# Summary Comparison of Canadian GAAP (Part V) and IFRSs (Part I)

## as of December 31, 2009

1. This comparison has been prepared by the staff of the Accounting Standards Board (AcSB) and has not been approved by the AcSB.

2. Publicly accountable enterprises are required to adopt International Financial Reporting Standards (IFRSs), set out in Part I of the CICA Handbook – Accounting (Handbook) for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011[1]. Other enterprises might also elect to adopt IFRSs. To assist those affected become familiar with the differences between Canadian standards applied before and after the changeover to IFRSs, the comparison provides a high-level comparison of pre-changeover standards set out in Part V of the Handbook and IFRSs, and information about the extent of similarity between Canadian GAAP and IFRSs.

3. This comparison covers significant differences only and does not include all of the differences that might arise in a particular entity's circumstances. It should not be used in preparing financial statements. To understand fully the implications of applying, and preparing financial statements in accordance with IFRSs, users of this comparison and financial statement preparers must refer to the standards themselves. AcSB staff has prepared a more detailed comparison for those interested in a comparison at a more technical level. It is available on the AcSB's website at www.acsbcanada.org.

4. IFRSs are based on a conceptual framework that is substantially the same as that on which the pre-changeover standards are based. IFRSs cover many of the same topics and reach similar conclusions on many issues. The style and form of IFRSs are generally quite similar to the pre-changeover standards and considerably more similar than US standards (although there is some variation within all three sets of standards). IFRSs are laid out in the same way as the Handbook Sections, highlight the principles and use similar language. Individual IFRSs and Handbook Sections are of similar length and depth of detail. The complete sets of standards are also similar in length.

5. This comparison is organized primarily according to the Sections and Guidelines in Part V of the Handbook, but includes at the end those IFRSs for which there are no equivalents in Part V. The comparison includes EIC Abstracts and the IFRS equivalents only to the extent that a significant issue is

[1] The AcSB has issued two separate Exposure Drafts for qualifying entities engaged in rate-regulated activities and for certain investment companies. The Exposure Drafts propose deferrals in the adoption of IFRS due to project activities at the IASB that could affect these entities shortly after adoption of IFRS in Canada.

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covered directly in one set of standards but addressed through an interpretation in the other. The comparisons reflect standards issued as of December 31, 2009. Effective dates may be after December 31, 2009.

6. The International Accounting Standards Board (IASB) and the US Financial Accounting Standards Board have active standard-setting projects in process. The comparison identifies work in process.. All work in process that results in a new IFRS or amendments to an existing IFRS will be adopted into Part I of the Handbook.

7. The comparison also comments on the extent to which entities would be required to (rather than permitted to) make a change to their accounting when IFRSs replace pre-changeover financial reporting standards. In this regard, the "Significance of Differences" indicates whether there is a significant conflict between IFRSs and the pre-changeover standards set out in Part V of the Handbook. In some cases, when an enterprises has a choice between the existing standard and the new standard up to and including at the date of transition to IFRSs, both choices have been included in the comparison.

8. The term "converged" has been used in the comparison when related standards in Part V of the Handbook and IFRSs are substantially similar. There will inevitably be differences at a more detailed level, both as a result of different levels of guidance and different ways of expressing similar ideas.

9. A table of concordance at the end of the document lists the IFRSs in numerical order with the pre-changeover GAAP counterpart(s), set out in Part V of the Handbook, noted in the columns to the right.

| **Pre-changeover standards (Part V)**<br>***IFRS equivalents* (Part I)** | **Comparison of accounting treatments** | **Work in process** | **Significance of differences[2]** |
|---|---|---|---|
| Section 1000, Financial Statement Concepts<br>*IASB Framework*<br>*IAS 1, Presentation of Financial Statements* | Section 1000 and the IASB Framework are **converged**, **except** that:<br>(i) the IASB Framework does not explicitly address not-for-profit organizations; and<br>(ii) the IASB Framework describes concepts of financial and physical capital maintenance without prescribing that a particular concept should apply, whereas Section 1000 specifies that financial statements are prepared with capital maintenance measured in financial terms. | IASB and FASB are undertaking a project to develop a converged conceptual framework. | Slight (indirect effect only). |
| Section 1100, Generally Accepted Accounting Principles<br>*IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors* | Section 1100 and the corresponding requirements of IAS 8 are **converged**. | None. | Slight for some entities. |
| Section 1300, Differential Reporting | IASB has issued an IFRS for Small and Medium-sized Entities (SMEs). AcSB has issued accounting standards for private enterprises. Private enterprises will be required to adopt these standards, or IFRSs, for annual financial statements relating to fiscal years beginning on or after January 1, 2011. | None. | Significant for entities currently qualifying for differential reporting. Private enterprises that adopt IFRS for SMEs will not be permitted to state that their financial statements are in accordance with Canadian GAAP. |

2 The assessment of significance of differences is a judgment made by AcSB staff in general terms. A difference may be significant to a particular transaction or entity depending on its materiality or nature. The AcSB staff assessment takes into account the expected results of work in process.

| Pre-changeover standards (Part V)<br>*IFRS equivalents* (Part I) | Comparison of accounting treatments | Work in process | Significance of differences[2] |
|---|---|---|---|
| Section 1400, General Standards of Financial Statement Presentation<br>*IAS 1, Presentation of Financial Statements* | Section 1400 and the corresponding requirements of IAS 1 are **converged**, **except** that IAS 1:<br>(i) permits departure from standards if it would be so misleading as to conflict with the objective of financial statements set out in the IASB's Framework and if the relevant regulatory framework for the enterprise permits or requires such a departure;<br>(ii) does not require a statement of retained earnings, but does require a statement of changes in equity;<br>(iii) does not permit comparative information to be omitted in the rare circumstances when it is not meaningful; and<br>(iv) requires a statement of financial position for the earliest comparative period when there is retrospective application of an accounting policy that restates or reclassifies items. | IASB and FASB are undertaking a project on Financial Statement Presentation to improve the presentation of information in and among the individual financial statements. | Slight — no significant conflicts. |
| Section 1505, Disclosure of Accounting Policies<br>*IAS 1, Presentation of Financial Statements* | Section 1505 and the corresponding requirements of IAS 1 are **converged**, **except** that IAS 1 requires disclosure of judgments made in the process of applying accounting policies. Some Canadian standards on individual financial statement items require disclosure of assumptions. | None. | Slight — no significant conflicts. |
| Section 1506, Accounting Changes<br>*IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors* | Section 1506 and the corresponding requirements of IAS 8 are **converged**, **except** that IAS 8 allows an entity to be exempt from the requirement to restate prior periods for the correction of an error on grounds of impracticability. Section 1506 includes an exemption for the disclosures required about standards amended or issued but not yet effective when there is a complete replacement of an entity's basis of accounting, as will be the case when a Canadian entity adopts IFRSs. | None. | Slight — no significant conflicts. |

