IFRS Accounting

Staff paper

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Project	**Financial Instruments with Characteristics of Equity (FICE)**
Topic	**Classification and presentation: Sweep Issues (Part B)**
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Purpose and structure

1. The purpose of this paper and Agenda Paper 5A of this meeting is to consider several sweep issues the staff became aware of subsequent to the IASB's discussions in 2020-2022 on classification and presentation topics included in the FICE project plan. We are asking the IASB whether it agrees with our recommendations to make further clarifications related to classification and presentation as summarised in paragraph 4 of Agenda Paper 5 of this meeting.

2. This paper is structured as follows:
   (a) Classification sweep issues
      (i) The effects of laws on the contractual terms; and
      (ii) Obligations to redeem own equity instruments.
   (b) Presentation sweep issue

3. For each sweep issue, the staff set out our analysis and recommendation and a question for the IASB.

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Classification sweep issues

The effects of laws on the contractual terms

Staff analysis

4. In December 2021 (Agenda Paper 5C), the IASB considered whether and if so, to what extent, an entity would be required to consider the effect of applicable laws in classifying financial instruments as financial liabilities or equity instruments. It tentatively decided to propose amendments to IAS 32 *Financial Instruments: Presentation* to require an entity to classify financial instruments as financial liabilities or equity by considering:
   (a) terms explicitly stated in the contract that give rise to rights and obligations that are in addition to, or more specific than, those established by applicable law; and
   (b) applicable laws that prevent the enforceability of a contractual right or a contractual obligation.

5. In July 2022, members of the Accounting Standards Advisory Forum (ASAF) were asked for their views on whether these tentative decisions resolve practice issues or have any unintended consequences. ASAF members generally disagreed with the IASB's tentative decisions because they were concerned that, what they consider to be, economically similar rights and obligations would be accounted for differently, depending on whether they were derived from the law or contract, and depending on the specific law in a jurisdiction. The full meeting summary is available on the FICE project page.

6. The main concerns highlighted by ASAF members were:
   (a) whether there is a difference between a contractual term and a legal term because they are both seen as part of an enforceable framework—members were concerned about comparability and structuring opportunities if

economically similar transactions are accounted for differently based on whether a term is solely derived from the contract. In their view, the combination of both contractual and legal regulations was necessary to understand the contract and classification based solely on the contractual terms may lead to outcomes that contradict the principle-based nature of IFRS Accounting Standards.

(b) the proposed framework is complex, may create artificial distinctions and unintended outcomes, for example there is a perceived inconsistency between laws creating obligations and those preventing obligations and it would be a challenge for entities to keep track of all laws that could affect the classification.

(c) inconsistency with current accounting principles:

   (i) paragraph 15 of IAS 32 requires classification of a financial instrument in accordance with the substance of the contractual arrangement;

   (ii) paragraph 4.60 of the *Conceptual Framework for Financial Reporting* includes obligations imposed by statute as implicit terms in a contract; and

   (iii) IFRS 15 *Revenue from Contracts with Customers* requires applicable laws to be considered when evaluating whether an entity has an enforceable right to payment.

7. Based on the feedback from ASAF members, the staff think it is important to simplify and articulate the proposed amendments in a way that stakeholders can understand the proposals and the objective behind them. The IASB's objective is to provide principles to determine whether the rights and obligations arising from a legal requirement are taken into account in classifying the financial instrument as a financial liability or equity and in determining the 'substance of the contractual arrangement'. Having such principles would reduce diversity in practice and ensure consistent classification for financial instruments with similar economic substance.

8. The staff highlight that the starting point is acknowledgement that financial instruments Accounting Standards are based on the *contractual terms* of financial instruments and as such their classification cannot fully reflect all the rights and obligations undertaken by the issuers. The relevant laws that 'govern' the contract are required to be considered to understand the substance of any contract but that does not mean the laws become contractual terms. Therefore, applying IAS 32, laws that create obligations outside the contract will not affect the classification of financial instruments. There are thus differences between the financial instruments Accounting Standards and other IFRS Accounting Standards that consider applicable laws and regulations. Changing the definitions and basis of classification in IAS 32 to include legal rights and obligations would be a fundamental change which is outside the scope of the FICE project.

