



International Accounting Standards Board®

Press Release

8 October 2009

IASB amends the accounting for rights issues

The International Accounting Standards Board (IASB) issued today an amendment to IAS 32 *Financial Instruments: Presentation*.

The amendment addresses the accounting for rights issues (rights, options or warrants) that are denominated in a currency other than the functional currency of the issuer. Previously such rights issues were accounted for as derivative liabilities. However, the amendment issued today requires that, provided certain conditions are met, such rights issues are classified as equity regardless of the currency in which the exercise price is denominated.

The global financial crisis has led to an increase in the number of such rights issues as entities seek to raise additional capital. The IASB has moved swiftly to address this issue.

Entities are required to apply the amendment for annual periods beginning on or after 1 February 2010, but earlier application is permitted. *Classification of Rights Issues* (Amendment to IAS 32) is available for eIFRS subscribers from today. Printed copies (ISBN 978-1-907026-40-9) will be available shortly, at £10 plus shipping, from:

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Notes for editors

About the IASB

The IASB was established in 2001 and is the standard-setting body of the International Accounting Standards Committee (IASC) 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 has 15 full-time members drawn from ten countries and a variety of professional backgrounds. By 2012 the IASB will be expanded to 16 full-time members. Its members are appointed by and accountable to the Trustees of the IASC 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.