

November 2009

Exposure Draft ED/2009/13

# Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters

Proposed amendment to IFRS 1

Comments to be received by 29 December 2009



International  
Accounting Standards  
Board®

**Exposure Draft**

**LIMITED EXEMPTION  
FROM COMPARATIVE  
IFRS 7 DISCLOSURES  
FOR FIRST-TIME ADOPTERS  
(proposed amendment  
to IFRS 1)**

*Comments to be received by 29 December 2009*

**ED/2009/13**

This exposure draft *Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters* (proposed amendment to IFRS 1) is published by the International Accounting Standards Board (IASB) for comment only. The proposals may be modified in the light of the comments received before being issued as an amendment to IFRS 1. Comments on the exposure draft and the Basis for Conclusions should be submitted in writing so as to be received by **29 December 2009**. Respondents are asked to send their comments electronically to the IASB website ([www.iasb.org](http://www.iasb.org)), using the 'Open to Comment' page.

All responses will be put on the public record unless the respondent requests confidentiality. However, such requests will not normally be granted unless supported by good reason, such as commercial confidence.

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## **Invitation to comment**

The International Accounting Standards Board invites comments on the proposed amendment to IFRS 1 *First-time Adoption of International Financial Reporting Standards*, particularly on the questions set out below.

Comments are most helpful if they contain a clear rationale and, when applicable, provide a suggestion for alternative wording the Board should consider. Comments should be submitted in writing so as to be received no later than 29 December 2009.

### **Question 1 – Consistent disclosure transition provisions**

The Board proposes to amend Appendix E of IFRS 1 to include transition provisions for first-time adopters consistent with the transition provisions in paragraph 44G of IFRS 7 *Financial Instruments: Disclosures*.

Do you agree with the proposal? If not, why?

### **Question 2 – Effective date**

The proposed amendment to IFRS 1 would be effective for annual periods beginning on or after 1 July 2010 with early application permitted.

Do you agree that this amendment should apply for annual periods beginning on or after 1 July 2010 with early adoption permitted? If not, why?

## **Proposed amendment to IFRS 1 *First-time Adoption of International Financial Reporting Standards***

Paragraph 39C is added.

### **Effective date**

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- 39C *Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters* (Amendment to IFRS 1), issued in [month year], added paragraph E3. An entity shall apply that amendment for annual periods beginning on or after 1 July 2010. Earlier application is permitted. If an entity applies the amendment for an earlier period, it shall disclose that fact.

In Appendix E, a heading and paragraph E3 are added.

### **Disclosures about financial instruments**

- E3 A first-time adopter may apply the transitional provisions in paragraph 44G of IFRS 7 to the extent that the entity's first IFRS reporting period starts earlier than 1 January 2010.

**Approval by the Board of exposure draft *Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters* (proposed amendment to IFRS 1) published in November 2009**

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The exposure draft *Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters* was approved for publication by the fifteen members of the International Accounting Standards Board.

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**Basis for Conclusions on the exposure draft *Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters* (proposed amendment to IFRS 1)**

- BC1 In March 2009 the International Accounting Standards Board amended the disclosure requirements about financial instruments. Noting the urgent need for enhanced disclosures about financial instruments, the Board decided to require application of the amendments for periods beginning on or after 1 January 2009, which is earlier than the usual 6–18 months after issue of a standard. However, the Board acknowledged the concerns received about a short implementation date and decided to provide that in the first year of application, an entity need not provide comparative information for the disclosures required by the amendments. In November 2009 the Board considered the effects of this amendment on first-time adopters and proposed that the same transition provisions should be applicable to the extent that an entity's first IFRS reporting period starts earlier than 1 January 2010.