

IAS 12 *Income Taxes* (June 2005)

Deferred tax relating to finance leases

The IFRIC considered the treatment of deferred tax relating to assets and liabilities arising from finance leases.

While noting that there is diversity in practice in applying the requirements of IAS 12 to assets and liabilities arising from finance leases, the IFRIC agreed not to develop any guidance because the issue falls directly within the scope of the Board's short-term convergence project on income taxes with the FASB. An exposure draft is expected later this year.