



Project      **Consolidation**

Topic        **Cover note**

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## Introduction

1. The Board published ED10 *Consolidated Financial Statements* in December 2008; the comment period ended on 20 March 2009. The staff presented a summary of comments received from the 148 respondents to the exposure draft at the May 2009 Board meeting.
2. In June 2009, we held round table meetings in Toronto, Tokyo and London, together with derecognition of financial assets. The input received at those round tables is, and will be, incorporated into the papers discussed by the Board at this and future meetings.

## Papers to be discussed at this meeting

3. The papers prepared for discussion at this meeting is the first in a series of papers to be deliberated by the Board on the control model. The papers address the following:
  - (a) Agenda paper 10A: The control model
  - (b) Agenda paper 10B: Power to direct the activities of an entity (Part I)—power without a majority of the voting rights
  - (c) Agenda paper 10C: Power to direct the activities of an entity (Part II)—options and convertible instruments

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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

- (d) Agenda paper 10D: The definition of control of an entity: activities and returns
- (e) Agenda paper 10E: Continuous assessment of control

### Next steps

- 4. We plan to bring the following topics to the Board for discussion in the coming months:

#### *September 2009*

- (a) Application of the definition of control of an entity
  - (i) Overview (to include illustrate examples)
  - (ii) Assessing control in the context of structured entities (including what activities matter, involvement in the design of an entity, when power can be shared and silos)
  - (iii) Agent-principal guidance (including dual role situations)
  - (iv) Protective and participating rights
- (b) Disclosures
  - (i) Consolidated entities
  - (ii) Unconsolidated entities

#### *October 2009*

- (c) Scope—investment companies
- (d) Transition requirements