

## STAFF PAPER

July 2016

## 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 continue the discussion of the Financial Instruments with Characteristics of Equity research project.
2. The papers for this meeting include:
  - (a) **Agenda Paper 5A—Summary of discussions to date:** This paper provides details of the Board’s discussions to date, and is for information only.
  - (b) **Agenda Paper 5B—Derivatives on ‘own equity’:** The objective of this paper is to:
    - (i) provide summary of the characteristics of derivatives on ‘own equity’;
    - (ii) provide a summary of the Gamma approach to classification and presentation that is relevant to derivatives on ‘own equity’; and
    - (iii) discuss the challenges of applying the Gamma approach to derivatives on ‘own equity’ with a particular focus on the unit of account.
  - (c) **Agenda Paper 5C—Applying Gamma to asset/equity exchange derivatives:** The objective of this paper is to explore how the Gamma approach could be applied to classify asset/equity exchange derivatives

in their entirety and discuss possible ways of addressing the challenges that arise.

- (d) **Agenda Paper 5D—Applying Gamma to liability/equity exchange derivatives:** The objective of this paper is to explore how the Gamma approach could be applied to classify liability/equity exchange derivatives and discuss possible ways of addressing the challenges that arise.