



IFRS AT A GLANCE
IFRS 2 *Share-based Payment*

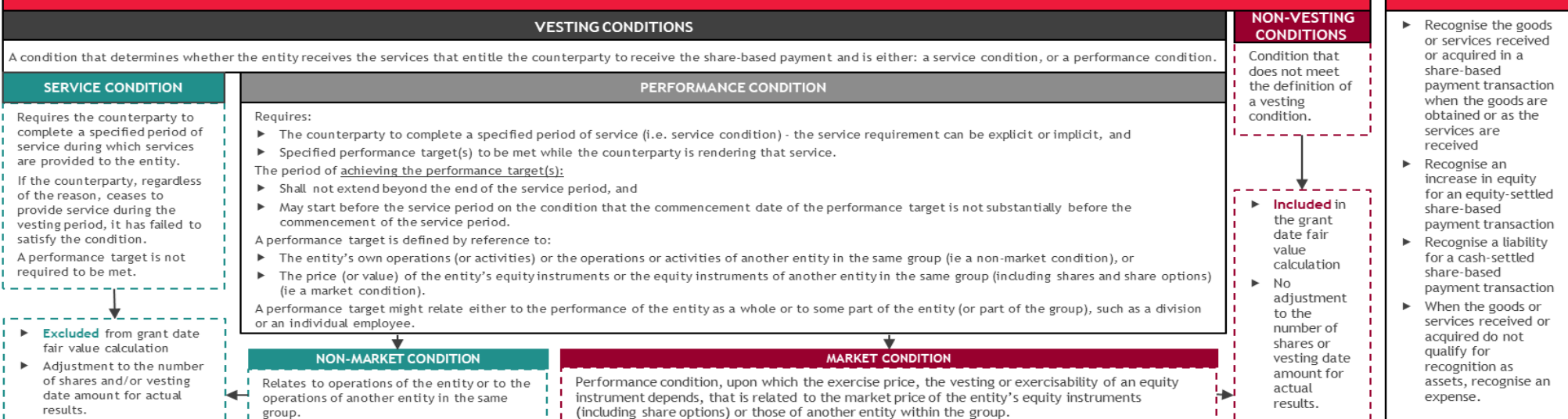
IFRS 2 Share-based Payment

Effective Date
Periods beginning on or after 1 January 2005

SCOPE

<p>IFRS 2 applies to all share-based payment transactions, which are defined as follows:</p> <ul style="list-style-type: none"> ▶ Equity-settled, in which the entity receives goods or services as consideration for equity instruments of the entity (including shares or share options) ▶ Cash-settled, in which the entity receives goods or services by incurring a liability to the supplier that is based on the price (or value) of the entity's shares or other equity instruments of the entity ▶ Transactions in which the entity receives goods or services and either the entity or the supplier of those goods or services have a choice of settling the transaction in cash (or other assets) or equity instruments. 	<p>IFRS 2 also applies:</p> <ul style="list-style-type: none"> ▶ To transfers by shareholders to parties (including employees) that have transferred goods or services to the entity. This would include transfers of equity instruments of the entity or fellow subsidiaries by the entity's parent entity to parties that have provided goods and services ▶ When an entity does not receive any specifically identifiable goods/services. 	<p>IFRS 2 does not apply to:</p> <ul style="list-style-type: none"> ▶ Transactions in which the entity acquires goods as part of the net assets acquired in a business combination to which IFRS 3 <i>Business Combinations</i> applies or to the contribution of a business on the formation of a joint venture to which IFRS 11 <i>Joint Arrangements</i> applies ▶ Share-based payment transactions in which the entity receives or acquires goods or services under a contract within the scope of IAS 32 <i>Financial Instruments: Presentation</i> and IFRS 9 <i>Financial Instruments</i> ▶ Transactions with an employee in his/her capacity as a holder of equity instruments.
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IDENTIFYING THE SHARE-BASED PAYMENT CONDITIONS



MEASUREMENT

EQUITY-SETTLED	CHOICE OF SETTLEMENT	CASH-SETTLED	GROUP SETTLED SHARE-BASED PAYMENTS
Transactions with employees	Share-based payment transactions where there is a choice of settlement	Cash-settled share-based payment transactions	An entity that receives goods or services (receiving entity) in an equity-settled or a cash-settled share-based payment transaction is required to account for the transaction in its separate or individual financial statements.
<ul style="list-style-type: none"> ▶ Measure at the fair value of the equity instruments granted at grant date ▶ The fair value is never remeasured ▶ The grant date fair value is recognised over the vesting period. 	<ul style="list-style-type: none"> ▶ Measure at the fair value of the goods or services received at the date the entity obtains the goods or receives the service ▶ If the fair value of the goods or services received cannot be estimated reliably, measure by reference to the fair value of the equity instruments granted. 	<ul style="list-style-type: none"> ▶ If the counterparty has the right to choose whether a share-based payment transaction is settled in cash or by issuing equity instruments, the entity has granted a compound instrument (a cash-settled component and an equity-settled component) ▶ If the entity has the choice of whether to settle in cash or by issuing equity instruments, the entity shall determine whether it has a present obligation to settle in cash and account for the transaction as cash-settled or if no such obligation exists, account for the transaction as equity-settled. 	<ul style="list-style-type: none"> ▶ Measure the liability at the fair value at grant date ▶ Re-measure the fair value of the liability at each reporting date and at the date of settlement, with any changes in fair value recognised in profit or loss for the period ▶ Liability is recognised over the vesting period (if applicable).
			<ul style="list-style-type: none"> ▶ The entity receiving the goods or services recognises them, regardless of which entity settles the transaction, this must be on an equity-settled or a cash-settled basis assessed from the entities own perspective (this might not be the same as the amount recognised by the consolidated group) ▶ The term 'group' has the same definition as per IFRS 10 <i>Consolidated Financial Statements</i> that it includes only a parent and its subsidiaries.



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