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Project	<b>Joint Ventures</b>
Topic	<b>Structure of the Agenda Papers</b>

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1. The purpose of this meeting is to discuss the accounting for transactions between a party and a joint arrangement.
2. We have prepared our analysis and recommendations in relation to this area based on the comments received for ED 9 *Joint Arrangements*. Please note that ED 9 replaces IAS 31 *Interests in Joint Ventures* and incorporates SIC-13 *Jointly Controlled Entities – Non-Monetary Contributions by Venturers*. Our recommendations relating to the requirements for the accounting for transactions between a party and a joint arrangement, incorporating the requirements of SIC-13, are in Agenda Paper 11-C.
3. We are, however, aware of an inconsistency between the current requirements in IAS 27 *Consolidated and Separate Financial Statements* and SIC-13. The inconsistency relates to the accounting for gains and losses resulting from contributions of non-monetary assets to jointly controlled entities (JCE).
4. We think the Board needs to be aware of this inconsistency and that it should address it. However, we think that we can complete the Joint Arrangements standard and address this inconsistency separately. Fixing this inconsistency would require a review of the equity method. Because of this fact, we propose to incorporate the requirements relating transactions between a party and a joint arrangement along with SIC-13 guidance as consequential amendments to IAS 28 *Investments in Associates*. By doing so we will not need to amend the Joint Arrangements Standard again if we address the inconsistencies created by the equity method.
5. Agenda Paper 11-B describes the inconsistency between SIC-13 and IAS 27 and recommends that the Board to address it separately. Because we think this

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

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

Comments made in relation to the application of an IFRS do not purport to be acceptable or unacceptable application of that IFRS—only the IFRIC or the IASB can make such a determination.

The tentative decisions made by the IASB at its public meetings are reported in IASB *Update*. Official pronouncements of the IASB, including Discussion Papers, Exposure Drafts, IFRSs and Interpretations are published only after it has completed its full due process, including appropriate public consultation and formal voting procedures.

## IASB Staff paper

decision will trigger the need to discuss or not our recommendations relating the consequential amendments to IAS 28, we have prepared the Agenda Papers reflecting this order as follows:

- (a) Agenda Paper 11-B – Transactions between a party and a joint arrangement: inconsistency between IAS 27 and SIC-13
- (b) Agenda Paper 11-C – Transactions between a party and a joint arrangement: consequential amendments to IAS 28