

Exposure Draft on Financial Instruments with Characteristics of Equity - Proposed amendments to IAS 32, IFRS 7 and IAS 1

Indian Accounting Standards (Ind AS) are based on the IFRS Standards issued by the International Accounting Standards Board (IASB) of IFRS Foundation. The IASB, before issuing the new/amendments to IFRS Standards, issues consultative documents [such as Discussion Paper (DP), Exposure Draft (ED) etc] seeking public comments from across the globe. The Accounting Standards Board (ASB) of ICAI with the aim to provide an opportunity to the various stakeholders in India to raise their concerns at the initial International Standard-setting stage itself, invites comments on the consultative documents issued by the IASB. Recently, the IASB has issued the following Exposure Draft for public comments:

- **Exposure Draft on Financial Instruments with Characteristics of Equity - Proposed amendments to IAS 32, IFRS 7 and IAS 1**

In view of challenges in classifying complex financial instruments that combine some characteristics of both debt—financial liabilities—and ordinary shares—equity instruments, the proposals in the Exposure Draft include:

1. clarification of the underlying classification principles of IAS 32 to help companies distinguish between financial liabilities and equity;
2. disclosures to further explain complexities around instruments that have both financial liability and equity characteristics; and
3. presentation requirements for amounts—including profit and total comprehensive income—attributable to ordinary shareholders separately from amounts attributable to other holders of equity instruments.

The above-mentioned Exposure Draft issued by the IASB is open for public comments with last date as **February 10, 2024**. The downloadable version is available at: <https://resource.cdn.icai.org/77633asb62410.pdf>

Comments on the abovementioned Exposure Draft may be submitted through any of the following modes:

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| 1. Electronically: | Click on http://www.icai.org/comments/asb/ to submit comment online (Preferred method) |
| 2. Email: | Comments can be sent to: commentsasb@icai.in |
| 3. Postal | Secretary, Accounting Standards Board,
The Institute of Chartered Accountants of India,
ICAI Bhawan, Post Box No. 7100,
Indraprastha Marg, New Delhi 110 002 |

Further clarifications on this Exposure Draft may be sought by e-mail to asb@icai.in