



Project	Derecognition
Topic	Cover note

Papers at this meeting

1. The staff have prepared five papers for this meeting. **Papers 5A-C** ask the Board for decisions. **Papers 5D** and **5E** are for informational purposes only (ie the staff do not plan to discuss these papers, unless the Board have questions about them).

Papers that ask the Board for decisions

2. **Paper 5A** addresses the views expressed by some Board members at the IASB meeting in February 2010 that the exception to the derecognition approach for financial assets for sale and repurchase agreements ('repos') and similar transactions be defined more closely in line with the conditions and guidance adopted under US GAAP for these transactions.
3. **Paper 5B** addresses the requests by some Board members at the IASB meeting in February 2010 for further analysis of the derecognition approach for financial assets as it applies to pass through arrangements, non recourse loans and SPE's that issue beneficial interests in the 'assets' of the SPE.
4. **Paper 5C** addresses the feedback from respondents to Exposure Draft ED/2009/3 *Derecognition* on the disclosure objectives and requirements that the Board proposed in the ED.

Papers for informational purposes

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

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

Decisions made by the Board are reported in IASB *Update*.

Official pronouncements of the IASB are published only after the Board has completed its full due process, including appropriate public consultation and formal voting procedures.

IASB Staff paper

5. **Paper 5D** provides a summary of the derecognition approaches for financial assets and financial liabilities as set out in ED but amended to reflect the decisions made by the Board following deliberations on the comments received on the ED.¹
6. **Paper 5E** illustrates the application of the derecognition approach for financial assets to a number of securitisation transactions and the associated accounting outcomes, and provides an indication of how that approach would interact with the consolidation model that the Board is currently developing.

Next steps

7. The staff plan to hold an educational session for the FASB members in April 2010 to discuss with them the derecognition approaches for financial assets and liabilities that the IASB meeting is currently pursuing.

¹The derecognition approach for financial assets that the staff have summarised in Paper 5D is the approach that was described in the ED as the alternative approach and on which the Board decided as the way forward at the IASB meeting in October 2009.