

PRESS RELEASE

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IASB and FASB consult on effective dates for accounting standards

The International Accounting Standards Board (IASB) and the US Financial Accounting Standards Board (FASB) today published documents seeking views on when new financial reporting standards resulting primarily from their work to improve and achieve convergence of International Financial Reporting Standards (IFRSs) and US generally accepted accounting principles (GAAP) should become effective.

When finalising an IFRS, the IASB will identify a date from which entities will be required to start applying the new requirements (known as the effective date). This date is often 12-18 months after the date the IFRS is published, allowing time for entities to prepare for the change and for jurisdictions to implement the IFRS into their legal or regulatory regime.

With a number of major projects planned to be completed in 2011, the boards are seeking views on whether or how to sequence effective dates in order to reduce the burden to interested parties. In deciding how to proceed, the IASB will consider the needs of jurisdictions already using IFRSs as well as those planning to do so. Feedback from the consultation will inform the boards as they jointly develop an implementation plan for those new standards that helps stakeholders to manage both the pace and cost of change.

The projects covered by the request for views include the second and third phases of *Financial Instruments*, *Revenue from contracts with customers*, *Insurance contracts* and *Leases*. Comments are requested by 31 January 2011.

Commenting on the request for views, Sir David Tweedie, Chairman of the IASB, said:

“The next six to eight months will see a number of new IFRSs being published. Whilst each of these standards will provide more decision-useful information to investors, we want to know if users and preparers prefer the effective dates to be batched together or sequenced over a period of time.”

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Press enquiries:

Mark Byatt, Director of Corporate Communications, IFRS Foundation
Telephone: +44 (0)20 7246 6472, email: mbyatt@ifrs.org

Gillian Bishop, Communication Manager, IFRS Foundation
Telephone: +44 (0)20 7246 6463, email: gbishop@ifrs.org

Notes to editors***About the IASB***

The IASB was established in 2001 and is the standard-setting body of the IFRS Foundation, an independent, private sector, not-for-profit organisation. The IASB is committed to developing, in the public interest, a single set of high quality global accounting standards that provide high quality transparent and comparable information in general purpose financial statements. In pursuit of this objective the IASB conducts extensive public consultations and seeks the co-operation of international and national bodies around the world. The IASB currently has 15 full-time members drawn from 11 countries and a variety of professional backgrounds. By 2012 the Board will be expanded to 16 members. Board members are appointed by and accountable to the Trustees of the IFRS Foundation, who are required to select the best available combination of technical expertise and diversity of international business and market experience. In their work the Trustees are accountable to a Monitoring Board of public authorities.