

**Material published to accompany**

**SIC-10**

## **Government Assistance – No Specific Relation to Operating Activities**

The text of the unaccompanied Interpretation, SIC 10, is contained in Part A of this edition. Its effective date when issued was 1 August 1998. This part presents the following document:

**BASIS FOR CONCLUSIONS**

**Basis for Conclusions on  
SIC Interpretation 10 *Government Assistance—No Specific  
Relation to Operating Activities***

*This Basis for Conclusions accompanies, but is not part of, SIC-10.*

- 4 IAS 20.03 defines government grants as assistance by the government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity. The general requirement to operate in certain regions or industry sectors in order to qualify for the government assistance constitutes such a condition in accordance with IAS 20.03. Therefore, such assistance falls within the definition of government grants and the requirements of IAS 20 apply, in particular paragraphs 12 and 20, which deal with the timing of recognition as income.