

**PRESS RELEASE**

20 May 2013

**IASB issues IFRIC Interpretation 21: *Levies***

**The International Accounting Standards Board has today issued IFRIC Interpretation 21: *Levies*, an Interpretation on the accounting for levies imposed by governments. The Interpretation had been developed by the IFRS Interpretations Committee ('the Interpretations Committee'), the interpretative body of the IASB.**

The Interpretations Committee was asked to consider how an entity should account for liabilities to pay levies imposed by governments, other than income taxes, in its financial statements. The principal question raised was about when the entity should recognise a liability to pay a levy.

IFRIC 21 is an interpretation of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The Interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.

The Interpretation includes guidance illustrating how the Interpretation should be applied. IFRIC 21 is effective for annual periods beginning on or after 1 January 2014.

**End**

**Press enquiries:**

Mark Byatt, Director of Communications and External Affairs, IFRS Foundation  
Telephone: +44 (0)20 7246 6472  
Email: mbyatt@ifrs.org

Chris Welsh, Communications Manager, IFRS Foundation  
Telephone: +44 (0)20 7246 6495  
Email: cwelsh@ifrs.org

## **Notes to editors**

### **About the IFRS Foundation**

The IFRS Foundation is the oversight body of the International Accounting Standards Board (IASB). The Foundation, through the IASB, is committed to developing, in the public interest, a single set of high quality, global accounting standards that require transparent and comparable information in general purpose financial statements.

The Trustees of the IFRS Foundation promote the work of the International Accounting Standards Board (IASB) and the rigorous application of IFRSs but are not involved in any technical matters relating to the standards. This responsibility rests solely with the IASB.