| **Pre-changeover standards (Part V)**<br>***IFRS equivalents* (Part I)** | **Comparison of accounting treatments** | **Work in process** | **Significance of differences[2]** |
|---|---|---|---|
| Section 1508, Measurement Uncertainty<br>*IAS 1, Presentation of Financial Statements*<br>*IAS 37, Provisions, Contingent Liabilities and Contingent Assets* | Section 1508 and the corresponding requirements of IAS 1 and IAS 37 are **converged**, **except** that IFRSs:<br>(i) contain additional disclosure requirements; and<br>(ii) do not allow an exemption from these disclosures, including the recognized amount, based on seriously prejudicial circumstances. | None. | Only the inability for an entity to avoid disclosure based on seriously prejudicial circumstances might be significant. |
| Section 1510, Current Assets and Current Liabilities<br>*IAS 1, Presentation of Financial Statements* | Section 1510 is **less comprehensive** than IAS 1 as IAS 1:<br>(i) requires presentation in order of liquidity when such presentation provides information that is reliable and more relevant; and<br>(ii) requires current classification of breached long-term liabilities unless rectification has occurred, a period of grace extending for at least twelve months has been granted or a refinancing is complete by the end of the reporting period. | IASB and FASB are undertaking a project on Financial Statement Presentation to improve the presentation of information in and among the individual financial statements. | Might significantly affect presentation, though only the second difference is a presentation conflict. |
| Section 1520, Income Statement<br>*IAS 1, Presentation of Financial Statements* | Section 1520 and the corresponding requirements of IAS 1 are **converged**, **except** that Section 1520 provides more specific guidance on the items to be disclosed in the income statement. | IASB and FASB are undertaking a project on Financial Statement Presentation to improve the presentation of information in and among the individual financial statements. | Slight — no significant conflicts.<br>Work in process likely to result in significant change from present requirements and practices. |
| Section 1530, Comprehensive Income<br>*IAS 1, Presentation of Financial Statements* | Section 1530 and the corresponding requirements of IAS 1 are **converged**, **except** that IAS 1 prohibits the presentation of comprehensive income in the statement of changes in equity. | IASB and FASB are undertaking a project on Financial Statement Presentation that will require presentation of a single statement of comprehensive income. | Slight — no significant conflicts. |
| Section 1535, Capital Disclosures<br>*IAS 1, Presentation of Financial Statements* | Section 1535 and the corresponding requirements of IAS 1 are **converged, except** for a scope exception for non-publicly accountable enterprises and not-for-profit organizations. | None. | No conflicts. |

| **Pre-changeover standards (Part V)** ***IFRS equivalents* (Part I)** | **Comparison of accounting treatments** | **Work in process** | **Significance of differences[2]** |
|---|---|---|---|
| Section 1540, Cash Flow Statements<br>*IAS 7, Statement of Cash Flows* | Section 1540 and IAS 7 are **converged**, **except** that IAS 7 does not prohibit the disclosure of cash flow per share amounts. | IASB and FASB are undertaking a project on Financial Statement Presentation to improve the presentation of information in and among the individual financial statements. | Slight — no significant conflicts. |

| **Pre-changeover standards (Part V)**<br>***IFRS equivalents* (Part I)** | **Comparison of accounting treatments** | **Work in process** | **Significance of differences[2]** |
|---|---|---|---|
| Section 1581, Business Combinations<br>*IFRS 3, Business Combinations* | Section 1581 **differs from** IFRS 3 as IFRS 3:<br>(i) accounts for business combinations using the acquisition method, which may result in transactions being recognized as a business combination under IFRS 3 that would not be recognized under Section 1581;<br>(ii) requires the acquisition date to be the date on which the acquirer obtains control over the acquired entity or business;<br>(iii) requires that shares issued as consideration be measured based on their fair value at the acquisition date;<br>(iv) does not require outputs to be part of an integrated set of activities or assets to qualify as a business;<br>(v) requires that contingent consideration be recognized when it can be reliably measured;<br>(vi)requires acquisition-related costs, such as finders' fees and legal fees, be expensed;<br>(vii) requires that any gain on a bargain purchase or negative goodwill be recognized immediately in net income; and<br>(viii) requires the acquirer to recognize the acquiree's identifiable assets acquired, liabilities assumed and contingent liabilities, at their fair values at the acquisition date (rather than the acquirer's share only) Any non-controlling interest in the acquiree is measured at the non-controlling interest's portion of the net fair values of those items or of the fair value of the business. | None.. | May be significant for entities undertaking business combinations and applying Section 1581.<br>Enterprises planning a business combination in 2010 are encouraged to adopt Section 1582 (see below) to minimize restatements on changeover to IFRSs. |

| Pre-changeover standards (Part V)<br>*IFRS equivalents* (Part I) | Comparison of accounting treatments | Work in process | Significance of differences[2] |
|---|---|---|---|
| Section 1582, Business Combinations<br>Adoption not required until 2011, with early adoption permitted.<br>*IFRS 3, Business Combinations* | Section 1582 and IFRS 3 are **converged** | None. | Enterprises planning a business combination in 2010 are encouraged to adopt Section 1582 to minimize restatements on changeover to IFRSs. |
| Section 1590, Subsidiaries<br>*IAS 27, Consolidated and Separate Financial Statements* | Section 1590 and IAS 27 are **converged**, **except** that IAS 27 assesses control at a point in time, whereas Section 1590 assesses control based on an entity's continuing ability to make strategic policy decisions.<br><br>*(See also AcG-15, AcG-18, and SIC-12 below.)* | IASB and FASB are undertaking a project on consolidation to revise the definition of control and require enhanced disclosures. | Slight, although the difference would be a conflict in the few cases in which it might occur. |
| Section 1600, Consolidated Financial Statements<br>*IAS 27, Consolidated and Separate Financial Statements*<br>*IFRS 3, Business Combinations* | Section 1600 and IFRS 3 and IAS 27 are **converged**, **except** that IFRSs:<br>(i) requires shares owned prior to a change in control on a step acquisition to be valued at their fair value on the date of acquisition and recognizes any gain or loss on those shares in income;<br>(ii) requires the net income and each component of other comprehensive income to be attributed to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interest having a deficit balance; and<br>(iii) requires non-controlling interests to be stated at their proportion of the net fair value of the acquired net assets, or the fair value of the business, rather than at the subsidiary's carrying amount.<br>*(See also Section 1581 above and AcG-18 below.)* | IASB and FASB are undertaking a project on consolidation to revise the definition of control and require enhanced disclosures. This project is expected to focus on what is consolidated and not on the consolidation procedures in IAS 27. | May be significant for consolidated financial statements of some entities that apply Section 1600. (See below concerning new Sections 1601 and 1602.) |



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| Pre-changeover standards (Part V)<br>*IFRS equivalents* (Part I) | Comparison of accounting treatments | Work in process | Significance of differences[2] |
|---|---|---|---|
| Section 1601, Consolidated Financial Statements<br>Adoption not required until 2011, with early adoption permitted.<br>*IAS 27, Consolidated and Separate Financial Statements* | Section 1601 and IAS 27 are **converged** | IASB and FASB are undertaking a project on consolidation to revise the definition of control and require enhanced disclosures. This project is expected to focus on what is consolidated and not on the consolidation procedures in IAS 27. | Enterprises planning a business combination in 2010 are encouraged to adopt Section 1582 to minimize restatements on changeover to IFRSs. If Section 1582 is applied, it must be adopted in conjunction with Sections 1601 and 1602. |
| Section 1602, Non-controlling Interest<br>*IAS 27, Consolidated and Separate Financial Statements* | Section 1602 and IAS 27 are **converged** | None. | Enterprises planning a business combination in 2010 are encouraged to adopt Section 1582 to minimize restatements on changeover to IFRSs. If Section 1582 is applied, it must be adopted in conjunction with Sections 1601 and 1602. |
| Section 1625, Comprehensive Revaluation of Assets and Liabilities | There is **no corresponding IFRS**. | None. | Could be significant for entities undertaking reorganizations and some business acquisitions. |

