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Project	Annual Improvements to IFRSs 2012–2014 cycle		
Paper topic	IFRS 5 <i>Non-current Assets Held for Sale and Discontinued Operation</i> –Change of disposal method		
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Introduction

1. At its meeting in May 2013, the IFRS Interpretations Committee (the Interpretations Committee) noted that IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* lacks guidance in circumstances in which:
 - (a) an entity reclassifies an asset (or disposal group) from held for sale to held for distribution (or vice versa); or
 - (b) an entity no longer meets the criteria for held for distribution.
2. The IFRS Interpretations Committee decided to recommend to the IASB to add guidance in IFRS 5 in respect of the two aspects mentioned above.

Purpose of this paper

2. The objective of this paper is to:
 - (a) present background information for the issue;
 - (b) provide a summary of the Interpretation Committee's discussion; and
 - (c) explain the rationale for the Interpretations Committee's decision to recommend that the IASB should amend IFRS 5.

Background information

3. In March 2013, the IFRS Interpretations Committee discussed a request from the European Securities and Markets Authority (ESMA) regarding the application of the guidance in IFRS 5.
4. The question addressed to the Interpretations Committee was:
 - Does a change in a disposal method from a plan that previously qualified as held for sale to a plan to spin off a division and distribute a dividend in kind to the shareholders, qualify as change to a plan of sale on the basis of paragraph 26 of IFRS 5?
5. Paragraph 26 of IFRS 5 states that (emphasis added):

If an entity has classified an asset (or disposal group) as held for sale, **but the criteria in paragraphs 7-9 are no longer met, the entity shall cease to classify the asset (or disposal group) as held for sale.**
6. The Interpretations Committee noted that on the basis of paragraph 26 (above) determining whether a disposal group continues to be held for sale would be dependent on the continuous assessment of the criteria in paragraphs 7–9 of IFRS 5. However it observed that paragraph 26 is not clear about whether a change from a plan to sell a disposal group (that is, “held for sale”) (HFS) to a plan to distribute a disposal group (that is, “held for distribution” or HFD) would also be accounted for as a ‘change to a plan of sale’.
7. The Interpretations Committee observed that IFRIC 17 *Distribution of Non-cash Assets to Owners* amended IFRS 5 in 2007 by adding paragraphs 5A, 12A and 15A to provide guidance for held for distribution classification. However it noted that paragraphs 26–29 were not amended to clarify the accounting from an HFS plan to a HFD plan nor did it provide guidance on the accounting in circumstances in which the entity ceased to meet the HFD criteria. The Interpretations Committee determined that the fact that IFRIC 17 did not amend paragraphs 26–29 of IFRS 5 at the time was an oversight that should now be corrected.

Summary of the staff analysis

8. The following is a summary of the analysis presented to the Interpretations Committee in May 2013. Our full analysis was set out in [Agenda Paper 20B](#) and [Agenda Paper 20C](#) for the May 2013 Interpretations Committee meeting and [Agenda Paper 12](#) for the March 2013 Interpretations Committee meeting.

Reclassification from held for sale to held for distribution (or vice versa) – Views identified

9. In addressing this issue, the Interpretations Committee analysed two views that are described below¹:
- **View A** – a change from a HFS plan to a held for distribution plan *is automatically* considered a ‘change to a plan of sale’ thereby requiring an entity to:
 - (i) cease classification as HFS (paragraph 26);
 - (ii) ‘unwind’ the HFS accounting (paragraphs 27–29); and
 - (iii) re-apply the same classification, presentation and measurement requirements in IFRS 5 that are applicable to a non-current asset (or disposal group) that is classified as held for sale (paragraph 5A).
 - **View B** – a change in a method of disposal, from a HFS plan to a HFD plan, *is not automatically* considered a ‘change to a plan of sale’. If the entity meets the HFS criteria, and then if, on a change of method of disposal, it meets the HFD criteria, in such a way that it meets the HFS criteria and the HFD criteria consecutively an entity:
 - (i) should not apply paragraphs 27–29 of IFRS 5 to adjust the amounts recognised in respect of the disposal group; and
 - (ii) should apply, uninterrupted, the classification, presentation and measurement requirements applicable to a non-current asset (or

¹ These two views make the assumption that the asset (or disposal group) is available for immediate distribution and that the distribution is *highly probable* according to paragraph 12A of IFRS 5.

disposal group) that is classified as held for sale in accordance with paragraph 5A.

