

CSA STAFF NOTICE 52-328: DISCLOSURE ABOUT ACCOUNTING POLICIES IN THE YEAR OF CHANGEOVER TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

Référence : Non disponible

Purpose

This notice responds to specific questions CSA staff have received on disclosure about accounting policies in an issuer's interim and annual Management's Discussion and Analysis (MD&A) in the year of changeover to International Financial Reporting Standards (IFRS).

Background

For many issuers, the adoption of IFRS will result in one or more significant changes in an issuer's accounting policies.

CSA Staff Notice 52-320 *Disclosure of Expected Changes in Accounting Policies Relating to Changeover to International Financial Reporting Standards* (SN 52-320), issued in 2008, provides guidance to an issuer on disclosure of expected changes in accounting policies relating to an issuer's changeover to IFRS. It discusses Item 1.13(a) of Form 51-102F1 *Management's Discussion and Analysis* (51-102F1) and disclosure about expected changes in an issuer's accounting policies. While SN 52-320 addresses disclosure in MD&A for periods prior to changeover to IFRS, this notice addresses disclosure in the year of changeover.

MD&A Disclosure about accounting policies in the year of changeover to IFRS

Item 1.13(b) of 51-102F1 addresses MD&A disclosures about accounting policies initially adopted during the most recently completed financial year. The instruction to Item 1.13 indicates that MD&A does not need to include the discussion under Item 1.13(b) for the initial adoption of accounting policies resulting from the adoption of new accounting standards. We have received questions about how the instruction relates to IFRS changeover.

Item 1.13(b) does not apply to accounting policies initially adopted as a result of changeover to IFRS. However, in its year of adopting IFRS, if an issuer voluntarily changes an accounting policy subsequent to filing its first interim financial report (other than due to the early adoption of a new or revised IFRS standard) Item 1.13(b) applies to the change in accounting policy. In this case, an issuer should provide the disclosure specified in Item 1.13(b) to the extent it is not provided in the financial statements.

An issuer's interim financial reports and annual financial statements in its year of changeover to IFRS will include information about the transition to IFRS and the issuer's accounting policies. In the accompanying MD&A, management has the opportunity to supplement this information by highlighting significant entity-specific features of the issuer's transition to IFRS. Although Item 1.13(b) does not apply to accounting policies initially adopted on changeover to IFRS, management may conclude that investors would benefit from further information.

For example, management may discuss an issuer's choices among alternative acceptable accounting policies under IFRS, including the reasons for a particular choice. MD&A disclosure should not simply replicate disclosure in the financial statements but instead should complement the information provided in the financial statements.

Interim MD&A updates an issuer's annual MD&A. As discussed in SN 52-320, an issuer may have provided comprehensive information about accounting policy choices in its annual MD&A prior to changeover to IFRS. MD&A disclosures about IFRS transition in the year of IFRS adoption need not repeat information included in the annual MD&A. However, an issuer should consider discussing significant differences between MD&A disclosure made prior to the changeover to IFRS and information reported in the current period about accounting policy choices.

To avoid confusion, issuers should consider presenting information pertaining to an issuer's transition to IFRS and its accounting policies:

- in one section of the MD&A, and
- separately from the discussion of financial performance and financial condition.

In an issuer's year of changeover to IFRS, investors will need information about the issuer's accounting policies. Management should consider how the combination of the information in the financial statements and the MD&A responds to investors' needs.

Questions

Please refer your questions to any of the following individuals:

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