IFRIC – Items not taken onto the agenda (with final decisions published)
IFRS and IFRIC (IFRIC *Update*)

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The reasons given below reflect past deliberations of the Committee (as published in IFRIC Update http://www.ifrs.org/Updates/IFRIC-Updates/Pages/IFRIC-Updates.aspx), and may not reflect subsequent developments.

Details of the issues that have been considered by the Committee but not added to its agenda are as follows:

#	Date Considered	Issue	Reason for not adding to the IFRIC agenda
IFRS 1 ***First-time Adoption of International Financial Reporting Standards***			
IFRS 1-2	May 2010	***Accounting for costs included in self-constructed assets on transition*** The Committee received two requests concerning the application of IFRSs for an entity that capitalises certain costs, including actuarial gains and losses, as part of self-constructed assets, in accordance with its previous GAAP accounting policies. On transition to IFRSs, the entity changes its accounting policy for actuarial gains and losses and determines that they should no longer be capitalised. The requests ask whether the entity should adjust the carrying amount of self-constructed assets on transition to IFRSs and, if not, how the change in its actuarial gains and losses accounting policy should be reflected in the carrying amount of self-constructed assets in subsequent reporting periods.	The Committee noted that paragraph 7 of IFRS 1 requires an entity to use 'the same accounting policies in its opening IFRS statement of financial position and throughout all periods presented in its first IFRS financial statements'. The Committee concluded that the issue is not currently widespread, although it may impact certain entities in jurisdictions transitioning to IFRS, and that there are not significantly divergent interpretations (either emerging or already existing in practice). Therefore, the Committee decided not to add this issue to its agenda.

#	Date Considered	Issue	Reason for not adding to the IFRIC agenda
IFRS 1-4	September 2010	**IFRS 1 *First-time Adoption of International Financial Reporting Standards* ─ Repeat application of IFRS 1** The Committee received a request identifying an entity that had previously reported in accordance with IFRSs to meet foreign listing requirements, and had applied IFRS 1. However, the entity then delisted and no longer presents its financial statements in accordance with IFRSs, instead reporting only in accordance with its national GAAP. In a subsequent reporting period, the reporting requirements in the entity's local jurisdiction change from national GAAP to IFRSs, and the entity is again required to present its financial statements in accordance with IFRSs. The request asks the Committee to clarify how the entity should transition back to reporting in accordance with IFRSs, and specifically whether it can apply IFRS 1 for a second time. The Committee observed that the scope of IFRS 1 requires an entity to apply the standard in its first IFRS financial statements. Paragraph 3 of IFRS 1 provides examples of when an entity's financial statements are considered to be its first IFRS financial statements. These examples are based upon assessing whether the entity's most recent previous financial statements were presented in accordance with IFRSs.	The Committee noted that an entity is required to apply IFRS 1 for a second time in the circumstances described. However, the Committee observed that the scope of IFRS 1 should be made clearer. Consequently, the Committee decided not to add this issue to its agenda. However, the Committee decided to recommend that the Board should clarify the guidance relating to the repeat application of IFRS 1 as part of *Annual Improvements*.

#	Date Considered	Issue	Reason for not adding to the IFRIC agenda
IFRS 2 ***Share-based Payment***			
IFRS 2-1	November 2005	***Employee share loan plans*** The IFRIC was asked to consider the accounting treatment of employee share loan plans. Under many such plans, employee share purchases are facilitated by means of a loan from the issuer with recourse only to the shares. The IFRIC was asked whether the loan should be considered part of the potential share-based payment, with the entire arrangement treated as an option, or whether the loan should be accounted for separately as a financial asset.	The IFRIC noted that the issue of shares using the proceeds of a loan made by the share issuer, when the loan is recourse only to the shares, would be treated as an option grant in which options were exercised on the date or dates when the loan was repaid. The IFRIC decided it would not expect diversity in practice and would not take this item onto its agenda.

#	Date Considered	Issue	Reason for not adding to the IFRIC agenda
IFRS 2-2	May 2006	***Scope of IFRS 2: Share plans with cash alternatives at the discretion of the entity*** The IFRIC considered whether an employee share plan in which the employer had the choice of settlement in cash or in shares, and the amount of the settlement did not vary with changes in the share price of the entity should be treated as a share-based payment transaction within the scope of IFRS 2 *Share-based Payment*.	The IFRIC noted that IFRS 2 defines a share-based payment transaction as a transaction in which the entity receives goods or services as consideration for equity instruments of the entity or amounts that are based on the price of equity instruments of the entity. IFRIC further noted that the definition of a share-based payment transaction does not require the exposure of the entity to be linked to movements in the share price of the entity. Moreover, it is clear that IFRS 2 contemplates share-based payment transactions in which the terms of the arrangement provide the entity with a choice of settlement, since they are specifically addressed in paragraphs 41 - 43 of IFRS 2. The IFRIC, therefore, believed that, although the amount of the settlement did not vary with changes in the share price of the entity, such share plans are share-based payment transactions in accordance with IFRS 2 since the consideration may be equity instruments of the entity. The IFRIC also believed that, even in the extreme circumstances in which the entity was given a choice of settlement and the value of the shares that would be delivered was a fixed monetary amount, those share plans were still within the scope of IFRS 2. The IFRIC believed that, since the requirements of IFRS 2 are clear, the issue is not expected to create significant divergence in practice. The IFRIC, therefore, decided not to take the issue onto the agenda.

#	Date Considered	Issue	Reason for not adding to the IFRIC agenda
IFRS 2-3	May 2006	***Share plans with cash alternatives at the discretion of employees: grant date and vesting periods*** The IFRIC considered an employee share plan in which employees were provided a choice to have cash at one date or shares at a later date. At the date the transactions were entered into, the parties involved understood the terms and conditions of the plans including the formula that would be used to determine the amount of cash to be paid to each individual employee (or the number of shares to be delivered to each individual employee) but the exact amount of cash or number of shares would only be known at a future date. The IFRIC was asked to confirm the grant date and vesting period for such share plans.	The IFRIC noted that IFRS 2 defines grant date as the date when there is a shared understanding of the terms and conditions. Moreover, IFRS 2 does not require grant date to be the date when the exact amount of cash to be paid (or the exact number of shares to be delivered) is known to the parties involved. The IFRIC further noted that share-based payment transactions with cash alternatives at the discretion of the counterparty are addressed in paragraphs 34 - 40 of IFRS 2. Paragraph 35 of IFRS 2 states that, if an entity has granted the counterparty the right to choose whether a share-based payment transaction is settled in cash or by issuing equity instruments, the entity has granted a compound financial instrument, which includes a debt component (i.e. the counterparty's right to demand cash payment) and an equity component (i.e. the counterparty's right to demand settlement in equity instruments). Paragraph 38 of IFRS 2 states that the entity shall account separately for goods or services received or acquired in respect of each component of the compound financial instrument. The IFRIC, therefore, believed that the vesting period of the equity component and that of the debt component should be determined separately and the vesting period of each component may be different. The IFRIC believed that, since 'grant date' is defined in IFRS 2 and the requirements set out in paragraphs 34 - 40 of IFRS 2 are clear, the issues are not expected to create significant divergence in practice. The IFRIC, therefore, decided that the issues should not be taken onto the agenda.

#	Date Considered	Issue	Reason for not adding to the IFRIC agenda
IFRS 2-4	Nov 2006	***Fair value measurement of post-vesting transfer restrictions*** The IFRIC was asked whether the estimated value of shares issued only to employees and subject to post-vesting restrictions could be based on an approach that would look solely or primarily to an actual or synthetic market that consisted only of transactions between an entity and its employees and in which prices, for example, reflected an employee's personal borrowing rate. The IFRIC was asked whether this approach was consistent with the requirements under IFRS 2.	The IFRIC noted the requirements in paragraph B3 of Appendix B to IFRS 2, which states that, 'if the shares are subject to restrictions on transfer after vesting date, that factor shall be taken into account, but only to the extent that the post-vesting restrictions affect the price that a knowledgeable, willing market participant would pay for that share. For example, if the shares are actively traded in a deep and liquid market, post-vesting transfer restrictions may have little, if any, effect on the price that a knowledgeable, willing market participant would pay for those shares.' Paragraph BC168 of the Basis for Conclusions on IFRS 2 notes that 'the objective is to estimate the fair value of the share option, not the value from the employee's perspective.' Furthermore, paragraph B10 of Appendix B to IFRS 2 states that 'factors that affect the value of the option from the individual employee's perspective only are not relevant to estimating the price that would be set by a knowledgeable, willing market participant.' The IFRIC noted that these paragraphs require consideration of actual or hypothetical transactions, not only with employees, but rather with all actual or potential market participants willing to invest in restricted shares that had been or might be offered to them. The IFRIC believed that the issue was not expected to create significant divergence in practice and that the requirements of IFRS 2 were clear. The IFRIC, therefore, decided not to take the issue onto the agenda.

#	Date Considered	Issue	Reason for not adding to the IFRIC agenda
IFRS 2-5	Nov 2006	***Incremental fair value to employees as a result of unexpected capital restructurings*** The IFRIC was asked to consider a situation in which the fair value of the equity instruments granted to the employees of an entity increased after the sponsoring entity undertook a capital restructuring that was not anticipated at the date of grant of the equity instruments. The original share-based payment plan contained neither specific nor more general requirements for adjustments to the grant in the event of a capital restructuring. As a result, the equity instruments previously granted to the employees became more valuable as a consequence of the restructuring. The issue was whether the incremental value should be accounted for in the same way as a modification to the terms and conditions of the plan in accordance with IFRS 2 *Share-based Payment*.	The IFRIC believed that the specific case presented was not a normal commercial occurrence and was unlikely to have widespread significance. The IFRIC, therefore, decided not to take the issue onto the agenda.

#	Date Considered	Issue	Reason for not adding to the IFRIC agenda
IFRS 2-6	Nov 2006	***Employee benefit trusts in the separate financial statements of the sponsor*** The IFRIC discussed the application to separate financial statements of an issue that had been submitted in connection with the amendment of SIC-12 *Consolidation—Special Purpose Entities* to include within its scope special purpose entities established in connection with equity compensation plans. The issue related to an employee benefit trust (or similar entity) that has been set up by a sponsoring entity specifically to facilitate the transfer of its equity instruments to its employees under a share-based payment arrangement. The trust holds shares of the sponsoring entity that are acquired by the trust from the sponsoring entity or from the market. Acquisition of those shares is funded either by the sponsoring entity or by a bank loan, usually guaranteed by the sponsoring entity. In most circumstances, the sponsoring entity controls the employee benefit trust. In some circumstances, the sponsoring entity may also have a direct control of the shares held by the trust. The issue is whether guidance should be developed on the accounting treatment for the sponsor's equity instruments held by the employee benefit trust in the sponsor's separate financial statements.	The IFRIC discussed whether the employee benefit trust should be treated as an extension of the sponsoring entity, such as a branch, or as a separate entity. The IFRIC noted that the notion of 'entity' is defined neither in the *Framework* nor in IAS 27 *Consolidated and Separate Financial Statements*. The IFRIC then discussed whether the sponsoring entity should, in its separate financial statements, account for the net investment according to IAS 27 or rather for the rights and obligations arising from the assets and liabilities of the trust. The IFRIC noted that, in some circumstances, the sponsoring entity may have direct control of the shares held by the trust. The IFRIC also noted that the guidance included in the Framework and IAS 27 does not address the accounting for the shares held by the trust in the sponsor's separate financial statements. The IFRIC concluded that it could not reach a consensus on this matter on a timely basis, given the different types of trusts and trust arrangements that exist. The IFRIC noted that this issue related to two active projects of the IASB: the Conceptual Framework and the revision of IAS 27 *Consolidated and Separate Financial Statements* in the course of the Consolidation project. For these reasons, the IFRIC decided not to take the issue onto its agenda.