9. Based on the IASB's tentative decisions, when applying the proposed principle in paragraph 4(a) of this paper, only those contractual terms that go beyond, or are in addition to, the legal requirements would be considered in the classification as a financial liability or equity instrument. These terms would have been subject to negotiation and agreement between the contracting parties. Therefore, an entity would not consider the obligations derived from law which are non-negotiable and that it has to accept and comply with.

10. The staff continue to believe it is important for financial instruments with similar economic substance to have the same classification regardless of whether a legal requirement is reproduced in a contract. The staff are also of the view that an obligation derived from the law is not economically similar to an obligation derived from a contract (see example in paragraph 12 of this paper). Therefore, obligations derived from the law that exist regardless of whether they are explicitly included in a contract or not, should not affect the classification.

11. For example, consider a bail-in instrument where the contract explicitly specifies a specific loss absorption feature such as conversion into a fixed number of ordinary shares if the issuer breaches a specified capital ratio and general bail-in powers where

the regulator can require a broad range of actions including conversion into an unspecified number of own shares or shares of another entity. These general bail-in powers can be exercised by the relevant resolution authority in a particular jurisdiction, apply to any issues of bail-in instruments in that jurisdiction and are not negotiable between parties to the contract. The specific loss absorption feature would be considered in the classification of the instrument as a financial liability or equity instrument because the terms go beyond the legal requirements by specifying the conversion features. However, the general bail-in powers would not be considered in the classification because they would apply regardless of whether they are reproduced in the contract.

12. Consistent with the IASB's tentative decisions, all other terms being equal, an instrument that includes the general bail-in powers derived from law in the contract should have the same classification as an instrument that does not include the general bail-in powers in the contract because they have the same economic substance. However, if in another jurisdiction there are no such general bail-in powers in the law, but an entity decides to include similar terms in a contract, that instrument (all other terms being equal) would be classified differently from the one in the jurisdiction that has general bail-in powers in the law. This is because although they may appear to be economically similar, they have a different economic substance ie the one has obligations derived from contract negotiation which applies only to that specific instrument, whereas the other has obligations derived from the law which applies to any such instrument regardless of the contractual terms.

13. The IASB was of the view that the proposed principle to consider terms explicitly stated in the contract that give rise to rights and obligations that are in addition to (or more specific than) those established by applicable law, would result in a consistent approach to classifying financial instruments as financial liabilities or equity instruments, regardless of the specific laws in the jurisdiction the entity operates in. This in turn would reduce diversity in practice and improve the comparability of financial statements across entities. As illustrated in Agenda Paper 5C of the December 2021 meeting and based on initial feedback from some stakeholders, the

staff do not expect that applying the proposed amendments would result in significant classification changes in practice. The staff think it will be important to clarify the objective and rationale of the proposed amendment (as described above) in the Basis for Conclusions in the forthcoming ED.

14. In response to ASAF members' concerns that the proposed framework is too complex, the staff considered the need for the proposed principle in paragraph 4(b) of this paper to consider applicable laws that prevent the enforceability of a contractual right or a contractual obligation when classifying financial instruments as financial liabilities or equity instruments.

15. The proposed requirement to consider applicable laws that prevent the enforceability of contractual rights or obligations was intended to help entities determine whether the contractual rights or obligations are enforceable, which is aligned with the description of 'contractual' in paragraph 13 of IAS 32:

> In this Standard, 'contract' and 'contractual' refer to an agreement between two or more parties that has clear economic consequences that the parties have little, if any, discretion to avoid, usually because the agreement is enforceable by law. […]

16. The staff therefore think it is not necessary to include this proposed principle because enforceability by law is already implicit in the description of 'contractual'.

Staff recommendation

17. The staff recommend simplifying the proposed principles, by only requiring that financial instruments are classified as financial liabilities or equity by considering *enforceable* contractual terms that give rise to rights and obligations that are in addition to, or more specific than, those established by applicable law.

Question for the IASB

Question for the IASB
1. Does the IASB agree with the staff's recommendation as set out in paragraph 17 of this paper?

Obligations to redeem own equity instruments

Staff analysis—recognition of remeasurement gains or losses

18. In September 2022 (Agenda Paper 5), the IASB discussed financial instruments containing obligations for an entity to redeem its own equity instruments, including written put options on non-controlling interests (NCI) and tentatively decided to propose amendments to IAS 32 to clarify the accounting. See September 2022 IASB update.

