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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: November 2008, London
Project: Derecognition of Financial Assets
Subject: Cover note (Agenda Paper 15)

INTRODUCTION

1. This paper is a cover note for the papers on derecognition of financial assets that would be discussed at this meeting and it sets out a summary of those papers.
2. At the October 2008 meetings, the staff presented a proposed derecognition principle and two approaches to applying the derecognition principle in practice.
3. The Board asked the staff to develop further both approaches and raised particular issues that the staff needs to address.
4. The staff has consequently developed papers addressing some of the issues raised and a plan of how the staff intends to address all the issues relating to the proposed approaches that need further research prior to issuing an ED.

5. This paper is accompanied by four other papers on derecognition of financial assets and the contents of those papers are summarised below:
- a. **Agenda Paper 15A** – This paper provides a summary of the open issues that the Board might want to address before issuing an ED on this project. The paper sets out how the staff plans to address those issues, including the project timetable.
 - b. **Agenda Paper 15B** – This paper addresses the Board’s request for further analysis of items that may qualify as part (or a component) of an asset for derecognition purposes and in general an explanation of how to determine what ‘asset’ the derecognition approaches may be applied to.
 - c. **Agenda Paper 15C** – This paper provides further analysis and explanation of the ‘practical ability to transfer’ test and how one may evaluate transfer transactions in practice.
 - d. **Agenda Paper 15D** – This paper provides alternative approaches for changing the focus of the derecognition test from the perspective of the transferee to that of the transferor