

IAS 1 *Presentation of Financial Statements* (November 2010)

IAS 1 *Presentation of Financial Statements* – Current /non-current classification of a callable term loan

The Committee received a request on the classification of a liability as current or non-current when the liability is not scheduled for repayment within twelve months after the reporting period, but may be callable by the lender at any time without cause. The Committee notes that paragraph 69(d) of IAS 1 requires that a liability must be classified as a current liability if the entity does not have the unconditional right at the reporting date to defer settlement for at least twelve months after the reporting period.

The Committee noted that IAS 1 provides sufficient guidance on the presentation of liabilities as current or noncurrent and that it does not expect diversity in practice. Consequently, the Committee decided not to add the issue to its agenda.