19. Subsequent to that meeting, the staff received feedback that paragraph 23 of IAS 32 is not explicitly clear on where the remeasurement gains or losses on these financial liabilities are recognised, ie in equity or profit or loss. These stakeholders acknowledged that recognition in profit or loss is implied by the reference in paragraph 23 of IAS 32 to IFRS 9 *Financial Instruments* for subsequent measurement. However, they still think the IASB should make this clear and also clarify if they are of the view that there is no conflict between IAS 32 and IFRS 10 *Consolidated Financial Statements*.

20. The staff note that these clarifications would be similar to what was included in the IFRS Interpretations Committee's tentative agenda decision in September 2010 and draft Interpretation, *Put Options Written on Non-controlling Interests* published in May 2012, both of which were not finalised. The draft Interpretation explained that:

    (a) an entity remeasures the financial liability recognised for an NCI put applying IAS 39 *Financial Instruments: Recognition and Measurement* or IFRS 9,

which requires the entity to recognise changes in measurement in profit or loss; and

(b) the changes in measurement of that financial liability do not change the relative interests in the subsidiary held by the parent and the non-controlling-interest shareholder, and therefore are not equity transactions.

21. Furthermore, in the July 2022 IASB meeting (Agenda Paper 5A) and in the September 2022 IASB meeting, the IASB discussed that the subsequent measurement requirements in paragraph 23 of IAS 32 require the changes in the financial liability to be recognised in profit or loss and also do not need to be changed because:

(a) if the accounting is clarified that the debit entry on initial recognition is recorded against own equity, it would be clearer that recognising the financial liability for the put option does not change the respective ownership interests of the parent and the NCI shareholder at initial recognition or subsequently until the put option is exercised; and

(b) the remeasurement of the financial liability is not a transaction with owners in their capacity as owners.

22. The staff think it is not necessary to make any amendments to IFRS 10. However, it will be useful to clarify in the Basis for Conclusions to the forthcoming ED, why the IASB believes there is no conflict between IAS 32 and IFRS 10, including why the remeasurement of the financial liability is not a transaction with owners in their capacity as owners (as explained in the staff's analysis set out in Agenda Paper 5 of the September 2022 meeting).

Staff recommendation—recognition of remeasurement gains or losses

23. The staff however recommend that paragraph 23 of IAS 32 explicitly requires remeasurement gains or losses on the financial liability to be recognised in profit or loss to avoid any lack of clarity and to reduce diversity in practice.

Staff analysis—initial and subsequent measurement

24. The staff note that the September 2022 IASB tentative decisions did not address measurement of the financial liability recognised applying paragraph 23 of IAS 32. This is because measurement of issued financial instruments is not in the scope of the FICE project. However, because paragraph 23 of IAS 32 requires the financial liability to be recognised at the 'present value of the redemption amount' and refers to IFRS 9 for the subsequent measurement of the financial liability, stakeholders have raised questions about both initial and subsequent measurement of the financial liability.

25. In Agenda Paper 5 of the September 2022 meeting, the staff provided an analysis of the initial measurement of the financial liability and considered the example of a written put option on own shares which is exercisable at the fair value of the shares subject to a cap on the share price. A few IASB members questioned the initial and subsequent measurement of the financial liability. Subsequent to that meeting, the staff conducted further research and received feedback about some concerns arising in practice (see paragraph 28 of this paper).

26. The staff highlight that paragraph 23 of IAS 32 intentionally uses the words 'present value of the redemption amount'. In particular, for obligations to redeem own shares, the probability of the holder exercising the written put option is not considered in its measurement. Paragraph BC12 of the Basis for Conclusions on IAS 32 explains why:

> Some respondents to the Exposure Draft suggested that when an entity writes an option that, if exercised, will result in the entity paying cash in return for receiving its own shares, it is incorrect to treat the full amount of the exercise price as a financial liability because the obligation is conditional upon the option being exercised. The Board rejected this argument because the entity has an obligation to pay the full redemption amount and cannot avoid settlement in cash or another financial asset for the full redemption amount unless the counterparty decides not to

> exercise its redemption right or specified future events or circumstances beyond the control of the entity occur or do not occur. The Board also noted that a change would require a reconsideration of other provisions in IAS 32 that require liability treatment for obligations that are conditional on events or choices that are beyond the entity's control. These include, for example, (a) the treatment of financial instruments with contingent settlement provisions as financial liabilities for the full amount of the conditional obligation […]