View A—a change to a HFD plan is automatically considered a ‘change to a plan of sale’

10. Supporters of this view observe that paragraph 26 is not specific about the type of change that triggers a change to a plan of sale, so it should be assumed that any change from HFS classification to another classification (whether changed to held for disposal or held for use) should follow the accounting that is required for a ‘change to a plan of sale’, as described in paragraphs 27-29 of IFRS 5.
11. Paragraph 27 of IFRS 5 requires measuring the asset (or disposal group) at its carrying amount before the asset (or disposal group) was classified as HFS, adjusted for any depreciation, amortisation or revaluations that would have been recognised if the asset (or disposal group) had not been classified as HFS or at its recoverable amount if that amount is lower.
12. After remeasuring the asset (or disposal group), an entity would apply the same classification, presentation and measurement requirements in IFRS 5 applicable to a non-current asset (or disposal group) that is classified as held for sale, in accordance with paragraph 5A. This paragraph states that:

The classification, presentation and measurement requirements in this IFRS applicable to a non-current asset (or disposal group) that is classified as held for sale apply also to a non-current asset (or disposal group) that is classified as held for distribution to owners acting in their capacity as owners (held for distribution to owners).
13. Supporters of this view observe that HFS accounting is ceased and amounts recognised are adjusted, because there is no continuity between one classification (HFS) and the other (HFD). Consequently in their view the HFD classification is viewed as a new (or “fresh”) classification. They think that this is justified because they think that:
 - (a) the nature of a sale and of a distribution are different;
 - (b) a sale and a distribution constitute different methods of disposal; and as a consequence,

- (c) prior HFS accounting should not affect (new) HFD accounting.

View B—a change to a HFD plan is not automatically considered a ‘change to a plan of sale’

14. Supporters of this view think that if an entity meets the HFS criteria followed immediately by a change of method of disposal whereby the entity meets the HFD criteria, in such a way that it meets the HFS criteria and the HFD criteria consecutively, then the entity does not cease to apply the classification and measurement requirements of IFRS 5 and consequently it does not ‘unwind’ the IFRS 5 accounting from the period when the HFS criteria were met. This is because they observe that:
- (a) the measurement guidance in paragraphs 27–29 was not meant to be applied in circumstances in which a disposal group moves without interruption (ie seamlessly) from HFS classification to HFD classification.
 - (b) the conditions required by paragraph 8 of IFRS 5 for a sale to be highly probable are very similar, if not identical, to the conditions required by paragraph 12A of IFRS 5 for a distribution to be considered highly probable, so they could be seen as similar types of disposals that should be accounted for in the same way. For instance for either a sale or for a distribution:
 - (a) actions to complete the plan must have been initiated;
 - (b) the plan is required to be completed within one year;
 - (c) the plan should not be significantly changed or withdrawn; and
 - (d) the probability of getting the shareholders’ approval is considered in the assessment.
15. The fact that the criteria for HFS classification and for HFD classification are alike is reaffirmed in paragraph BC64 of IFRIC 17 *Distributions of Non-Cash Assets to Owners*², as follows (emphasis added)

² In 2007, the IASB decided to require an entity to apply IFRS 5 to non-current assets (or disposal groups) held for distribution to owners. This decision was derived from the publication of IFRIC 17.

The IFRIC concluded that IFRS 5 should be applied at the commitment date at which time the assets must be available for immediate distribution in their present condition and the distribution must be highly probable. **For the distribution to be highly probable, it should meet essentially the same conditions required for assets held for sale.** Further, the IFRIC concluded that the probability of shareholders' approval (if required in the jurisdiction) should be considered as part of the assessment of whether the distribution is highly probable. The IFRIC noted that shareholder approval is also required for the sale of assets in some jurisdictions and concluded that similar consideration of the probability of such approval should be required for assets held for sale.

16. Consequently, supporters of this view think the change from HFS classification to HFD classification should flow smoothly without the need for adjusting previous amounts recognised when the asset (or disposal group) was considered HFS; in other words, there should not be any interruption of the IFRS 5 accounting.
17. In line with the above, supporters of this view think that a classification as HFD should not be considered a new classification but should instead be viewed as a continuation of the accounting principles for held-for-sale accounting, but with a different and new label: "held for distribution". Consequently, they disagree with the application of the guidance in paragraphs 27–29 in IFRS 5 (that is, where the HFS effects are reversed) when an entity changes the HFS classification to a HFD classification without interruption.

