

IAS 33: Earnings per Share/Unit for Entities with Puttable Equity Instruments

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

Entities that have issued equity instruments that are “puttable”, whether or not they have been classified in equity pursuant to IAS 32 Financial Instruments: Presentation must consider what “per unit” information they are able to present in their financial statements under IFRSs, how such information is presented and where the information can be incorporated within the financial statements. IAS 33 Earnings per Share provides guidance for the disclosure of supplemental earnings per share measures in the notes to the financial statements. The issue for consideration is how this guidance should be applied when the entity has no ordinary (common) shares, as defined in IAS 33, due to the application of IAS 32, and whether a request should be made to the IFRS Interpretations Committee for clarification.

The Group recommended that this issue not be brought to the attention of the IFRS Interpretations Committee for an interpretation because the IASB has stopped work on its project to revise IAS 33 and will consider whether to restart the project when it considers its future agenda later this year. Members discussed disclosures an entity could provide based on the IAS 1 Presentation of Financial Statements guidance of disclosing information about an item when it is relevant to users in understanding financial statements. The Group did recommend submitting a request for an “Annual Improvement” that would permit instruments that are classified as equity under the exception in IAS 32 to be classified as equity when applying IAS 33.