

Unit of account for forward contracts with volumetric optionality (IAS 39 *Financial Instruments: Recognition and Measurement*)—March 2010

The IFRIC received a request to add an item to its agenda on providing guidance on whether a contract that (a) obliges an entity to deliver (sell) at a fixed price a fixed number of units of a non-financial item that is readily convertible to cash and (b) that provides the counterparty with the option to purchase also at a fixed price a fixed number of additional units of the same item can be assessed as two separate contracts for the purpose of applying paragraphs 5–7 of IAS 39 [now replaced by paragraphs 2.4, 2.6 and 2.7 of IFRS 9].

Although the IFRIC recognised that significant diversity exists in practice, it noted that the Board has accelerated its project to develop a replacement for IAS 39 and expects to issue a new standard by the end of 2010. The Board will consider the scope of IAS 39, including the guidance about contracts to buy or sell non-financial items in IAS 39.5–7, as part of the replacement for that standard. Therefore, the IFRIC decided not to add this issue to its agenda.