Interpretations Committee's recommendation to the IASB

18. The Interpretations Committee supported **View B**.
19. The Interpretations Committee observed that a decision to change the form of disposal should not automatically cause an entity to discontinue the held for disposal accounting.
20. The Interpretations Committee did not think that the measurement guidance in paragraphs 27–29 relating to the discontinuation of the held for sale accounting was intended to be applied in circumstances in which a disposal group moves without interruption from held for sale classification to held for distribution classification.

This is because the conditions required by paragraph 8 of IFRS 5 for a sale to be considered highly probable are similar to the conditions required by paragraph 12A of IFRS 5 for a distribution to be considered highly probable and that the accounting requirement under both classifications are the same.

21. The conclusion above would also apply when an entity changes its method of disposal from a distribution to a sale because if an entity moves without interruption from one method of disposal to another method of disposal then the accounting should be seamless.
22. The Interpretations Committee also observed that paragraph 26 of IFRS 5 implies continuous monitoring of the held for sale criteria and thought that continuous monitoring of the held for distribution criteria (in paragraph 12A) should also be required.

Suggested path forward

23. To address the lack of guidance in IFRS 5 when an entity reclassifies an asset (or disposal group) from held for sale to held for distribution (or vice versa), or when held for distribution accounting is discontinued, the Interpretations Committee proposes the IASB to amend IFRS 5 by stating that in circumstances in which an entity reclassifies an asset (or disposal group) from HFS to HFD (or vice versa), a change from HFS to HFD (or vice versa) should not be accounted in accordance with the guidance in paragraphs 27–29 of IFRS 5.

The criteria for held for distribution is no longer met

24. The Interpretations Committee observed that there is no specific guidance in IFRS 5 for the discontinuation of held–for–distribution accounting, when an entity determines that the asset (or disposal group) is no longer available for immediate distribution or that this distribution is no longer highly probable, on the basis of the guidance in paragraph 12A of IFRS 5. Paragraph 12A is reproduced below (emphasis added):

A non-current asset (or disposal group) is classified as held for distribution to owners when the entity is committed to distribute the asset (or disposal group) to the owners. **For this to be the case, the assets must be available for immediate distribution in their present condition and the distribution**

must be highly probable. For the distribution to be highly probable, actions to complete the distribution must have been initiated and should be expected to be completed within one year from the date of classification. Actions required to complete the distribution should indicate that it is unlikely that significant changes to the distribution will be made or that the distribution will be withdrawn. The probability of shareholders' approval (if required in the jurisdiction) should be considered as part of the assessment of whether the distribution is highly probable.

25. The Interpretations Committee observed that the classification, presentation and measurement requirements in IFRS 5 applicable to a non-current asset (or disposal group) that is classified as HFS, apply also to non-current asset (or disposal group) that is classified as HFD in accordance with paragraph 5A. On this basis the Interpretations Committee observed that HFS and HFD should have the same basis of accounting when any of those classifications are ceased.

Suggested path forward

26. To address the lack of guidance in IFRS 5 when an entity determines that the asset (or disposal group) is no longer available for immediate distribution or that this distribution is no longer highly probable (on the basis of the guidance in paragraph 12A of IFRS 5) the Interpretations Committee proposes the IASB to amend IFRS 5 by stating that in those circumstances it should cease held-for-distribution accounting and apply the guidance in paragraphs 27–29 of IFRS 5 (unless the disposal group immediately meets the criterion to be classified as held for sale).

