



## **Fair Value Option for Financial Liabilities (Proposed amendment to IFRS 9) June 2010**

**COMMENTS TO THE IASB AND THE AcSB  
MUST BE RECEIVED BY  
JULY 16, 2010**

This Exposure Draft of proposed International Financial Reporting Standards reflects proposals made by the IASB that the AcSB intends to adopt as Canadian generally accepted accounting principles.

Individuals and organizations are invited to send written comments on the Exposure Draft proposals. Comments are requested from those who agree with the Exposure Draft as well as from those who do not.

Comments are most helpful if they are related to a specific paragraph or group of paragraphs, and if they express disagreement with the Exposure Draft, they clearly explain the problem and include a suggested alternative supported by specific reasoning. All comments received by the AcSB will be available on its website at [www.acsbcanada.org](http://www.acsbcanada.org) 10 days after the comment deadline, unless confidentiality is requested. The request for confidentiality must be stated explicitly within the response.

**To be considered, comments to the AcSB must be received by July 16, 2010, addressed to:**

**Peter Martin, CA  
Director, Accounting Standards  
Accounting Standards Board  
277 Wellington Street West  
Toronto, Ontario M5V 3H2**

A PDF [response form](#) has been posted with this document to assist you in submitting your comments to the AcSB. Alternatively, you may send comments by e-mail (in Word format), to: [ed.accounting@cica.ca](mailto:ed.accounting@cica.ca)

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## Highlights

The Accounting Standards Board (AcSB) proposes, subject to comments received following exposure, to incorporate into Part I of the CICA Handbook – Accounting, amendments to IFRS 9 *Financial Instruments* relating to application of the fair value option to financial liabilities.

### IASB Exposure Draft

The International Accounting Standards Board (IASB) recently issued an Exposure Draft, “[Fair Value Option for Financial Liabilities](#),” that is available on the IASB website at [www.iasb.org](http://www.iasb.org). The Introduction to that Exposure Draft describes how the IASB intends to replace IAS 39 *Financial Instruments: Recognition and Measurement* with IFRS 9 as amended. The IASB’s Exposure Draft includes a Basis for Conclusions that is not part of this Exposure Draft but may provide useful information to stakeholders. The IASB has also published a “Snapshot” summary of its proposals that is available on the [IASB project page](#).

### Timing of adoption and transitional provisions

The IASB plans to issue these amendments to IFRS 9 before the end of 2010. IFRS 9 is effective for annual periods beginning on or after January 1, 2013. If an entity elects to adopt the proposals in this Exposure Draft before IFRS 9 becomes mandatory, it would also be required to concurrently adopt all other aspects of IFRS 9.

The proposed new standard would apply retrospectively as of the date of initial application with adjustments to opening retained earnings and opening accumulated other comprehensive income, as appropriate.

### Comments requested

The AcSB encourages Canadian stakeholders to respond to the IASB on its Exposure Draft. Specific questions on which the IASB would like input are provided in the Invitation to Comment in its Exposure Draft. The AcSB requests that comment letters be sent directly to the IASB with a copy to the AcSB.

The AcSB would like input from Canadian respondents on the following additional question regarding the proposed new standard.

The proposed amendment has been developed by the IASB for application by entities around the world. Assuming the Exposure Draft proposals are approved by the IASB, do you believe that there are aspects of the proposed amendment that make some or all of it inappropriate for Canadian entities, even though it is appropriate for entities in the rest of the world? If so, please specify which aspects and what circumstances make the proposals in the Exposure Draft inappropriate for Canadian entities.

Responses to this additional question should be sent directly to the AcSB.

For your convenience, a PDF response form has been posted with this document that can be downloaded [here](#). You can save the form both during and after its completion for future reference. Alternatively, written comments may be submitted by e-mail (Word format preferred) to: [ed.accounting@cica.ca](mailto:ed.accounting@cica.ca).

The deadline for responding to the IASB on its Exposure Draft is July 16, 2010. Responses to the AcSB on the additional question set out above are due on the same date.