

MEDIA RELEASE

Communiqué

New Accounting Standards for Private Enterprises in Canada Finalized

TORONTO, September 30, 2009 - The Accounting Standards Board (AcSB) approved the final accounting standards for private enterprises in Canada. The new standards will be issued by the end of the year and will be available for 2009 reporting for entities that choose to adopt them early.

The private enterprise standards give Canadian businesses the ability to choose to adopt new "made in Canada" standards or International Financial Reporting Standards (IFRSs). Private enterprises must decide which of the sets of standards to adopt for years beginning on or after January 1, 2011.

Private enterprise standards were developed from a lengthy consultation process that ensured that private enterprises of all sizes across Canada were able to provide input into the standard-setting process. Consultation was the key to producing new financial reporting standards that respond to the needs of both private enterprises and the users of their financial statements.

The new standards provide Canadian private enterprises, many of them small and medium-sized businesses, with standards that are robust, yet more straightforward to implement.

Notable changes include simplification of recognition, measurement and presentation in areas that were identified as being overly complex, particularly accounting for financial instruments. The simplified accounting requires less use of fair values. The new standards also significantly reduce the burden of disclosure requirements.

"As part of its overall strategy, the Accounting Standards Board concluded that when it comes to financial reporting standards, one-size does not fit all," said Tricia O'Malley, Chair of the Accounting Standards Board, "We are pleased to have completed the project and given Canadian private enterprises the standards that they and their users need to function effectively and efficiently."

"These new standards offer Canadian private enterprises and users of their financial statements genuine improvements. In analyzing the needs of private enterprises and addressing their needs and concerns, the Accounting Standards Board was careful not to make changes simply for the sake of change," said Brian Drayton, AcSB member and Chair of the Private Enterprise Advisory Committee. "Rather, the AcSB took the opportunity to address specific areas that were brought to our attention, such as disclosures, that unnecessarily overloaded preparers without providing benefit to users. Stakeholder interest was very high and their comments and input were tremendously helpful in developing strong standards for private enterprises."

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The Accounting Standards Board establishes financial accounting and reporting standards for use by Canadian companies and not-for-profit organizations. It participates in the development of internationally accepted accounting standards. The Board sets its financial accounting and reporting standards after an extensive process of consultation with organizations and individuals that are interested in or affected by the standards. The standards contribute to enhanced decision making by continually improving the quality of financial and other information about organizational performance reported by Canadian entities. www.acsbcanada.org