

Technical Accounting Alert

IASB publishes restructured version of IFRS 1

Introduction

On 27 November 2008, the IASB published a revised version of IFRS 1 *First-time Adoption of International Financial Reporting Standards*. The revised version has an improved structure but does not contain any technical changes.

Relevant standards

References are made to standards issued by the International Accounting Standards Board. The Australian equivalent to each standard included in this alert is shown below:

| International Standard reference | Australian equivalent standard |
|---|---|
| IFRS 1 First-time Adoption of International Financial Reporting Standards | AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards |

Background

The previous version of IFRS 1 had been amended many times to accommodate first-time adoption requirements resulting from new or amended IFRSs. As a result, the IFRS had over time become more complex and less clear.

In 2007 the Board therefore proposed, as part of its annual improvements project, to change IFRS 1 to make it easier for readers to understand and to design it to better accommodate future changes.

Overview

The changes

The restructured version of IFRS 1 issued in 2008 retains the substance of the previous version, but within an improved structure. There have been no actual technical changes to the Standard.

The main change relates to the text dealing with the various exceptions and exemptions to the principle that an entity's opening IFRS statement of financial position shall comply with each IFRS. This text has been removed from the main body of the Standard and placed in the Appendices to the Standard. This change will allow the IASB to amend the Standard more easily in the future.

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Effective date

The restructured version replaces the previous version and is effective for entities applying IFRSs for the first time for annual periods beginning on or after 1 January 2009. Earlier application is permitted.

Further information

For further information on any of the information included in this TA alert, please contact your local Grant Thornton Australia contact member or a member of the National Audit Support team at NAS@grantthornton.com.au.