

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

Respondents to the IASB are asked to send their comments electronically through the 'Open to Comment' page on the IASB website (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.
Alternatively, printed copies of this AASB Exposure Draft are available by contacting:

The Customer Service Officer
Australian Accounting Standards Board
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Melbourne Victoria
AUSTRALIA

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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), 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

- 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.