



30 Cannon Street, London EC4M 6XH, United Kingdom
Tel: +44 (0)20 7246 6410 Fax: +44 (0)20 7246 6411
Email: iasb@iasb.org Website: www.iasb.org

**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: **September 2007, London**

Project: **Review of tentative agenda decision published in July**
 IFRIC Update
 IFRS 5 - *Non-current Assets Held for Sale and Discontinued*
 Operations – Disclosures (Agenda Paper 7D)

Tentative agenda decision published in July 2007 IFRIC Update

The IFRIC received a request to clarify whether the disclosure requirements of other standards such as IFRS 7 *Financial Instruments: Disclosures* and IAS 19 *Employee Benefits*, in the absence of specific exclusion, would apply to non-current assets (or disposal groups) classified as held for sale or discontinued operations in accordance with IFRS 5. At the May 2007 IFRIC meeting, the staff presented a paper with two alternative views:

- view A: IFRS 5 specifies the disclosures required in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations, together with the requirement of IAS 33 *Earnings per Share* paragraph 68 to disclose the amount per share for discontinued operations. Disclosures required by other standards do not apply to such assets (or disposal groups);

- view B: disclosures required by IFRSs, whose scope does not exclude non-current assets (or disposal groups) classified as held for sale or discontinued operations, continue to apply to such assets (or disposal groups).

The IFRIC believed that this issue could be resolved efficiently through an amendment to IFRS 5 and [decided] to draw the issue to the attention of the Board rather than taking the item on to its own agenda. The IFRIC also believed that such an amendment should generally reflect view A, but believed that other disclosures about such assets (or disposal groups) may also be necessary to comply with the general requirements of IAS 1 *Presentation of Financial Statements*.