

Press release

28 November 2012

IASB proposes limited changes to IFRS 9 classification and measurement requirements

The International Accounting Standards Board (IASB) has published today for public comment proposals for limited changes to the classification and measurement requirements for financial instruments under IFRS 9: *Financial Instruments*.

The proposals form part of a wider project to reform accounting for financial instruments, and are part of the Classification and Measurement phase of that project. The IASB published new classification and measurement requirements for financial assets in 2009 and for financial liabilities in 2010. However, in January 2012 the IASB decided to consider limited amendments in order to:

- clarify a narrow range of application questions;
- reduce key differences with the US Financial Accounting Standards Board's (FASB) tentative classification and measurement model to achieve increased comparability internationally in the accounting for financial instruments; and
- take into account the interaction between the classification and measurement of financial assets and the accounting for insurance contract liabilities.

Because IFRS 9 is fundamentally sound and because some entities have already adopted or prepared to adopt IFRS 9 as previously published, the IASB sought to minimise changes to the requirements. The amendments are therefore consistent with the business model-driven classification structure in IFRS 9. The Exposure Draft proposes the introduction of a fair value through other comprehensive income (FVOCI) measurement category for debt instruments that would be based on an entity's business model.

IASB Chairman Hans Hoogervorst said:

“We were clear when IFRS 9 was introduced in 2009 that it would be necessary to consider revisiting the interaction between IFRS 9 and the Insurance Contracts project once the insurance contract model was developed sufficiently.

“In addition, this limited-scope review has given us an opportunity to propose aligning IFRS and US GAAP more closely, in this important area of financial reporting.”

End

Press enquiries:

Mark Byatt, Director of Communications and External Affairs, IFRS Foundation
Telephone: +44 (0)20 7246 6472
Email: mbyatt@ifrs.org

Chris Welsh, Communications Manager, IFRS Foundation
Telephone: +44 (0)20 7246 6495
Email: cwelsh@ifrs.org

About the International Accounting Standards Board

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 cooperation of international and national bodies around the world. The IASB has 15 full-time members drawn from 11 countries and a variety of professional backgrounds. 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.