
IASB Cover sheet

Definition of the term 'non-monetary asset' in SIC-13 and IASB 28 (revised in 2011)

Meeting summary

There is currently an inconsistency between the requirements in IAS 27 and those in SIC-13 for transactions in which a parent contributes its interest in a subsidiary to a joint venture in exchange for an interest in that joint venture. SIC-13 restricts gains and losses to the extent of the interest attributable to the other equity holders, whereas IAS 27 requires full profit or loss recognition on the loss of control of the subsidiary. As a result, diversity in practice has emerged. The Committee discussed various alternatives that would address the inconsistency noted. The objective of the paper is to present the alternatives discussed and the Committee's recommendations on that issue. With regard to a business that is contributed to a joint venture, the Committee expressed support for a full gain recognition on the loss of control of the business (whether the business is housed in a legal entity or not). The Committee decided to ask the Board whether it wants the Committee to consider further how to resolve the inconsistency noted.

Staff papers

Wednesday 23 May, 10:30am (US time), 15:30 (UK time), IASB only

- 11 IAS 27 Consolidated and Separate Financial Statements, IAS 28 Investments in Associates and Joint Ventures: Definition of the term 'non-monetary asset' in SIC-13 and IAS 28 (revised in 2011)

IASB Staff contacts

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The staff are responsible for developing staff papers with recommendations, along with supporting analysis, for consideration by the IASB in its public meetings.

The staff papers should provide sufficient information to enable the IASB members to make informed decisions on technical matters.

In developing the staff papers the staff are expected to research and consult widely, including seeking advice from IASB members. However, recommendations ultimately reflect the views of the staff having considered the information they have obtained.

Implementation Staff

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Interpretations

When the Interpretations Committee has reached general agreement on the wording of an Interpretation, it is submitted to the IASB for ratification. Ratification of an Interpretation takes place in a public meeting of the IASB and requires the same level of support by IASB members as is required for a new or amended IFRS.

Annual Improvements

The IFRS Interpretations Committee assists the IASB by reviewing and recommending potential amendments to IFRSs as part of the Annual Improvements process.

