

# IAS 33: Diluted Earnings per Share for Tandem Stock Appreciation Rights

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## Excerpt, IFRS Discussion Group Report on Meeting – March 31, 2011

A number of Canadian companies have issued tandem stock appreciation rights plans (tandem SARs) to compensate their employees. Typically, these plans give the employee the right to select either cash or share settlement for the tandem stock appreciation rights. The issue for consideration is how diluted earnings per share is calculated when a company has tandem stock appreciation rights plans under IFRSs and whether a request should be made to the IFRS Interpretations Committee for clarification.

Members discussed two views of how to determine diluted earnings per share when share settlement is assumed for tandem stock appreciation rights plans. However, the Group recommended that this issue not be brought to the attention of the IFRS Interpretations Committee because tandem stock appreciation rights plans are not common outside North America. As a result, the issue is not likely to be widespread.