



International Accounting Standards Board®

# Press Release

18 June 2009

## **IASB clarifies the accounting for group cash-settled share-based payment transactions**

The International Accounting Standards Board (IASB) today issued amendments to IFRS 2 *Share-based Payment* that clarify the accounting for group cash-settled share-based payment transactions.

The amendments respond to requests the IASB received to clarify how an individual subsidiary in a group should account for some share-based payment arrangements in its own financial statements. In these arrangements, the subsidiary receives goods or services from employees or suppliers but its parent or another entity in the group must pay those suppliers.

The IASB revised its initial proposals in the light of comments received. The amendments issued today clarify:

- the scope of IFRS 2. An entity that receives goods or services in a share-based payment arrangement must account for those goods or services no matter which entity in the group settles the transaction, and no matter whether the transaction is settled in shares or cash.
- the interaction of IFRS 2 and other standards. The Board clarified that in IFRS 2 a 'group' has the same meaning as in IAS 27 *Consolidated and Separate Financial Statements*, that is, it includes only a parent and its subsidiaries.

The amendments to IFRS 2 also incorporate guidance previously included in IFRIC 8 *Scope of IFRS 2* and IFRIC 11 *IFRS 2—Group and Treasury Share Transactions*. As a result, the IASB has withdrawn IFRIC 8 and IFRIC 11.

The amendments to IFRS 2 *Group Cash-settled Share-based Payment Transactions* are available for eIFRS subscribers from today. Printed copies (ISBN 978-1-907026-09-6) will be available shortly, at £10 plus shipping, from:

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***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. From July 2009 on the membership of the IASB will increase from currently 14 members (13 of whom are full-time) to 15. Board members are drawn from nine countries and have a variety of professional backgrounds. They 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.