Translation of assets and liabilities at the transition date—Transition issues under IFRS 1 (IAS 21 The Effects of Changes in Foreign Exchange Rates)—October 2004

The second issue was whether a specific exception should be granted to first-time adopters to permit entities to translate all assets and liabilities at the transition date exchange rate rather than applying the functional currency approach in IAS 21 The Effects of Changes in Foreign Exchange Rates. The IFRIC agreed that the position under IFRS 1 and IAS 21 was clear, and that there was no scope for an Interpretation on this topic that would provide any relief.