



Australian Government

**Australian Accounting
Standards Board**

Level 7, 600 Bourke Street
MELBOURNE VIC 3000

Postal Address
PO Box 204
Collins Street West VIC 8007
Telephone: (03) 9617 7600
Facsimile: (03) 9617 7608

4 November 2010

Sir David Tweedie
Chairman
International Accounting Standards Board
30 Cannon Street
London EC4M 6XH
UNITED KINGDOM

Dear David

IASB Exposure Draft ED/2010/10
Removal of Fixed Dates for First-time Adopters

The Australian Accounting Standards Board (AASB) is pleased to provide its comments on Exposure Draft ED/2010/10 *Removal of Fixed Dates for First-time Adopters (Proposed amendments to IFRS 1)*. In formulating these comments, the AASB sought and considered the views of Australian constituents.

Overall view

In general the AASB supports the proposed amendments to IFRS 1.

Provide relief from burdensome retrospectivity

The AASB is of the view that, for entities applying IFRS 1 in the future, the fixed dates in IFRS 1 result in exemptions that are largely irrelevant because they apply only to transactions that occurred before 1 January 2004 (or 25 October 2002 if that option is chosen).

The AASB agrees with the IASB's rationale that the costs of reconstructing derecognition transactions and recalculating fair value amounts back to 1 January 2004 (or 25 October 2002) would be likely to outweigh the benefits achieved. The AASB considers it cost-beneficial to remove this burden on first-time adopters.

Loss of comparability

The AASB notes that with the change from fixed dates to relative dates, some comparability between first-time adopters and entities that are already applying IFRSs will be lost. However, the AASB is of the view that the benefit of such comparability is likely to be outweighed by the compliance costs in most circumstances. The AASB also notes that, for entities already applying IFRSs, the IASB has previously accepted the potential lack of comparability in regard to relevant transactions of first-time adopters prior to the fixed dates. Accordingly, the AASB thinks that the lack of comparability for a first-time

adopter's relevant transactions prior to its date of transition to IFRSs is similarly acceptable.

Editorials

We note that the marking up of the amendments in paragraph D20 is not accurate, and also does not reflect the description of the changes to that paragraph as set out in paragraph BC3. The inaccurate marking up of amendments is of particular concern in jurisdictions in which IFRSs have legal standing, as it may result in the legal text of an IFRS in such a jurisdiction differing from that intended.

If you have any queries regarding any matters in this submission, please contact me or Clark Anstis (canstis@asb.gov.au).

Yours sincerely

A handwritten signature in black ink that reads "K.M. Stevenson". The signature is written in a cursive style with a long, sweeping underline.

Kevin M. Stevenson
Chairman and CEO