| **Pre-changeover standards (Part V)**<br>***IFRS equivalents* (Part I)** | **Comparison of accounting treatments** | **Work in process** | **Significance of differences[2]** |
|---|---|---|---|
| Section 1651, Foreign Currency Translation<br>EIC-130, Translation Method When the Reporting Currency Differs from the Measurement Currency or There is a Change in the Reporting Currency<br>*IAS 21, The Effects of Changes in Foreign Exchanges Rates*<br>*IAS 29, Financial Reporting in Hyperinflationary Economies* | Section 1651 and EIC-130 and IAS 21 are **converged**, **except** that IAS 21 requires that non-monetary items measured at fair value be translated at the date when the fair value was determined rather than the balance sheet date.<br>For accounting in highly inflationary environments, IAS 29 is more comprehensive than Section 1651, including providing requirements for restating financial statements to an inflation-adjusted basis before translation. | None. | Differences could be significant depending on an entity's foreign denominated assets.<br>Significant for entities operating in a highly inflationary environment. |
| Section 1701, Segment Disclosures<br>*IFRS 8, Operating Segments* | Section 1701 and IFRS 8 are **converged**, **except** that:<br>(i) IFRS 8 only applies to listed entities and those in the process of filing;<br>(ii) IFRS 8 requires the disclosure of segment liabilities; and<br>(iii) IFRSs do not recognize extraordinary items. | None. | Slight — no significant conflicts. |
| Section 1751, Interim Financial Statements<br>*IAS 34, Interim Financial Reporting* | Section 1751 and IAS 34 are **converged**, **except** that:<br>(i) IAS 34 contemplates providing a condensed set of financial statements;<br>(ii) IAS 34 does not require the presentation of a cash flow statement for the current interim period, only for the cumulative period;<br>(iii) IAS 34 precludes the deferral, in interim periods, of manufacturing cost variances that are expected to be absorbed by year end; and<br>(iv) IAS 34 treats the initial recognition of a previously unrecognized income tax asset as an adjustment to the estimated average annual effective income tax rate used in determining interim period tax expense, rather than as a separate item of the income tax expense. | None. | Slight — no significant conflicts. |

| **Pre-changeover standards (Part V)**<br>***IFRS equivalents* (Part I)** | **Comparison of accounting treatments** | **Work in process** | **Significance of differences[2]** |
|---|---|---|---|
| Section 1800, Unincorporated Businesses | There is **no corresponding IFRS**. | None. | Significant impact for unincorporated businesses.[3] |
| Section 3000, Cash<br>*IAS 1, Presentation of Financial Statements* | Section 3000 and the corresponding requirements of IAS 1 are **converged**. | None. | Slight — no significant conflicts. |
| Section 3020, Accounts and Notes Receivable<br>*IAS 1, Presentation of Financial Statements* | Section 3020 and the corresponding requirements of IAS 1 are **converged**. | None. | Slight — no significant conflicts. |
| Section 3025, Impaired Loans<br>*IAS 39, Financial Instruments: Recognition and Measurement* | Section 3025 and related requirements in IAS 39 are **converged**, **except** that IAS 39 is more stringent regarding general loan loss allowances. | None. | Significant for entities with large loan portfolios. |
| Section 3031, Inventories<br>*IAS 2, Inventories* | Section 3031 and IAS 2 are **converged**, **except** that Section 3031<br>(i) has different scope exemptions than IAS 2 because of the guidance in IAS 11, Construction Contracts, and IAS 41, Agriculture, that are not addressed in Canadian GAAP; and<br>(ii) requires disclosure of the carrying amount of the inventories of producers of agricultural and forest products, of agricultural produce after harvest, and of minerals and mineral products, to the extent that they are measured at net realizable value in accordance with well-established practices in those industries.<br>*(See also IAS 41 under "IASB standards that have no Canadian counterpart" below.)* | None. | Possibly significant for enterprises with inventories of agricultural products or involved with construction contracts. |

3 The AcSB has issued "made in Canada" financial reporting standards for private enterprises. However, private enterprises are not precluded from adopting IFRSs.

| Pre-changeover standards (Part V) *IFRS equivalents* (Part I) | Comparison of accounting treatments | Work in process | Significance of differences[2] |
|---|---|---|---|
| Section 3040, Prepaid Expenses<br>*IAS 1, Presentation of Financial Statements* | Section 3040 and the corresponding requirements of IAS 1 are **converged**. | None. | Slight — no significant conflicts. |
| Section 3051, Investments<br>*IAS 28, Investments in Associates*<br>*IAS 36, Impairment of Assets* | Section 3051 and the corresponding requirements in IAS 28 and IAS 36 are **converged**, **except** that IFRSs:<br>(i) require an impairment to be recognized when the recoverable amount of an asset is less than the carrying amount, rather than when there is a significant or prolonged decline in value below the carrying amount;<br>(ii) determine the impairment loss as being the excess of the carrying amount above the recoverable amount (the higher of fair value less costs to sell and value in use, calculated as the present value of future cash flows from the asset), rather than the excess of the carrying amount above the undiscounted future cash flows of the asset; and<br>(iii) require the reversal of an impairment loss when the recoverable amount changes.<br>*(See also AcG-18 below.)* | None. | Significant difference in impairment requirements. |
| Section 3055, Interests in Joint Ventures<br>*IAS 31, Investments in Joint Ventures* | Section 3055 **differs** from IAS 31 as IAS 31:<br>(i) permits the use of either the proportionate consolidation method or the equity method to account for joint ventures; and<br>(ii) excludes a venturer's interest in a joint venture held by a venture capital organization, mutual fund, unit trust or similar entity. | IASB is undertaking a project that will require most joint venture entities to be accounted for using the equity method. | Slight — no significant conflicts, because IFRS provides the option to use proportionate consolidation. However, work in process likely to result in significant change from present requirements. |
| Section 3061, Property, Plant and Equipment<br>EIC-126, Accounting By Mining Enterprises For Exploration | Section 3061 and IAS 16 and IAS 40 are **converged**, **except** that:<br>(i) IAS 16 permits the revaluation of property, plant and equipment to fair value;<br>(ii) IAS 16 requires the depreciable amount to be the | IASB has issued a Discussion Paper on extractive activities. | Slight for cost-based accounting model — no significant conflicts.<br>. |

| **Pre-changeover standards (Part V)**<br>***IFRS equivalents* (Part I)** | **Comparison of accounting treatments** | **Work in process** | **Significance of differences[2]** |
|---|---|---|---|
| Costs<br>Accounting Guideline AcG-16, Oil and Gas Accounting — Full Cost<br>*IAS 16, Property, Plant and Equipment*<br>*IAS 40, Investment Property*<br>*IFRS 6, Exploration for and Evaluation of Mineral Resources* | asset cost less its residual value, rather than using the greater of the asset cost less its residual value or asset cost less its salvage value;<br>(iii) IAS 40 allows investment property to be accounted for using a fair value or a cost-based model; and<br>(iv) IFRS 6 provides limited guidance on the financial reporting for exploration for, and evaluation of, mineral resources.<br><br>Some portions of Section 3061 and all of AcG-16 and EIC-126 are **more comprehensive** than IAS 16 with respect to mineral resources. Section 3061 does not contain an exemption from applying the GAAP hierarchy to develop accounting policies for exploration and evaluation activities.<br>Some portions of Section 3061 and all of AcG-16 and EIC-126 are **more comprehensive** than IFRS 6, as IFRS 6 only provides guidance during the exploration and the evaluation of mineral resources up to the point that technical feasibility and commercial viability of extracting is demonstrated. IFRS 6 would permit a form of full cost accounting only during the exploration and evaluation phases, but the full cost accounting model cannot be extended to development and production phases. Accounting during these phases will generally be by analogy to IAS 16.<br>*(See also AcG-16 and EIC-126 below.)* | | |
| Section 3063, Impairment of Long-lived Assets<br>*IAS 36, Impairment of Assets* | Section 3063 **differs** from IAS 36 as IAS 36:<br>(i) does not include a separate "trigger" for recognizing impairment losses based on an assessment of undiscounted cash flows;<br>(ii) determines an impairment loss as the excess of the carrying amount of an asset or group of assets above the recoverable amount (the higher of fair value less costs to sell and value in use), rather than the | None. | Significant for most entities. |

