

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.