

## PRESS RELEASE

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For immediate release

### The IFRS Interpretations Committee proposes two new Interpretations

**The IFRS Interpretations Committee ('Interpretations Committee') today published for public comment two proposed Interpretations of Standards, designed to address diversity in how the Standards are applied in practice. One gives guidance on how uncertainty over income tax treatments should affect the accounting for income taxes and the other addresses which exchange rate should be used to report foreign currency transactions when payment is made or received in advance.**

Interpretations form part of the authoritative International Financial Reporting Standards (IFRS) requirements. They are developed by the Interpretations Committee, which works with the International Accounting Standards Board (IASB) to provide guidance on specific implementation issues, helping those using IFRS and supporting consistency in application.

#### *Uncertainty over income tax treatments*

IAS 12 *Income Taxes* provides requirements on the recognition and measurement of current or deferred tax liabilities or assets, but does not provide specific guidance for how uncertainty about a tax treatment should be reflected in the accounting for income tax. Consequently, the Interpretations Committee proposes an Interpretation to provide that guidance.

#### *Foreign currency transactions and advance consideration*

IAS 21 *The Effects of Changes in Foreign Exchange Rates* sets out requirements about which exchange rate to use when recording a foreign currency transaction on initial recognition in the entity's functional currency. However, the Interpretations Committee observed diversity in practice in circumstances in which consideration was received or paid in advance of the recognition of the related asset, expense or income. Consequently, the Interpretations Committee proposes an Interpretation to provide guidance in these specific circumstances.

Both proposed Interpretations are open for public comment until 19 January 2016.

The draft Interpretation *Foreign Currency Transactions and Advance Consideration* can be accessed [here](#) and the draft Interpretation *Uncertainty over Income Tax Treatments* can be accessed [here](#).

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**Notes to editors:**

- The proposals are in response to issues considered by the IFRS Interpretations Committee. The draft Interpretations were developed by the IFRS Interpretations Committee.
- The IFRS Interpretations Committee is the interpretative body of the IASB. The mandate of the Interpretations Committee is to review on a timely basis implementation issues that have arisen within the context of current IFRS and to provide authoritative guidance (IFRIC) on those issues.
- Further information about the IFRS Interpretations Committee can be found [here](#)
- Information about the processes of development of Interpretations can be found [here](#)

**About the IFRS Foundation, the IASB and IFRS**

The IFRS Foundation is as an independent, not-for-profit organisation, overseen by a Monitoring Board of public authorities. Its vision of a single set of global accounting standards is supported by G20 leaders and other international organisations with responsibility for the global financial system.

The mission of the IFRS Foundation is to develop International Financial Reporting Standards (IFRS Standards) that bring transparency, accountability and efficiency to financial markets around the world, fostering trust, growth and long-term financial stability. The International Accounting Standards Board (IASB) is the standard-setting body of the IFRS Foundation, made up of independent experts from diverse professional and geographic backgrounds. IFRS is adopted by more than 100 countries globally.

For detailed information on the organisation's structure, the standard-setting process and the spread of IFRS Standards globally, visit [www.ifrs.org](http://www.ifrs.org).