| Pre-changeover standards (Part V)<br>*IFRS equivalents* (Part I) | Comparison of accounting treatments | Work in process | Significance of differences[2] |
|---|---|---|---|
| | difference between carrying amount and fair value; and<br>(iii) requires the reversal of an impairment loss when there has been a change in estimates used to determine the recoverable amount.<br>*(See also Section 3051 above and Section 3064 below.)* | | |
| Section 3064, Goodwill and Intangible Assets<br>*IAS 36, Impairment of Assets*<br>*IAS 38, Intangible Assets* | Section 3064 is **converged with** IAS 38 for the initial recognition and measurement of intangible assets. Also, IAS 38 permits revaluation at fair value for intangible assets that have an active market.<br>Section 3064 and IAS 38 requirements on accounting for goodwill are **converged**.<br><br>Section 3064 uses a **different model** than IAS 36 for testing impairment. IAS 36:<br>(i) includes identifiable indefinite life intangible assets in the cash-generating unit to which it relates;<br>(ii) might require goodwill impairment assessments to be made below the level of the reporting unit, at the cash generating unit; and<br>(iii) determines an impairment loss as the excess of the carrying amount above the recoverable amount of the cash generating unit to which the goodwill is allocated to, rather than the difference between carrying amount and fair value of the reporting unit's goodwill.<br>*(See also Sections 3051 and 3063 above.)* | None. . | Significant for entities with large amount of intangible assets. |
| Section 3065, Leases<br>*IAS 17, Leases* | Section 3065 and IAS 17 are **converged**, **except** that:<br>(i) IAS 17 uses the term "finance lease" in the same manner as Section 3065 uses "capital lease";<br>(ii) IAS 17 does not subdivide finance leases into sales-type leases and direct financing leases; and<br>(iii) disclosure requirements differ. | IASB and FASB are undertaking a project on lease accounting, likely to result in a significantly different accounting model. | Slight — no significant conflicts but work in process likely to result in significant change from present requirements and practices. |

| **Pre-changeover standards (Part V)**<br>***IFRS equivalents* (Part I)** | **Comparison of accounting treatments** | **Work in process** | **Significance of differences[2]** |
|---|---|---|---|
| Section 3110, Asset Retirement Obligations<br>EIC-159, Conditional Asset Retirement Obligations<br>*IAS 16, Property, Plant and Equipment*<br>*IAS 37, Provisions, Contingent Liabilities and Contingent Assets*<br>*IFRIC-1, Changes in Existing Decommissioning, Restoration and Similar Liabilities (IAS 1, IAS 8, IAS 16, IAS 23, IAS 36, IAS 37)* | Section 3110 and EIC 159 are **more comprehensive** than the corresponding requirements of IAS 16, IAS 37 and IFRIC-1. Also, IAS 37 requires the use of management's best estimate of the enterprise's cash outflows rather than fair value measurement on initial recognition, and requires the use of current interest rates in each subsequent remeasurement. | IASB has issued an Exposure Draft proposing amendments to IAS 37. | Significant for entities with large asset retirement obligations. |
| Section 3210, Long-Term Debt<br>*IAS 1, Presentation of Financial Statements* | Section 3210 and the corresponding requirements of IAS 1 are **converged**. | None. | Slight — no significant conflicts. |
| Section 3240, Share Capital<br>*IAS 1, Presentation of Financial Statements* | Section 3240 and the corresponding requirements of IAS 1 are **converged**. | None. | Slight — no significant conflicts. |
| Section 3251, Equity<br>*IAS 1, Presentation of Financial Statements* | Section 3251 and the corresponding requirements of IAS 1 are **converged**. | See Section 1520 above. | Slight — no significant conflicts. |
| Section 3260, Reserves<br>*IAS 1, Presentation of Financial Statements* | Section 3260 and the corresponding requirements of IAS 1 are **converged**. | None. | Slight — no significant conflicts. |

| **Pre-changeover standards (Part V)**<br>***IFRS equivalents* (Part I)** | **Comparison of accounting treatments** | **Work in process** | **Significance of differences**[2] |
|---|---|---|---|
| Section 3280, Contractual Obligations<br>*IAS 1, Presentation of Financial Statements*<br>*IAS 16, Property, Plant and Equipment* | Section 3280 and the corresponding requirements of IAS 1 and IAS 16 are **converged**. | None. | Slight — no significant conflicts. |
| Section 3290, Contingencies<br>*IAS 37, Provisions, Contingent Liabilities and Contingent Assets* | Section 3290 and IAS 37 are **converged**, **except** that under IAS 37:<br>(i) a contingent liability is recognized, as a provision when the outflow of economic benefits is more likely than not to be required to settle the obligation<br>(ii) a debit balance is recognized as an asset when realization of income is virtually certain.<br>*(See also AcG-14 below.)* | IASB has issued an Exposure Draft proposing amendments to IAS 37. | May be significant for the recording of legal and other liabilities and contingent assets. |
| Section 3400, Revenue<br>EIC-141, Revenue Recognition<br>*IAS 11, Construction Contracts*<br>*IAS 18, Revenue*<br>*SIC-31, Revenue — Barter Transactions Involving Advertising Services*<br>*IFRIC-12, Service Concession Arrangements* | Recognition criteria in Section 3400 and EIC 141 and IAS 11, IAS 18, SIC-31 and IFRIC-12 are **converged**, **except** that:<br>(i) IAS 11 does not allow the completed contract method;<br>(ii) IAS 11 provides more guidance on work in process;<br>(iii) IAS 18 includes measurement standards requiring fair value for consideration received or receivable;<br>(iv) SIC-31 deals with barter transactions involving advertising services specifically;<br>(v) IFRIC-12 provides guidance on recognition and measurement of the obligations and related rights in service concession arrangements;<br>(vi) IFRSs do not provide specific guidance regarding goods with right of return, like EIC 141; and<br>(vii) both sets of standards have application guidance in various other related standards.<br>*(See also AcG-2 and AcG-4 below.)* | IASB and FASB are undertaking a project on revenue recognition. | May be significant for some entities and work in process likely to result in significant change from present requirements and practices. |
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| Pre-changeover standards (Part V)<br>***IFRS equivalents*** **(Part I)** | Comparison of accounting treatments | Work in process | Significance of differences[2] |
|---|---|---|---|
| Section 3461, Employee Future Benefits<br>*IAS 19, Employee Benefits* | Section 3461 and IAS 19 are **converged**, **except** that IAS 19:<br>(i) requires plan assets to be measured at fair value for all purposes at all reporting dates;<br>(ii) requires past service costs to be recognized on a straight-line basis over the average period until the amended benefits become vested;<br>(iii) requires multi-employer plans with defined benefit characteristics to be accounted for as defined benefit plans; and<br>(iv) permits a choice of recognizing actuarial gains and losses directly in equity in the period in which they occur, without subsequent recycling to net income. | The IASB has issued an Exposure Draft proposing that entities recognize all changes in defined benefit obligations and in the fair value of plan assets when those changes occur, as well as a new presentation approach for changes in defined benefit obligations and in plan assets. The proposals include detailed disclosures. | Significant for enterprises with pension plans. |

