

IASB Meeting December 2006

The December meeting of the IASB was punctuated by some long and intense debates. The Board discussed amendments to IAS 1 concerning financial statement presentation, and to IAS 23 to remove the expensing option. It tentatively decided to abandon a full goodwill approach to minority interests. It will recommend to the Trustees that IFRIC's agenda committee should be abandoned.

The staff brought what should be the final paper on the proposed amendments to IAS 1 which constitute phase A of the financial statement presentation project. They decided that the proposed third balance sheet should be required only if there had been any changes from the previously published one. They also agreed the option of showing comprehensive income through two statements as well as one.

The proposed amendment to IAS 23 came back for further discussion. This time the Board voted in favour of proceeding to remove the option to expense interest incurred during the construction of assets.

There was along debate about the proposal in the Business Combinations Exposure Draft to show full goodwill on a partible acquisition. The Board reaffirmed its belief that this was the correct principle, but decided the moment was not ripe to introduce it. However, they were told that the FASB remains committed to making the change, so there may be further debate as a result of convergence concerns.

The Board discussed the Trustees' review of IFRIC's due process and decided to recommend to the Trustees that the present process whereby the staff receive advice on agenda proposals in private be abandoned. The suggestion was that an extra half day could be added to IFRIC's public meetings at which the staff could discuss with IFRIC members.

A draft amendment to IAS 39 was also discussed. At IFRIC's suggestion, the Board tentatively agreed to issue a proposal to restrict the risks that could be the subject of hedging.