

STAFF PAPER

December 2021

IASB® meeting

Project	Financial Instruments with Characteristics of Equity (FICE)		
Paper topic	Cover note		
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This paper has been prepared for discussion at a public meeting of the International Accounting Standards Board (IASB) and does not represent the views of the Board or any individual member of the Board. Comments on the application of IFRS® Standards do not purport to set out acceptable or unacceptable application of the Standards. Technical decisions are made in public and reported in the IASB® *Update*.

Purpose of this meeting

1. At this month's meeting, the staff will present the following Agenda Papers:
 - (a) Agenda Paper 5A—*Contingent settlement provisions: compound financial instruments*;
 - (b) Agenda Paper 5B—*Contingent settlement provisions: the meaning of 'liquidation' and 'non-genuine'*; and
 - (c) Agenda Paper 5C—*The effects of laws on contractual terms*.
2. Each of these papers sets out proposed amendments to IAS 32 *Financial Instruments: Presentation* and asks for tentative decisions from the International Accounting Standards Board (IASB).
3. These papers are follow-up papers to the discussion the IASB had in [September 2021](#). They contain the staff's further analysis and refinements in response to the IASB members' suggestions made at that meeting.
4. The staff plan to bring their analysis and recommendation on the classification of financial instruments that are subject to shareholders' discretion to a future meeting(s).