#	Date Considered	Issue	Reason for not adding to the IFRIC agenda
IFRS 2-13	January 2010	***Transactions in which the manner of settlement is contingent on future events*** The IFRIC received a request to clarify the classification and measurement of share-based payment transactions for which the manner of settlement is contingent on either: • a future event that is outside the control of both the entity and the counterparty; or • a future event that is within the control of the counterparty. The IFRIC noted that paragraphs 34-43 of IFRS 2 provide guidance only on share-based payment transactions in which the terms of the arrangement provide the counterparty or the entity with a choice of settlement.	The IFRIC noted that IFRS 2 does not provide guidance on share-based payment transactions for which the manner of settlement is contingent on a future event that is outside the control of both the entity and the counterparty. The IFRIC noted that many other issues have been raised concerning the classification and measurement of share-based payments as cash-settled or equity-settled. The IFRIC therefore noted that it would be more appropriate for these issues to be considered collectively as part of a post-implementation review of IFRS 2. Therefore, the IFRIC decided not to add these issues to its agenda and recommended that those issues be dealt with by the IASB in a post-implementation review of IFRS 2.

#	Date Considered	Issue	Reason for not adding to the IFRIC agenda
IFRS 2 -15	September 2010	***Share-based payment awards settled net of tax withholdings*** The Committee received a request to consider the classification of a share-based payment transaction in which the entity withholds a specified portion of the shares that would otherwise be issued to the counterparty upon exercise (or vesting) of the share-based payment award. The shares are withheld by the entity in return for settling the counterparty's tax withholding obligation associated with the share-based payment. The request received by the Committee asked whether the portion of the share-based payment that is withheld should be classified as cash-settled or equity-settled. Under US GAAP, such arrangements do not require liability classification for any portion of the share-based payment award. The Committee noted that the definitions in Appendix A *Defined terms* of IFRS 2 of 'cash-settled share-based payment transaction' and 'equity-settled share-based payment transaction' provide that an award is classified as cash-settled if the entity incurs a liability to transfer cash or other assets as a result of acquiring goods or services. In the circumstances considered by the Committee, cash is transferred to the tax authority, in settlement of the counterparty's tax obligation, in respect of the shares withheld.	The Committee noted that IFRS 2 provides sufficient guidance to address this issue and that it does not expect diversity in practice. Consequently, the Committee [decided] not to add the issue to its agenda. Additionally, the Committee recommended that the issue should be reconsidered by the Board as part of its post-implementation review of IFRS 2 to determine if the introduction of an exception in IFRS 2, to permit equity-settled classification of the portion of the share-based payment withheld, would be appropriate.

#	Date Considered	Issue	Reason for not adding to the IFRIC agenda
IFRS 2-15	March 2011	The Interpretations Committee received a request to consider the classification of a share-based payment transaction in which the entity withholds a specified portion of the shares that would otherwise be issued to the counterparty upon exercise (or vesting) of the share-based payment award. The shares are withheld by the entity in return for settling the counterparty's tax withholding obligation associated with the share-based payment. The request received by the Committee asked whether the portion of the share-based payment that is withheld should be classified as cash-settled or equity-settled. The Committee identified a number of issues arising from the submission for which the application of the requirements of IFRS 2 caused concern, such as separately classifying components of a single award.	The Committee decided not to add the issue to its agenda because addressing these concerns would require an amendment to IFRS 2. Instead, the Committee decided to recommend to the Board that this issue should be included in a future agenda proposal for IFRS 2.

#	Date Considered	Issue	Reason for not adding to the IFRIC agenda
IFRS 2-20	May 2013	**Timing of the recognition of intercompany recharges** The Interpretations Committee received a request for clarification about IFRS 2 *Share-based Payment* relating to intragroup recharges made in respect of share-based payments. In the submitter's example, the parent company of an international group grants share-based awards to the employees of its subsidiaries. The obligation to settle these awards is the parent's. The awards are based on the employee's service to the subsidiary. The subsidiary and the parent both recognise the share-based transaction in accordance with IFRS 2—typically over the vesting period of the awards. The parent has also entered into recharge agreements with its subsidiaries that require the subsidiaries to pay the parent the value of the share-based awards upon settlement of the awards by the parent. The submitter asked whether the subsidiary's liability to its parent in respect of these charges should be recognised from the date of grant of the award or at the date of exercise of the award. Outreach conducted suggests that there is diversity in practice in the recognition of these liabilities. Some respondents view the recharge and the share-based payments as linked and recognise both from the date of grant over the vesting period. Others think that the recharge is a separate transaction recognised by analogy with liabilities, the distribution of equity or as an executory contract.	When discussing accounting for the intercompany recharge transaction, the Interpretations Committee was concerned at the breadth of the topic. It thought that resolving this issue would require it to address the accounting for intragroup payment arrangements generally within the context of common control and that any conclusions drawn could have unintended consequences on the treatment of other types of intercompany transactions. In the absence of guidance about intercompany transactions within existing Standards and the Conceptual Framework, they did not think that they would be able to resolve this issue efficiently. For that reason, the Interpretations Committee decided not to add this issue to its agenda.

#	Date Considered	Issue	Reason for not adding to the IFRIC agenda
IFRS 2-21	July 2014	***Price difference between the institutional offer price and the retail offer price for shares in an initial public offering*** The Interpretations Committee received a request to clarify how an entity should account for a price difference between the institutional offer price and the retail offer price for shares issued in an initial public offering (IPO). The submitter refers to the fact that the final retail price could be different from the institutional price because of: (a) an unintentional difference arising from the book-building process; or (b) an intentional difference arising from a discount given to retail investors by the issuer of the equity instruments as indicated in the prospectus. The submitter described a situation in which the issuer needs to fulfil a minimum number of shareholders to qualify for a listing under the stock exchange's regulations in its jurisdiction. In achieving this minimum number the issuer may offer shares to retail investors at a discount from the price at which shares are sold to institutional investors. The submitter asked the Interpretations Committee to clarify whether the transaction should be analysed within the scope of IFRS 2.	The Interpretations Committee observed that in the fact pattern considered in this submission the listing is not received from the institutional or retail shareholders. It further observed that the fair value of the shares issued to retail investors is different from the fair value of the shares issued to institutional investors. The fact that a regulatory requirement is met by virtue of issuing the retail shares does not indicate that unidentifiable goods or services were received from the purchasers. On the basis of this analysis, the Interpretations Committee determined that, in the light of the existing IFRS requirements, sufficient guidance exists and that neither an Interpretation nor an amendment to a Standard was necessary. Consequently, the Interpretations Committee decided not to add this issue to its agenda.

#	Date Considered	Issue	Reason for not adding to the IFRIC agenda
IFRS 3 *Business Combinations*			
IFRS 3-1	February 2005	***Acquisition of a minority interest*** The IFRIC discussed a potential agenda item regarding the accounting for the acquisition by the reporting entity of a third party interest in a subsidiary.	The IFRIC recognised that this is an urgent issue and that there is wide divergence in current practice, but that this issue is to be addressed in the Board's Phase 2 project on Business Combinations. The IFRIC concluded that it would monitor the progress of the Board's project, and reconsider whether to add the issue to the agenda later in 2005. No further decisions were made at this meeting regarding issues to be added to the agenda.
IFRS 3-2	March 2006	***Whether a New Entity that pays Cash can be identified as the Acquirer*** The IFRIC considered an issue regarding whether a new entity formed to effect a business combination in which it pays cash as consideration for the business acquired could be identified as the acquirer.	IFRS 3.22 states that when a new entity is formed to issue equity instruments to effect a business combination, one of the combining entities that existed before the combination shall be identified as the acquirer on the basis of the evidence available. The IFRIC decided that, as it is clear that IFRS 3.22 does not prohibit a newly formed entity that pays cash to effect a business combination from being identified as the acquirer, it would not expect diversity in practice and would not take this item onto its agenda.

#	Date Considered	Issue	Reason for not adding to the IFRIC agenda
IFRS 3-3	March 2006	***'Transitory' Common Control*** The IFRIC considered an issue regarding whether a reorganisation involving the formation of a new entity to facilitate the sale of part of an organisation is a business combination within the scope of IFRS 3.	IFRS 3 does not apply to business combinations in which all the combining entities or businesses are under common control both before and after the combination, unless that control is transitory. It was suggested to the IFRIC that, because control of the new entity is transitory, a combination involving that newly formed entity would be within the scope of IFRS 3. IFRS 3.22 states that when an entity is formed to issue equity instruments to effect a business combination, one of the combining entities that existed before the combination must be identified as the acquirer on the basis of the evidence available. The IFRIC noted that, to be consistent, the question of whether the entities or businesses are under common control applies to the combining entities that existed before the combination, excluding the newly formed entity. Accordingly, the IFRIC decided not to add this topic to its agenda. The IFRIC also considered a request for guidance on how to apply IFRS 3 to reorganisations in which control remains within the original group. The IFRIC decided not to add this topic to the agenda, since it was unlikely that it would reach agreement in a reasonable period, in the light of existing diversity in practice and the explicit exclusion of common control transactions from the scope of IFRS 3.

#	Date Considered	Issue	Reason for not adding to the IFRIC agenda
IFRS 3-4	Nov 2006	***Are puts or forwards received by minority interests in a business combination contingent consideration?*** The IFRIC considered a request for an interpretation of whether a put or forward entered into by a parent entity, as part of a business combination, to acquire the shares held by the [non-controlling] minority interest was contingent or deferred consideration.	The accounting for these arrangements, including the circumstances considered by the IFRIC, was being considered by the Board as part of the current redeliberations on the proposed revised IFRS 3 *Business Combinations*. The IFRIC expected that the revised IFRS 3 would assist in clarifying whether this type of arrangement includes a component of contingent consideration. The IFRIC therefore believed that it could not develop guidance more quickly than it was likely to be developed in the Business Combinations project and decided not to take a project on this issue onto its agenda.
IFRS 3-5	May 2007	***Reassessments on a business combination*** The IFRIC was asked to provide guidance on whether, and in what circumstances, a business combination triggers reassessment of the acquiree's classification or designation of assets, liabilities, equity and relationships acquired in a business combination. Reassessment issues include, for instance, whether embedded derivatives should be separated from the host contract, the continuation or de-designation of hedge relationships and the classification of leases as operating or finance leases.	At its meeting in February 2007, the Board decided that the issue should be dealt with in Business Combinations phase II. Given that decision, the IFRIC decided not to take this item on to its agenda.

#	Date Considered	Issue	Reason for not adding to the IFRIC agenda
IFRS 3-9	September 2011	**Business combinations involving newly formed entities: factors affecting the identification of the acquirer** The Interpretations Committee received a request for guidance on the circumstances or factors that are relevant when identifying an acquirer in a business combination under IFRS 3. More specifically, the submitter described a fact pattern in which a group plans to spin off two of its subsidiaries using a new entity ('Newco'). Newco will acquire these subsidiaries for cash from the parent company (Entity A) only on condition of the occurrence of Newco's initial public offering (IPO). The cash paid by Newco to Entity A to acquire the subsidiaries is raised through the IPO. After the IPO occurs, Entity A loses control of Newco. If the IPO does not take place, Newco will not acquire the subsidiaries.	The Committee observed that the accounting for a fact pattern involving the creation of a newly formed entity is too broad to be addressed through an interpretation or through an annual improvement. The Committee determined that the specific fact pattern submitted would be better considered within the context of a broader project on accounting for common control transactions, which the Board is planning to address at a later stage. Consequently, the Interpretations Committee decided not to add the issue to its agenda and recommended the Board to consider the fact pattern described in the submission as part of its project on common control transactions.

#	Date Considered	Issue	Reason for not adding to the IFRIC agenda
IFRS 3-11	September 2011	**Business combinations involving newly formed entities: business combinations under common control** The Interpretations Committee received a request for guidance on accounting for common control transactions. More specifically, the submission describes a fact pattern that illustrates a type of common control transaction in which the parent company (Entity A), which is wholly owned by Shareholder A, transfers a business (Business A) to a new entity (referred to as 'Newco') also wholly owned by Shareholder A. The submission requests clarification on (a) the accounting at the time of the transfer of the business to Newco; and (b) whether an initial public offering (IPO) of Newco, which might occur after the transfer of Business A to Newco, is considered to be relevant in analysing the transaction under IFRS 3.	The Committee observed that the accounting for common control transactions is too broad to be addressed through an interpretation or through an annual improvement. The Committee also noted that the issues raised by the submitter have previously been brought to the Board's attention. The Committee determined that the specific fact pattern submitted would be better considered within the context of a broader project on accounting for common control transactions, which the Board is planning to address at a later stage. Consequently, the Interpretations Committee decided not to add the issue to its agenda and recommended the Board to consider the fact pattern described in the submission as part of its project on common control transactions.

