



Accounting Standards Board

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www.frc.org.uk/asb



Stig Enevoldsen
European Financial Reporting Advisory Group
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E-mail: Commentletter@efrag.org

17 December 2009

Dear Stig

EFRAG Draft Comment Letter on the IASB Exposure Draft 'Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters'

Thank you for providing the UK Accounting Standards Board (ASB) with the opportunity to comment on your draft comment letter (DCL) to the International Accounting Standards Board's (IASB's) Exposure Draft (ED) 'Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters'.

The ASB broadly agrees with the EFRAG DCL to the extent that it expresses support for the proposed amendment. However, we do not share EFRAG's concerns on the effective date. As the ED permits early adoption we believe that first-time adopters would be able to obtain relief from providing comparative information in the same periods as entities applying the transitional rules in IFRS 7 *Financial Instruments: Disclosures*. Our response to the IASB on this ED is attached for your information.

Should you have any queries regarding this response please contact me, or Deepa Raval, Project Director, on +44 207 492 2424 or by email d.raval@frc-asb.org.uk.

Yours sincerely

Ian Mackintosh

Chairman

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Michael Kraehnke
International Accounting Standards Board
30 Cannon Street
London
EC4M 6XH

17 December 2009

Dear Michael

IASB Exposure Draft 'Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters'

This letter sets out the comments of the UK Accounting Standards Board (ASB) on the above Exposure Draft (ED).

The ASB supports the proposal in the ED on the basis that the amendment provides a level playing field for first-time adopters and entities already using IFRS.

Our responses to the questions contained in the 'Invitation to Comment' section of the ED are included in the Appendix to this letter.

If you would like to discuss any of the comments, please contact Deepa Raval on 020 7492 2424 or myself on 020 7492 2434.

Yours sincerely

Ian Mackintosh
Chairman, ASB

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Appendix: Response to the Invitation to Comment

Question 1 - Consistent disclosure transition provisions

The Board proposes to amend Appendix E of IFRS 1 to include transition provisions for first-time adopters consistent with the transition provisions in paragraph 44G of IFRS 7 *Financial Instruments: Disclosures*.

Do you agree with the proposal? If not, why?

1. We agree with the proposal on the basis that it provides consistent transitional requirements for first-time adopters and entities already using IFRS.

Question 2 - Effective date

The proposed amendment to IFRS 1 would be effective for annual periods beginning on or after 1 July 2010 with early application permitted.

Do you agree that this amendment should apply for annual periods beginning on or after 1 July 2010 with early adoption permitted? If not, why?

2. We agree that the effective date should be for annual periods beginning on or after 1 July 2010. We also agree that early adoption should be permitted as it enables first-time adopters to apply the transitional provisions in the same periods as entities applying paragraph 44G of IFRS 7 *Financial Instruments: Disclosures*.