



**International
Accounting Standards
Board**

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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

IASB Meeting: 16 October 2007, London

Project: Conceptual Framework

Subject: Phase B: Elements and Recognition –
Asset Definition Cover Note (Agenda Paper 16A)

Introduction

1. Phase B of the conceptual framework project addresses elements, unit of account, recognition and derecognition. Reaching a decision on a satisfactory definition of an asset is an essential step to enable us to move forward to further consider the definition of a liability, as well as to consider issues associated with how to deal with uncertainty as to whether assets or liabilities exist. Also, we need to settle on working definitions of an asset and a liability, before undertaking work on unit of account, recognition and derecognition. We expect that further work on unit of account, recognition and derecognition might provide additional insights that will help us in finalising the element definitions.
2. In July 2007, the Boards requested that, in order to better understand the proposed improvements in the working definition of an asset and the remaining asset and liability definition issues, the staff should apply the proposed working definition of an asset, as well as the existing IASB and FASB definitions, to various types of assets and to identify issues

arising from application of those definitions. Agenda Paper 16B/FASB Memorandum 66B applies the proposed working definition of an asset to a series of examples, to illustrate how it applies and to identify where improvements over existing definitions are present.

3. In addition, in order to bring more focus to discussions of this topic, that have now gone on for some time, Agenda Paper 16C/FASB Memorandum 66C evaluates the proposed changes to the definition of an asset by reference to those changes that achieve a convergence objective and those that improve on the existing definitions. That paper asks the Boards to confirm that they wish to proceed with each change to the proposed working definition of an asset, or otherwise. In this regard, the paper proposes some alternatives to the proposed working definition for consideration by the Boards.

Question for the Boards

4. The objective of this discussion is for the Boards to advise us which definition we should use as our working definition of an asset as we proceed with other aspects of Phase B of the Conceptual Framework project.