#	Date Considered	Issue	Reason for not adding to the IFRIC agenda
IFRS 3-12	September 2011	**Acquirer in a reverse acquisition** The Interpretations Committee received a request for guidance asking whether a business that is not a legal entity could be considered to be the acquirer in a reverse acquisition under IFRS 3. The Committee noted that in accordance with paragraph 7 of IFRS 3, the acquirer is 'the entity that obtains control of the acquiree' and, in accordance with Appendix A of IFRS 3, the acquiree is 'the business or businesses that the acquirer obtains control of in a business combination'. Paragraph B19 in IFRS 3 states that '...The entity whose equity interests are acquired (the legal acquiree) must be the acquirer for accounting purposes for the transaction to be considered a reverse acquisition.'	The Committee observed that IFRSs and the current Conceptual Framework do not require a 'reporting entity' to be a legal entity. Consequently, the Committee noted that an acquirer that is a reporting entity, but not a legal entity, can be considered to be the acquirer in a reverse acquisition. The Committee noted that this issue is not widespread. Consequently, the Committee decided not to add this issue to its agenda.

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IFRS 3-13	January 2013	The Interpretations Committee received a request for guidance on the accounting in accordance with IFRS 3 *Business Combinations* for contingent payments to selling shareholders in circumstances in which those selling shareholders become, or continue as, employees. The submitter asked the Interpretations Committee to clarify whether paragraph B55(a) of IFRS 3 is conclusive in determining that payments to an employee that are forfeited upon termination of employment are remuneration for post-combination services and not part of the consideration for an acquisition. The question arose because the submitter asserted that paragraph B55 introduces subparagraphs (a)–(h) as indicators, but paragraph B55(a) uses conclusive language stating that the arrangement described is remuneration for post-combination services.	The Interpretations Committee observed that an arrangement in which contingent payments are automatically forfeited if employment terminates would lead to a conclusion that the arrangement is compensation for post-combination services rather than additional consideration for an acquisition, unless the service condition is not substantive. The Interpretations Committee reached this conclusion on the basis of the conclusive language used in paragraph B55(a) of IFRS 3. The Interpretations Committee also noted that IFRS 3 is part of the joint effort by the IASB and the US-based Financial Accounting Standards Board (FASB) to promote the convergence of accounting standards. The Interpretations Committee was advised that the Post-implementation Review of FASB Statement No. 141R *Business Combinations* is in progress, and that the opportunity to co-ordinate any work on this issue with the FASB would arise after the conclusion of the Post-implementation Review of FASB Statement No. 141R. Consequently, the Interpretations Committee decided not to add this issue to its agenda at this time and to revisit this issue after completion of the Post-implementation Review of FASB Statement No. 141R.
IFRS 3-14	March 2013	**Accounting for reverse acquisitions that do not constitute a business** The Interpretations Committee received requests for guidance on how to account for transactions in which the former shareholders of a non-listed operating entity become the majority shareholders of the combined entity by exchanging their shares for new shares of a listed non-operating entity. However, the transaction is structured such that the listed non-operating entity acquires the entire share capital of the	The Interpretations Committee observed that on the basis of the guidance in paragraph 13A of IFRS 2, any difference in the fair value of the shares deemed to have been issued by the accounting acquirer and the fair value of the accounting acquiree's identifiable net assets represents a service received by the accounting acquirer. The Interpretations Committee concluded that, regardless of the level of monetary or non-monetary assets owned by the non-listed operating entity, the entire difference should be considered to be payment for a service of a stock exchange listing for

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		non-listed operating entity. In the absence of a Standard that specifically applies to this transaction the Interpretations Committee observed that the analysed transaction has some features of a reverse acquisition under IFRS 3 because the former shareholders of the legal subsidiary obtain control of the legal parent. Consequently, it is appropriate to apply by analogy, in accordance with paragraphs 10–12 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, the guidance in paragraphs B19–B27 of IFRS 3 for reverse acquisitions. Application of the reverse acquisitions guidance by analogy results in the non-listed operating entity being identified as the accounting acquirer, and the listed non-operating entity being identified as the accounting acquiree. The Interpretations Committee noted that in applying the reverse acquisition guidance in paragraph B20 of IFRS 3 by analogy, the accounting acquirer is deemed to have issued shares to obtain control of the acquiree. If the listed non-operating entity qualifies as a business on the basis of the guidance in paragraph B7 of IFRS 3, IFRS 3 would be applicable to the transaction. However, if the listed non-operating entity is not a business, the transaction is not a business combinations and is therefore not within the scope of IFRS 3. Because the analysed transaction is not within the scope of IFRS 3, the Interpretations Committee noted that it is therefore a share-based payment transaction which should be accounted for in accordance with IFRS 2.	its shares, and that no amount should be considered a cost of raising capital. The Interpretations Committee observed that the service received in the form of a stock exchange listing does not meet the definition of an intangible asset because it is not “identifiable” in accordance with paragraph 12 of IAS 38 *Intangible Assets* (ie it is not separable). The service received also does not meet the definition of an asset that should be recognised in accordance with other Standards and the *Conceptual Framework*. The Interpretations Committee also observed that on the basis of the guidance in paragraph 8 of IFRS 2 which states that “when the goods or services received or acquired in a share-based payment transaction do not qualify for recognition as assets, they shall be recognised as expenses”, the cost of the service received is recognised as an expense. On the basis of the analysis above, the Interpretations Committee determined that, in the light of the existing IFRS requirements, neither an interpretation nor an amendment to Standards was necessary and consequently decided not to add this issue to its agenda.
IFRS 3- 17	May 2013	**Associates and common control**	The Interpretations Committee was specifically concerned

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		In October 2012, the Interpretations Committee received a request seeking clarification of the accounting for an acquisition of an interest in an associate or joint venture from an entity under common control. The submitter's question is whether it is appropriate to apply the scope exemption for business combinations under common control, which is set out in IFRS 3 *Business Combinations*, by analogy to the acquisition of an interest in an associate or joint venture under common control. The Interpretations Committee observed that paragraph 32 of IAS 28 *Investments in Associates and Joint Ventures* has guidance on the acquisition of an interest in an associate or joint venture and does not distinguish between acquisition of an investment under common control and acquisition of an investment from an entity that is not under common control. The Interpretations Committee also observed that paragraph 10 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* requires management to use its judgement in developing and applying an accounting policy only in the absence of a Standard that specifically applies to a transaction. The Interpretations Committee also observed that paragraph 26 of IAS 28 states that many of the procedures that are appropriate for the application of the equity method are similar to the consolidation procedures described in IFRS 10 *Consolidated Financial Statements*. That paragraph further states that the concepts underlying the procedures used in accounting for the acquisition of a subsidiary are also adopted in accounting for the acquisition of an investment in an associate or a joint venture. The Interpretations Committee also observed that	that this lack of clarity has led to diversity in practice for the accounting of the acquisition of an interest in an associate or joint venture under common control. The Interpretations Committee noted that accounting for the acquisition of an interest in an associate or joint venture under common control would be better considered within the context of broader projects on accounting for business combinations under common control and the equity method of accounting. The Interpretations Committee also noted that the IASB, in its May 2012 meeting, added a project on accounting for business combinations under common control as one of the priority research projects as well as a project on the equity method of accounting as one of the research activities to its future agenda. Consequently, the Interpretations Committee decided not to take this issue onto its agenda.

#	Date Considered	Issue	Reason for not adding to the IFRIC agenda
		paragraph 2(c) of IFRS 3 states that IFRS 3 does not apply to a combination of entities or businesses under common control. The Interpretations Committee observed that some might read these paragraphs as contradicting the guidance in paragraph 32 of IAS 28, and so potentially leading to a lack of clarity.	
IFRS 3-24	May 2014	***Identification of the acquirer in accordance with IFRS 3 and the parent in accordance with IFRS 10 Consolidated Financial Statements in a stapling arrangement*** The Interpretations Committee received a request to clarify the interaction of the requirements in IFRS 3 (as revised in 2008) for identifying an acquirer with the requirements in IFRS 10 for deciding whether control exists. More specifically, the submitter is seeking clarification of whether an acquirer identified for the purpose of IFRS 3 (as revised in 2008) is a parent for the purpose of IFRS 10 in circumstances in which a business combination is achieved by contract alone, such as a stapling arrangement, with no combining entity obtaining control of the other combining entities.	The Interpretations Committee noted that there is little diversity in practice for the accounting for business combinations achieved by contract alone. It further noted that it does not expect diversity to emerge in the future on the basis of the analysis on the requirements and guidance in IFRS 3 (as revised in 2008) and IFRS 10. Accordingly, the Interpretations Committee decided not to add this issue to its agenda.
IFRS3R – 1	March 2009	***Customer-related intangible assets*** The IFRIC received a request to add an item to its agenda to provide guidance on the circumstances in which a non-contractual customer relationship arises in a business combination. IFRS 3 (as revised in 2008) requires an acquirer to recognise the identifiable intangible assets of the acquiree separately from goodwill. An intangible asset is identifiable if it	In the light of the explicit guidance in IFRS 3, the IFRIC decided that developing an Interpretation reflecting its conclusion is not possible. Noting widespread confusion in practice on this issue, the IFRIC decided that it could be best resolved by referring it to the IASB and the FASB with a recommendation to review and amend IFRS 3 by:

#	Date Considered	Issue	Reason for not adding to the IFRIC agenda
		meets either the contractual-legal criterion or the separable criterion in IAS 38 *Intangible Assets*. Contractual customer relationships are always recognised separately from goodwill because they meet the contractual-legal criterion. However, non-contractual customer relationships are recognised separately from goodwill only if they meet the separable criterion. The IFRIC noted that the IFRS Glossary defines the term 'contract'. Paragraphs B31─B40 of IFRS 3 provide application guidance on the recognition of intangible assets and the different criteria related to whether they are established on the basis of a contract. The IFRIC also noted that paragraph IE28 in the illustrative examples accompanying IFRS 3 provides indicators for identifying the existence of a customer relationship between an entity and its customer and states that a customer relationship 'may also arise through means other than contracts, such as through regular contact by sales or service representatives.' The IFRIC concluded that how the relationship is established helps to identify whether a customer relationship exists but should not be the primary basis for determining whether the acquirer recognises an intangible asset. The IFRIC noted that the criteria in paragraph IE28 might be more relevant. The existence of contractual relationships and information about a customer's prior purchases would be important inputs in valuing a customer relationship intangible asset but should not determine whether it is recognised.	▪ removing the distinction between 'contractual' and 'non-contractual' customer-related intangible assets recognised in a business combination; and ▪ reviewing the indicators that identify the existence of a customer relationship in paragraph IE28 of IFRS 3 and including them in the standard.

#	Date Considered	Issue	Reason for not adding to the IFRIC agenda
IFRS 3R-2	July 2009	***Acquisition related costs in a business combination*** The IFRIC has received requests to clarify the treatment of acquisition-related costs that the acquirer incurred before it applies IFRS 3 (as revised in 2008) that relate to a business combination that is accounted for according to the revised IFRS. In accordance with the revised IFRS 3, because acquisition-related costs are not part of the exchange transaction between the acquirer and the acquiree (or its former owners), they are not considered part of the business combination. Therefore, except for costs to issue debt or equity securities that are recognised in accordance with IAS 32 and IAS 39, the revised IFRS 3 requires an entity to account for acquisition-related costs as expenses in the periods in which the costs are incurred and the services are received. In contrast, IFRS 3 (as issued in 2004) required the acquisition-related costs to be included in the cost of a business combination.	The IFRIC noted that more than one interpretation of how the requirements of the two IFRSs interact is possible. Accordingly, the IFRIC concluded that an entity should disclose its accounting policy for such costs and the amount recognised in the financial statements. Because this is a transitional issue that will not arise for accounting periods beginning on after 1 July 2009, the IFRIC decided not to add the issue to its agenda.

