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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: **January 2009, London**

Project: **IAS 39 Financial Instruments: Recognition and Measurement
– Derecognition of Financial Assets**

Subject: **Linked Presentation – Cover Note (Agenda Paper 2E)**

INTRODUCTION

1. This paper is a cover note for the papers on Linked Presentation that would be discussed at this meeting and it sets out a summary of those papers.
2. At the October 2008 meeting, the staff proposed two approaches to applying the proposed derecognition principle. Approach 2 (Flow Chart 2) suggested the Board consider linked presentation ('LP') for some of the transactions that might not qualify for derecognition under that approach.
3. The staff however did not specify which transactions might qualify for the LP treatment or what the LP treatment entails.

4. This paper is accompanied by four other papers on application of the LP model to transactions that do not qualify for derecognition under Flowchart 2 and the contents of those papers are summarised below:
- a. **Agenda Paper 2E-1** – This paper describes the LP model and analyses whether the LP model is appropriate for Flowchart 2.
 - b. **Agenda Paper 2E-2** – This paper discusses which transactions should an entity evaluate whether they meet the LP principle (scope of the LP model) and the principle that should be used in determining when, transactions falling within the scope of LP, qualify for LP treatment.
 - c. **Agenda Paper 2E-3** – This paper addresses how and where to display a transferred asset that fails the derecognition criteria in Flowchart 2 and the associated liability (ie whether on the face of financial statement or in the notes thereto). The paper also addresses the interaction between LP and the Board’s Discussion Paper on Financial Statement Presentation.
 - d. **Agenda Paper 2E-4** – Should the Board prefer LP to be shown on the face of the financial statement, this paper addresses how financial assets and related liabilities that are required to be presented linked might be initially and subsequently measured and whether a gain or loss should be recognised at the time of transfer.