27. In the staff's view, paragraph BC12 of IAS 32 explains that exercise of the option by the holder is assumed ie entities would ignore the probability of exercise because they have an obligation to pay the full redemption amount and has no discretion to avoid settlement (whether the redemption right is exercised or not is entirely up to the holder). The staff acknowledge that IAS 32 does not explicitly use the words 'worst case' or 'maximum amount' and that there are different views in practice on how to determine the 'full amount' or 'present value of the redemption amount'. For example, there is a view that the 'worst case' applies but only to the timing of exercise and not the amount.

28. The following are examples of measurement questions and related practice issues that the staff are aware of:

    (a) if the instrument is puttable at fair value or a formula based on the entity's performance (such as x times EBITDA), subject to a cap, does the 'full redemption amount' mean the 'maximum amount' or 'worst case scenario' resulting in initial measurement at the capped amount? Or if the written put is exercisable *at any time,* should it be initially measured at the fair value or formula result (eg x times EBITDA) on initial recognition (which is below the cap) since the assumption is it could be puttable immediately? Similarly, if exercisable at a future date, can you take into account the expected fair value or expected formula result at the future exercise date if it results in an initial measurement that is below the cap?

(b) should a different measurement approach apply to written put options exercisable at fair value without a cap compared to those that are subject to a cap?

(c) which discount rate is used to calculate the present value of the redemption amount for example, can you use a risk-free rate or incremental borrowing rate?

(d) if the initial measurement is at the capped amount, does the financial liability remain at that amount subsequently (other than accounting for the unwinding effect of any discounting) or do you apply paragraph B5.4.6 of IFRS 9 (if measured at amortised cost) or recognise fair value changes (if measured at fair value through profit or loss) taking into account probabilities and estimates in the amount and timing of the contractual cash outflows?

(e) if the initial measurement is at the full redemption amount (less than the capped amount or if there is no cap) which assumes exercise by the holder on the earliest possible date, do you subsequently take into account probabilities of exercise and estimates about timing of the contractual cash outflows applying paragraph B5.4.6 of IFRS 9 (if measured at amortised cost) or applying full fair value accounting (if measured at fair value through profit or loss)?

(f) does paragraph 23 of IAS 32 only address expiry of the put option without delivery of the shares or could redemption for less than the carrying amount be seen as a partial expiry? If the liability is subsequently measured at the capped amount but settled at fair value below the capped amount, is the difference between the settlement amount and the carrying amount recognised in profit or loss or in equity?

(g) how would financial liabilities be measured if there are multiple contingencies? If the contingent event with the highest amount is used for initial and subsequent measurement but one of the other contingencies occurs, is the difference between the lower settlement amount and the higher carrying amount recognised in profit or loss or in equity?

(h) can written put options exercisable at fair value or a formula based on entity performance such as x times EBITDA be subsequently measured at amortised cost? Can EBITDA or an unlisted share price be seen as a non-financial variable specific to a party to the contract and thus exclude contracts linked to them from the definition of a derivative?

Staff recommendation—initial and subsequent measurement

29. Considering the various measurement and related questions in practice, the staff are of the view that most of these are beyond the scope of the current FICE project and addressing them would delay finalisation of the other matters in the scope of the project. One of the objectives of the FICE project as discussed in the October 2019 meeting (Agenda paper 5) was to finalise the amendments in a timely manner. The IASB considers whether a solution can be developed within a timeframe that would not significantly delay the finalisation of the other matters within the scope of the project.

30. The staff think most of the measurement and related issues should be dealt with separately outside the FICE project and that some of these could fall within the scope of the IASB's project on amortised cost measurement which was added to its research pipeline in 2022.

31. However, the staff recommend clarifying that the same measurement approach would apply initially and subsequently. That is, the probability and estimated timing of the holder exercising the written put option is not considered in its initial and subsequent measurement. This would mean assuming immediate payment for financial instruments where the option could be exercised immediately and discounting to the earliest possible payment date where the exercise date could only occur in the future. Such a clarification would not only reduce diversity in practice but also avoid applying a measurement approach after initial recognition that would negate the measurement the IASB intended for these financial liabilities. The staff note that if the subsequent measurement did not use the same assumptions about timing of exercise

as the initial measurement, the measurement objective that the initial measurement achieves would be lost on 'day 2'.

