

## STAFF PAPER

February 2022

## IASB® meeting

Project	Financial Instruments with Characteristics of Equity (FICE)		
Paper topic	Cover note		
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## Purpose of this meeting

1. At this month's meeting, the staff will present the following Agenda Papers:
  - (a) Agenda Paper 5A—*Project update*; and
  - (b) Agenda Paper 5B—*Shareholders' discretion*.
2. Agenda Paper 5A provides an update on the FICE project considering the project plan discussed by the International Accounting Standards Board (IASB) in October 2019. This paper does not ask for decisions from the IASB.
3. Agenda Paper 5B asks for the IASB's tentative decision on potential clarifications related to the classification of financial instruments applying IAS 32 *Financial Instruments: Presentation*. More specifically, the classification of financial instruments that include a contractual obligation to deliver cash (or to settle an instrument in such a way that it would be a financial liability) when such settlement is at the discretion of the issuer's shareholders.
4. At future IASB meetings, the staff will present their analysis on the remaining topics set out in Agenda Paper 5A.