



ACCOUNTING  
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# URGENT ISSUES TASK FORCE

## INFORMATION SHEET No 89

9 July 2010

### **Abstract 47 (IFRIC Interpretation 19) Extinguishing Financial Liabilities with Equity Instruments**

Urgent Issues Task Force (UITF) Abstract 47 implements the requirements of IFRIC Interpretation 19 'Extinguishing Financial Liabilities with Equity Instruments'. The Abstract is applicable to entities preparing their financial statements in accordance with UK GAAP and applying FRS 26 (IAS 39) 'Financial Instruments: Recognition and Measurement'.

The Abstract addresses the recognition of an entity's own equity instruments where these are issued to extinguish all or part of a financial liability. The consensus reached is that the equity instruments issued should be measured at the fair value of the equity, unless that fair value cannot be reliably measured.