

STAFF PAPER

May 2015

IASB Meeting

Project	Financial Instruments with Characteristics of Equity research project		
Paper topic	Cover Note		
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Introduction

1. At this meeting we will introduce a preliminary discussion of the IASB's Financial Instruments with Characteristics of Equity research project.
2. The objective of this meeting is to:
 - (a) discuss the main challenges with distinguishing between liabilities and equity under IAS 32 *Financial Instruments: Presentation*, and;
 - (b) set out how we intend to approach addressing these challenges as part of this project.
3. That discussion is in the context of the objective of the research programme ie to help the IASB decide whether it should add to its standard-setting programme a project to develop a proposal to amend or replace IAS 32.
4. We are not asking the IASB to make any decisions at this meeting, however we encourage comments on the papers presented.

Papers for this meeting

5. The two papers the we would like to discuss are:
 - (a) Agenda Paper 5A - Identifying the challenges and setting out an approach: This paper includes a preliminary analysis of the

‘conceptual’ and ‘application’ challenges that we are aware of with IAS 32.

- (b) Agenda Paper 5B - Project status and scope: A reminder of the status, objectives and scope of the project.