

## PRESS RELEASE

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### IASB clarifies its requirements for offsetting financial instruments

The International Accounting Standards Board (IASB) today clarified its requirements for offsetting financial instruments by issuing *Offsetting Financial Assets and Financial Liabilities* (Amendments to IAS 32). The amendments address inconsistencies in current practice when applying the offsetting criteria in IAS 32 *Financial Instruments: Presentation*.

The amendments clarify:

- the meaning of ‘currently has a legally enforceable right of set-off’; and
- that some gross settlement systems may be considered equivalent to net settlement.

The amendments are effective for annual periods beginning on or after 1 January 2014 and are required to be applied retrospectively.

The amendments are part of the IASB’s offsetting project. As part of that project, today the IASB also separately issued *Disclosures—Offsetting Financial Assets and Financial Liabilities* (Amendments to IFRS 7).

### End

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## Notes to editors

### **About the IASB**

The IASB was established in 2001 and is the standard-setting body of the IFRS 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 11 countries and a variety of professional backgrounds. By 2012 the Board will be expanded to 16 members. Board members are appointed by and accountable to the Trustees of the IFRS 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. For more information visit [www.ifrs.org](http://www.ifrs.org)