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**International
Accounting Standards
Board**

Latest revision: September 2008

Additional Exemptions for First-time Adopters: Amendments to IFRS 1

Project Updates are provided for the information and convenience of constituents who wish to follow the IASB's deliberations. All conclusions reported are tentative and may be changed at future IASB meetings. Decisions become final only after completion of a formal ballot to issue an International Financial Reporting Standard, Interpretation, or Exposure Draft.

Introduction

This project report is structured as follows:

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Objective

1. The objective of this project is to amend IFRS 1 *First-time Adoption of International Financial Reporting Standards* to address potential challenges for jurisdictions adopting IFRSs in the near future.

Next Steps

2. The next step is to consider the comments received from constituents on the Exposure Draft of Additional Exemptions for First-time Adopters: Amendments to IFRS 1.

Background

3. In March 2008, the Board added a project to its agenda to address challenges likely to be faced by jurisdictions and companies that are adopting IFRSs in the near future.

Project history: Tentative Decisions to Date

4. In September 2008, the Board issued an Exposure Draft proposing amendments to IFRS 1 as follows:
 - An entity that used full cost accounting under its previous GAAP may elect, at the date of transition to IFRSs, to measure exploration and evaluation assets at the amount determined under the entity's previous GAAP and to measure oil and gas assets in the development or production phases by allocating the amount determined under the entity's previous GAAP for those assets to the underlying assets pro rata. When an entity uses this election, it would test the allocated amounts for impairment at the date of transition to IFRS and disclose the basis for that allocation.
 - An entity with operations subject to rate regulation could elect to use the carrying amount of items of property, plant and equipment held, or previously held, for use in such operations as their deemed cost at the date of transition to IFRSs, if both retrospective restatement and fair value as deemed cost are impracticable (as defined in IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*).
 - If a first-time adopter made the same determination under previous GAAP as that required by IFRIC 4 but at a date other than that required by IFRIC 4, the first-time adopter need not reassess that determination when it adopts IFRSs.

Contact information

5. Staff contacts
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