Agenda criteria assessment

27. The staff's assessment of the agenda criteria³ is as follows

Agenda criteria

<p>We should address issues (5.16):</p>	
<p>that have widespread effect and have, or are expected to have, a material effect on those affected.</p>	<p>Based on our analysis of the outreach results received from standard-setters and regulators, we observed that this issue is not considered widespread (refer to Agenda Paper 20C of May 2013). However, we observe that there is a lack of guidance in IFRS 5 in circumstances where an entity changes its disposal plan (from held for sale to held for distribution) and where it discontinues held for distribution accounting and we think that this issue should be addressed.</p>
<p>where financial reporting would be improved through the elimination, or reduction, of diverse reporting methods.</p>	<p>Yes. We think that the proposed amendment would promote the consistent application of the guidance in IFRS 5 in circumstances where an entity changes its disposal plan (from held for sale to held for distribution) and where it discontinues held for distribution accounting.</p>
<p>that can be resolved efficiently within the confines of existing IFRSs and the <i>Conceptual Framework for Financial Reporting</i>.</p>	<p>Yes. We think that further guidance is needed to clarify that if an entity reclassifies an asset (or disposal group) from being held for sale to being held for distribution, or from being held for distribution to being held for sale, an entity shall not consider this as a change to a plan of sale and shall not follow the guidance in paragraphs 26–29 to account for this change. An entity shall continue to apply the classification, presentation and measurement requirements in this IFRS applicable to a non-current asset (or disposal group) that is classified as held for sale and for a non-current asset (or disposal group) that is classified as held for distribution.</p> <p>We also think that it should be clarified that in circumstances in which an entity has classified an asset (or disposal group) as held for distribution, but the criteria in paragraph 12A are no longer met, the entity shall cease to classify the asset (or disposal group) as held for distribution and apply the</p>

³ These criteria can be found in the [IFRS Foundation Due Process Handbook](#) as indicated in the paragraphs below.

<p>In addition:</p> <p>Can the Interpretations Committee address this issue in an efficient manner (5.17)</p> <p>Will it be effective for a reasonable time period (5.21)? Only take on the topic of a forthcoming Standard if short-term improvements are justified.</p>	<p>guidance in paragraphs 27–29.</p> <p>Yes. We think that the proposed amendment should be included as part of the annual improvements project (2012 –2014 cycle).</p> <p>Yes. The proposed amendment will be effective for a reasonable time period. As we have explained above, the proposed improvement is justified.</p>
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Additional criteria for annual improvements

<p>In addition to the implementation and maintenance criteria, an annual improvement should (6.11, 6.12):</p> <ul style="list-style-type: none"> • Replace unclear wording; • Provide missing guidance; or • Correct minor unintended consequences, oversights or conflict. <p>Not change an existing principle or propose a new principle</p>	<p>Yes. We have observed that current IFRS 5 can be read in a way that a change from held for sale to held for distribution automatically results in a change of plan accounting. However we think that from the current guidance in paragraphs 5A, 8 and paragraph 12A of IFRS 5, as well as the guidance in paragraphs BC59–BC65 of IFRIC 17, that it was the intention of the IASB, when drafting IFRS 5, to have the same criteria and the same accounting requirements for an asset (or a disposal group) classified as held for sale and for an asset (or a disposal group) classified as held for distribution.</p> <p>Consequently, we think that our proposals to clarify IFRS 5 correct an oversight derived from the amendment to IFRS 5 by IFRIC 17. Our proposals are to clarify the accounting requirements when (a) an entity reclassifies an asset (or disposal group) from being held for sale to being held for distribution (or vice versa); and when (b) an entity has classified an asset (or disposal group) as held for distribution, but the criteria in paragraph 12A are no longer met.</p> <p>We think that IFRIC 17 should have also considered for amendment the guidance in paragraphs 26-29 of IFRS 5 to clarify the accounting requirements for a reclassification between held for sale and held for distribution (and vice versa) and when the criteria in paragraph 12A are no longer met.</p> <p>Yes. We think that the proposed amendment is not changing an existing</p>
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Not be so fundamental that the IASB will have to meet several times to conclude (6.14)

principle or proposing a new principle.

Yes. We think that the proposed amendment is not so fundamental that the IASB will have to meet several times to conclude.

Interpretations Committee's recommendation to the IASB

28. On the basis of the assessment of the Interpretations Committee's agenda criteria, and also on the analysis in this paper, the Interpretations Committee observed that the proposed amendments to IFRS 5 meet the criteria for inclusion in the Annual Improvements cycle for 2012–2014.
29. The proposed amendment to the guidance in paragraphs 26–29 is shown in **Appendix A** of this paper.

Transition provisions and effective date

30. The Interpretations Committee proposes to apply the amendment to IFRS 5 prospectively for annual periods beginning on or after 1 January 2016. Earlier application should be permitted.
31. The proposed transition is in line with the transition that was required by IFRIC 17 when it amended IFRS 5 (refer to paragraph 44D of IFRS 5).