#	Date Considered	Issue	Reason for not adding to the IFRIC agenda
IFRS 3R-3	July 2009	***Earlier application of revised IFRS 3*** The IFRIC has received requests to clarify whether IFRS 3 (as revised in 2008) must be applied from the beginning of an annual period if it is adopted early. The IFRIC noted that paragraph 64 of IFRS 3 (as revised in 2008) requires the revised IFRS to be applied for the whole annual period if it is applied early. The IFRIC also noted that the question of whether an entity can decide during a reporting period to apply a revised IFRS early is not unique to the revised IFRS 3. The IFRIC observed that this question should be answered in accordance with the general principles in IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. Accordingly, if an entity chooses to apply the revised IFRS 3 early, it must apply it to all business combinations that occurred in the annual period in which the revised IFRS is first applied.	The IFRIC concluded that relevant guidance on the early application of the revised IFRS 3 exists in IFRSs and it did not expect divergence in practice. Therefore, the IFRIC decided not to add the issue to its agenda.

#	Date Considered	Issue	Reason for not adding to the IFRIC agenda
IFRS 3R-4	November 2009	***Measurement of NCI*** The IFRIC received requests to clarify whether an entity should apply the measurement choice in paragraph 19 of IFRS 3 (as revised in 2008) to all components of non-controlling interest (NCI). Paragraph 19 states that, for each business combination, the acquirer shall measure any NCI in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. In addition to minority interests as defined in IFRS 3 (issued in 2004), the definition of NCI includes, for example, options or warrants over an acquiree's own shares that are classified as equity and the equity component of a convertible instrument. Some believe that if an entity chooses to measure NCI as a proportionate share of the acquiree's identifiable net assets, it should apply this measurement to all components of the acquiree's equity. The consequence would be that instruments other than those equivalent to minority interest would be measured at nil on acquisition.	The IFRIC noted that it would be appropriate that the measurement choice should apply only to instruments currently entitled to a proportionate share of the acquiree's net assets. However, because IFRSs do not provide sufficient guidance to resolve this issue an amendment to revised IFRS 3 is required. Therefore, the IFRIC decided not to add the issue to its agenda but to recommend that the Board amend IFRS 3 to address the issues identified as a part of the annual improvements project.

#	Date Considered	Issue	Reason for not adding to the IFRIC agenda
IFRS 3R-5	November 2009	***Unreplaced and voluntarily replaced share-based payment awards*** The IFRIC received requests to clarify the measurement of unreplaced and voluntarily replaced share-based payment awards of an acquiree in a business combination. IFRS 3 (as revised in 2008) contains requirements for outstanding acquiree share-based payment awards that the acquirer is obliged to replace or that expire as a consequence of the business combination. However, IFRSs do not provide requirements for other acquiree share-based payment awards. As a consequence, divergent interpretations have developed in practice as to how those awards should be accounted for.	The IFRIC noted that when an acquirer does not replace unexpired share-based payment awards of the acquiree or voluntarily issues share-based payment awards to replace such awards, at least some portion of the amount recognised for those awards should be regarded as part of the consideration transferred in the business combination. However, because IFRSs do not provide sufficient guidance to resolve this issue an amendment to IFRS 3 (as revised in 2008) is required. Therefore, the IFRIC decided not to add the issue to its agenda. However, the IFRIC recommended that the Board amend revised IFRS 3 to address the issues identified as a part of the annual improvements project.

#	Date Considered	Issue	Reason for not adding to the IFRIC agenda
IFRS 4 Insurance Contracts			
IFRS 4-1	November 2005	***Discretionary participation features in insurance contracts or financial liabilities*** The IFRIC received a request for interpretative guidance on: • the definition of a discretionary participation feature (DPF) in IFRS 4 Insurance Contracts • the interaction of the liability adequacy test (paragraphs 15-19 of IFRS 4) with the minimum measurement of the guaranteed element of a financial liability containing a DPF (paragraph 35(b) of IFRS 4)	The IFRIC was informed of concerns that key disclosures regarding these features are required only in respect of items regarded as DPF. Consequently, a narrow interpretation of DPF would fail to ensure clear and comprehensive disclosure about contracts that include these features. The IFRIC noted that disclosure is particularly important in this area, given the potential for a wide range of treatments until the IASB completes phase II of the project on insurance contracts. The IFRIC noted that IFRS 4 requires an insurer to disclose information that identifies and explains the amounts in its financial statements arising from insurance contracts (paragraph 36) and information that helps users to understand the amount, timing and uncertainty of future cash flows from insurance contracts (paragraph 38). The IFRIC also noted that the Guidance on Implementing IFRS 4 was designed to help entities to develop disclosures about insurance contracts that contain a DPF. The IFRIC decided not to add this topic to the agenda, because it involves some of the most difficult questions that the IASB will need to resolve in phase II of its project on insurance contracts. The fact that, in developing IFRS 4, the IASB chose to defer such questions to phase II limits the scope for reducing diversity through an Interpretation.

#	Date Considered	Issue	Reason for not adding to the IFRIC agenda
IFRS 4-2	January 2010	***Scope issue for REITs*** In some jurisdictions, a Real Estate Investment Trust (REIT) is a tax or regulatory designation used for an entity investing in real estate that meets certain criteria, for example to attain preferential income tax status. In some of these cases, the contractual terms of the ownership units of such REITs require it to distribute 90% of the Total Distributable Income (TDI) to the investors. The remaining 10% of TDI may be distributed at the discretion of management. The IFRIC received a request to provide guidance on whether the discretion to distribute the remaining 10% of TDI met the definition of a Discretionary Participation Feature (DPF) as defined in IFRS 4. If the DPF definition is met, IFRS 4 permits the ownership units to be classified as a liability rather than assessing the instrument for financial liability and equity components in accordance with IAS 32.	The IFRIC noted that the objective of IFRS 4 is to specify the financial reporting for insurance contracts. The IFRIC noted that the definition of DPF in Appendix A of IFRS 4 requires, amongst other things, that the instrument provides the holder with guaranteed benefits and that the DPF benefits are additional to those guaranteed benefits. Furthermore, the IFRIC noted that there must be guaranteed benefits to the holder for the definition to be met and that such guaranteed benefits are typically those present in insurance activities. The IFRIC noted that providing guidance on this issue would be in the nature of application guidance, rather than interpretative guidance. Therefore, the IFRIC decided not to add the issue to its agenda.

#	Date Considered	Issue	Reason for not adding to the IFRIC agenda
IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations			
IFRS 5-1	July 2007	***Plan to sell the controlling interest in a subsidiary*** The IFRIC was asked to provide guidance on applying IFRS 5 when an entity is committed to a plan to sell the controlling interest in a subsidiary. The request considered situations in which the entity retained a non-controlling interest in its former subsidiary, taking the form of either an investment in an associate, an investment in a joint venture or a financial asset. The submitter raised four issues relating to the consolidated financial statements of the entity: • What triggers classification of the subsidiary's assets and liabilities as held for sale under IFRS 5? • When classification as held for sale is required, should all the subsidiary's assets and liabilities be classified as held for sale or only the portion to be sold? • Is classification as a discontinued operation relevant when the entity plans to retain significant influence over its former subsidiary after the sale? • After the sale, how should the remaining non-controlling equity investment be measured?	In considering the first two issues, the IFRIC noted that paragraph 6 of IFRS 5 states: 'An entity shall classify a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use' [emphasis added]. The IFRIC decided to recommend to the Board that it amend IFRS 5 to clarify whether the criteria for classification as held for sale are met for all of a subsidiary's assets and liabilities when the parent is committed to a plan that involves loss of control over the subsidiary. The IFRIC believed that IFRS 5 should be amended to clarify that having a plan that meets the conditions in IFRS 5 involving loss of control over a subsidiary should trigger classification as held for sale of all the subsidiary's assets and liabilities. On the third issue, the IFRIC noted that a disposal group classified as held for sale will also be a discontinued operation if the criteria of paragraph 32 of IFRS 5 are met. Because the IFRIC did not expect divergence to emerge in practice, it decided not to address the issue. The IFRIC also noted that IFRS/US GAAP differences are likely to arise until a common definition of discontinued operations is adopted with a consistent approach to continuing involvement (as discussed in BC70 of IFRS 5). The IFRIC noted that the last issue is being considered in the Board's joint project on business combinations and, therefore, decided not to address that issue.

#	Date Considered	Issue	Reason for not adding to the IFRIC agenda
IFRS 5-2	September 2007	***Disclosures*** The IFRIC received a request to clarify whether the disclosure requirements of other standards, in the absence of specific exclusion, would apply to non-current assets (or disposal groups) classified as held for sale or discontinued operations in accordance with IFRS 5. At the May 2007 IFRIC meeting, the staff presented a paper with two alternative views: • view A: IFRS 5 and other standards that specifically relate to non-current assets (or disposal groups) classified as held for sale or discontinued operations set out all the disclosures required in respect of those assets or operations. Disclosures required by other standards do not apply to such assets (or disposal groups); • view B: disclosures required by IFRSs, whose scope does not exclude non-current assets (or disposal groups) classified as held for sale or discontinued operations, continue to apply to such assets (or disposal groups).	The IFRIC believed that this issue could be resolved efficiently through an amendment to clarify IFRS 5 and decided to draw the issue to the attention of the Board rather than taking the item on to its own agenda. The IFRIC also believed that such an amendment should generally reflect view A, but believed that additional disclosures about such assets (or disposal groups) may be necessary to comply with the general requirements of IAS 1 *Presentation of Financial Statements*.

#	Date Considered	Issue	Reason for not adding to the IFRIC agenda
IFRS 5-3	November 2009	***Write-down of a disposal group*** The IFRIC received a request for guidance on how a disposal group should be recognised at the lower of its carrying amount and fair value less costs to sell when the difference between the carrying amount and fair value less costs to sell exceeds the carrying amount of non-current assets. The IFRIC noted paragraph 23 of IFRS 5 requires the impairment loss recognised for a disposal group to be allocated to reduce the carrying amount of the non-current assets of the group that are within the measurement requirements of IFRS 5. This can result in a conflict between IFRS 5's requirement to recognise the disposal group at fair value less costs to sell and its limitation on the assets to which that loss can be allocated. Consequently, the IFRIC noted that divergence could arise in practice.	The IFRIC also noted that the issue could be widespread in the current economic environment. The IFRIC concluded that the issue relates to the basic requirements of IFRS 5 and therefore could not be addressed by an interpretation. For this reason, the IFRIC decided not to add the issue to its agenda. However, the IFRIC recommended that the Board considers an amendment to IFRS 5 to address this issue.

#	Date Considered	Issue	Reason for not adding to the IFRIC agenda
IFRS 5-4	May 2010	***Reversal of disposal group impairment losses relating to goodwill*** The Committee received a request for guidance on whether an impairment loss for a disposal group classified as held for sale can be reversed if it relates to the reversal of an impairment loss recognised for goodwill. The Committee noted a potential conflict between the guidance in paragraph 22 and paragraph 23 of IFRS 5 relating to the recognition and allocation of the reversal of an impairment loss for a disposal group when it relates to goodwill. However, the Committee also observed that the issue may not be resolved efficiently within the confines of existing IFRSs and the *Framework* and that it is not probable that the Committee will be able to reach a consensus on a timely basis.	The Committee also noted the decision taken by the Board in December 2009 not to add a project to its agenda to address IFRS 5 impairment measurement and reversal issues at this time. Consequently, the Committee decided not to add this issue to its agenda and recommended that the Board address this issue in a post-implementation review of IFRS 5.
IFRS 5-9	September 2013	**Classification in conjunction with a planned IPO, but where the prospectus has not been approved by the securities regulator** The Interpretations Committee received a request to clarify the application of the guidance in IFRS 5 regarding the classification of a non-current asset (or disposal group) as held for sale, in the case of a disposal plan that is intended to be achieved by means of an initial public offering (IPO), but where the prospectus (ie the legal document with an initial offer) has not yet been approved by the securities regulator. The submitter asked the Interpretations Committee to clarify whether the disposal group would qualify as held for sale before the prospectus is approved by the	The Interpretations Committee noted that the following criteria would be assessed based on expectations of the future, and their probability of occurrence would be included in the assessment of whether a sale is highly probable: a. the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification (except as permitted by paragraph 9); b. actions required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn; and c. the probability of shareholders' approval (if required in the jurisdiction) should be considered as part of the assessment of whether the sale is highly probable. On the basis of the analysis above, the Interpretations

