

Straight away

IFRS bulletin from PwC

19 December 2011

IASB delays IFRS 9 effective date

What is the issue?

The IASB has published an amendment to IFRS 9, 'Financial instruments', that delays the effective date 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 amendment is a result of the board extending its timeline for completing the remaining phases of its project to replace IAS 39, 'Financial instruments: Recognition and measurement' (for example, impairment and hedge accounting) beyond June 2011, as well as the delay in the insurance project.

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

The amendment also modifies the relief from restating prior periods. As part of this relief, the board published an amendment to IFRS 7, 'Financial instruments: Disclosures', to require additional disclosures on transition from IAS 39 to IFRS 9.

An entity that adopts IFRS 9 for reporting periods:

- (a) beginning before 1 January 2012 need not restate prior periods and is not required to provide the

additional disclosures at the date of initial application;

- (b) beginning on or after 1 January 2012 and before 1 January 2013 should elect to either restate prior periods or provide the additional disclosures at the date of initial application; and
- (c) beginning on 1 January 2013 or thereafter need not restate prior periods but should provide the additional disclosures at the date of initial application.

Early application of IFRS 9 continues to be permitted.

Am I affected?

Almost all entities have financial instruments and will therefore have to adopt IFRS 9 at some point in the future.

What do I need to do?

Management should consider evaluating when they will adopt IFRS 9, taking into consideration the new relief from providing comparative information. Management should also begin preparations for providing the additional disclosures.

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



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