

**IAS 12 *Income Taxes*** (June 2005)

***Carryforward of unused tax losses and tax credits***

The IFRIC considered whether to provide guidance on how to apply the probability criterion for the recognition of deferred tax assets arising from the carryforward of unused tax losses and unused tax credits, and in particular whether the criterion should be applied to the amount of unused tax losses or unused tax credits taken as a whole or to portions of the total amount.

The IFRIC decided not to develop any guidance because, in practice, the criterion is generally applied to portions of the total amount. The IFRIC was not aware of much diversity in practice.