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		securities regulator, assuming that all of the other criteria in IFRS 5 have been fulfilled. The Interpretations Committee noted that paragraph 7 of IFRS 5 requires that the asset (or disposal group) must be available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal groups) and its sale must be *highly probable*. The Interpretations Committee also noted that an entity should apply the guidance in paragraphs 8-9 of IFRS 5 to assess whether the sale of a disposal group by means of an IPO is *highly probable*. Terms that are "usual and customary" is a matter of judgement based on the facts and circumstance of each sale. The Interpretations Committee observed that the following criteria in paragraph 8 of IFRS 5 represent events that must have occurred: a. the appropriate level of management must be committed to a plan to sell the asset (or disposal group); b. an active programme to locate a buyer and complete the plan must have been initiated; and c. the asset (or disposal group) must be actively marketed for sale at a price that is reasonable in relation to its current fair value.	Committee determined that, in the light of the existing IFRS requirements, sufficient guidance exists and that neither an Interpretation nor an amendment to a Standard was necessary. The Interpretations Committee consequently decided not to add this issue to its agenda.
IFRS 5-4	January 2016	***Non-current Assets Held for Sale and Discontinued Operation*** The Interpretations Committee received a request to clarify a measurement requirement of IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. Specifically, the question was whether the allocation of an impairment loss recognised for a	The Interpretations Committee understood this to mean that the amount of impairment that should be recognised for a disposal group would not be restricted by the fair value less costs of disposal or value in use of those non-current assets that are within the scope of the measurement requirements of IFRS 5. In the light of existing IFRS requirements, the Interpretations Committee determined that neither an

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		disposal group can reduce the carrying amount of non-current assets that are within the scope of the measurement requirements of IFRS 5 to an amount that is lower than their fair value less costs of disposal or their value in use. In analysing this issue, the Interpretations Committee considered a situation in which the carrying amount of such non-current assets is not less than the amount of the impairment loss, and did not consider the implications for allocating an impairment loss if that loss exceeds the carrying amount of such non-current assets. The Interpretations Committee noted that paragraph 23 of IFRS 5 addresses the recognition of impairment losses for a disposal group. It also noted that in determining the order of allocation of impairment losses to non-current assets that are within the scope of the measurement requirements of that Standard, paragraph 23 refers to paragraphs 104 and 122 of IAS 36 *Impairment of Assets*, which set out requirements regarding the order of allocation of impairment losses. However, it does not refer to paragraph 105 of IAS 36, which restricts the impairment losses allocated to individual assets by requiring that an asset is not written down to less than the higher of its fair value less costs of disposal, its value in use and zero. Consequently, the Interpretations Committee observed that the restriction in paragraph 105 of IAS 36 does not apply when allocating an impairment loss for a disposal group to the non-current assets that are within the scope of the measurement requirements of IFRS 5.	Interpretation nor an amendment to a Standard was necessary. Consequently, the Interpretations Committee decided not to add this issue to its agenda.
IFRS 5-12	January 2016	***Non-current Assets Held for Sale and Discontinued Operations*—How to present intragroup transactions between continuing and discontinued**	The Interpretations Committee noted that IFRS 5 was described as a possible research project in the Request for Views on the 2015 *Agenda Consultation* published by the IASB in August 2015. In the light of this, the

#	Date Considered	Issue	Reason for not adding to the IFRIC agenda
		operations The Interpretations Committee received a request to clarify how to present intragroup transactions between continuing and discontinued operations. The submitter points out that paragraph 30 of IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* requires an entity to present and disclose information that enables users of the financial statements to evaluate the financial effects of discontinued operations and disposals of non-current assets (or disposal groups). However, IFRS 5 does not provide specific requirements on how to eliminate intragroup transactions between continuing and discontinued operations. The Interpretations Committee noted that neither IFRS 5 nor IAS 1 *Presentation of Financial Statements* includes requirements regarding the presentation of discontinued operations that override the consolidation requirements in IFRS 10 *Consolidated Financial Statements*. The Interpretations Committee also noted that paragraph B86(c) of IFRS 10 requires elimination of, among other things, income and expenses relating to intragroup transactions, and not merely intragroup profit. Consequently, the Interpretations Committee observed that not eliminating intragroup transactions would be inconsistent with the elimination requirements of IFRS 10. The Interpretations Committee also noted that paragraph 30 of IFRS 5 requires an entity to present and disclose information that enables users of the financial statements to evaluate the financial effects of	Interpretations Committee thought that the issue of how an entity should disaggregate consolidated results between continuing and discontinued operations in a way that reflects elimination of intragroup transactions would be better considered as part of such a project. Consequently, the Interpretations Committee decided not to add this issue to its agenda.

#	Date Considered	Issue	Reason for not adding to the IFRIC agenda
		discontinued operations and disposal activity. In the light of this objective, the Interpretations Committee observed that, depending on the particular facts and circumstances, an entity may have to provide additional disclosures in order to enable users to evaluate the financial effects of discontinued operations.	
IFRS 5-13	January 2016	***Non-current Assets Held for Sale and Discontinued Operations*—Other various IFRS 5-related issues** The Interpretations Committee has received and discussed a number of issues relating to the application of IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* requirements at several meetings. Those issues relate to various aspects of IFRS 5 and include the following: *Scope* (a) the scope of the held-for-sale classification—paragraph 6 of IFRS 5 requires a non-current asset (or disposal group) to be classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. The issue relates to whether particular types of planned loss of control events, besides loss of control through sale or distribution, can result in a held-for-sale classification, such as loss of control of a subsidiary due to dilution of the shares held by the	Because of the number and variety of unresolved issues, the Interpretations Committee concluded that a broad-scope project on IFRS 5 might be warranted. In this respect, the Interpretations Committee noted that IFRS 5 was described as a possible research project in the Request for Views on the 2015 *Agenda Consultation* published by the IASB in August 2015. Consequently, the Interpretations Committee decided not to add these issues to its agenda.

#	Date Considered	Issue	Reason for not adding to the IFRIC agenda
		entity, call options held by a non-controlling shareholder or a modification of a shareholders' agreement. (b) accounting for a disposal group consisting mainly of financial instruments—paragraph 5 of IFRS 5 states that the measurement requirements of IFRS 5 do not apply to financial assets within the scope of IFRS 9 *Financial Instruments*. The issue relates to whether IFRS 5 applies to a disposal group that consists mainly, or entirely, of financial instruments. *Measurement* (c) impairment of a disposal group—paragraph 15 of IFRS 5 requires a disposal group to be measured at the lower of its carrying amount and its fair value less costs to sell, whereas paragraph 23 requires the impairment loss recognised for a disposal group to be allocated to the carrying amount of the non-current assets that are within the scope of the measurement requirements of IFRS 5. The issue relates to a situation in which the difference between the carrying amount and the fair value less costs to sell of a disposal group exceeds the carrying amount of non-current assets in the disposal group. Should the amount of the impairment loss recognised be limited to the carrying amount of: (i) non-current assets that are within the scope of the measurement requirements of IFRS 5; (ii) the net assets of a disposal group; (iii) the total assets of a disposal group; or	

#	Date Considered	Issue	Reason for not adding to the IFRIC agenda
		(iv) the non-current assets and in this case the entity would recognise a liability for any excess? (d) reversal of an impairment loss relating to goodwill in a disposal group—paragraph 22 of IFRS 5 requires the recognition of a gain for a subsequent increase in the fair value less costs to sell of a disposal group. The issue relates to a situation in which goodwill within the disposal group had previously been impaired. Specifically, the question relates to whether an impairment loss previously allocated to goodwill can be reversed. *Presentation* (e) how to apply the definition of 'major line of business' in presenting discontinued operations—in accordance with paragraph 32 of IFRS 5, a component of an entity that has been disposed of, or is classified as held for sale, and represents a separate major line of business or geographical area of operations is a discontinued operation. The issue relates to how to interpret the definition of 'discontinued operation', especially with regard to the notion of 'separate major line of business or geographical area of operations' as described in paragraph 32 of IFRS 5. (f) how to apply the presentation requirements in paragraph 28 of IFRS 5—paragraph 28 requires the effects of a remeasurement (upon ceasing to be classified as held for sale) of a non-current asset to be recognised in profit or loss in the current period. Paragraph 28 also requires financial statements for the periods since classification as held for sale or as held for distribution to owners to be 'amended	

#	Date Considered	Issue	Reason for not adding to the IFRIC agenda
		accordingly' if the disposal group or non-current asset that ceases to be classified as held for sale or as held for distribution to owners is a subsidiary, joint operation, joint venture, associate, or a portion of an interest in a joint venture or an associate. The issue relates to a situation in which a disposal group that consists of both a subsidiary and other non-current assets ceases to be classified as held for sale. In such a situation, should an entity recognise the remeasurement adjustments relating to the subsidiary and the other non-current assets in different accounting periods, and should any amendment apply to presentation as well as to measurement? (g) how to present intragroup transactions between continuing and discontinued operations—paragraph 30 of IFRS 5 requires an entity to present and disclose information that enables users of the financial statements to evaluate the financial effects of discontinued operations and disposals of non-current assets (or disposal groups). The issue relates to how best to eliminate and reflect transactions between continuing and discontinued operations on the face of the statement of profit or loss, when there are significant transactions between them. Should the intragroup transactions: (i) be eliminated without any adjustments; or (ii) be eliminated, with adjustments to illustrate how transactions between continuing or discontinued operations are expected to be affected in the	

#	Date Considered	Issue	Reason for not adding to the IFRIC agenda
		future?	

#	Date Considered	Issue	Reason for not adding to the IFRIC agenda
IFRS 6 - ***Exploration for and Evaluation of Mineral Resources***			
IFRS 6-1	January 2006	***Application of the 'full-cost' method*** The IFRIC was asked to clarify the effect of the limited scope of IFRS 6 on exploration and evaluation (E&E) activities. The IFRIC was asked if this limited scope (a) reflected the Board's intention to impose limits on current national GAAP practices only in respect of activities conducted in the E&E phase, while permitting industry practices in other extractive industry areas (egg, development and exploitation) to continue unchanged, or (b) whether the IASB focused only on E&E activities because it was the only area for which the IASB was willing to grant some relief from the hierarchy for selection of accounting policies in IAS 8. Under the latter view, the IAS 8 hierarchy would apply fully to an entity's selection of IFRS accounting policies for activities outside of the E&E phase. The submission identified some inconsistencies between current extractive industry full-cost accounting practices in respect of development and exploitation activities but questioned whether the IASB intended to require change from current practices in these areas in advance of a comprehensive extractive industry project.	The IFRIC noted that the effect of the limited scope of IFRS 6 was to grant relief only to policies in respect of E&E activities, and that this relief did not extend to activities before or after the E&E phase. The Basis for Conclusions on IFRS 6 includes the Board's intention of limiting the need for entities to change their existing accounting policies for E&E activities. The IFRIC believed it was clear that the scope of IFRS 6 consistently limited the relief from the hierarchy to policies applied to E&E activities and that there was no basis for interpreting IFRS 6 as granting any additional relief in areas outside its scope. Therefore, the IFRIC believed that diversity in practice should not become established and decided not to add the issue to its agenda.

#	Date Considered	Issue	Reason for not adding to the IFRIC agenda
IFRS 7 Financial Instruments: Disclosures			
IFRS 7-1	Nov 2006	***Presentation of 'net finance costs' on the face of the income statement*** At its meeting in October 2004, the IFRIC noted that, taken together, paragraphs 32 and 81 of IAS 1 *Presentation of Financial Statements* preclude the presentation of 'net finance costs' on the face of the income statement unless finance costs and finance revenue are also shown on the face of that statement. IFRS 7 *Financial Instruments: Disclosures* was issued in 2005. Paragraph IG13 of IFRS 7 states that 'The total interest income and total interest expense disclosed in accordance with paragraph 20(b) is a component of the finance costs, which paragraph 81(b) of IAS 1 requires to be presented separately on the face of the income statement. The line item for finance costs may also include amounts that arise on non-financial assets or non-financial liabilities.'	The IFRIC was asked whether the IFRIC's October 2004 analysis regarding presenting 'net finance costs' on the face of the income statement was still valid in the light of paragraph IG13 of IFRS 7. The IFRIC believed that its analysis in October 2004 was still valid. Consequently, the IFRIC decided not to take the issue onto the agenda. The IFRIC believed that the words in paragraph IG13 of IFRS 7 might result in confusion. It therefore decided to recommend to the Board that the paragraph should be amended.

