



International Accounting Standards Board®

Press Release

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IASB announces round-table discussions as part of comprehensive review of off balance sheet activities

The International Accounting Standards Board (IASB) announced today details of round-table discussions on consolidation and the derecognition of financial instruments. The discussions will take place in June 2009 and will be held in Asia, Europe and North America.

The round tables follow the publication of the IASB's proposals on consolidation and on derecognition in December 2008 and March 2009 respectively.

The objective of the round tables is to seek further views on the consolidation proposals (for which the comment deadline closed in March) and to discuss the interaction of those proposals and the proposals on derecognition, particularly with regard to securitisations and the use of structured vehicles for off balance sheet accounting.

Off balance sheet activity was identified as a matter of concern by the G20 group of leaders at their meeting in Washington in November 2008. In response to those concerns, the IASB accelerated its work in this area and announced at a joint meeting with the US Financial Accounting Standards Board (FASB) that the two boards will work together to develop a joint approach to off balance sheet activity once the FASB has completed short-term amendments to its own standards.

The round-table discussions will take place in Toronto on 1 and 2 June, in Tokyo on 8 and 9 June and in London on 15 and 16 June. Each session will be held in public. Interested parties are welcome to register through the IASB's website on www.iasb.org. Please visit the project and meeting pages of the website also for further details on venue and the exact timing.

The IASB will use the insights gained at the round tables in working towards issuing its new requirements on consolidation by the end of 2009 and on the derecognition of financial instruments in the first half of 2010.

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NOTES TO EDITORS

About the consolidation and derecognition projects

The consolidation project addresses the requirements that determine when an entity consolidates its financial statements with those of another entity. Those requirements apply to all entities. The IASB has accelerated the project in response to the financial crisis because the consolidation requirements also apply to financial structures such as special purpose entities that are used in the financial sector for securitisations and for investing purposes. The IASB published an exposure draft containing proposed amendments to the current requirements in December last year. The comment period on the exposure draft, ED 10 *Consolidated Financial Statements*, ended in March 2009. For more information about the project, visit the project website “Consolidation” on www.iasb.org.

Closely related to the consolidation project is the IASB’s project addressing the derecognition requirements in IAS 39 *Financial Instruments: Recognition and Measurement* and the related disclosure requirements in IFRS 7 *Financial Instruments: Disclosures*. The derecognition requirements determine when an entity takes financial assets and liabilities off its balance sheet (ie derecognises them). The assessment can be very difficult when dealing with complex legal and other structures, such as special purpose entities used for the securitisation of financial assets. In addition, the financial crisis has demonstrated that users require more information about derecognised financial assets that would allow them to have a better understanding of the risks to which an entity may continue to be exposed as a result of its involvement with those derecognised assets.

The IASB published a proposed revised approach to derecognition in March this year. For a quick introduction to the exposure draft, the Snapshot, and for more information visit the project website “Derecognition” on www.iasb.org.

About the IASB

The IASB, based in London, began operations in 2001. It is funded by contributions collected by its Trustees, the IASC Foundation, from the major accounting firms, private financial institutions and industrial companies throughout the world, central and development banks, and other international and professional organisations. The 14 IASB members (13 of whom are full-time) are drawn from nine countries and have a variety of professional backgrounds. The IASB is committed to developing, in the public interest, a single set of high quality, global accounting standards that require transparent and comparable information in general purpose financial statements. In pursuit of this objective, the IASB co-operates with national accounting standard-setters to achieve convergence in accounting standards around the world.