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December 15, 2009

International Accounting Standards Board
30 Cannon Street,
London EC4M 6XH
United Kingdom

Dear Sirs,

This letter is the response of the staff of the Canadian Accounting Standards Board (AcSB) to the Exposure Draft on the Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters (Proposed amendment to IFRS 1), dated November 2009.

The AcSB and staff discussed this Exposure Draft. The views expressed in this letter take into account their comments. However, they do not necessarily represent a common view of the AcSB or staff. Views of the AcSB are developed only through due process.

We agree with the proposal to amend Appendix E of IFRS 1 to include transition provisions for first-time adopters that are consistent with the transition provisions in paragraph 44G of IFRS 7. We recommend that the IASB establish a process to ensure that the transition implications for first-time adopters are considered during the development of all future new proposals.

In this situation, proposing an effective date later than the date retrospective relief is permitted in the requirement is confusing. In order for any first-time IFRS adopter to apply the amendment, they will have to early adopt the amendment and disclose that fact. In this situation, we think that such a disclosure is not necessary and would only distract readers of financial statements.

We do not usually support setting an effective date prior to the issue date of an amendment or a standard. However, given the retrospective nature of this amendment and the expectation that the amendment will be issued within the next two months, we think the effective date should be revised so that an entity would not be required to adopt the amendment early. We recommend that the effective date in proposed paragraph 39C be revised to correspond to the period described in the amendment, as follows:

“An entity shall apply that amendment when the entity’s first IFRS reporting period begins earlier than for annuals beginning on or after 1 January July 2010.”

Setting an effective date earlier than the issue date would also be consistent with the approach followed with the IFRS 7 amendments that were effective on 1 January 2009 but issued in March 2009.

We would be pleased to elaborate on any of our comments in more detail if you require. If so, please contact Peter Martin, Director Accounting Standards at +1 416 204-3276 (e-mail peter.martin@cica.ca), or Rebecca Villmann, Principal Accounting Standards at +1 416 204-3464 (e-mail rebecca.villmann@cica.ca).

Yours truly,



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