| **Pre-changeover standards (Part V)**<br>***IFRS equivalents* (Part I)** | **Comparison of accounting treatments** | **Work in process** | **Significance of differences[2]** |
|---|---|---|---|
| Section 3465, Income Taxes<br>*IAS 12, Income Taxes*<br>*SIC-25, Income Taxes — Changes in the Tax Status of an Enterprise or Its Shareholders* | Section 3465 and IAS 12 are **converged** on the principle for the recognition and measurement of taxes, but have different exceptions to the principle. Section 3465 **differs** from IAS 12 as IAS 12:<br>(i) continues to allocate to equity any current-year deferred taxes on items that are related to an item charged to equity in a prior year ("backward tracing");<br>(ii) prohibits recognition of a deferred tax liability if it arises from the initial recognition of specified assets or liabilities in a transaction that is not a business combination and does not affect accounting or taxable income at the time;<br>(iii) requires recognition of a deferred tax liability or asset for temporary differences that arise on translation of non-monetary assets that are remeasured from the local currency to the functional currency using historical rates and result from changes in exchange rates and indexing for tax purposes;<br>(iv) requires recognition of an income tax asset or liability when there is a temporary difference on intercompany transfers of assets;<br>(v) addresses the consequences of a change in tax status of the entity. SIC-25 requires that the effects of such a change be allocated based on its origin; and<br>(vi) requires an estimate of the tax deduction authorities will permit on share-based payment transactions in future years, | IASB is undertaking a project to revise certain aspects of IAS 12. | Significant impact in particular tax situations. |

| Pre-changeover standards (Part V)<br>*IFRS equivalents* (Part I) | Comparison of accounting treatments | Work in process | Significance of differences[2] |
|---|---|---|---|
| Section 3475, Long-Lived Assets and Discontinued Operations<br>*IFRS 5, Non-current Assets Held for Sale and Discontinued Operations* | Section 3475 and IFRS 5 are **converged**, **except** that IFRS 5:<br>(i) contains a more restrictive definition of a discontinued operation;<br>(ii) does not allow assets held for distribution to owners to be depreciated; and<br>(iii) requires assets held for distribution to be recorded at the lower of fair value less costs to distribute or carrying amount. | The IASB and FASB issued Exposure Drafts to converge their definitions of discontinued operations to be consistent with IFRS 5 and modify the disclosures. | May be significant for discontinued operations that would not qualify under the more restrictive definition in IFRS 5. |
| Section 3480, Extraordinary Items<br>*IAS 1, Presentation of Financial Statements* | Section 3480 **differs** from IAS 1 as IAS 1 does not allow separate presentation of extraordinary items. | IASB and FASB are undertaking a project on Financial Statement Presentation to improve the presentation of information in and among the individual financial statements. | Significant in limited circumstances — could affect net income, but not likely to require new information to be determined. |
| Section 3500, Earnings per Share<br>*IAS 33, Earnings per Share* | Section 3500 and IAS 33 are **converged**, **except** that IAS 33:<br>(i) does not require presentation of earnings per share for income or loss before discontinued operations and extraordinary items; and<br>(ii) does not allow rebuttal of the presumption of share settlement treatment on contracts that may be settled in shares or cash, based on past experience of contract settlements. | IASB has issued an Exposure Draft proposing to amend IAS 33. | Slight — conflict only in limited fact situations. |
| Section 3610, Capital Transactions | There is **no corresponding IFRS**. | None. | Slight — no significant conflicts. |

| **Pre-changeover standards (Part V)**<br>***IFRS equivalents* (Part I)** | **Comparison of accounting treatments** | **Work in process** | **Significance of differences[2]** |
|---|---|---|---|
| Section 3800, Government Assistance<br>*IAS 20, Accounting for Government Grants and Disclosure of Government Assistance*<br>*SIC-10, Government Assistance — No Specific Relation to Operating Activities* | Section 3800, IAS 20 and SIC-10 are **converged**, **except** that IAS 20:<br>(i) permits, and provides guidance on, the recognition of non-monetary government grants at zero; and<br>(ii) provides guidance on biological assets. | IASB has deferred consideration of changes to IAS 20 pending progress on revenue recognition and emissions trading schemes projects. | Significant for entities with particular types of government grants. |
| Section 3805, Investment Tax Credits | There is **no corresponding IFRS**. IAS 12, *Income Taxes*, and IAS 20, *Accounting for Government Grants and Disclosures of Government Assistance*, specifically scope out investment tax credits. | None. | May be significant for enterprises with certain types of investment tax credits. |
| Section 3820, Subsequent Events<br>*IAS 10, Events After the Reporting Date* | Section 3820 and IAS 10 are **converged, except** that IAS 10:<br>(i) requires reporting of subsequent events to the date of authorization for issue of financial statements; and<br>(ii) requires disclosure of the date of authorization for issue and who gave that authorization. | None. | Slight — no significant conflicts, but additional work may be necessary, resulting from longer reporting period. |
| Section 3831, Non-Monetary Transactions<br>*IAS 16, Property, Plant and Equipment*<br>*IAS 38, Intangible Assets*<br>*IAS 40, Investment Property*<br>*SIC-31, Revenue — Barter Transactions Involving Advertising Services* | Section 3831 is **more comprehensive** than IAS 16, IAS 38 and IAS 40 as Section 3831 applies to a broader range of non-monetary transactions.<br>Sections 3400 and 3831 provide **less comprehensive** guidance than SIC-31 on barter transactions involving advertising services. | None. | Significant for certain non-monetary transactions.<br>Barter transaction difference could be significant for entities that barter advertising services. |

| **Pre-changeover standards (Part V)**<br>***IFRS equivalents* (Part I)** | **Comparison of accounting treatments** | **Work in process** | **Significance of differences[2]** |
|---|---|---|---|
| Section 3840, Related Party Transactions<br>*IAS 24, Related Party Disclosures* | Section 3840 **differs** from IAS 24 as IAS 24 does not contain requirements for measuring related party transactions or guidance on the resulting treatment of any gains and losses.<br>Also, IAS 24 does not exclude from its scope management compensation arrangements, expense allowances and similar payments to individuals in the normal course of operations.<br>Section 3840 and IAS 24 disclosure requirements are **converged**. | None. | Slight — no significant conflicts, except in specific circumstances.<br>Additional disclosures by non-public companies[4] for management compensation arrangements and similar matters could be significant. |
| Section 3841, Economic Dependence | There is **no corresponding IFRS**. | None. | Slight — no significant conflicts. |
| Section 3850, Interest Capitalized — Disclosure Considerations<br>*IAS 23, Borrowing Costs* | Section 3850 differs from IAS 23 as IAS 23 does not allow the expensing of borrowing costs, to the extent they are directly attributable to acquisition, production and construction of a qualifying asset. IAS 23 also includes guidance on how to determine the amount of borrowing costs eligible for capitalization. | None. | Significant for entities whose accounting policy is to expense borrowing costs. |

[4] Securities regulations presently require this information for public companies.

| Pre-changeover standards (Part V)<br>*IFRS equivalents* (Part I) | Comparison of accounting treatments | Work in process | Significance of differences[2] |
|---|---|---|---|
| Section 3855, Financial Instruments — Recognition and Measurement<br>*IAS 39, Financial Instruments: Recognition and Measurement*<br>*IFRS 9, Financial Instruments* applies to financial assets within the scope of IAS 39: adoption not required until 2013, with early adoption permitted. | Section 3855 and IAS 39 are **converged**, **except** that IAS 39:<br>(i) restricts the circumstances in which the option to measure a financial instrument at fair value through profit or loss is available;<br>(ii) requires all available-for-sale financial assets to be measured at fair value unless fair value is not reliably determinable, whereas Section 3855 requires non-quoted equity instruments classified as available for sale to be measured at cost;<br>(iii) requires foreign exchange gains and losses on available-for-sale monetary financial assets to be recognized immediately in net income;<br>(iv) does not allow a choice of accounting policy for transaction costs;<br>(v) does not address financial instruments exchanged or issued in related party transactions;<br>(vi) requires reversal of impairment losses in some circumstances; and<br>(vii) has no scope exceptions for non-publicly accountable enterprises and not-for-profit organizations.<br>Section 3855 differs from IFRS 9 as IFRS 9:<br>(i) only applies to financial assets in IAS 39; and<br>(ii) requires fair value measurement for all financial assets except when the cash flows represent principal and interest to compensate for credit risk and time value of money when managed in a business unit to collect contractual cash flows; and<br>(iii) gains and losses on equities not held-for-trading may be recognized in other comprehensive income without subsequent recycling to net income. | IASB and FASB are undertaking separate projects to improve and converge their standards on financial instruments. | Significant for some entities with particular fact situations. |

