



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

**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: 16 October 2008, London

Project: Consolidation

Subject: Staff Draft of Consolidation exposure draft: Cover note (Agenda paper 13)

Introduction

- 1 Agenda Paper 13A contains an updated staff draft of the Consolidation exposure draft. The staff draft incorporates comments received at the Board meeting on 2 October, and also those received off-line from Board members since that meeting.
- 2 The main changes are:
 - a we removed references to beneficial interests;
 - b we moved the power and benefits discussion from the application guidance to the main body of the draft IFRS, and integrated it with the characteristics of control;
 - c we rewrote the section on structured entities;
 - d we added the disclosure requirements.

- 3 Agenda Paper 13B is an alternative presentation of the staff draft. The only change from Agenda Paper 13A is that the section on the characteristics of control (paragraphs 10 to 27 of Agenda Paper 13A) have been moved from the main body of the draft IFRS to Appendix B Application Guidance. One of the comments we received is that these paragraphs about the characteristics of control were helpful but not appropriate for the main body of the draft IFRS.
- 4 We have not prepared a marked up version given the extent of changes made.

Objective of this meeting

- 5 We would like your views and comments on the revised wording of the staff draft, and specifically:
- a whether you prefer the characteristics of control to be included in the main body of the draft IFRS or in the Application Guidance (Agenda Paper 13A or Agenda Paper 13B).
 - b are paragraphs 29 to 35 (in Agenda Paper 13A), which deal with directing the activities of an entity, clear?
 - c are paragraphs 36 to 46 (in Agenda Paper 13A), which deal with structured entities, clear?
 - d should we add illustrative examples about the determination of control? [the FIN 46 (R) exposure draft includes such illustrative examples to draw out the principles]

Technical decisions

- 6 We think that the staff draft reflects tentative decisions of the Board at previous meetings and therefore, we do not plan to bring any further technical decisions to the Board. Do you agree with this assessment?