#	Date Considered	Issue	Reason for not adding to the IFRIC agenda
IFRS 8-1	March 2010	***Interaction with transition requirements of IFRS 8*** The IFRIC received a request for guidance on the transition requirements in IFRS 8 *Operating Segments* and its interaction with IAS 36. The IASB made a consequential amendment to IAS 36 when it issued IFRS 8 in November 2006. The consequential amendment replaced the reference to 'segments' (as determined in accordance with IAS 14 *Reporting Segments*) to 'operating segments' (as determined in accordance with IFRS 8). In particular, paragraph 80(b) of IAS 36 was amended to refer to IFRS 8 when setting the limit for the aggregation of cash-generating units when testing for goodwill impairment. Previously, the limit had been set by reference to segments identified by IAS 14. The IFRIC noted that when entities test goodwill for impairment in the first year of adoption of IFRS 8 some entities may need to recognise an impairment loss for goodwill, at least in part because of these changes in the segment definitions.	The question asked of the IFRIC is whether any incremental goodwill impairment loss (that would have been recognised in a prior period if cash-generating units had been grouped by reference to IFRS 8) determined as a result of retrospective application of the change from IAS 14 to IFRS 8 should be presented as a prior period adjustment or a current period event. The IFRIC noted that IFRS 8 is effective for annual periods beginning on or after 1 January 2009 and therefore applicable for entities with annual periods ending 31 December 2009 and thereafter. Based on the required due process procedures included in the *IFRIC Due Process Handbook*, it would not be able to provide guidance on a timely basis. Therefore, the IFRIC decided not to add the issue to its agenda.

#	Date Considered	Issue	Reason for not adding to the IFRIC agenda
IFRS 9 – *Financial Instruments*			
IFRS 9	**January 2016**	***Financial Instruments*—Transition issues relating to hedging** The Interpretations Committee received a request for guidance in respect of two issues pertaining to hedge designation and hedge accounting in situations in which an entity makes the transition from IAS 39 *Financial Instruments: Recognition and Measurement* to IFRS 9 *Financial Instruments*. More specifically, the Interpretations Committee has been asked to consider: (a) whether an entity can treat a hedging relationship as a continuing hedging relationship on transition from IAS 39 to IFRS 9 if the entity changes the hedged item in a hedging relationship from an entire non-financial item (as permitted by IAS 39) to a component of the non-financial item (as permitted by IFRS 9) in order to align the hedge with the entity's risk management objective (Issue 1); and (b) whether an entity can continue with its original hedge designation of the entire non-financial item on transition to IFRS 9 when the entity's risk management objective is to hedge only a component of the non-financial item (Issue 2).	As a result, the Interpretations Committee noted that hedge designations of an entire non-financial item could continue on transition to IFRS 9 as long as they meet the qualifying criteria in IFRS 9. In the light of existing IFRS requirements, the Interpretations Committee determined that neither an Interpretation nor an amendment to a Standard was necessary. Consequently, the Interpretations Committee decided not to add this issue to its agenda.

#	Date Considered	Issue	Reason for not adding to the IFRIC agenda
		retrospective application of the hedge accounting requirements in IFRS 9, which is prohibited except in the limited circumstances described in paragraph 7.2.26 of IFRS 9.	

#	Date Considered	Issue	Reason for not adding to the IFRIC agenda
IFRS 9 -1	**March 2016**	**Financial Instruments—Determining hedge effectiveness for net investment hedges** The Interpretations Committee received a request to clarify how an entity should determine hedge effectiveness when accounting for net investment hedges in accordance with IFRS 9 *Financial Instruments*. Specifically, the submitter asked whether, when accounting for net investment hedges, an entity should apply the 'lower of' test required for cash flow hedges in determining the effective portion of the gains or losses arising from the hedging instrument. The Interpretations Committee observed that: a. paragraph 6.5.13 of IFRS 9 states that 'hedges of a net investment in a foreign operation … shall be accounted for similarly to cash flow hedges …'. Paragraph 6.5.13 (a), which focusses on net investment hedges, also references paragraph 6.5.11, which deals with the accounting for cash flow hedges; this includes the 'lower of' test. This indicates that, when accounting for net investment hedges, an entity should apply the 'lower of' test in determining the effective portion of the gains or losses arising from the hedging instrument.	In the light of the existing requirements in IFRS Standards, the Interpretations Committee decided that neither an Interpretation nor an amendment to a Standard was necessary. Consequently, the Interpretations Committee decided not to add this issue to its agenda.

#	Date Considered	Issue	Reason for not adding to the IFRIC agenda
		b. in determining the effective portion of the gains or losses arising from the hedging instrument when accounting for net investment hedges, the application of the 'lower of' test avoids the recycling of exchange differences arising from the hedged item that have been recognised in other comprehensive income before the disposal of the foreign operation. The Interpretations Committee noted that such an outcome would be consistent with the requirements of IAS 21 *The Effects of Changes in Foreign Exchange Rates*. In addition, the Interpretations Committee noted the following: a. it did not receive evidence of significant diversity among entities applying IAS 39 *Financial Instruments: Recognition and Measurement* in determining the effective portion of the gains or losses arising from the hedging instrument by applying the 'lower of' test when accounting for net investment hedges. **b.** few entities have yet adopted the hedging requirements in IFRS 9; consequently, it is too early to assess whether the issue is widespread. However, the Interpretations Committee expects no significant diversity to arise when IFRS 9 is adopted more widely.	

#	Date Considered	Issue	Reason for not adding to the IFRIC agenda
IFRS 10 - *Consolidated Financial Statements*			
IFRS 10-4 IFRS 10-5	November 2013	**Transition provisions in respect of impairment, foreign exchange and borrowing costs** The Interpretations Committee received a request to clarify the transition provisions of IFRS 10 *Consolidated Financial Statements* and IFRS 11 *Joint Arrangements*. The transition provisions of IFRS 10 and IFRS 11 include exemptions from retrospective application in specific circumstances. However, the submitter observes that IFRS 10 and IFRS 11 do not provide specific exemptions from retrospective application in respect of the application of IAS 21 *The Effects of Changes in Foreign Exchange Rates*, IAS 23 *Borrowing Costs* or IAS 36 *Impairment of Assets*. The submitter thinks that retrospective application of these Standards could be problematic when first applying IFRS 10 and IFRS 11. The Interpretations Committee noted that when IFRS 10 is applied for the first time, it must be applied retrospectively, except for the specific circumstances for which exemptions from retrospective application are given. It also noted that when IFRS 10 is applied retrospectively, there may be consequential accounting requirements arising from other Standards (such as IAS 21, IAS 23 and IAS 36). These requirements must also be applied retrospectively in order to measure the investee's assets, liabilities and non-controlling interests, as described in paragraph C4 of IFRS 10, or the interest in the investee, as described in paragraph C5 of IFRS 10. The Interpretations Committee observed that if retrospective application of the requirements of IFRS 10 is impracticable	The Interpretations Committee noted that although the meaning of the term 'joint control' as defined in IFRS 11 is different from its meaning in IAS 31 *Interests in Joint Ventures* (2003) because of the new definition of 'control' in IFRS 10, nevertheless the outcome of assessing whether control is held 'jointly' would in most cases be the same in accordance with IFRS 11 as it was in accordance with IAS 31. As a result, the Interpretations Committee observed that, typically, the changes resulting from the initial application of IFRS 11 would be to change from proportionate consolidation to equity accounting or from equity accounting to recognising a share of assets and a share of liabilities. In those situations, IFRS 11 already provides exemption from retrospective application. The Interpretations Committee concluded that in most cases the initial application of IFRS 11 should not raise issues in respect of the application of other Standards. On the basis of the analysis above, the Interpretations Committee determined that the existing transition requirements of IFRS 10 and IFRS 11 provide sufficient guidance or exemptions from retrospective application and consequently decided not to add this issue to its agenda.

#	Date Considered	Issue	Reason for not adding to the IFRIC agenda
		because it is impracticable to apply retrospectively the requirements of other Standards, then IFRS 10 (paragraphs C4A and C5A) provides exemption from retrospective application.	
IFRS 10 -3 IFRS 10-6	November 2013	**Classification of puttable instruments that are non-controlling interests** The Interpretations Committee discussed a request for guidance on the classification, in the consolidated financial statements of a group, of puttable instruments that are issued by a subsidiary but that are not held, directly or indirectly, by the parent. The submitter asked about puttable instruments classified as equity instruments in the financial statements of the subsidiary in accordance with paragraphs 16A-16B of IAS 32 *Financial Instruments: Presentation* ('puttable instruments') that are not held, directly or indirectly, by the parent. The question asked was whether these instruments should be classified as equity or liability in the parent's consolidated financial statements. The submitter claims that paragraph 22 of IFRS 10 *Consolidated Financial Statements* is not consistent with paragraph AG29A of IAS 32, because: a. IFRS 10 defines non-controlling interests (NCI) as equity in a subsidiary not attributable, directly or indirectly, to a parent; b. according to paragraph 22 of IFRS 10 a parent shall present non-controlling interests (NCI) in the consolidated statement of financial position within equity; but c. according to paragraph AG29A of IAS 32, instruments classified as equity instruments in accordance with paragraphs 16A-16D of IAS 32	The Interpretations Committee noted that paragraphs 16A-16D of IAS 32 state that puttable instruments and instruments that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation meet the definition of a financial liability. These instruments are classified as equity in the financial statements of the subsidiary as an exception to the definition of a financial liability if all relevant requirements are met. Paragraph AG29A clarifies that this exception applies only to the financial statements of the subsidiary and does not extend to the parent's consolidated financial statements. Consequently, these financial instruments should be classified as financial liabilities in the parent's consolidated financial statements. The Interpretations Committee therefore concluded that in the light of the existing guidance in IAS 32, neither an interpretation nor an amendment to a Standard was necessary and consequently decided not to add this issue to its agenda.

#	Date Considered	Issue	Reason for not adding to the IFRIC agenda
		in the separate or individual financial statements of the subsidiary that are NCI are classified as liabilities in the consolidated financial statements of the group.	
IFRS 10-12	May 2015	**IFRS 10 Consolidated Financial Statements—Single-asset, single-lessee lease vehicles** The Interpretations Committee received two requests for clarification about the interaction of IFRS 10 and IAS 17 Leases. In both examples, a structured entity (SE) is created to lease a single asset to a single lessee. In one submission the lease is an operating lease; in the other it is a finance lease. In the case of the operating lease, the question was whether the lessee should consolidate the SE. In the case of the finance lease, the question was whether the lender should consolidate the SE. In both examples, the consolidation decision would be based on an assessment of whether the entity controls the SE. In particular, the submitters asked whether the lessee's use of the leased asset is a relevant activity of the SE when assessing power over the SE.	As a result of its discussions, the Interpretations Committee concluded that the principles and guidance within IFRS 10 would enable a determination of control to be made in a specific scenario based on the relevant facts and circumstances of that scenario. The Interpretations Committee also noted that it is not its practice to give case-by-case advice on individual fact patterns. Consequently, the Interpretations Committee thought that neither an Interpretation of nor an amendment to a Standard is required and decided not to add these issues to its agenda.

IFRS-11 – Joint Arrangements			
IFRS 11-2	May 2014	***Classification of joint arrangements*** The interpretations Committee received a request to clarify how the assessment of 'other facts and circumstances' described in IFRS 11 affects the classification of a joint arrangement as a joint operation or a joint venture. The Interpretations Committee considered whether the assessment of 'other facts and circumstances' should be undertaken with a view only towards whether those facts and circumstances create enforceable rights to the assets and obligations for the liabilities or whether that assessment should also consider the design and purpose of the joint arrangement, the entity's business needs and the entity's past practices.	The Interpretations Committee noted that paragraph 14 of IFRS 11 requires the classification of a joint arrangement as a joint operation or a joint venture to depend on rights to the assets and obligations for the liabilities of the parties to the arrangement, and that rights and obligations, by nature, are enforceable. The Interpretations Committee noted that paragraph B30 of IFRS 11 describes that when 'other facts and circumstances' give the parties rights to the assets, and obligations for the liabilities, relating to the arrangement, the assessment of 'other facts and circumstances' would lead to the joint arrangement being classified as a joint operation. Consequently, the Interpretations Committee noted that the assessment of 'other facts and circumstances' should focus on whether those facts and circumstances create rights to the assets and obligations for the liabilities. The Interpretations Committee considered that in the light of its analysis of the existing IFRS requirements, no Interpretation or amendment to the Standard was required. Consequently, the Interpretations Committee decided not to add this issue to its agenda.

