

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

**(proposed amendment to AASB 1)**

Comments to AASB by 9 December 2009



**Australian Government**

---

**Australian Accounting  
Standards Board**

## Commenting on this AASB Exposure Draft

Constituents are strongly encouraged to respond to the AASB and the IASB. The AASB is seeking comment by 9 December 2009. This will enable the AASB to consider Australian constituents' comments in the process of formulating its own comments to the IASB, which are due by 29 December 2009. Comments should be addressed to:

The Chairman  
Australian Accounting Standards Board  
PO Box 204  
Collins Street West Victoria 8007  
AUSTRALIA  
E-mail: [standard@asb.gov.au](mailto:standard@asb.gov.au)

Respondents to the IASB are asked to send their comments electronically through the 'Open to Comment' page on the IASB website ([www.iasb.org](http://www.iasb.org))

All submissions on possible, proposed or existing financial reporting requirements, or on the standard-setting process, will be placed on the public record unless the Chairman of the AASB agrees to those submissions being treated as confidential. The latter will only occur if the public interest warrants such treatment.

## Obtaining a Copy of this AASB Exposure Draft

This AASB Exposure Draft is available on the AASB website: [www.aasb.gov.au](http://www.aasb.gov.au).  
Alternatively, printed copies of this AASB Exposure Draft are available by contacting:

The Customer Service Officer  
Australian Accounting Standards Board  
Level 7  
600 Bourke Street  
Melbourne Victoria  
AUSTRALIA

Phone: (03) 9617 7637  
Fax: (03) 9617 7608  
E-mail: [publications@asb.gov.au](mailto:publications@asb.gov.au)  
**Postal address:**  
PO Box 204  
Collins Street West Victoria 8007

## Other Enquiries

Phone: (03) 9617 7600  
Fax: (03) 9617 7608  
E-mail: [standard@asb.gov.au](mailto:standard@asb.gov.au)

## COPYRIGHT

© Commonwealth of Australia 2009

This document contains International Accounting Standards Committee Foundation copyright material. Reproduction within Australia in unaltered form (retaining this notice) is permitted for personal and non-commercial use subject to the inclusion of an acknowledgment of the source. Requests and enquiries concerning reproduction and rights for commercial purposes within Australia should be addressed to The Director of Finance and Administration, Australian Accounting Standards Board, PO Box 204, Collins Street West, Victoria 8007.

All existing rights in this material are reserved outside Australia. Reproduction outside Australia in unaltered form (retaining this notice) is permitted for personal and non-commercial use only. Further information and requests for authorisation to reproduce for commercial purposes outside Australia should be addressed to the International Accounting Standards Committee Foundation at [www.iasb.org](http://www.iasb.org).

ISSN 1030-5882

## **AASB REQUEST FOR COMMENTS**

In light of the Australian Accounting Standards Board's (AASB's) policy of incorporating International Financial Reporting Standards (IFRSs) into Australian Accounting Standards, the AASB is inviting comments on:

- (a) any of the proposals in the attached International Accounting Standards Board (IASB) Exposure Draft, including the specific questions on the proposals as listed in the Invitation to Comment section of the attached IASB Exposure Draft; and
- (b) the 'AASB Specific Matters for Comment' listed below.

The AASB would prefer that respondents supplement their opinions with detailed comments, whether supportive or critical, on the major issues. The AASB regards both critical and supportive comments as essential to a balanced review and will consider all submissions, whether they address all specific matters, additional issues or only one issue.

### **Due Date for Comments to the AASB**

Comments should be submitted to the AASB by 9 December 2009. This will enable the AASB to consider those comments in the process of formulating its own comments to the IASB. Constituents are also strongly encouraged to send their response to the IASB.

### **AASB Specific Matters for Comment**

The AASB would particularly value comments on whether:

- (a) there are any regulatory issues or other issues arising in the Australian environment that may affect the implementation of the proposals, particularly any issues relating to:
  - (i) not-for-profit entities; and
  - (ii) public sector entities;
- (b) overall, the proposals would result in financial statements that would be useful to users; and
- (c) the proposals are in the best interests of the Australian and New Zealand economies.

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.

The IASB, the International Accounting Standards Committee Foundation (IASCF), the authors and the publishers do not accept responsibility for loss caused to any person who acts or refrains from acting in reliance on the material in this publication, whether such loss is caused by negligence or otherwise.

Copyright © 2009 IASCF®

ISBN: 978-1-907026-57-7

All rights reserved. Copies of the draft amendment and the accompanying documents may be made for the purpose of preparing comments to be submitted to the IASB, provided such copies are for personal or intra-organisational use only and are not sold or disseminated and provided each copy acknowledges the IASCF's copyright and sets out the IASB's address in full. Otherwise, no part of this publication may be translated, reprinted or reproduced or utilised in any form either in whole or in part or by any electronic, mechanical or other means, now known or hereafter invented, including photocopying and recording, or in any information storage and retrieval system, without prior permission in writing from the IASCF.



International  
Accounting Standards  
Board®

The IASB logo/the IASCF logo/'Hexagon Device', the IASC Foundation Education logo, 'IASC Foundation', 'eIFRS', 'IAS', 'IASB', 'IASC', 'IASCF', 'IASs', 'IFRIC', 'IFRS', 'IFRSs', 'International Accounting Standards', 'International Financial Reporting Standards' and 'SIC' are Trade Marks of the IASCF.

**Additional copies of this publication may be obtained from:**  
**IASC Foundation Publications Department,**  
**1st Floor, 30 Cannon Street, London EC4M 6XH, United Kingdom.**  
**Tel: +44 (0)20 7332 2730 Fax: +44 (0)20 7332 2749**  
**Email: [publications@iasb.org](mailto:publications@iasb.org) Web: [www.iasb.org](http://www.iasb.org)**

## **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**

---

- 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.





**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.