

## PRESS RELEASE

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### **IASB issues amendments to IAS 12 *Income Taxes***

The International Accounting Standards Board (IASB) has today issued amendments to IAS 12 *Income Taxes*. The amendments, set out in *Deferred Tax: Recovery of Underlying Assets*, result from proposals published for public comment in an exposure draft in September.

IAS 12 requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. It can be difficult and subjective to assess whether recovery will be through use or through sale when the asset is measured using the fair value model in IAS 40 *Investment Property*. The amendment provides a practical solution to the problem by introducing a presumption that recovery of the carrying amount will, normally be, be through sale.

As a result of the amendments, SIC-21 *Income Taxes—Recovery of Revalued Non-Depreciable Assets* would no longer apply to investment properties carried at fair value. The amendments also incorporate into IAS 12 the remaining guidance previously contained in SIC-21, which is accordingly withdrawn.

**End**

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#### **Notes to editors**

##### ***About the IASB***

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