



Press Release

17 January 2008

IFRIC publishes proposed guidance on distributions of non-cash assets to owners

The International Financial Reporting Interpretations Committee (IFRIC) today released for public comment a draft Interpretation, D23 *Distributions of Non-cash Assets to Owners*.

The IFRIC was asked to provide guidance on how an entity should measure distributions of assets other than cash when it pays dividends to its owners acting in their capacity as owners. At present, International Financial Reporting Standards do not address the measurement of distributions to owners.

The proposed Interpretation addresses the following two issues:

- (a) How should an entity measure an obligation to distribute non-cash assets to its owners (a dividend payable)?
- (b) When an entity settles the dividend payable, how should it account for any difference between the carrying amount of the assets distributed and the carrying amount of the dividend payable?

IFRIC D23 would apply to all types of distributions of non-cash assets with one exception. It would not apply to a distribution of an asset to another entity within the same consolidated group.

IFRIC D23 proposes that all types of distributions of non-cash assets would be measured at the fair value of the assets distributed. The IFRIC proposes that the guidance should be applied only to future distributions because it recognises the difficulty entities would face in recognising past distributions at their fair values.

The proposal is open for public comment until 25 April 2008. IFRIC D23 *Distributions of Non-cash Assets to Owners* is available for eIFRS subscribers from today and will be freely available on the IASB Website from tomorrow. Further information about this project is available on the IASB Website.

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About the IFRIC

The IFRIC is the interpretative body of the International Accounting Standards Board (IASB). Its objective is to review newly identified issues not specifically addressed in International Financial Reporting Standards or issues where unsatisfactory or conflicting interpretations have developed, or seem likely to develop in the absence of authoritative guidance. Any individual or organisation can ask for an issue to be put on the IFRIC's agenda. To be considered, those issues should be widespread and have practical relevance. The IFRIC comprises 14 voting members (all part-time) drawn from a variety of countries and professional backgrounds. They are appointed by the Trustees of the International Accounting Standards Committee Foundation and are selected for their ability to maintain an awareness of current issues as they arise and the technical ability to resolve them. IFRIC interpretations are subject to IASB approval and have the same authority as a standard issued by the IASB.