

PRESS RELEASE

10 September 2010

IASB proposes to amend one aspect of accounting for deferred tax

The International Accounting Standards Board (IASB) today published for public comment an exposure draft *Deferred Tax: Recovery of Underlying Assets*.

The proposal would amend one aspect of IAS 12 *Income Taxes*. Under IAS 12, the measurement of deferred tax liabilities and deferred tax assets depends on whether an entity expects to recover an asset by using the asset or by selling the asset. In some cases, it is difficult and subjective to assess whether recovery will be through use or through sale.

To provide a practical approach in such cases, the proposed amendment would introduce a presumption that an asset is recovered entirely through sale unless the entity has clear evidence that recovery will occur in another manner.

The presumption would apply when investment properties, property, plant and equipment or intangible assets are remeasured at fair value or revalued at fair value.

The exposure draft, *Deferred Tax: Recovery of Underlying Assets* is open for comment until 9 November 2010 and can be accessed via the 'Comment on a Proposal' section of www.ifrs.org.

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Notes to editors

About the IASB

The IASB was established in 2001 and is the standard-setting body of the IFRS Foundation, an independent, private sector, not-for-profit organisation. The IASB is committed to developing, in the public interest, a single set of high quality global accounting standards that provide high quality transparent and comparable information in general purpose financial statements. In pursuit of this objective the IASB conducts extensive public consultations and seeks the co-operation of international and national bodies around the world. The IASB currently has 15 full-time members drawn from 10 countries and a variety of professional backgrounds. By 2012 the Board will be expanded to 16 members. Board members are appointed by and accountable to the Trustees of the IFRS Foundation, who are required to

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