



**The Institute of
Chartered Accountants
of Pakistan**

HEAD OFFICE

CA\DTS\IASB-2002

October 31, 2002

International Accounting Standards Board
30 Cannon Street
London EC4M 6XH
United Kingdom.

**COMMENTS ON EXPOSURE DRAFT 1 FIRST-TIME APPLICATION OF INTERNATIONAL
FINANCIAL REPORTING STANDARDS**

Dear Sir

The Accounting and Auditing Standards Committees of the Institute of Chartered Accountants of Pakistan have reviewed the exposure draft 1 First-Time Application of IFRS issued by IASB and are pleased to forward the enclosed comments.

Thanking you

Yours truly

Syed Sajid Ali
Director Technical Services

Encl: as above

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The Institute of Chartered Accountants of Pakistan
ICAP's Comments on ED-1 - First Time Application of IFRS

Question - 1

The proposed IFRS would apply when an entity first adopts International Financial Reporting Standards (IFRSs) as its new basis of accounting, by an explicit and unreserved statement of compliance with all IFRSs (paragraphs 1-5 and paragraphs BC 4-BC 10 of the Basis for Conclusions).

Is this an appropriate description of the circumstances when this proposed IFRS should apply? If not, what changes would you suggest, and why?

Comment

Agreed.

Question - 2

The proposed IFRS proposes a requirement that an entity shall prepare its opening IFRS balance sheet using accounting policies that comply with each IFRS effective at the reporting date for its first IFRS financial statements. Paragraphs 13-24 propose limited exemptions from this requirement.

Are all of these exemptions appropriate? Should the Board amend any of these exemptions or create any further exemptions (paragraphs BC 11-BC 89)? If so, why?

Comment

Agreed.

Question - 3

Paragraphs 28-37 of the proposed IFRS deal with presentation and disclosure requirements (see also paragraphs BC90-BC97). Are all of these disclosures appropriate? Should the Board require any further disclosures or eliminate or amend any of the proposed disclosure requirements? If so, why?

Comment

Agreed

Question - 4

Do you have any other comments on the Exposure Draft?

Comment

During the review of the ED – 1 and the related examples, BCs and IGs, the committee has the following observations:

- 4.1 The **reporting dates** as well as date of transition to IFRSs as given in example on page 13 of ED-1 do not synchronize with the effective date of this IFRS. The committee feels that in order to avoid any confusion to the readers, the dates of the example should coincide with reference to the effective date of the IFRS.
- 4.2 The term “**designation by management**” as given in paragraph 14(c) on page 15 needs clarification for proper understanding and uniform application of the same so as to avoid different interpretations by different countries.