

STAFF PAPER

January 2016

IFRS Interpretations Committee Meeting

Project	IFRS 5 <i>Non-current Assets Held for Sale and Discontinued Operations</i>		
Paper topic	Cover paper		
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This paper has been prepared for discussion at a public meeting of the IFRS Interpretations Committee. Comments made in relation to the application of an IFRS do not purport to be acceptable or unacceptable application of that IFRS—only the IFRS Interpretations Committee or the IASB can make such a determination. Decisions made by the IFRS Interpretations Committee are reported in *IFRIC Update*. The approval of a final Interpretation by the Board is reported in *IASB Update*.

Introduction

1. In September 2015, the IFRS Interpretations Committee (‘the Interpretations Committee’) published three tentative agenda decisions relating to issues arising from the application of IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.
2. Those tentative agenda decisions related to:
 - (a) Issue 1—to what extent can an impairment loss be allocated to non-current assets within a disposal group (to be covered in Agenda Paper 7A);
 - (b) Issue 2—presentation of intragroup transactions between continuing and discontinued operations (to be covered in Agenda Paper 7B); and
 - (c) Issue 3—other various IFRS 5 issues (to be covered in Agenda Paper 7C).
3. The comment period for the tentative agenda decisions ended on 23 November 2015, and we received 12 comment letters.¹ Some respondents

¹ This number includes one unofficial comment from a staff of the Australian Accounting Standards Board.

commented on only one of these tentative agenda decisions, while other respondents provided comments on all of these tentative agenda decisions.

4. At this meeting, we are providing a comment letter analysis and recommendation for each of these tentative agenda decisions.
5. Our recommendation for the Interpretations Committee for each of these tentative agenda decisions is:
 - (a) Issue 1—to finalise the tentative agenda decision with only minor editorial changes to the original wording;
 - (b) Issue 2—not to finalise the tentative agenda decision, but, instead, to transfer the issue to the agenda decision that deals with other various IFRS 5 issues (ie Issue 3); and
 - (c) Issue 3—to finalise the tentative agenda decision with some changes to the wording, including the change suggested in (b) above.