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Project **IFRIC Issues Update List**

Topic **Work in progress**

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## Introduction

### *Objective of this paper*

1. The objective of this paper is to update the IFRIC on the current status of issues and the progress made by the staff. Appendix A provides a summary of these issues and their current status.
2. This paper does not include details of issues that will be brought to the IFRIC as part of the deliberation of comments received in response to the Annual Improvements Exposure Draft published last August. However, this paper does include details of new issues that might result in proposals to be included in the next Annual Improvements Exposure Draft.
3. The paper does not include issues that are still at a preliminary research stage, including where further information is being sought from the submitter, or others, to define more clearly the issue to be addressed.

Question
Does the IFRIC have any questions or comments on the IFRIC Issues Update List?

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

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Decisions made by the IFRIC are reported in *IFRIC Update*.

Interpretations are published only after the IFRIC and the Board have each completed their full due process, including appropriate public consultation and formal voting procedures. The approval of an Interpretation by the Board is reported in *IASB Update*.

## Appendix A – IFRIC Issues Update List

### IFRIC Issues being considered by the IFRIC

Reference number	Topic	Brief description	Progress
IAS 16-4	Accounting for production stripping costs (request received in June 2009)	The issue is how to account for stripping costs when they are incurred in the production phase of the mine.	At the November 2009 meeting the staff presented its analysis of the issues. The IFRIC agreed to add the issue to the agenda.  At the January 2010 meeting, the staff will present a paper discussing the scope of the issue.

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## IFRIC Issues being considered for addition to the agenda

Reference number	Topic	Brief description	Progress
IFRS 1-2	Accounting for costs included in self-constructed assets on transition (request received October 2009)	The issue is whether restatement is needed when an entity has previously capitalised costs, but changes its accounting policy for these costs upon adoption of IFRS.	At the January 2010 meeting the staff will present its analysis of the issues and recommendation on whether the issues should be added to the IFRIC agenda.
IFRS 2-11	Classification of conditions (request received May 2009)	The issues are: <ol style="list-style-type: none"> <li>1. the reason conditions in share-based payment arrangements should be treated as non-vesting</li> <li>2. whether a condition that affects only the timing of vesting should be treated as a vesting or non-vesting condition.</li> </ol>	<p>The IFRIC received a request to add to its agenda a project to clarify how the examples of non-vesting conditions in paragraph IG24 of IFRS 2 should be applied.</p> <p>At the July 2009 meeting the staff presented its analysis of the issues and recommendation on whether the issues should be added to the agenda. At this meeting, the IFRIC decided that further research and analysis on the topic were needed.</p> <p>The staff has analysed the issue further and will present its analysis at the January 2010 IFRIC meeting and its recommendation on whether the issue should be added to the agenda.</p>
IFRS 2-12	Classification of share-based payment arrangements as cash-settled or equity-settled (request received May 2009)	The issue is how a share-based payment should be classified when it may be settled either in equity or in cash dependent of conditions outside the control of both the entity and the counterparty.	<p>At the November 2009 meeting the IFRIC tentatively decided not to add the issue to its agenda.</p> <p>At the January 2010 meeting the IFRIC will consider comments received and decide whether to confirm that decision.</p>

**IASB Staff paper**

Reference number	Topic	Brief description	Progress
IFRS 2-13	Measurement of employee share-based transactions with cash alternatives (request received in May 2009)	The issue is a request for clarification of the measurement of share-based payment transactions in which the manner of settlement (equity instruments or cash) is contingent on future events.	At the November 2009 meeting the IFRIC tentatively decided not to add the issue to its agenda.  At the January 2010 meeting the IFRIC will consider comments received and decide whether to confirm that decision.
IFRS 4-2	Applicability of IFRS 4 to REITs (request received in July 2009)	The issue is whether ownership units issued by Real Estate Investment Trusts (REITs) with specific features are financial instruments with Discretionary Participation Features (IFRS 4).	At the November 2009 meeting the IFRIC tentatively decided not to add the issue to its agenda.  At the January 2010 meeting the IFRIC will consider comments received and decide whether to confirm that decision.
IFRS 8-1	Transition provisions for IFRS 8 amendment of IAS 36 (request received November 2009)	The issue is whether impairments triggered by the change in the identification of segments as a result of adopting IFRS 8, should be recognised in the current period or as a prior period restatement.	At the January 2010 meeting the staff will present its analysis of the issues and recommendation on whether the issues should be added to the IFRIC agenda.
IAS 18-10	Accounting for the receipt of a dividend of treasury shares (request received in October 2009)	The issue is how an investor, specifically when accounting for an investment at cost, should record the receipt of a dividend from the investee of treasury shares.	At the November 2009 meeting the IFRIC tentatively decided not to add the issue to its agenda.  At the January 2010 meeting the IFRIC will consider comments received and decide whether to confirm that decision.
IAS 19-14	Definition of plan assets (request received December 2009)	The request seeks clarification of the circumstances in which assets qualify to be accounted for as plan assets in accordance with IAS 19	The staff expects to present an analysis of the issue and a recommendation on whether the issue should be added to the IFRIC agenda at the March 2010 IFRIC meeting.