| Pre-changeover standards (Part V)<br>*IFRS equivalents* (Part I) | Comparison of accounting treatments | Work in process | Significance of differences[2] |
|---|---|---|---|
| Section 3861, Financial Instruments — Disclosure and Presentation<br>*IAS 32, Financial Instruments: Presentation*<br>*IFRS 7, Financial Instruments: Disclosures*<br>Section 3861 is only applicable to insurance contracts by entities choosing not to apply the disclosures required in Section 3862. | The presentation requirements of Section 3861 and IAS 32 are **converged**, **except** that IAS 32:<br>(i) does not apply to insurance contracts (however, IFRS 4 requires disclosures similar to those specified in IAS 32);<br>(ii) addresses the presentation of derivatives on an entity's own equity;<br>(iii) does not allow for initial measurement of a compound financial instrument using the relative fair value method: and<br>(iv) has no scope exceptions for non-publicly accountable enterprises and not-for-profit organizations.<br>The disclosure requirements of IFRS 7 are generally **more comprehensive** than Section 3861 as IFRS 7:<br>(i) requires only that entities disclose information that enables users of their financial statements to evaluate the significance of financial instruments, rather than specific contractual terms and conditions of financial instruments;<br>(ii) requires disclosures about financial instruments classified into (as well as out of) a fair value classification;<br>(iii) requires more specific disclosures about collateral;<br>(iv) requires disclosure of the existence of multiple embedded derivatives whose values are interdependent, when these are contained in an instrument having both a liability and an equity component;<br>(v) does not encourage (or require) disclosures about average aggregate carrying amounts during the year, average aggregate principal during the year, or aggregate fair value during the year;<br>(vi) requires disclosure of the disposition of any inception profit that might result from the use of a valuation technique used to measure a financial instrument that has no active market price;<br>(vii) requires extensive disclosures about exposures to liquidity, currency and other price risks; and<br>(viii)requires an analysis of the sensitivity of net income to possible changes in market risk factors. | IASB and FASB are undertaking separate projects to improve and converge their standards on financial instruments.<br>IASB and FASB are also undertaking a project on liabilities and equity. | Significant effect on presentation and disclosure of certain financial instruments for entities choosing not to apply the disclosures required in Section 3862 to insurance contracts.<br>*(See also Section 3862.)* |

| **Pre-changeover standards (Part V)**<br>***IFRS equivalents* (Part I)** | **Comparison of accounting treatments** | **Work in process** | **Significance of differences**[2] |
|---|---|---|---|
| Section 3862, Financial Instruments — Disclosure<br>*IFRS 7, Financial Instruments: Disclosures* | The disclosure requirements of Section 3862 and IFRS 7 are **converged**, **except** that IFRS 7:<br>(i) does not apply to insurance contracts, however IFRS 4 requires the disclosure as specified in IFRS 7;<br>(ii) does apply to partially derecognized assets;<br>(iii) requires disclosure of any remedy or renegotiation on the terms of a loan in default obtained prior to the financial statements being "authorized for issue" versus "completed"; and<br>(iv) requires less specific disclosures about hedging transactions. | IASB is undertaking a project to consider improvements to the disclosures on the derecognition of financial assets transferred to another entity and other off balance sheet risks. | Slight — no significant conflicts |
| Section 3863, Financial Instruments — Presentation<br>*IAS 32, Financial Instruments: Presentation* | The presentation requirements of Section 3863 and IAS 32 are **converged**, **except** that IAS 32:<br>(i) does not apply to insurance contracts;<br>(ii) addresses the presentation of derivatives on an entity's own equity; and<br>(iii) does not allow for initial measurement of a compound financial instrument using the relative fair value method. | IASB and FASB are undertaking a project on liabilities and equity. | Slight — no significant conflicts. |
| Section 3865, Hedges<br>*IAS 39, Financial Instruments: Recognition and Measurement* | Section 3865 and IAS 39 are **converged**, **except** that IAS 39 permits fair value hedge accounting for a portfolio hedge of interest rate risk. | IASB and FASB are undertaking separate projects to improve and converge their standards on financial instruments. | Slight — no significant conflicts (hedge accounting is optional). |


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| **Pre-changeover standards (Part V)**<br>***IFRS equivalents* (Part I)** | **Comparison of accounting treatments** | **Work in process** | **Significance of differences[2]** |
|---|---|---|---|
| Section 3870, Stock-based Compensation and Other Stock-based Payments<br>*IFRS 2, Share-based Payments* | Section 3870 and IFRS 2 are **converged**, **except** that IFRS 2:<br>(i) does not provide an exemption for the recognition of an expense when an employee share purchase plan provides a discount to employees that does not exceed the per-share amount of share issuance costs that would have been incurred to raise a significant amount of capital by a public offering and is not extended to other holders of the same class of shares;<br>(ii) defaults to using the fair value of the non-tradeable equity instruments granted if the value of received goods or non-employee service is not reliably measurable;<br>(iii) requires that share-based payments to non-employees be measured at the date the entity obtains the goods or the counterparty renders service;<br>(iv) requires cash-settled share-based payments are measured at the fair value of the liability not intrinsic value;<br>(v) requires the transaction to be accounted for as a cash-settled transaction if the entity has incurred a liability to settle in cash or other assets, or as an equity-settled transaction if no such liability has been incurred; and<br>(vi) is more detailed about how to deal with a modification of an award. | None. | Significant impact for certain share-based payment arrangements. |
| Section 4100, Pension Plans<br>*IAS 26, Accounting and Reporting by Retirement Benefit Plans* | Section 4100 **differs** from IAS 26 as IAS 26:<br>(i) does not require a statement of changes in net assets available for benefits;<br>(ii) does not require information on pension obligations be included in the statements of a defined contribution plan; and<br>(iii) permits the actuarial valuation with or without salary projection and without prorating the effect. | AcSB has since issued Pension Plans, Section 4600 in Part IV of the Handbook, indicating that financial statements for pension plans should be prepared in accordance with Section 4600, rather than IAS 26 on adoption of IFRSs. | Slight — no significant conflicts. |

| Pre-changeover standards (Part V)<br>*IFRS equivalents* (Part I) | Comparison of accounting treatments | Work in process | Significance of differences[2] |
|---|---|---|---|
| Section 4211, Life Insurance Enterprises — Specific Items<br>*IFRS 4, Insurance Contracts*<br>*IAS 36, Impairment of Assets*<br>*IAS 40, Investment Property* | Section 4211 **differs** from IFRS 4, IAS 36 and IAS 40 as IFRSs:<br>(i) provide limited guidance;<br>(ii) do not address actuarial liabilities, reinsurance and retrocession, segregated accounts and income and distributions;<br>(iii) do not permit presentation of discretionary participation features separately from liabilities and equity; and<br>(iv) permit investment property to be measured at fair value versus the moving average market value method.<br>*(See also Section 3051 above for differences regarding impairment testing and AcG-3, AcG-8 and AcG-9 below.)* | IASB and FASB are undertaking a project to introduce new requirements for insurance contracts. | Significant for life insurance enterprises. |
| Section 4250, Future-Oriented Financial Information | There is **no corresponding IFRS**. | None. | Slight — no significant conflicts. |
| Sections 4400-4470, Not-for-Profit Organizations | There are **no corresponding IFRSs**. | AcSB has issued an Exposure Draft proposing a new strategic direction for setting standards for not-for-profit organizations. Not-for-profit organizations may adopt IFRSs if they choose. | Significant in certain circumstances. |
| Accounting Guideline AcG-2, Franchise Fee Revenue<br>*IAS 18, Revenue* | AcG-2 is **more comprehensive** than IAS 18. | See Section 3400 above. | Slight — no significant conflicts. |
| Accounting Guideline AcG-3, Financial Reporting by Property and Casualty Companies<br>*IFRS 4, Insurance Contracts* | AcG-3 **differs** from IFRS 4 as IFRS 4 contains only limited requirements. | See Section 4211 above. | Significant for property and casualty companies in limited areas. |

