

Straight away

IFRS bulletin from PricewaterhouseCoopers

Proposed amendment to IFRS 1 'First time adoption of IFRS' to provide a limited exemption from comparative IFRS 7 disclosures for first-time adopters

What is the issue?

Existing IFRS preparers were granted relief from presenting comparative information for the new disclosures required by the March 2009 amendments to IFRS 7 'Financial Instruments: Disclosures'. The relief was provided because the amendments to IFRS 7 were issued after the comparative periods had ended. The use of hindsight would have been required to prepare the disclosures. The Board, therefore, permitted entities to exclude comparative disclosures in the first year of application.

Certain first-time adopters (first reporting period starting before 1 January 2010) would otherwise be required to present the comparative information as first-time adopters do not use the transition provisions in other IFRSs. The Board has, therefore, proposed an amendment to IFRS 1 to provide first-time adopters with the same transition provisions (and thereby the same relief) as included in the amendment to IFRS 7.

Am I affected?

If the amendment is issued as proposed, a first-time adopter may avail itself of the disclosure relief offered under the amendment to the extent its first IFRS reporting period starts earlier than 1 January 2010. The proposed amendment will be effective for annual periods beginning on or after 1 July 2010 with early application permitted.

What do I need to do?

The proposed amendment has a 30-day comment period, with comments due to the Board by 29 December 2009. The Board expects to finalise the amendment at its January 2010 meeting.

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

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