



International Accounting Standards Board®

Press Release

28 February 2008

IASB publishes a discussion paper on financial instruments with characteristics of equity

The International Accounting Standards Board (IASB) today published for public comment a discussion paper on the distinction between equity financial instruments and other financial instruments (non-equity instruments).

The discussion paper is the first stage of the IASB's project to improve and simplify the requirements in IAS 32 *Financial Instruments: Presentation*. Stakeholders around the world have raised two broad classes of criticisms of the current requirements:

- the principles in IAS 32 are difficult to apply
- the application of those principles can result in an inappropriate classification of some financial instruments

The project is a modified joint project between the IASB and the US Financial Accounting Standards Board (FASB). In a modified joint project, one board leads the initial stage. The FASB led the research stage of this project and published a Preliminary Views document *Financial Instruments with Characteristics of Equity* in November 2007.

The IASB has not deliberated the proposals in the FASB document and does not have a preliminary view. The goal of the discussion paper is to solicit the views of interested parties on whether the proposals in the FASB document are a suitable starting point for the IASB's deliberations. The outcome of the consultations will be essential in determining the future direction of the project. If the project is added to the IASB's active agenda, the IASB intends to undertake it jointly with the FASB.

The IASB invites comments on the discussion paper by 5 September 2008.

Further information on the discussion paper or the project is available on the project Website www.iasb.org.

The discussion paper *Financial Instruments with Characteristics of Equity* is available for eIFRS subscribers from today and will be freely available on the Website from 10 March 2008. Those wishing to subscribe to eIFRSs should visit the online shop at www.iasb.org or contact:

IASC Foundation Publications Department,
30 Cannon Street, London EC4M 6XH, United Kingdom.
Tel: +44 (0)20 7332 2730 Fax +44 (0)20 7332 2749
Email: publications@iasb.org Web: www.iasb.org

Printed copies (ISBN 978-1-905590-61-2) will be available shortly, at £10.00 plus shipping, from the IASC Foundation Publications Department.

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Press enquiries:

Mark Byatt, Director of Corporate Communications, IASB,
telephone: +44 (0)20 7246 6472, email: mbyatt@iasb.org

Sonja Horn, Communications Adviser, IASB,
telephone: +44 (0)20 7246 6463, email: shorn@iasb.org

Technical enquiries:

Wayne Upton, Director of Research, IASB,
telephone: +44 (0)20 7246 6449, email: wupton@iasb.org

Elizabeth Figgie, Project Manager, IASB
telephone: +44 (0)20 7246 6925, email: efiggie@iasb.org

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. Its 14 members (12 of whom are full-time) 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.