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Columbus Building, 7 Westferry Circus, Canary Wharf, London, E14 4HD, United Kingdom.
Tel: +44 (0)20 7332 2730 Fax: +44 (0)20 7332 2749
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- **Volume A** contains the core Standard and the IASB’s Board Approvals;
- **Volume B** contains Illustrative Examples and Implementation Guidance; and
- **Volume C** contains Basis for Conclusions and Dissenting Opinions.

Accordingly, this combined document may include references to “*this volume*”, *Part A, B or C*, or “*this edition*”. Any page references relate to the IASB’s published suite of Standards, not to this combined document.

The wording of the core Standard as issued by the IASB is not reproduced in this document.

Approval by the Board of IAS 10 issued in December 2003

International Accounting Standard 10 *Events after the Balance Sheet Date* (as revised in 2003) was approved for issue by the fourteen members of the International Accounting Standards Board.

Sir David Tweedie

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James J Leisenring

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Patricia L O'Malley

Harry K Schmid

John T Smith

Geoffrey Whittington

Tatsumi Yamada

IASB documents published to accompany

IAS 10

Events after the Reporting Period

The text of the unaccompanied standard, IAS 10, is contained in Part A of this edition. Its effective date when issued was 1 January 2005. This part presents the following document:

BASIS FOR CONCLUSIONS

Basis for Conclusions on IAS 10 *Events after the Reporting Period*¹

This Basis for Conclusions accompanies, but is not part of, IAS 10.

Introduction

- BC1 This Basis for Conclusions summarises the International Accounting Standards Board's considerations in reaching its conclusions on revising IAS 10 *Events After the Balance Sheet Date* in 2003. Individual Board members gave greater weight to some factors than to others.
- BC2 In July 2001 the Board announced that, as part of its initial agenda of technical projects, it would undertake a project to improve a number of Standards, including IAS 10. The project was undertaken in the light of queries and criticisms raised in relation to the Standards by securities regulators, professional accountants and other interested parties. The objectives of the Improvements project were to reduce or eliminate alternatives, redundancies and conflicts within Standards, to deal with some convergence issues and to make other improvements. In May 2002 the Board published its proposals in an Exposure Draft of *Improvements to International Accounting Standards*, with a comment deadline of 16 September 2002. The Board received over 160 comment letters on the Exposure Draft.
- BC3 Because the Board's intention was not to reconsider the fundamental approach to the accounting for events after the balance sheet date established by IAS 10, this Basis for Conclusions does not discuss requirements in IAS 10 that the Board has not reconsidered.

Limited clarification

- BC4 For this limited clarification of IAS 10 the main change made is in paragraphs 12 and 13 (paragraphs 11 and 12 of the previous version of IAS 10). As revised, those paragraphs state that if dividends are declared after the balance sheet date,² an entity shall not recognise those dividends as a liability at the balance sheet date. This is because undeclared dividends do not meet the criteria of a present obligation in IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. The Board discussed whether or not an entity's past practice of paying dividends could be considered a constructive obligation. The Board concluded that such practices do not give rise to a liability to pay dividends.³

1 In September 2007 the IASB amended the title of IAS 10 from *Events after the Balance Sheet Date* to *Events after the Reporting Period* as a consequence of the amendments in IAS 1 *Presentation of Financial Statements* (as revised in 2007). In April 2024 the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements* and carried over these requirements in IAS 1 to IFRS 18.

2 IAS 1 (as revised in 2007) replaced the term 'balance sheet date' with 'end of the reporting period'. When it issued IFRS 18, the IASB carried over these requirements in IAS 1 to IFRS 18.

3 In 2007 the Board was advised that paragraph 13, taken in isolation, could be read to imply that a liability should be recognised in some circumstances on the basis that a constructive obligation exists, such as when there is an established pattern of paying a dividend. Therefore, the Board amended paragraph 13 by *Improvements to IFRSs* issued in May 2008 to state that no such obligation exists.