



International Accounting Standards Board®

Press Release

FOR IMMEDIATE RELEASE

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IFRIC issues Interpretation on interim financial reporting and impairment

The International Financial Reporting Interpretations Committee (IFRIC)* has today issued an Interpretation—IFRIC 10 *Interim Financial Reporting and Impairment*. The Interpretation addresses the apparent conflict between the requirements of IAS 34 *Interim Financial Reporting* and those in other standards on the recognition and reversal in financial statements of impairment losses on goodwill and certain financial assets.

IFRIC 10 states that any such impairment losses recognised in an interim financial statement must not be reversed in subsequent interim or annual financial statements.

Introducing IFRIC 10, Robert Garnett, IASB member and Chairman of IFRIC, said:

Because there is an apparent conflict between the relevant standards, preparers of interim financial reports have been unsure how to resolve it, and practice has diverged. IFRIC 10 aims to help constituents by providing a clear guide on how the standards interact on the question of impairment losses. At the same time, the IFRIC warns entities not to extend this Interpretation to other areas of potential conflict between IAS 34 and other standards.

Subscribers to the IASB's Comprehensive Subscription Service can view the Interpretation from the secure online services area of the IASB's Website (www.iasb.org). Those wishing to subscribe should contact:

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* The IFRIC is the interpretative arm of the International Accounting Standards Board (IASB).

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NOTES TO EDITORS***About IFRIC 10***

IFRIC 10 considers the interaction of IAS 34 *Interim Financial Reporting* with the impairment provisions relating to goodwill included in IAS 36 *Impairment of Assets* and the impairment provisions relating to investments in equity instruments and in financial assets carried at cost included in IAS 39 *Financial Instruments: Recognition and Measurement*.

In considering this issue, the IFRIC has not studied other areas of potential conflict between IAS 34 and other standards and has not identified general principles that might apply both to the Interpretation and to other areas of potential conflict. The IFRIC therefore decided to prohibit the extension of the consensus in IFRIC 10 by analogy to potential conflicts between IAS 34 and other standards.

About the IFRIC

The IFRIC first met in February 2002. It comprises 12 voting members (all part-time) drawn from a variety of countries and professional backgrounds, and it meets about six times a year under a non-voting chairman. The IFRIC's principal role is to consider, on a timely basis within the context of International Financial Reporting Standards and the IASB *Framework*, accounting issues that are likely to receive divergent or unacceptable treatment in the absence of authoritative guidance, with a view to reaching consensus on the appropriate accounting treatment. In developing Interpretations, the IFRIC works closely with similar national interpretation committees.

About the IASB

The IASB, based in London, began operations in 2001. It is funded by contributions collected by its Trustees, the IASC Foundation, from the major accounting firms, private financial institutions and industrial companies throughout the world, central and development banks, and other international and professional organisations. The 14 IASB members (12 of whom are full-time) are drawn from nine countries and have a variety of professional backgrounds. The IASB is committed to developing, in the public interest, a single set of high quality, global accounting standards that require transparent and comparable information in general purpose financial statements. In pursuit of this objective, the IASB co-operates with national accounting standard-setters to achieve convergence in accounting standards around the world.