
Project	Disclosures – Transfers of financial assets
Topic	Effective date and transition requirements

Background and purpose of this paper

1. Pursuant to the Board's decision to finalise the disclosure requirements for transfers of financial assets, the staff has circulated a ballot draft of the amendments to IFRS 7 *Disclosures-Transfers of Financial Assets* (Amendments to IFRS 7) for balloting.
2. At the March 2010 meeting, the Board agreed to the following wording for the transition and effective date provisions:

An entity shall apply those amendments for annual periods beginning on or after 1 January 2011. In the first year of application, an entity need not provide comparative disclosure information required by the amendments. Earlier application is permitted. However, if the entity elects to apply those amendments from an earlier date, it shall provide the amended disclosure requirements for all transactions from that earlier date. If an entity applies the amendments from an earlier date, it shall disclose that fact.

3. Although the staff believes that there are urgent requests by users, regulators and others for the information that will be provided by the amendments and that a timely provision of that information will be immensely helpful for users of financial statements, we also believe that an effective date of 1 January 2011 is too aggressive in light of the target publication date of 30 September 2010.
4. To give preparers adequate time to prepare, make system changes to capture the required information and to digest and apply the requirements, we usually allow 6 - 18 months after publication before the amendments become effective.
5. However, in light of the recent financial crises and the urgent need for the information that is required by the amendments, the staff recommends an

This paper has been prepared by the technical staff of the IFRS Foundation for discussion at a public meeting of the IASB.

The views expressed in this paper are those of the staff preparing the paper. They do not purport to represent the views of any individual members of the IASB.

Comments made in relation to the application of an IFRS do not purport to be acceptable or unacceptable application of that IFRS—only the IFRS Interpretations Committee or the IASB can make such a determination.

The tentative decisions made by the IASB at its public meetings are reported in *IASB Update*. Official pronouncements of the IASB, including Discussion Papers, Exposure Drafts, IFRSs and Interpretations are published only after it has completed its full due process, including appropriate public consultation and formal voting procedures.

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effective date of 1 July 2011 (ie financial periods ending on or after 1 July 2011).

Staff recommendation

6. In consultation with IFRIC on transition provisions and in the light of the recent amendments to IFRS 1, the staff proposes the following as a revised transition provision for the amendments to IFRS 7:

Disclosures-Transfers of Financial Assets (Amendments to IFRS 7), issued in September 2010, deleted paragraph 13 and added paragraphs 42A–42H and B29–B39. An entity shall apply those amendments for annual periods beginning on or after 1 July 2011. An entity need not provide disclosure information required by the amendments for:

- (a) any annual or interim period, including any statement of financial position, presented within an annual comparative period ending before 31 December 2011, or
- (b) any statement of financial position as at the beginning of the earliest comparative period as at a date before 31 December 2011.

Earlier application is permitted. However, if the entity elects to apply those amendments from an earlier date, it shall provide the amended disclosure requirements for all transactions existing at and entered into from that earlier date. If an entity applies the amendments from an earlier date, it shall disclose that fact.

Question for the Board

Does the Board agree with the staff recommendation set out in paragraph 6?

If not, what does the Board propose instead?

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