
Project	Agenda decision
Topic	IAS 1 <i>Presentation of Financial Statements</i> - Current/ non-current classification of callable term loan

Introduction

1. The IFRS Interpretations Committee (the Interpretations Committee) received a request from a national standard setter regarding the classification as current or non-current for term loan that is callable by the lender at anytime.
2. The Interpretations Committee discussed the issue at its meeting in September 2010 and issued a tentative agenda decision not to take the issue on to its agenda.

Comment letters analysis

3. The full staff analysis that was presented at the Interpretations Committee in September 2010 was set out in agenda paper 16 that can be found on the public website¹.
4. Two comment letters² were received that fully agree with the Interpretations Committee agenda decision.

¹ <http://www.ifrs.org/NR/ronlyres/CEBCBBD9-3B01-4EA3-A74A-539A01DED5AA/0/1009obs16.pdf>

² Canadian Accounting Standards Board, Deloitte.

This paper has been prepared by the technical staff of the IFRS Foundation for discussion at a public meeting of the IFRS Interpretations Committee.

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 IFRS Interpretations Committee or 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 IFRS Interpretations Committee or the IASB can make such a determination.

Decisions made by the IFRS Interpretations Committee are reported in *IFRIC Update*.

Interpretations are published only after the IFRS Interpretations Committee 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*.

IASB Staff paper

Staff recommendation

5. Given the broad support to the tentative agenda decision, the staff recommends that the Interpretations Committee should finalise the agenda decision without any changes.

Question to the Interpretations Committee

Question 1 – Final agenda decision

Does the Interpretations Committee agree with the staff's recommendation?

Does the Interpretations Committee agree with the wording for the Agenda Decision?

Appendix A – Agenda decision

IAS 1 *Presentation of Financial Statements* – Current/ non-current classification of callable term loan

The IFRS Interpretations Committee received a request on the classification of a liability as current or non-current when the liability is not repayable within twelve months after the reporting period, but may be callable by the lender at any time.

The Committee notes that paragraph 69(d) of IAS 1 requires that a liability be classified as a current liability if the entity does not have the unconditional right to defer settlement for at least twelve months after the reporting period.

The Committee noted that IAS 1 provides sufficient guidance on the presentation of liabilities as current or non-current and that it does not expect diversity in practice. Therefore, the Committee {decided} not to add the issue to its agenda.

October 8, 2010

(by e-mail to ifric@ifrs.org)

IFRS Interpretations Committee
30 Cannon Street,
London EC4M 6XH
United Kingdom

Dear Sirs,

Re: Tentative agenda decision on IAS 1 *Presentation of Financial Statements* – Current/non-current classification of a callable term loan

This letter is the response of the staff of the Canadian Accounting Standards Board to the IFRS Interpretation Committee's tentative agenda decision on the classification of a callable term loan under IAS 1 *Presentation of Financial Statements*. This tentative agenda decision was published in the September 2010 IFRIC Update.

The views expressed in this letter take into account comments from individual members of the staff of the Canadian Accounting Standards Board. They do not necessarily represent the view of the Canadian Accounting Standards Board or a common view of its staff. Views of the Canadian Accounting Standards Board are developed only through due process.

We agree with the Committee's decision not to add this item to its agenda for the reasons provided in the tentative agenda decision.

We note that the Canadian Accounting Standards Board will shortly submit a request for interpretation regarding the classification of debt that is similar to this item, but relates to a different issue.

We would be pleased to provide more detail if you require. If so, please contact Kathryn Ingram, Principal, Accounting Standards at +1 416 204-3475 (e-mail kathryn.ingram@cica.ca).

Yours truly,



Peter Martin, CA
Director,
Accounting Standards

Mr Robert Garnett
Chairman
IFRS Interpretations Committee
30 Cannon Street
London
United Kingdom
EC4M 6XH

Email: ifric@iasb.org

10 October 2010

Dear Mr Garnett,

Tentative agenda decision: IAS 1 Presentation of Financial Statements — Current /non-current classification of a callable term loan

Deloitte Touche Tohmatsu Limited is pleased to respond to the IFRS Interpretations Committee's publication in the September 2010 IFRIC Update of the tentative decision not to take onto the IFRS Interpretations Committee's agenda a request for an Interpretation of IAS 1 *Presentation of Financial Statements* with respect to the classification of a liability as current or non-current when the liability is not scheduled for repayment within twelve months after the reporting period, but may be callable by the lender at any time without cause.

We agree with the IFRS Interpretations Committee's decision not to add this item onto its agenda for the reasons set out in the tentative agenda decision.

If you have any questions concerning our comments, please contact Veronica Poole in London at +44 (0)20 7007 0884.

Yours sincerely,



Veronica Poole
Global IFRS Leader - Technical