Staff analysis—consistency with paragraph 25 of IAS 32

32. The staff are aware that similar questions arise for initial and subsequent measurement of *some* financial instruments in the scope of paragraph 25 of IAS 32 ie instruments containing contingent settlement provisions where the contingency is associated with the liability component. In December 2021, the IASB tentatively decided to clarify that the liability component of a compound financial instrument with contingent settlement provisions, which could require immediate settlement if a contingent event occurs, is measured at the *full amount of the conditional obligation*. The probability of the contingent event occurring is not considered in measuring the instrument on initial recognition. Paragraph 25 of IAS 32 itself does not explain how the liability should be measured initially or subsequently. Therefore, questions still remain for example, whether the liability would remain measured at the full amount of the conditional obligation subsequently or whether the probability and estimate of the timing of the contingent event occurring could be considered.

33. As discussed in the December 2021 meeting (Agenda Paper 5A) the measurement of financial liabilities containing contingent settlement provisions is mentioned in paragraph BC12 of the Basis for Conclusions on IAS 32 in the context of the IASB's discussion on obligations to redeem own shares (see paragraph 26 of this paper).

34. The staff acknowledge that the scope of paragraph 23 and 25 of IAS 32 are not precisely aligned because:

    (a) paragraph 25 of IAS 32 also applies to financial instruments where the contingency is associated with the equity component in addition to financial instruments where the contingency is associated with the liability component. For example, contingent convertible bonds with a fixed maturity date and fixed interest payments that are convertible into a fixed number of own shares upon a contingent event outside the control of both the issuer and holder.

(b) paragraph 23 of IAS 32 also applies to forward contracts to purchase own equity instruments in addition to written put options on own shares.

35. However, the staff compared the wording of paragraphs 23 and 25 of IAS 32 and considered how best to achieve consistency and alignment because there are similarities between *some* financial liabilities arising from applying both these paragraphs, namely financial instruments with contingent settlement provisions where the contingency is associated with the liability component and written put options on own shares. Both of these financial liabilities:

(a) result from payment that is conditional on an event outside the entity's control eg exercise of the written put option by the holder or the occurrence or non-occurrence of an event outside the control of both issuer and holder; and

(b) are measured at the full amount eg ignoring the probability or estimated timing of exercise by the holder or of the contingent event occurring or not occurring.

Staff recommendation—consistency with paragraph 25 of IAS 32

36. Similar to the staff's recommendation in paragraph 31 of this paper, we recommend clarifying that the same measurement approach would apply initially and subsequently for instruments in the scope of paragraph 25 of IAS 32. That is, the probability and estimated timing of the contingent event occurring is not considered in the initial and subsequent measurement of the financial liability or liability component. This would mean assuming immediate repayment for financial instruments where the conditional event could occur immediately and discounting to the earliest possible repayment date where the conditional event could only occur in the future. Such a clarification would not only reduce diversity in practice but also avoid applying a measurement approach after initial recognition that would negate the measurement the IASB intended for these financial liabilities.

37. The staff also recommend removing the reference in paragraph 23 of IAS 32 to IFRS 9 for subsequent measurement to avoid any confusion and reduce diversity in practice about how to calculate the carrying amount of the financial liability

subsequently. All financial liabilities are in the scope of IFRS 9 so the staff think is not necessary to include this reference specifically for financial liabilities in the scope of paragraph 23 of IAS 32. Removing the reference would also align paragraph 23 with paragraph 25 of IAS 32 which does not refer to IFRS 9 for subsequent measurement of financial liabilities within its scope. In addition, there would be no need for paragraph 23 of IAS 32 to refer to IFRS 9 for subsequent measurement if the IASB clarifies that:

(a) the same measurement approach would apply initially and subsequently for financial liabilities in the scope of paragraph 23 (see paragraph 31 of this paper); and

(b) remeasurement gains or losses on financial liabilities in the scope of paragraph 23 of IAS 32 are recognised in profit or loss (see paragraph 23 of this paper).