**IASB Staff paper**

Reference number	Topic	Brief description	Progress
IAS 21-2	Determining the functional currency of an investment holding company (request received in July 2009)	The request is for guidance on whether the underlying economic environment of subsidiaries should be considered in determining the functional currency of the stand-alone financial statements of the investment holding company	At the January 2010 meeting, the staff will present its analysis of the issues, and its recommendation on whether the issue should be added to the IFRIC agenda.
IAS 21-3	Recycling of currency translation adjustment on reduction in (absolute) investment in associate (request received November 2009)	The request seeks clarification on whether an entity should recycle a part of the currency translation adjustment to profit or loss when the entity's net investment in the associate is reduced in absolute, but not relative, terms.	The staff expects to present an analysis of the issue and a recommendation on whether the issue should be added to the IFRIC agenda at the March 2010 IFRIC meeting.
IAS 26-1	Accounting for plan assets in the financial statements of Retirement Benefit Plans (request received September 2009)	The issue relates to whether plan assets held by retirement benefit plans should be accounted for in accordance with IAS 26 or IAS 39.	The staff expects to present an analysis of the issue and a recommendation on whether the issue should be added to the IFRIC agenda at the March 2010 IFRIC meeting.
IAS 27-9	Presentation of comparatives when applying the 'pooling of interests' method (request received in October 2009)	The issue relates to the presentation of prior periods when applying the 'pooling of interests' for business combinations between entities under common control, where the acquiring entity uses the carry-over basis (book value).	At the November 2009 meeting the IFRIC tentatively decided not to add the issue to its agenda.  At the January 2010 meeting the IFRIC will consider comments received and decide whether to confirm that decision.

**IASB Staff paper**

Reference number	Topic	Brief description	Progress
IAS 27-10	Combined financial statements and redefined reporting entities (request received in October 2009)	<p>There are 2 issues under consideration:</p> <p>Issue 1 – the ability to ‘include a selection of entities that are under common control, rather than being restricted to a parent/subsidiary relationship [defined] by IAS 27’ (i.e. ‘combined financial statements’), and</p> <p>Issue 2 – the ability in accordance with IFRS for a ‘reporting entity to be redefined to exclude entities/businesses that have been carved-out of a group’.</p>	<p>At the November 2009 meeting the IFRIC tentatively decided not to add the issue to its agenda.</p> <p>At the January 2010 meeting the IFRIC will consider comments received and decide whether to confirm that decision.</p>
IAS 32-9	Consideration of shareholder discretion (request received July 2009)	The issue is the determination of whether a financial instrument should be classified as a financial liability or as equity when the entity has a contractual obligation to deliver cash at the discretion of the issuer’s shareholders.	At the January 2010 meeting the staff will present its analysis of the issues and recommendation on whether the issues should be added to the IFRIC agenda.
IAS 34-3	Disclosure of segment information on total assets (request received September 2009)	The request seeks clarification of whether disclosure of total assets for each reportable segment is required by IAS 34 only when provided to the Chief Operating Decision Maker.	The staff expects to present an analysis of the issue and a recommendation on whether the issue should be added to the IFRIC agenda at the March 2010 IFRIC meeting.
IAS 38-8	Clarification of ‘consumption of economic benefits’ (request received in July 2009)	The issue is whether the “pattern of consumption of economic benefits” reflects values or only quantities?	<p>At the November 2009 meeting the IFRIC tentatively decided not to add the issue to its agenda.</p> <p>At the January 2010 meeting the IFRIC will consider comments received and decide whether to confirm that decision.</p>

**IASB Staff paper**

<b>Reference number</b>	<b>Topic</b>	<b>Brief description</b>	<b>Progress</b>
IAS 39-25	Unit of account for forward contracts with volumetric optionality (request received in July 2009)	The issue is to provide guidance where a contract has both option and non-option elements – whether the elements can be assessed as 2 separate contracts when applying paragraphs 5 -7 of IAS 39 <i>Financial Instruments: Recognition and Measurement</i>	At the November 2009 meeting the IFRIC requested that the staff considers an additional view that they believe exists in practice. The staff will present its analysis of this additional view and its recommendation on whether the issues should be added to the IFRIC agenda in the January 2010 meeting.