

# IASB Meeting January 2007

The January Board meeting was not the occasion for any major decisions, but a number of smaller issues were decided. The Board decided to put forward an agenda proposal for a project to write non-mandatory guidance on a management commentary. It will review the scope of its proposed amendment to IAS 32 in the light of comments during the exposure draft phase. It extended by one month the comment period on the fair value measurement discussion paper, and agreed that policyholder participation rights should be approached from the perspective of a constructive obligation in the forthcoming insurance discussion paper.

The Board heard an analysis of comments on the discussion paper on Management Commentary. The comments were overwhelmingly favourable, and, following debate, the Board agreed that an agenda proposal should be made. The suggestion was that the project, if accepted, should produce non-mandatory guidance.

Staff from New Zealand presented a preliminary analysis of the responses to the exposure draft of proposed amendments to IAS 32 for instruments puttable at fair value. The Board was concerned that respondents were suggesting a number of additions to the scope of the changes.

They noted that it was supposed to be a 'quick fix' project, and that if it were widened it would be better to abandon it and wait for the substantive liabilities and equity project. The FASB is planning to issue a discussion paper on the latter in May, and the IASB is to hold education sessions in the coming months to learn about that and an EFRAG project on the same subject.

The business combinations project was also on the agenda, including the implications of the abandonment of full goodwill recognition where there are non-controlling interests. The Board voted narrowly to preserve the 'control model' where there is no re-measurement of assets and liabilities in a step acquisition once control has been obtained. There was some sabre rattling as to whether a final standard would command a sufficient majority.

The joint project team on financial statement presentation discussed various issues, including that of the definition and presentation of discontinued operations. It emerged that the FASB would like to fast track this aspect in order to provide relief on SFAS 144. The IASB was a little taken-aback, given how recently it had converged by issuing IFRS 5.

The Board agreed to a request for a one month extension to the comment period on the fair value measurement paper. It also relented on its approach to policyholder participation rights and agreed that the insurance discussion paper, now scheduled for March, should approach these from the point of view of a constructive obligation.