IFRS 11-2	March 2015	**Joint Arrangements – Classification of joint arrangements: the assessment of 'other facts and circumstances'** In May 2014, the Interpretations Committee published an agenda decision in the IFRIC Update with regard to an issue of how an assessment of 'other facts and circumstances' as noted in paragraph 17 of IFRS 11 should be performed. The Interpretations Committee considered whether the assessment of other facts and circumstances should be undertaken with a view only towards whether those facts and circumstances create enforceable rights to the assets and obligations for the liabilities, or whether that assessment should also consider the design and purpose of the joint arrangement, the entity's business needs and the entity's past practices. The Interpretations Committee noted that paragraph 14 of IFRS 11 requires the classification of a joint arrangement as a joint operation or a joint venture to depend on each party's rights to the assets and obligations for the liabilities of the joint arrangement, and that the rights and obligations are enforceable. The Interpretations Committee also noted that paragraph B30 of IFRS 11 explains that the assessment of other facts and circumstances would lead to the joint arrangement being classified as a joint operation when those other facts and circumstances give each party both rights to the assets, and obligations for the liabilities, relating to the arrangement.	On the basis of these observations, the Interpretations Committee noted that when each party to a joint arrangement meets the criteria and therefore has both rights to the assets of the joint arrangement and obligations for the liabilities of the joint arrangement through other facts and circumstances, a joint arrangement structured through a separate vehicle is a joint operation. Consequently, the Interpretations Committee observed that, in order to classify the joint arrangement as a joint operation as a result of assessing other facts and circumstances, it is necessary to demonstrate that: (a) each party to the joint arrangement has rights and obligations relating to economic benefits of the assets of the arrangement; and (b) each party is obliged to provide cash to the arrangement through enforceable obligations, which is used to settle the liabilities of the joint arrangement on a continuous basis. *Implication of 'economic substance'* Some members of the Interpretations Committee observed that the concept of 'economic substance' may not be consistently understood or applied in practice with regard to the assessment of other facts and circumstances.

IFRS 11-2	March 2015	**Joint Arrangements – Classification of joint arrangements: the assessment of 'other facts and circumstances' to specific fact patterns** The Interpretations Committee discussed how 'other facts and circumstances' should be applied to some specific fact patterns. It identified four different cases and considered how particular features of those fact patterns would affect the classification of the joint arrangement when assessing other facts and circumstances.	The Interpretations Committee therefore noted that the economic benefits of the assets of the joint arrangement would relate to the cash flows arising from the parties' rights to, and obligations for, the assets. Consequently, it noted that the assessment is based on the monetary value of the output, instead of physical quantities. On the basis of this analysis, the Interpretations Committee determined that, in the light of the existing IFRS requirements, sufficient guidance exists and that neither an Interpretation nor an amendment to a Standard was necessary. Consequently, the Interpretations Committee decided not to add these issues to its agenda.

IFRS 11-2	March 2015	**Joint Arrangements – Classification of joint arrangements: consideration of two joint arrangements with similar features that are classified differently** The Interpretations Committee discussed a circumstance in which two joint arrangements would be classified differently when they have similar features, apart from the fact that one is structured through a separate vehicle and the other is not (in circumstances in which the legal form confers separation between the parties and the separate vehicle). Two such joint arrangements could be classified differently because: (a) the legal form of a joint arrangement structured through a separate vehicle must be overridden by other contractual arrangements or specific other facts and circumstances for the joint arrangement to be classified as a joint operation; but (b) a joint arrangement that is not structured through a separate vehicle is classified as a joint operation.	The Interpretations Committee noted that the requirements of IFRS 11 provide the principles necessary for determining the classification of joint arrangements, including assessing the impact of a separate vehicle. The assessment of the classification would depend on specific contractual terms and conditions and requires a full analysis of features involving the joint arrangement. On the basis of this analysis, the Interpretations Committee determined that, in the light of the existing IFRS requirements, sufficient guidance exists and that neither an Interpretation nor an amendment to a Standard was necessary. Consequently, the Interpretations Committee decided not to add this issue to its agenda.

IFRS 11-3	March 2015	**Joint Arrangements – Accounting by the joint operator: recognition of revenue by a joint operator** The Interpretations Committee discussed whether a joint operator should recognise revenue in relation to the output purchased from the joint operation by the parties. This issue relates to the application of paragraph 20(d) of IFRS 11, which requires a joint operator to recognise its share of the revenue from the sale of the output by the joint operation. Examining paragraph 20(d) of IFRS 11, the Interpretations Committee noted that if the joint arrangement is structured through a separate vehicle and the assessment of other facts and circumstances results in the joint arrangement being classified as a joint operation, in circumstances in which the parties take all the output of the joint arrangement in proportion to their rights to the output, the application of paragraph 20(d) of IFRS 11 would not result in the recognition of revenue by the parties. This is because, if the joint operators purchase all the output from the joint operation in proportion to their rights to the output, they would recognise 'their revenue' only when they sell the output to third parties.	Consequently, paragraph 20(d) of IFRS 11 would result in the recognition of revenue by a joint operator only when the joint operation sells its output to third parties. For this purpose, third parties do not include other parties who have rights to the assets and obligations for the liabilities relating to the joint operation. On the basis of this analysis, the Interpretations Committee determined that, in the light of the existing IFRS requirements, sufficient guidance exists and that neither an Interpretation nor an amendment to a Standard was necessary. Consequently, the Interpretations Committee decided not to add this issue to its agenda.

IFRS 11-3	March 2015	**Joint Arrangements – Accounting by the joint operator: the accounting treatment when the joint operator's share of output purchased differs from its share of ownership interest in the joint operation** The Interpretations Committee discussed the accounting in the circumstance in which the joint operator's share of the output purchased differs from its share of ownership interest in the joint operation. For the purposes of this discussion, the Interpretations Committee considered a fact pattern in which the joint arrangement is structured through a separate vehicle and for which the parties to the joint arrangement have committed themselves to purchase substantially all of the output produced at a price designed to achieve a break-even result. In this fact pattern, the parties to the joint arrangement would be considered to have rights to the assets and obligations for the liabilities. Such a joint arrangement is presented in Example 5 of the application guidance to IFRS 11 and is classified as a joint operation. A variation of such a fact pattern could (and does) arise in circumstances in which the parties' percentage ownership interest in the separate vehicle differs from the percentage share of the output produced, which each party is obliged to purchase.	Consequently, the Interpretations Committee noted that it is important to understand why the share of the output purchased differs from the ownership interests in the joint operation. Judgement will therefore be needed to determine the appropriate accounting. The Interpretations Committee noted that notwithstanding these observations, there remained concerns about the sufficiency of the guidance in IFRS 11 on the accounting by a joint operator in the circumstances described. The Interpretations Committee noted that to develop additional guidance for this issue would require a broader analysis than could be achieved by the Interpretations Committee. Consequently, the Interpretations Committee decided not to add the issue to its agenda.

IFRS 11-3	March 2015	**Joint Arrangements – Accounting in separate financial statements: accounting by the joint operator in its separate financial statements** The Interpretations Committee discussed the issue of the accounting by a joint operator in its separate financial statements for its share of assets and liabilities of a joint operation when that joint operation is structured through a separate vehicle. The Interpretations Committee noted that IFRS 11 requires the joint operator to account for its rights and obligations in relation to the joint operation. It also noted that those rights and obligations, in respect of that interest, are the same regardless of whether separate or consolidated financial statements are prepared, by referring to paragraph 26 of IFRS 11. Consequently, the same accounting is required in the consolidated financial statements and in the separate financial statements of the joint operator. The Interpretations Committee also noted that IFRS 11 requires the joint operator to account for its rights and obligations, which are its share of the assets held by the entity and its share of the liabilities incurred by it. Accordingly, the Interpretations Committee observed that the joint operator would not additionally account in its separate or consolidated financial statements its shareholding in the separate vehicle, whether at cost in accordance with IAS 27 Separate Financial Statements or at fair value in accordance with IFRS 9 Financial Instruments.	On the basis of this analysis, the Interpretations Committee determined that, in the light of the existing IFRS requirements, sufficient guidance exists and that neither an Interpretation nor an amendment to a Standard was necessary. Consequently, the Interpretations Committee decided not to add this issue to its agenda.

IFRS 11-3	March 2015	**Joint Arrangements – Accounting by the joint operator: accounting by the joint operation that is a separate vehicle in its financial statements** The Interpretations Committee discussed the issue of the accounting by a joint operation that is a separate vehicle in its financial statements. The recognition by joint operators in both consolidated and separate financial statements of their share of assets and liabilities held by the joint operation leads to the question of whether those same assets and liabilities should also be recognised in the financial statements of the joint operation itself.	However, when identifying the assets and liabilities of the separate vehicle, it is necessary to understand the joint operators' rights and obligations relating to those assets and liabilities and how those rights and obligations affect those assets and liabilities. On the basis of this analysis, the Interpretations Committee determined that, in the light of the existing IFRS requirements, sufficient guidance exists and that neither an Interpretation nor an amendment to a Standard was necessary. Consequently, the Interpretations Committee decided not to add this issue to its agenda.

IFRS 11-16	January 2016	**Joint Arrangements—Remeasurement of previously held interests** The Interpretations Committee discussed whether previously held interests in the assets and liabilities of a joint operation should be remeasured in the following transactions when the asset or group of assets involved in such transactions do not meet the definition of a business in accordance with IFRS 3 *Business Combinations*: (a) obtaining control of a joint operation when the entity previously had joint control of, or was a party to, the joint operation before the transaction; and (b) a change of interests resulting in a party to a joint operation obtaining joint control over the joint operation. The party to the joint operation had rights to the assets and obligations for the liabilities relating to the joint operation before the transaction.	The Interpretations Committee noted that paragraph 2(b) of IFRS 3 explains the requirements for accounting for an asset acquisition in which the asset or group of assets do not meet the definition of a business. The Interpretations Committee noted that paragraph 2(b) of IFRS 3 specifies that a cost-based approach should be used in accounting for an asset acquisition, and that in a cost-based approach the existing assets are generally not remeasured. The Interpretations Committee also observed that it was not aware of significant diversity in practice and, therefore, decided not to add this issue to its agenda.
IFRS 11-6	July 2016	**IFRS 11 *Joint Arrangements* and IFRS 10 *Consolidated Financial Statements*—Accounting for loss of control transactions** The Interpretations Committee discussed whether an entity should remeasure its retained interest in the assets and liabilities of a joint operation when the entity loses control of a business, or an asset or group of assets that is not a business. In the transaction discussed, the entity either retains joint control of a joint operation or is a party to a joint operation (with rights to assets and obligations for liabilities) after the transaction.	Because of the similarity between the transaction discussed by the Interpretations Committee and a sale or contribution of assets to an associate or a joint venture, the Interpretations Committee concluded that the accounting for the two transactions should be considered concurrently by the Board. Consequently, the Interpretations Committee decided not to add this issue to its agenda but, instead, to recommend that the Board consider the issue at the same time the Board further considers the accounting for the sale or contribution of assets to an associate or a joint venture.

IFRS 12 Disclosure of Interest in other Entities			
IFRIC 12-1	July 2009	The IFRIC received requests for guidance on the application of IFRIC 12. One request related to the requirement that the grantor control or regulate the price the operator can charge to users of the service provided by the infrastructure. The other requested guidance on the accounting for aspects of the arrangement other than the infrastructure. The IFRIC noted that guidance in paragraphs AG2 and AG3 of IFRIC 12 on the requirement that the grantor controls or regulates the price of the service states that the grantor does not need to have complete control of the price. Rather, the IFRIC noted that any reviews or approvals by the grantor required by the agreement would generally be sufficient to meet this requirement, and it would be inappropriate to assume that they are perfunctory or 'rubber stamps' that can be disregarded.	The IFRIC also noted that in redeliberating the Interpretation it had decided to focus on the guidance on accounting for the infrastructure but had provided references to other IFRSs that apply to arrangements not within its scope. IFRIC 12 also refers to other IFRSs for accounting for aspects of the arrangement other than the infrastructure, such as repair and maintenance obligations and revenue recognition. Given the guidance in IFRSs, the IFRIC concluded that any guidance it could provide would be in the nature of implementation guidance rather than an interpretation. The IFRIC therefore decided not to add the issues to its agenda.
IFRIC 12	July 2016	The Interpretations Committee received a request to clarify how an operator accounts for payments it makes to a grantor in a service concession arrangement within the scope of IFRIC 12 *Service Concession Arrangements*.	The Interpretations Committee also concluded that the requirements in existing IFRS Standards are sufficient to address the other aspects of how an operator accounts for payments that it makes to a grantor as described above. Consequently, the Interpretations Committee decided not to add this issue to its agenda.

