



International Accounting Standards Board®

Press Release

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IASB proposes revised definition of discontinued operations

The International Accounting Standards Board (IASB) today published for public comment an exposure draft of proposed amendments to IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

The proposals are to revise the definition of discontinued operations and require additional disclosure about components of an entity that have been disposed of or are classified as held for sale. The proposals are the result of a joint project by the IASB and the US Financial Accounting Standards Board (FASB) to develop a common definition of discontinued operations and require common disclosures about them. The FASB is publishing parallel proposals to amend its standards.

Broadly speaking, discontinued operations are operations that an entity has disposed of or holds for sale. Entities present discontinued operations separately from continuing operations because of the ongoing cash flows that continuing operations will generate. By adopting a definition for discontinued operations that reflects the definition of operating segments in IFRS 8 *Operating Segments*, the proposals would also increase consistency between IFRSs and strengthen the basic principle in IFRS 5.

The proposed definition could result in fewer items being recognised in financial statements as discontinued operations than at present. However, the additional disclosures would give information about components of an entity that have been disposed of or are held for sale but do not meet the definition of a discontinued operation.

The exposure draft *Discontinued Operations (proposed amendments to IFRS 5)* is open for public comment until 23 January 2009. The exposure draft is available on the 'Open for Comment' section on www.iasb.org from today. Printed copies (ISBN 978-1-905590-74-2) will be available shortly, at £10.00 plus shipping, from:

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

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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:

Peter Clark, Director of Research, IASB
telephone: +44 (0)20 7246 6451, email: pclark@iasb.org

Anne McGeachin, Senior Project Manager, IASB
telephone: +44 (0)20 7246 6461, email: amcgeachin@iasb.org

Nobu Kawanishi, International Fellow, FASB
telephone: +81 (0)3 5510 2727, email: nkawanishi@fasb.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.