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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: March 2008, London

Project: D21 Real Estate Sales - Cover note (Agenda Paper 3A)

Introduction

1. At the January 2008 IFRIC meeting, the IFRIC directed the staff to develop a flowchart to illustrate the accounting for real estate sale agreements in accordance with IAS 18 and IAS 11, with the starting point being to consider the nature of the sale ('what has been sold?').
2. In agenda paper 3B the staff present the flowchart, develop two alternative views and ask IFRIC members which view they support. Provided IFRIC members agree on one view, the staff will present two other papers:
 - Agenda paper 3C in which the staff propose redrafting the core of the Interpretation (without the basis for conclusions) on the basis of the flowchart. At the next IFRIC meeting, the staff will provide a redrafted basis for conclusions in line with the decisions taken at this meeting.

- Agenda paper 3D in which the staff propose four illustrative examples for discussion. The staff will ask IFRIC members whether they believe these examples should accompany the Interpretation.