First time adopters

32. We think that a first-time adopter should apply the amendment to IFRS 5 at the date of transition to IFRS. In this respect we have considered but concluded that a clarifying amendment to IFRS 1 *First-time adoption of International Financial Reporting Standards* is not necessary.

Consequential amendments

33. The Interpretations Committee has not identified any consequential amendments to other IFRSs that might have been triggered by this proposed amendment.

Question to the IASB

Question to the IASB

Does the IASB agree with the Interpretations Committee's recommendation to amend the guidance in paragraphs 26 –29, as part of the annual improvements project? (the proposed amendment is described in Appendix A of this paper)

Appendix A—Proposed amendments

Proposed amendment to IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*

Paragraphs 26A, 26B and 44J are added and paragraphs 26–29 are amended. New text is underlined.

Changes to a plan of sale or to a plan of distribution

- 26 If an entity has classified an asset (or disposal group) as held for sale, but the criteria in paragraphs 7–9 are no longer met, the entity shall cease to classify the asset (or disposal group) as held for sale and shall follow the guidance in paragraphs 27–29 to account for this change except for the circumstances in which paragraph 26B applies.
- 26A If an entity has classified an asset (or disposal group) as held for distribution in accordance with paragraph 12A, but the criteria in paragraph 12A are no longer met, the entity shall cease to classify the asset (or disposal group) as held for distribution and shall follow the guidance in paragraphs 27–29 to account for this change except for the circumstances in which paragraph 26B applies.
- 26B If an entity reclassifies an asset (or disposal group) from being held for sale to being held for distribution and with this an entity moves from one method of disposal to the other without interruption, or from being held for distribution to being held for sale without interruption, an entity shall not follow the guidance in paragraphs 27–29 to account for this change. An entity shall continue to apply the classification, presentation and measurement requirements in this IFRS applicable to a non-current asset (or disposal group) that is classified as held for sale and for a non-current asset (or disposal group) that is classified as held for distribution.
- 27 The entity shall measure a non-current asset that ceases to be classified as held for sale or as held for distribution (or ceases to be included in a disposal group classified as held for sale or as held for distribution) at the lower of:
- (a) its carrying amount before the asset (or disposal group) was classified as held for sale or as held for distribution, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset (or disposal group) not been classified as held for sale or as held for distribution, and

- (b) its *recoverable amount* at the date of the subsequent decision not to sell⁴.
- 28 The entity shall include any required adjustment to the carrying amount of a non-current asset that ceases to be classified as held for sale or as held for distribution in profit or loss⁵ from continuing operations in the period in which the criteria in paragraphs 7–9 are no longer met. Financial statements for the periods since classification as held for sale or as held for distribution shall be amended accordingly if the disposal group or non-current asset that ceases to be classified as held for sale or as held for distribution is a subsidiary, joint operation, joint venture, associate, or a portion of an interest in a joint venture or an associate. The entity shall present that adjustment in the same caption in the statement of comprehensive income used to present a gain or loss, if any, recognised in accordance with paragraph 37.
- 29 If an entity removes an individual asset or liability from a disposal group classified as held for sale, the remaining assets and liabilities of the disposal group to be sold shall continue to be measured as a group only if the group meets the criteria in paragraphs 7–9. If an entity removes an individual asset or liability from a disposal group classified as held for distribution, the remaining assets and liabilities of the disposal group to be distributed shall continue to be measured as a group only if the group meets the criteria in paragraph 12A. Otherwise, the remaining non-current assets of the group that individually meet the criteria to be classified as held for sale (or as held for distribution) shall be measured individually at the lower of their carrying amounts and fair values less costs to sell at that date. Any non-current assets that do not meet the criteria for held for sale shall cease to be classified as held for sale in accordance with paragraph 26. Any non-current assets that do not meet the criteria for held for distribution shall cease to be classified as held for distribution in accordance with paragraph 26A.

Transition and effective date

- 44J *Annual Improvements* [cycle] issued in [date] added paragraphs 26A and 26B. It also amended paragraphs 26–29. An entity shall apply those amendments prospectively in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* for annual periods beginning on or after [date]. Earlier application is permitted. If an entity applies the amendment for an earlier period it shall disclose that fact.

