PRESS RELEASE

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IASB finalises enhanced derecognition disclosure requirements for transfer transactions of financial assets

The International Accounting Standards Board (IASB), the independent standard-setting body of the IFRS Foundation, today issued amendments to IFRS 7 *Financial Instruments: Disclosures* as part of its comprehensive review of off balance sheet activities.

The amendments will allow users of financial statements to improve their understanding of transfer transactions of financial assets (for example, securitisations), including understanding the possible effects of any risks that may remain with the entity that transferred the assets. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period.

The amendments broadly align the relevant disclosure requirements of International Financial Reporting Standards (IFRSs) and US generally accepted accounting principles (GAAP).

The IASB had previously published for public comment proposals to replace the existing derecognition model in IAS 39 *Financial Instruments: Recognition and Measurement* and the associated disclosure requirements in IFRS 7. However, in response to the feedback received, the IASB decided to retain existing derecognition requirements (to be incorporated into IFRS 9 *Financial Instruments*) and to finalise improved disclosure requirements. The new requirements are contained in *Disclosures—Transfers of Financial Assets* (Amendments to IFRS 7).

Commenting on the amendments, Sir David Tweedie, Chairman of the IASB, said:

> "These are important disclosure requirements that will help investors to better understand off-balance sheet risks, and to alert them to the possibility of so-called 'window dressing' transactions occurring at the end of a reporting period."

The IASB and the US Financial Accounting Standards Board (FASB) will conduct additional research and analysis, including a post-implementation review of the FASB's recently amended requirements, before determining any further work to be undertaken.

A Feedback Statement, outlining how the IASB responded to feedback received through the consultation process, is available by [clicking here](). A podcast introduction to the new disclosure requirements is available via iTunes, or by [clicking here]().

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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 14 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 select the best available combination of technical expertise and diversity of international business and market experience. In their work the Trustees are accountable to a Monitoring Board of public authorities.