

# Income Taxes

## GPF 28 July 2009

The views expressed in this presentation are those of the presenter,  
not necessarily those of the IASC Foundation or the IASB



# Objective of the Tax Project

- Clarify and improve IAS 12
- Reduce differences between IAS 12 and SFAS 109
  - Remove most exceptions
  - Arrive at common recognition and measurement requirements
  - Require the same allocation to comprehensive income and equity



# Major Changes to IAS 12

- Restructure format of the standard
- Align definitions of tax basis and temporary difference with practice under US GAAP
- Remove initial recognition exception
- Amend exception for investments in subsidiaries, associates and joint ventures
- Align recognition of deferred tax assets with US GAAP
- Add requirements on uncertain tax positions
- Align requirements on tax allocation with US GAAP  
(Alternative view is also provided)



# Next Steps

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- Please send us your comments now - ED comment deadline 31 July
- The FASB is expected to issue a discussion paper on income taxes to seek feedback from the U.S. constituents on the ED
- IFRS expected late 2010



# Questions or Comments?

Expressions of individual views by members of the IASB and its staff are encouraged. The views expressed in this presentation are those of the presenter. Official positions of the IASB on accounting matters are determined only after extensive due process and deliberation.