IFRIC 12-18	September 2016	**IFRIC 12** ***Service Concession Arrangements*****—service concession arrangements with leased infrastructure** The Interpretations Committee received a request to clarify how an operator accounts for a service concession arrangement in which the infrastructure is leased. In this arrangement, the operator is not required to provide any construction or upgrade services with respect to the infrastructure. The submitter described an arrangement that involves three parties: a grantor, an operator and a lessor. The operator enters into an arrangement with the grantor to operate a public service. Some or all of the infrastructure in the arrangement is leased from the lessor. The lessor and the grantor may be controlled by the same governmental body. The operator is contractually required to pay the lessor for the lease of the infrastructure. The operator has an unconditional contractual right to receive cash from the grantor to reimburse those payments. In arrangements in which the lessor and the grantor are not controlled by the same governmental body, the grantor provides the lessor with a guarantee of the lease payments to be made during the lease term, and of any residual value at the end of the lease term. The grantor also has an option to renew the lease at the end of the initial non-cancellable period of the contract.	The Interpretations Committee concluded that the requirements in IFRS Standards provide an adequate basis to enable an entity to determine how to account for the arrangement. In the light of the existing requirements in IFRS Standards, the Interpretations Committee determined that neither an Interpretation nor an amendment to a Standard was necessary. Consequently, the Interpretations Committee decided not to add this issue to its agenda.

IFRIC 14 IAS 19–The Limit on a Defined Asset, Minimum Funding Requirements and their Interaction			
IFRIC 14-1	November 2008	***Application to prepaid employer's contribution reserve*** The IFRIC received a request to consider an issue arising from IFRIC 14. The issue relates to the economic benefit available in the form of reductions in future contributions when there is a minimum funding requirement. IFRIC 14 requires the economic benefit to be determined assuming a stable workforce in the future unless the entity is demonstrably committed at the end of the reporting period to make a reduction in the number of employees covered by the plan. The request noted that in some circumstances the assumption of a stable workforce may understate the economic benefits available to the entity as a reduction in future contributions. The request noted that contributions to a plan are recognised as an expense, not an asset, if they provide no economic benefits in accordance with IFRIC 14. Therefore, by choosing the timing and the level of such contributions, an entity can affect its reported earnings.	The IFRIC noted that the requirements of IFRIC 14 regarding the assumption of a stable workforce are explicit. The issue was discussed extensively during the development of IFRIC 14 and the request provides no new information to cause the IFRIC to reconsider its conclusion. The IFRIC therefore decided not to add this issue to its agenda.
IFRIC 14-2	May 2009	***Voluntary prepayments*** As a result of comment letters received on another issue related to IFRIC 14, the IFRIC noted that requirements in IFRIC 14 may produce unintended consequences in some circumstances in the treatment of voluntary prepaid contributions under a minimum funding requirement.	At its meeting in November 2008 the IFRIC decided to add this issue to its agenda and expected to propose amendments to the wording of paragraph 22 of IFRIC 14. At the Board's meeting in January 2009, however, the Board decided to proceed with its own project to amend IFRIC 14 to address the issue. Consequently, the IFRIC decided to remove the issue from its agenda.

IFRS 14	July 2015	***Continuation of a minimum funding requirement*** The Interpretations Committee received a request to clarify whether the future minimum funding requirement for contributions to a defined benefit plan to cover future service would apply for only the fixed period that had been agreed between the entity and the pension trustees. The conclusion on this issue could affect how the economic benefit available as a reduction in future contributions is determined, which could in turn affect the amount of the net defined benefit liability or asset to be recognised in the entity's statement of financial position.	The Interpretations Committee noted that the question raised by the submitter relates only to the minimum funding requirement for contributions to cover future service. The Interpretations Committee then noted that, in the circumstances described, the pension trustees determine some or all of the factors (or funding principles) establishing the minimum funding basis (as that term is used in IFRIC 14) and record them in the statement of funding principles. Accordingly, when the entity estimates the future minimum funding requirement contributions, it should (i) include the amounts in the schedule of contributions for the fixed period specified by the schedule; and (ii) beyond that period, make an estimate that assumes a continuation of those factors establishing the minimum funding basis as determined by the pension trustees. The Interpretations Committee further noted that, for any factors affecting the estimation of future minimum funding requirements that are not determined by the trustees (for example, the remaining life of the plan is not specified by the existing funding principles), the assumptions used to estimate future minimum funding requirement contributions for future service beyond the fixed period must be consistent with those used for determining future service costs. This is because paragraphs 17 and 21 of IFRIC 14 require an entity to use assumptions that are consistent with those used to determine the defined benefit obligation and with the situation that exists at the end of the reporting period. On the basis of this analysis, the Interpretations Committee determined that, in the light of the existing IFRS requirements, sufficient guidance exists and that neither an Interpretation nor an amendment to a Standard was necessary and therefore decided not to add this issue to its agenda.

IFRIC 18 - Transfers of Assets from Customers			
IFRIC 18-1	July 2009	***Applicability to the Customer*** The IFRIC received a request to provide guidance on how the customer should account for a transfer of assets that is in the scope of IFRIC 18 for the recipient. The IFRIC noted that IFRIC 18 addresses only the accounting by the recipient of the transferred assets. The IFRIC also noted that the accounting by customers transferring assets should be consistent with the principles in IFRIC 18 that, in a normal trading transaction, transfers of assets include exchanges of other goods, services or both. The IFRIC noted that other IFRSs provide relevant guidance for accounting for the goods or services received or given up in the exchange transaction.	Therefore, the IFRIC concluded that the agenda criteria were not met mainly because IFRSs already provide relevant guidance and it did not expect divergent interpretations in practice. Therefore, the IFRIC decided not to add this issue to its agenda.

IFRIC 21 – Levies			
IFRIC 21 - 1	March 2014	***Identification of a present obligation to pay a levy that is subject to a pro rate activity threshold as well as an annual threshold*** In May 2013, the IASB issued IFRIC 21 *Levies*, which is effective for annual periods beginning on or after 1 January 2014, with earlier application permitted. IFRIC 21 provides an interpretation of the requirements in IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* for the recognition of liabilities for obligations to pay levies that are within the scope of IFRIC 21. The Interpretations Committee received a request to clarify how the requirements in paragraph 8 of IFRIC 21 should be interpreted in identifying an obligating event for a levy. The Interpretations Committee discussed regimes in which an obligation to pay a levy arises as a result of activity during a period but is not payable until a minimum activity threshold, as identified by the legislation, is reached. The threshold is set as an annual threshold, but this threshold is reduced, pro rata to the number of days in the year that the entity participated in the relevant activity, if its participation in the activity started or stopped during the course of the year. The request asks for clarification on how the thresholds stated in the legislation should be taken into consideration when deciding "the activity that triggers the payment of the levy" in paragraph 8 of IFRIC 21.	The Interpretations Committee noted that in the circumstance described above, the payment of the levy is triggered by the reaching of the annual threshold as identified by the legislation. The Interpretations Committee also noted that the entity would be subject to a threshold that is lower than the threshold that applies at the end of the annual assessment period if, and only if, the entity stops the relevant activity before the end of the annual assessment period. Accordingly, the Interpretations Committee observed that in the light of the guidance in paragraph 12 of IFRIC 21, the obligating event for the levy is the reaching of the threshold that applies at the end of the annual assessment period. The Interpretations Committee noted that there is a distinction between a levy with an annual threshold that is reduced pro rata when a specified condition is met and a levy for which an obligating event occurs progressively over a period of time as described in paragraph 11 of IFRIC 21; until the specified condition is met, the pro rata reduction in the threshold does not apply. On the basis of the discussions above, the Interpretations Committee thought that the guidance in IFRIC 21 and IAS 37 is sufficient and noted that it is unlikely that significant diversity in interpretation on this issue will emerge. Accordingly, the Interpretations Committee decided not to add this issue to its agenda.

| IFRIC 21 - 1 | March 2014 | ***Identification of a present obligation to pay a levy that is subject to a pro rate activity threshold as well as an annual threshold***

In May 2013, the IASB issued IFRIC 21 *Levies*, which is effective for annual periods beginning on or after 1 January 2014, with earlier application permitted. IFRIC 21 provides an interpretation of the requirements in IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* for the recognition of liabilities for obligations to pay levies that are within the scope of IFRIC 21.

The Interpretations Committee received a request to clarify how the requirements in paragraph 8 of IFRIC 21 should be interpreted in identifying an obligating event for a levy. The Interpretations Committee discussed regimes in which an obligation to pay a levy arises as a result of activity during a period but is not payable until a minimum activity threshold, as identified by the legislation, is reached. The threshold is set as an annual threshold, but this threshold is reduced, pro rata to the number of days in the year that the entity participated in the relevant activity, if its participation in the activity started or stopped during the course of the year. The request asks for clarification on how the thresholds stated in the legislation should be taken into consideration when deciding "the activity that triggers the payment of the levy" in paragraph 8 of IFRIC 21. | The Interpretations Committee noted that in the circumstance described above, the payment of the levy is triggered by the reaching of the annual threshold as identified by the legislation. The Interpretations Committee also noted that the entity would be subject to a threshold that is lower than the threshold that applies at the end of the annual assessment period if, and only if, the entity stops the relevant activity before the end of the annual assessment period. Accordingly, the Interpretations Committee observed that in the light of the guidance in paragraph 12 of IFRIC 21, the obligating event for the levy is the reaching of the threshold that applies at the end of the annual assessment period. The Interpretations Committee noted that there is a distinction between a levy with an annual threshold that is reduced pro rata when a specified condition is met and a levy for which an obligating event occurs progressively over a period of time as described in paragraph 11 of IFRIC 21; until the specified condition is met, the pro rata reduction in the threshold does not apply.

On the basis of the discussions above, the Interpretations Committee thought that the guidance in IFRIC 21 and IAS 37 is sufficient and noted that it is unlikely that significant diversity in interpretation on this issue will emerge. Accordingly, the Interpretations Committee decided not to add this issue to its agenda. |

IFRIC 21-2	January 2015	**Levies raised on production property, plant and equipment** The Interpretations Committee received two submissions relating to levies raised on production property, plant and equipment (PPE). Paragraph 3 of IFRIC 21 *Levies* states that the Interpretation does not provide guidance on accounting for the costs arising from recognising a levy. The Interpretation notes that entities should apply other Standards to decide whether the recognition of an obligation for a levy gives rise to an asset or to an expense. The submitters, both service providers, asked whether the cost of a levy on productive assets is: (a) an administrative cost to be recognised as an expense as it is incurred; or (b) a fixed production overhead to be recognised as part of the cost of the entity's inventory in accordance with IAS 2 *Inventories*.	The Interpretations Committee noted that when IFRIC 21 was being developed it had discussed the accounting for costs that arise from recognising the liability for a levy. At that time it had considered whether such costs would be recognised as an expense, a prepaid expense or as an asset recognised in accordance with IAS 2, IAS 16 *Property, Plant and Equipment* or IAS 38 *Intangible Assets*. The Interpretations Committee decided not to provide guidance on this matter; entities should apply other Standards to decide whether the recognition of a liability to pay a levy gives rise to an asset or to an expense. The Interpretations Committee also noted that IFRIC 21 is an Interpretation of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* and that paragraph 8 of IAS 37 states that IAS 37 does not deal with the recognition of either the asset or expense associated with a liability. It also noted that it would not be efficient to give case-by-case guidance based on the fact patterns of individual levies. Consequently, the Interpretations Committee decided not to add this issue to its agenda.