Question for the IASB

Question for the IASB
2. Does the IASB agree with the staff's recommendations to: • clarify in paragraph 23 of IAS 32 that gains or losses on remeasuring the financial liability are recognised in profit or loss (paragraph 23 of this paper); • clarify the same measurement approach would apply initially and subsequently for financial liabilities in the scope of paragraph 23 of IAS 32 ie probability and estimated timing of the holder exercising the written put option is not considered in its initial and subsequent measurement (paragraph 31 of this paper); • clarify the same measurement approach would apply initially and subsequently for financial liabilities in the scope of paragraph 25 of IAS 32 ie probability and estimated timing of the contingent event occurring or not occurring is not considered in its initial and subsequent measurement (paragraph 36 of this paper); and • remove reference to IFRS 9 for subsequent measurement from paragraph 23 of IAS 32 (paragraph 37 of this paper).

Presentation sweep issue

Staff analysis

38. In December 2022 (Agenda Paper 5B), the IASB discussed concerns raised by stakeholders relating to an entity's treatment of a subset of financial liabilities if the financial liabilities are measured at fair value through profit or loss in accordance with the requirements in IFRS 9. Some stakeholders have questioned whether it is appropriate for an entity to recognise changes in the carrying amount of the financial liability in profit or loss when the financial liability contains a contractual obligation to pay the holder an amount based on:

    (a) the entity's performance; or

    (b) changes in the entity's net assets.

39. The IASB tentatively decided against adding to the presentation requirements in IAS 1 *Presentation of Financial Statements* for these types of financial liabilities. However, the IASB tentatively decided to require an entity with these types of financial liabilities measured at fair value through profit or loss, to disclose, in each reporting period, the total gains or losses that arise from remeasuring such financial liabilities. These disclosures, together with the proposed disclosures of terms and conditions tentatively agreed to by the IASB in April 2021, will help to meet the information needs of users of financial statements.

40. During the December 2022 meeting, a few IASB members questioned how the proposed disclosure relates to a particular aspect of the requirement in paragraph 41 of IAS 32 (**emphasis added**):

> Gains and losses related to changes in the carrying amount of a financial liability are recognised as income or expense in profit or loss even when they relate to an instrument that includes a right to the residual interest in the assets of the entity in exchange for cash or another financial asset (see paragraph 18(b)). **Under IAS 1 the entity presents any gain or loss arising from**

> **remeasurement of such an instrument separately in the statement of comprehensive income when it is relevant in explaining the entity's performance.**

41. The staff note that the second sentence of paragraph 41 of IAS 32 is referring to the requirement in paragraph 85 of IAS 1:

> An entity shall present additional line items (including by disaggregating the line items listed in paragraph 82), headings and subtotals in the statement(s) presenting profit or loss and other comprehensive income when such presentation is relevant to an understanding of the entity's financial performance.

42. The proposed amendment in paragraph 39 of this paper, as discussed in December 2022, is an extension of the disclosure requirement in paragraph 20(a)(i) of IFRS 7 *Financial Instruments: Disclosures* and would require an entity to disclose the total amount of the change in fair value recognised in profit or loss for these types of financial liabilities **either in the statement of comprehensive income or in the notes**. This would ensure that users of financial statements receive the information they need to distinguish the amount of income or expense from these types of financial liabilities separately from income or expense on other types of liabilities.

43. The staff also do not see the content of the proposed disclosure requirement as a duplication of the presentation requirement in the second sentence of paragraph 41 of IAS 32. This is because the scope of the proposed disclosure requirement is different from the scope of paragraph 41 of IAS 32. The proposed disclosure relates to changes in the fair value measurement of financial liabilities containing contractual obligations to pay amounts based on the entity's performance or changes in the entity's net assets. Paragraph 41 of IAS 32 relates to a broader population as it refers to gains and losses from changes in the carrying amount of financial liabilities *even when* the instrument includes a right to the residual interest in the assets of the entity. For example, it would also apply to financial liabilities subsequently measured at amortised cost or

those not based on the entity's performance or a right to the residual interest in the assets of the entity.

Staff recommendation

44. However, the staff recommend deleting the second sentence of paragraph 41 of IAS 32 to avoid any perceived duplication of requirements and adding a cross-reference to paragraph 85 of IAS 1. However, we note that the requirement in paragraph 85 of IAS 1 would still apply, regardless of whether presentation or the reference to paragraph 85 of IAS 1 is explicitly mentioned in this paragraph.

Question for the IASB

Question for the IASB
3. Does the IASB agree with the staff's recommendation as set out in paragraph 44 of this paper?