

More talking about vesting conditions

Date:
May 2010

The Interpretations Committee of the IASB have recently been considering some potentially quite far reaching changes to IFRS 2 but have yet to reach any firm conclusions and have deferred any decisions to a future meeting.

The Interpretations Committee (IFRIC) had a fairly wide ranging discussion about possible changes to IFRS2 (Share Based Payments) at its May 2010 meeting. The Committee discussed:

- Clarifying the definitions of a vesting condition and a vesting period
- Introducing definitions of non-vesting, service, performance and other vesting conditions, and definitions of the attribution period
- Removing the definition of a market condition
- Taking an employee perspective when assessing vesting conditions
- Providing guidance on contingent features and the interaction of multiple vesting conditions
- Including guidance on determining the period over which to recognise compensation cost (the %attribution period+) when an arrangement includes multiple vesting conditions.

However, no decisions were made at the meeting and the IASB staff were requested to undertake additional work to determine the impact of changes on current practices and then present recommendations at a future meeting.

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