



Project **Liabilities—amendments to IAS 37**

Topic **Meeting objectives**

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### **Project status**

1. The technical work plan envisages that the Board will issue a revised version of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* in the second half of this year. To meet this target, the project timetable schedules only two more meetings for discussion of remaining issues about the content. Some of the issues are scheduled for discussion at this meeting. The rest are scheduled for discussion in May.

### **Meeting objectives**

2. At this meeting, the Board will be asked to approve:
  - (a) the extent of additional guidance on the proposed measurement requirements—Paper 8A
  - (b) a refined analysis of the attributes of stand-ready obligations, and the circumstances in which such obligations arise—Paper 8B; and
  - (c) the details of proposed disclosure requirements for restructuring activities—Paper 8C.

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This paper has been prepared by the technical staff of the IASB for the purposes of discussion at a public meeting of the IASB.

The views expressed in this paper are those of the staff preparing the paper and do not purport to represent the views of any individual members of the Board or the IASB.

Decisions made by the Board are reported in IASB *Update*.

Official pronouncements of the IASB are published only after the Board has completed its full due process, including appropriate public consultation and formal voting procedures.

3. As explained in Paper 8A, the staff think that it is particularly important that the Board completes its discussions on the proposed measurement requirements and guidance at this meeting. If these discussions continue much longer, they will delay the completion of the project. The longer the project takes to complete, the more difficult it will become to complete. Significant delays could lead to the project being removed from the Board's agenda altogether.

### **Next steps**

4. If the Board resolves the above matters at this meeting, the staff intend to present the remaining open issues for discussion in May. The remaining issues are:
  - (a) major litigation—whether the proposed recognition, measurement or disclosure requirements need to be adapted for liabilities relating to major litigation. (This session will include, among other things, consideration of FASB proposals for enhanced disclosure of loss contingencies and perceptions that US companies will have problems applying the measurement requirements of IAS 37.)
  - (b) reimbursement rights—possible addition of measurement requirements and guidance.
5. Thereafter, the Board will need to address due process matters—eg the need for re-exposure or field tests—before drafting begins.