agenda Item
16.30 – 17.30	<b>Review of Tentative Agenda Decisions published in September IFRIC Update</b> <sup>1</sup> The IFRIC will re-deliberate its tentative agenda decisions (published in the September 2007 issue of IFRIC Update) in the light of any comments received from constituents.
	IAS 19 <i>Employee Benefits</i> Treatment of employee contributions (Agenda paper 6A)
	IAS 19 <i>Employee Benefits</i> Changes to a plan caused by government (Agenda paper 6B)
	IAS 19 <i>Employee Benefits</i> Death in service benefits (Agenda paper 6C)

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<sup>1</sup> The tentative agenda decisions and the comment letters received are available on the IASB website at: <http://www.iasb.org/Current+Projects/IFRIC+Projects/Tentative+agenda+decisions+currently+available+for+comment.htm>

## Friday 2 November 2007

Time	Agenda Item
09.00 – 10.30	<b>Staff Recommendations for Tentative Agenda Decisions</b>
	<p><b>IAS 19 <i>Employee Benefits</i></b>  <b>Pension promises based on performance hurdles</b> (Agenda paper 7A)</p> <p>The IFRIC received a request that concerned with the measurement of the defined benefit obligation in respect of pension promises based on a performance hurdle. Performance hurdles may take various forms ranging from straightforward bonuses to more complex arrangements relating to additional sponsor contributions or years of deemed service. The issue is how such non salary compensation in defined benefit plans should be accounted for in accordance with IAS 19.</p>
	<p><b>IAS 37 <i>Provisions, Contingent Liabilities and Contingent Assets</i></b>  <b>Deposits on returnable containers</b> (Agenda paper 7B)</p> <p>In some industries, eg brewers, heating gas, entities distribute their products in returnable containers. These entities often collect a deposit for each container delivered and have an obligation to refund this deposit when containers are returned by the customer. The issue is how the entity's obligation to refund the deposit for returned containers should be accounted for.</p>
	<p><b>IAS 23 <i>Borrowing Costs</i></b>  <b>Foreign exchange and capitalisable borrowing costs</b> (Agenda paper 7C)</p> <p>In August 2007, the IFRIC received a request for it to issue guidance on the accounting for foreign exchange differences associated with capitalised borrowing costs. Such foreign exchange differences may result in gains or losses for an entity. The request asked for guidance on two questions. Firstly, to what extent should foreign exchange differences be regarded as an adjustment to interest costs? Secondly, when an entity hedges its exposure to foreign exchange movements, to what extent should costs associated with the hedging instrument be considered to be part of the borrowing costs that may be capitalised? At this meeting, the IFRIC will consider whether to add a project to its agenda to develop guidance on the accounting for such foreign exchange gains and losses.</p>
	<p><b>IAS 19 <i>Employee Benefits</i></b>  <b>Definition of plan assets</b> (Agenda paper 7D)</p> <p>In April 2005, the IFRIC received a request for it to issue guidance on the accounting for insurance and investment policies issued to a pension plan by an entity that employs the staff included in the plan (or by a subsidiary that is consolidated in the same group as that entity). The submission asked how such contracts should be accounted for when determining plan assets in accordance with IAS 19. At this meeting, the IFRIC will consider whether to take a project onto its agenda to develop guidance on the accounting for such policies.</p>

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## Friday 2 November 2007 (Cont)

Time	Agenda Item
09.00 – 10.30	<b>Staff Recommendations for Tentative Agenda Decisions (Cont)</b>
	<p><b>IAS 39 <i>Financial Instruments: Recognition and Measurement</i> Scope of IAS 39 paragraph 2(g)</b> (Agenda paper 7E)</p> <p>In September 2007 the IFRIC received a request for it to provide guidance on the appropriate interpretation of IAS 39 paragraph 2(g). This paragraph exempts from the scope of IAS 39 “contracts between the acquirer and a vendor in a business combination to buy or sell an acquiree at a future date”. The submitter requested guidance on the following questions:</p> <ul style="list-style-type: none"><li>• Does this scope exception apply only to binding contracts to acquire shares that constitute a controlling interest in another entity, or does it apply more widely to options that, if exercised, would result in the acquisition of such a controlling interest?</li><li>• If the exception applies only to binding contracts to acquire shares that constitute a controlling interest in another entity, does it apply to any binding contract, or only to contracts that cover the period necessary to complete a business combination once its principal terms have been agreed?</li></ul>
10.30 – 11.00	<b>Administrative Session</b> IFRIC Work in progress (Agenda paper 8)

**NOTE: Agenda paper number 5 is not used at this meeting**