

Topic

**Effective dates and transition
Questions to discuss****Action by Advisory Council members**

1. The Advisory Council members are asked to discuss the questions raised in this paper. Council members will be discussing these questions in groups. Each group is asked to give a clear view for each question. In responding to the questions below, Council members are particularly asked to provide new or different points of view not raised by respondents to the *Request for Views* (see paragraph 2 and Agenda Paper 5). The advice received will provide additional feedback to the Board to consider when it makes its decisions on these issues.
2. Agenda paper 5 gives a preliminary overview of the comments received on the *Request for Views* document in which the Board requested views on the overall time and effort that respondents think will be needed in adapting to a number of major projects (eg revenue from contracts with customers, insurance, leases and financial instruments) and when those IFRSs should become effective.

Single-date vs sequential approach

3. An overview of the comments received on questions relating to whether the Board should have a single-date approach or a sequential date approach are in paragraphs 28-32 in Agenda paper 5.

Question 1

Which approach do you think the Board should consider: a single-date approach or a sequential date approach? Why?

This paper has been prepared for discussion at a public meeting of the IFRS Advisory Council of the IASB.

The views expressed in this paper are those of the authors.

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 Interpretation 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.

IFRS Advisory Council

Question 2 If you recommend a single-date approach

If you think that the Board should require a single-date approach, which date do you think the Board should specify? Why?

Question 3 If you recommend a sequential approach

If you think that the Board should require a sequential approach, how do you think that the IASB should group the new and revised IFRSs and what effective dates do you think it should require for each group? Why?

Early Adoption

4. An overview of the comments received on whether the Board should allow early adoption of IFRSs is in paragraphs 33-39.

Question 4 Early adoption

Do you think the Board should allow early adoption of the new IFRSs? Why?

International convergence

5. An overview of the comments received on whether the Board and the US-based Financial Accounting Standards Board (FASB) should require the same effective date or dates and transition methods for their comparable standard are in paragraphs 40-44 in Agenda Paper 5.
6. The standards that the boards are jointly working on are:
 - (a) Revenue recognition;
 - (b) Leases;
 - (c) Financial instruments; and
 - (d) Insurance.

Question 5

How important do you think it is that the IASB and FASB should require the same effective date(s) for these standards? Why?

Other issues

7. Some respondents question how possible is it for entities to apply the requirement in paragraph 30 (extract is copied below) in IAS 8 *Accounting Policies, Changes in Estimates and Errors* particularly if the Board mandated a sequential approach.

When an entity has not applied a new IFRS that has been issued but is not yet effective, the entity shall disclose this fact and details of the possible impact of application of the new IFRS on the entity's financial statements.

They propose that entities to disclose information on the expected impact of applying the new IFRSs only in the year leading up to adoption.

Question 6 Disclosure of impact

What are your views with respect to the concern above? Do you have other suggestions in regards to this concern?

Question 7 Other issues

Are there any other issues that you think the Board should be aware of in determining whether it should adopt a single-date approach vs a sequential date approach?