

Straight away

IFRS bulletin from PwC

5 August 2011

IASB proposes to delay IFRS 9 effective date

What is the issue?

The IASB has issued an exposure draft (ED) that proposes to delay the effective date of IFRS 9, 'Financial instruments', to annual periods beginning on or after 1 January 2015. The original effective date was for annual periods beginning on or after from 1 January 2013.

This proposal is a result of Board extending its timeline for completing the remaining phases of its project to replace IAS 39 (for example, impairment and hedge accounting) beyond June 2011, as well as the delay in the insurance project.

The ED confirms the importance of allowing entities to apply the requirements of all of the phases of the project to replace IAS 39 at the same time.

While not proposing any further changes to IFRS 9, the ED asks the additional question of whether any relief should be provided for requiring comparative information if an entity adopts IFRS 9 early. Currently, entities that adopt

IFRS 9 before 1 January 2012 are not required to restate prior periods. The ED does not propose to change that exception.

Am I affected?

Almost all entities have financial instruments and will therefore have to adopt IFRS 9 at some point in the future. This ED is proposing to give additional time for entities to comply with its requirements.

What do I need to do?

The comment period closes on 21 October 2011. Management should consider if they wish to comment on the IASB's decision to extend the effective date and whether they would like relief from providing comparative information if they adopt early.

If you have questions on the application of the proposal or require further information, please speak to your PwC contact.

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