

Amendments to financial instrument disclosure exemptions

Background

The March 2009 amendments to IFRS 7 *Financial Instruments: Disclosures*¹ gave relief from providing comparative information in the disclosures required by the amendments in the first year of application. The 'first year of application' was not specifically defined as the transitional provisions were drafted to accommodate the needs of existing IFRS reporters.

At its November meeting, the International Accounting Standards Board (the IASB) was also advised that the transitional provisions within the amendments did not apply to first-time adopters.

Therefore, the IASB has clarified its conclusions and intended transition for the amendments to IFRS 7 while also providing first-time adopters relief by issuing a *Limited Exemption from Comparative IFRS 7 Disclosures for First-Time Adopters (Amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards)*.

Summary of the amendments

IFRS 1 has been amended to allow first-time adopters to utilise the transitional provisions in IFRS 7 as they relate to the March 2009 amendments.

In addition, the IASB has amended the transitional provisions in IFRS 7 to clarify that the disclosures required by the March 2009 amendments need not be provided for:

- ▶ Annual or interim periods, including any statement of financial position, presented within an annual comparative period ending before 31 December 2009.
- ▶ Any statement of financial position as at the beginning of the earliest comparative period as at a date before 31 December 2009.

Effective date

The amendments state that the relief for first-time adopters is available for annual periods beginning on or after 1 July 2010. However, as the amendment permits early adoption, first-time adopters are able to use the relief immediately.

Business impact

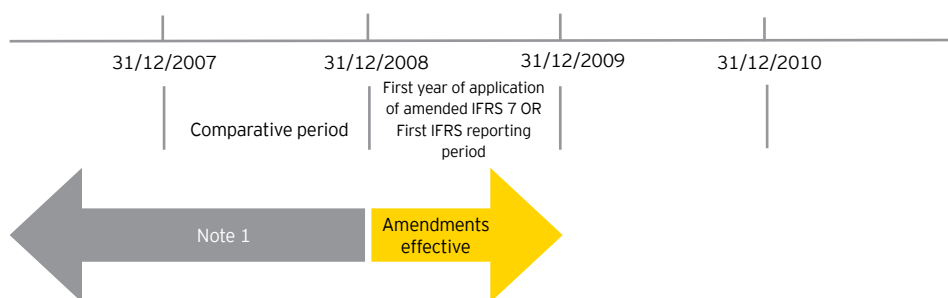
First-time adopters who plan to start using IFRS in the near future will benefit by avoiding the costs and resources required to provide certain comparative disclosures.

The amendments to the transitional provisions of IFRS 7 will also benefit existing IFRS reporters that present more than one comparative period in the year following their initial application of the amendments.

¹ See Supplement to IFRS outlook – Amendments to IFRS 7 (issue 31).

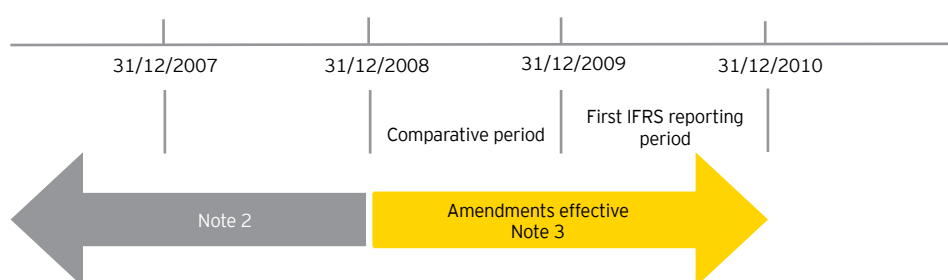
Application examples of the amendments:

A. Existing IFRS reporter with a 31 December 2009 year-end or an entity whose first IFRS reporting period begins on 1 January 2009



Note 1 - The disclosures required by the March 2009 amendments are not required to be presented for annual or interim periods nor in any statement of financial position as at the beginning of the earliest comparative period.

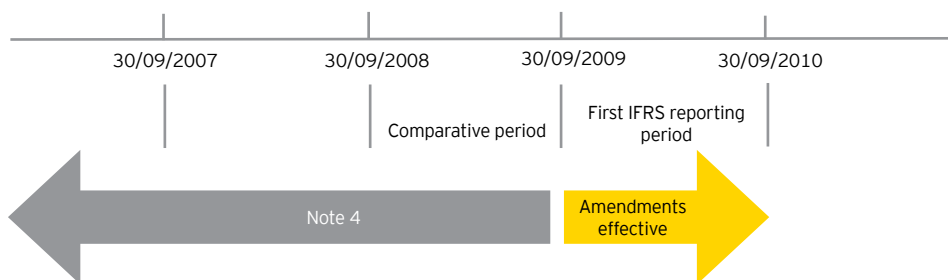
B. Entity whose first IFRS reporting period begins on 1 January 2010



Note 2 - The disclosures required by the March 2009 amendments are not required for annual or interim periods.

Note 3 - The disclosures required by the March 2009 amendments related to the 1/1/2009 statement of financial position (the beginning of the earliest comparative period) are not required to be presented.

C. Entity whose first IFRS reporting period begins on 1 October 2009



Note 4 - The disclosures required by the March 2009 amendments are not required to be presented for annual or interim periods nor in any statement of financial position as at the beginning of the earliest comparative period.

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