| Pre-changeover standards (Part V)<br>*IFRS equivalents* (Part I) | Comparison of accounting treatments | Work in process | Significance of differences[2] |
|---|---|---|---|
| Accounting Guideline AcG-4, Fees and Costs Associated with Lending Activities<br>*IAS 18, Revenue* | AcG-4 is **more comprehensive** than IAS 18. | See Section 3400 above. | Slight — no significant conflicts. |
| Accounting Guideline AcG-7, The Management Report | There is **no corresponding IFRS**. | None. | Slight — no significant conflicts. |
| Accounting Guideline AcG-8, Actuarial Liabilities of Life Insurance Enterprises — Disclosure<br>*IAS 32, Financial Instruments: Presentation*<br>*IFRS 4, Insurance Contracts* | AcG-8 is **more comprehensive** than IAS 32 and IFRS 4 as AcG-8 provides additional guidance as to how the requirements of Sections 1508 and 3861 are to be applied to actuarial liabilities. | See Section 4211 above. | Significant for life insurance enterprises in limited areas. |
| Accounting Guideline AcG-9, Financial Reporting by Life Insurance Enterprises<br>*IFRS 4, Insurance Contracts* | AcG-9 **differs** from IFRS 4 as IFRS 4 contains only limited requirements. | See Section 4211 above. | Significant for life insurance enterprises in limited areas. |
| Accounting Guideline AcG-11, Enterprises in the Development Stage<br>*IAS 38, Intangible Assets* | AcG-11 is **converged** with IAS 38 | None. | No conflicts |
| Accounting Guideline AcG-12, Transfers of Receivables<br>*IAS 39, Financial Instruments: Recognition and Measurement* | AcG-12 **differs** from IAS 39 as IAS 39:<br>(i) addresses the derecognition of other financial instruments, such as securities lending transactions or sale and repurchase agreements; and<br>(ii) does not focus on legal isolation, but on risks and rewards of ownership. | IASB is undertaking a project to consider improvements to the disclosures on derecognition of financial assets transferred to another entity and other off balance sheet risks. | Significant for entities undertaking securitization and similar transactions. |

| **Pre-changeover standards (Part V)**<br>***IFRS equivalents* (Part I)** | **Comparison of accounting treatments** | **Work in process** | **Significance of differences[2]** |
|---|---|---|---|
| Accounting Guideline AcG-14, Disclosure of Guarantees<br>*IAS 37, Provisions, Contingent Liabilities and Contingent Assets*<br>*IAS 39, Financial Instruments: Recognition and Measurement* | AcG-14 **differs** from IAS 37 as IAS 37 addresses recognition and measurement requirements for non-financial guarantees, as well as disclosure. | IASB has issued an Exposure Draft amending aspects of IAS 37 (see Section 3290 above). | Significant for subsequent measurement of guarantees. |
| Accounting Guideline AcG-15, Consolidation of Variable Interest Entities<br>*SIC-12, Consolidation — Special Purpose Entities* | AcG-15 **differs** from SIC-12 as SIC-12:<br>(i) does not deal with variable interest entities (VIEs) in the same manner, and relies on the general principles of consolidation; and<br>(ii) is less detailed. However, both rely on similar underlying principles. | IASB and FASB are undertaking a project on consolidation. | Significant for some interests in VIEs. |
| Accounting Guideline AcG-16, Oil and Gas Accounting — Full Cost<br>EIC-126, Accounting By Mining Enterprises For Exploration Costs<br>*IAS 16, Property, Plant and Equipment*<br>*IAS 36, Impairment of Assets*<br>*IFRS 6, Exploration for and Evaluation of Mineral Resources* | All of AcG-16, EIC-126 and certain portions of Section 3061 are **more comprehensive** than IFRS 6 as IFRS 6 only provides guidance during the exploration and the evaluation of mineral resources up to the point that technical feasibility and commercial viability of extracting is demonstrated. IFRS 6 would permit a form of full cost accounting only during the exploration and evaluation phases, but the full cost accounting model cannot be extended to the development and production phases. Accounting during these phases will generally be by analogy to IAS 16 and IAS 36. | IASB has issued a Discussion Paper on extractive activities. | Might be significant conflict for enterprises currently using full cost accounting in the development and production phases. |
| Accounting Guideline AcG-18, Investment Companies<br>*IAS 27, Consolidated and Separate Financial Statements*<br>*IAS 28, Investments in Associate*<br>*IAS 39, Financial Instruments: Recognition and Measurement* | AcG-18 **differs** from IFRSs as IFRSs do not contain any special treatments for accounting for investments by investment companies and for investment companies by its parent or equity method investor. The fair value treatment under AcG-18 differs from the consolidation method required by IAS 27 for subsidiaries and the equity method required by IAS 28 for associates subject to significant influence. | IASB and FASB are undertaking a project on consolidation that will consider accounting by investment companies. | Significant for investments of an investment company. |

| **Pre-changeover standards (Part V)**<br>***IFRS equivalents* (Part I)** | **Comparison of accounting treatments** | **Work in process** | **Significance of differences[2]** |
|---|---|---|---|
| Accounting Guideline AcG-19, Disclosures by Entities Subject to Rate Regulation | There is **no corresponding IFRS**. | The IASB is undertaking a project on rate-regulated activities. | Slight for affected entities, as disclosure only. |

## IASB standards that have no Canadian counterpart

| IASB Standard | Differences | Work in Process | Significance of differences[5] |
|---|---|---|---|
| IFRS 1, First-time Adoption of International Financial Reporting Standards | There is no Canadian standard providing exceptions to the normal basis of application when a new basis of accounting is applied for the first time. The usual requirements for changes in accounting policies would apply (see Section 1100 and Section 1506 above). | None. | Significant on first-time adoption of IFRSs. |
| IAS 37, Provisions, Contingent Liabilities and Contingent Assets | IAS 37 encompasses issues addressed by Sections 3110 and 3290 but has a broader scope. IAS 37 requires a best estimate of the obligation or when there is a large population of items an expected value method should be applied in measuring liability provisions. If the time value of money is material, then discounting should be applied. Canadian standards dealing with "provisions" are limited to the application of the definition of a liability in Section 1000. | IASB has issued an Exposure Draft proposing amendments to IAS 37. | Slight — no significant conflicts. |
| IAS 41, Agriculture | IAS 41 provides specific guidance in dealing with agriculture. For example, IAS 41 requires that biological assets, as defined, be measured at fair value less estimated point-of-sale costs. | None. | Significant differences for entities with agricultural operations. |

5 The assessment of significance or differences is a judgment made by AcSB staff in general terms. A difference may be significant to a particular transaction or entity depending on its materiality or nature. The assessment takes into account the expected results of work in process.

