



International Accounting Standards Board®

Press Release

13 December 2007

IASB proposes guidance on group cash-settled share-based payment arrangements

The International Accounting Standards Board (IASB) today published for public comment an exposure draft of proposed amendments to IFRS 2 *Share-based Payment* and IFRIC 11 *IFRS 2—Group and Treasury Share Transactions*.

The proposals respond to requests for guidance on how a group entity that receives goods or services from its suppliers (including employees) should account for the following arrangements:

- Arrangement 1—the entity’s suppliers will receive cash payments that are linked to the price of the equity instruments of the entity
- Arrangement 2—the entity’s suppliers will receive cash payments that are linked to the price of the equity instruments of the entity’s parent.

Under either arrangement, the entity’s parent has an obligation to make the required cash payments to the entity’s suppliers. The entity itself does not have any obligation to make such payments.

The proposed amendment to IFRS 2 clarifies that IFRS 2 applies to arrangements such as those described above even if the entity that receives goods or services from its suppliers has no obligation to make the required share-based cash payments. The proposed amendment to IFRIC 11 specifies that the entity should measure the goods or services in accordance with the requirements for cash-settled share-based payment transactions.

The exposure draft of proposed amendments to IFRS 2 and IFRIC 11—*Group Cash-settled Share-based Payment Transactions* is available for eIFRS subscribers from today and will be freely available on the Website from 24 December 2007. It is open for comment until 17 March 2008.

Printed copies of the exposure draft *Group Cash-settled Share-based Payment Transactions* (ISBN 978-1-905590-53-7) will be available shortly, at £10 plus shipping, from the IASC Foundation Publications Department. Those wishing to subscribe to eIFRSs should visit the online shop at www.iasb.org or contact:

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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. 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.