

# IFRS 6 and IAS 16: Accounting for Farm-outs in the Extractive Industries

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## Excerpt, IFRS Discussion Group Report on Meeting – November 30, 2010

At the September 2010 meeting, the Group discussed “farm-out” or “risk-sharing” arrangements and recommended that staff consult with other national standard setters to determine how these transactions are being accounted for in other jurisdictions. This session was a report back on those consultations.

The responses from the National Standard Setters did not provide much additional data. The members recommended that staff reconsider the issues in the context of the applicable sections of the new standard on joint arrangements once it is issued by the IASB. It was tentatively decided to revisit the issue at the Group’s meeting in March 2011.