⁴ If the non-current asset is part of a cash-generating unit, its recoverable amount is the carrying amount that would have been recognised after the allocation of any impairment loss arising on that cash-generating unit in accordance with IAS 36.

⁵ Unless the asset is property, plant and equipment or an intangible asset that had been revalued in accordance with IAS 16 or IAS 38 before classification as held for sale, in which case the adjustment shall be treated as a revaluation increase or decrease.

Basis for Conclusions on the proposed amendments to IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*

This Basis for Conclusions accompanies, but is not part of, the proposed amendments.

Changes to a plan of sale

- BC1 The IASB received a request to clarify the accounting for a change in a disposal plan from a plan to sell a division to a plan to spin off a division and distribute a dividend in kind to its shareholders. Paragraph 26 of IFRS 5 was interpreted by some as requiring this change to be considered a change to a plan of sale and be accounted in accordance with paragraphs 26–29 of IFRS 5.
- BC2 In analysing this issue the IASB observed that there was no specific guidance in IFRS 5 for the discontinuation of held-for-distribution accounting, when an entity determines that the asset (or disposal group) is no longer available for immediate distribution or that this distribution is no longer *highly probable*, based on paragraph 12A of IFRS 5.
- BC3 The IASB observed that IFRIC 17 *Distribution of Non-cash Assets to Owners* amended IFRS 5 by adding paragraphs 5A, 12A and 15A to provide guidance for held for distribution classification. However, this amendment did not provide guidance when an entity reclassifies an asset (or disposal group) from held for sale to held for distribution (or vice versa), or when held for distribution accounting is discontinued. The IASB noted that paragraphs 26–29 of IFRS 5 should have been considered for amendment derived from the publication of IFRIC 17 and the fact that they were not amended at the time was an oversight.
- BC4 The IASB observed that the current guidance in IFRS 5 could be read in a way that a change from a plan to sell a non-current asset (or disposal group) to a plan to distribute a non-current asset (or disposal group) automatically results in a change to a plan of sale and that the measurement guidance in paragraphs 27–29 should be applied.
- BC5 The IASB observed that paragraphs 27–29 do not provide guidance in circumstances in which a disposal group moves without interruption from held for sale classification to held for distribution classification. This is because the IASB observed that on the basis of paragraphs BC59–BC65 of IFRIC 17 it is the intention of the IASB, to have the same criteria and the same accounting requirements for an asset (or a disposal group) classified as held for sale and for an asset (or a disposal group) classified as held for distribution.
- BC6 In addition, the IASB observed that:
- (a) the conditions required by paragraph 8 of IFRS 5 for a sale to be considered *highly probable* are similar to the conditions required by paragraph 12A of IFRS 5 for a distribution to be considered *highly probable*, so they should be accounted for in the same way; and
 - (b) paragraph 5A of IFRS 5 confirms that the same classification, presentation and measurement requirements in IFRS 5 applicable for an asset (or disposal group) that is classified as held for sale, apply to an asset (or disposal group) that is classified as held for distribution.

- BC7 Consequently, the IASB noted that based on the current guidance in paragraphs 5A, 8 and paragraph 12A of IFRS 5 and the explanations in the basis for conclusions in IFRIC 17, the change from held for sale to held for distribution or a change from held for distribution to held for sale, when an entity moves from one method of disposal to the other without interruption, should not be considered a new classification but should lead instead to the continuation of the same classification, presentation and measurement requirements required for each type of disposal in IFRS 5.
- BC8 To address the lack of guidance in IFRS 5 when an entity reclassifies an asset (or disposal group) from held for sale to held for distribution (or viceversa) the IASB proposes to state that a reclassification of an asset (or disposal group) from held for sale to held for distribution or from held for distribution to held for sale shall not be considered a change to a plan of sale and an entity shall not follow the guidance in paragraphs 26 –29 in IFRS 5 to account for this change. Consequently, an entity shall continue to apply the same classification, presentation and measurement requirements in this IFRS as the non-current asset (or disposal group) is reclassified from held for sale held for distribution (or viceversa).
- BC9 To address the lack of guidance in circumstances in which an entity no longer meets the criteria for held for distribution (without meeting the held-for-sale criteria), the IASB proposes it should cease held-for-distribution accounting in the same way as it ceases to apply the held-for-sale accounting when ceasing to meet the held-for-sale criteria.