The following table of concordance relates each International Financial Reporting Standard and Interpretation issued as of December 31, 2009 to the corresponding pre-changeover standards set out in Part V of the CICA Handbook – Accounting. Material no longer effective as of December 31, 2009, and hence to be withdrawn, is not included,

| | International Financial Reporting Standards | Handbook Sections | Accounting Guidelines | EIC Abstracts |
|---|---|---|---|---|
| IFRS 1 | First-time Adoption of International Financial Reporting Standards | | | |
| IFRS 2 | Share-based Payment | 3870 | | 127, 132, 162 |
| IFRS 3 | Business Combinations | 1582, 1601, 1602 | | 10, 14, 42, 55, 64, 66, 73, 94, 114, 119, 124, 125, 127, 137, 140, 152, 154 |
| IFRS 4 | Insurance Contracts | 4211 | 3,8,9 | |
| IFRS 5 | Non-current Assets Held for Sale and Discontinued Operations | 3475 | | 135, 153, 161 |
| IFRS 6 | Exploration for and Evaluation of Mineral Resources | 3061, 3063 | 11,16 | 160, 174 |
| IFRS 7 | Financial Instruments: Disclosures | 3861 or 3862 | | |
| IFRS 8 | Operating Segments | 1701 | | 115 |
| IFRS 9 | Financial Instruments | 3855 | | |
| IAS 1 | Presentation of Financial Statements | 1000, 1300, 1400, 1505, 1508, 1510, 1520, 1530,1535, 3000, 3020, 3210, 3240, 3251, 3260, 3480 | | 59, 122, 170 |
| IAS 2 | Inventories | 3031 | | |
| — | IAS 3 has been superseded by IAS 27 and IAS 28 | — | | |
| — | IAS 4 has been superseded by IAS 36 and IAS 38 | — | | |
| — | IAS 5 has been superseded by IAS 1 | — | | |
| — | IAS 6 has been superseded by IAS 15 | — | | |
| IAS 7 | Statement of Cash Flows | 1540, 1651 | | 47 |
| IAS 8 | Accounting Policies, Changes in Accounting Estimates and Errors | 1100, 1506, 3480 | | |
| — | IAS 9 has been superseded by IAS 38 | | | |
| IAS 10 | Events After the Reporting Period | 3820 | | |
| IAS 11 | Construction Contracts | 1505, 1508, 3031, 3400 | | 65, 78 |
| IAS 12 | Income Taxes | 1300, 3465 | | 120, 136, 146, 167, |



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|---|---|---|---|---|
| | | | | 170 |
| — | IAS 13 has been superseded by IAS 1 | — | | |
| | IAS 14 has been superseded by IFRS 8 | | | |
| — | IAS 15 has been withdrawn | — | | |
| IAS 16 | Property, Plant and Equipment | 1400, 1506, 1520, 3061, 3280, 3831 | | 86, 126 |
| IAS 17 | Leases | 1520, 3065 | | 19, 21, 25, 30, 46, 52, 61, 85, 97,150 |
| IAS 18 | Revenue | 3400 | 2, 4 | 65, 123, 141, 142, 143, 156 |
| IAS 19 | Employee Benefits | 3461 | | 134 |
| IAS 20 | Accounting for Government Grants and Disclosure of Government Assistance | 1520, 3800 | | |
| IAS 21 | The Effects of Changes in Foreign Exchange Rates | 1651 | | 130 |
| — | IAS 22 has been superseded by IFRS 3 | — | | |
| IAS 23 | Borrowing Costs | 1505, 3061, 3850 | | 12 |
| IAS 24 | Related Party Disclosures | 3840 | | 79, 83 |
| — | IAS 25 has been superseded by IAS 39 and IAS 40 | — | | |
| IAS 26 | Accounting and Reporting by Retirement Benefit Plans | 4100 | | 116, 168 |
| IAS 27 | Consolidated and Separate Financial Statements | 1300, 1590, 1600, 1601, 1602, 3051 | 15 | 163 |
| IAS 28 | Investments in Associates | 1300, 3051 | 18 | 8, 165 |
| IAS 29 | Financial Reporting in Hyperinflationary Economies | 1651 | | |
| — | IAS 30 has been superseded by IFRS 7 | — | | |
| IAS 31 | Interests in Joint Ventures | 1300, 3055, 3831 | 18 | 38, |
| IAS 32 | Financial Instruments: Presentation | 1300, 3863 | | 50, 70, 74, 75, 94, 96, 148, 149, 164 |
| IAS 33 | Earnings per Share | 3500 | | 10, 40, 50,155, 170 |
| IAS 34 | Interim Financial Reporting | 1505, 1751, 3461, 3870 | | |
| — | IAS 35 has been superseded by IFRS 5 | — | | |
| IAS 36 | Impairment of Assets | 1581 or 1582, 3025, 3051, 3061, 3063, 3064, 4211 | | 61, 64, 126, 129, 133, 136, 152 |
| IAS 37 | Provisions, Contingent Liabilities and Contingent Assets | 1000, 1508, 3110, 3280, 3290, 3475 | 14 | 91, 134, 135, 159 |
| IAS 38 | Intangible Assets | 1581, 3061, 3064, | | 55, 86, 118 |
| IAS 39 | Financial Instruments: Recognition and Measurement | 1300, 1651, 3025, 3855, 3865 | 12, 14, 18 | 88, 96, 101, 164, 166, 169 |
| IAS 40 | Investment Property | 3061 | | |

| | | | | |
|---|---|---|---|---|
| IAS 41 | Agriculture | — | | |

IFRSs do not generally apply to not-for-profit organizations and, accordingly, there are no IFRSs corresponding to Handbook Sections 4400, 4410, 4420, 4430, 4440, 4450, 4460 and 4470.

| | Interpretations of International Financial Reporting Standards | Handbook Sections | Accounting Guidelines | EIC Abstracts |
|---|---|---|---|---|
| IFRIC-1 | Changes in Existing Decommissioning, Restoration and Similar Liabilities (IAS 1, IAS 8, IAS 16, IAS 23, IAS 36, IAS 37) | 3110 | | |
| IFRIC-2 | Members' Shares in Co-operative Entities and Similar Instruments (IAS 32, IAS 39) | 3861 or 3863 | | |
| | IFRIC-3 has been withdrawn | — | | |
| IFRIC-4 | Determining whether an Arrangement Contains a Lease (IAS 8, IAS 16, IAS 17, IAS 38) | 3065 | | 150 |
| IFRIC-5 | Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds (IAS 8, IAS 27, IAS 28, IAS 31, IAS 37, IAS 39) | — | | |
| IFRIC-6 | Liabilities Arising from Participating in a Specific Market — Waste Electrical and Electronic Equipment (IAS 8, IAS 37) | — | | |
| IFRIC-7 | Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies | 1651 | | |
| IFRIC-8 | WITHDRAWN - incorporated into IFRS 2 amendments effective January 1, 2010) | | | |
| IFRIC-9 | Reassessment of Embedded Derivatives (IAS 39) | 3855 | | |
| IFRIC-10 | Interim Financial Reporting and Impairment (IAS 39, IFRS 1) | 1751, 3063, 3855 | | |
| IFRIC-11 | (WITHDRAWN - incorporated into IFRS 2 amendments effective January 1, 2010) | | | |
| IFRIC-12 | Service Concession Arrangements | 1400, 3061, 3065, 3280, 3400, 3800, 3855 | | |
| IFRIC-13 | Customer Loyalty Programmes (IAS 8, IAS 18, IAS 37) | — | | |
| IFRIC-14 | IAS 19 — The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction | 3461 | | |
| IFRIC-15 | Agreements for Construction of Real Estate | 3400 | | |
| IFRIC-16 | Hedges of a Net Investment in a Foreign Operation (IAS 8, IAS 21, IAS 39) | 1651, 3865 | | |
| IFRIC-17 | Distribution of Non-cash Assets to Owners | 1535, 3831 | | |
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