

4. Why IFRSs?

During an extensive cross Canada consultation process, standard-setters were told that Canadian businesses operating and competing in global capital markets could no longer afford to retain 'made in Canada' reporting standards. The Accounting Standards Board decided in 2006 to adopt IFRSs for publicly accountable enterprises because they are globally accepted, high-quality standards that will lead to transparent and comparable disclosure of financial information.

Canada will join over 100 countries that require or permit their use, including the European Union, much of the Pacific Rim, as well as Australia and New Zealand.

5. How can I learn more?

As the recognized leaders in providing guidance and education in applying standards, Chartered Accountants are uniquely positioned to support the business community in managing the transition to IFRSs. The Chartered Accountants of Canada website provides a full range of information, practice support and learning opportunities, some specifically geared to small and mid-sized companies.

www.cica.ca/IFRS

Compliments of:



International Financial Reporting Standards

Canadian GAAP will be replaced by International Financial Reporting Standards (IFRSs) for publicly accountable enterprises and government business enterprises for fiscal years beginning on or after January 1, 2011.

International Financial Reporting Standards: What does it mean to you?

With the long anticipated move to IFRSs now upon us, there are concrete steps your business needs to be taking to ensure a successful transition.

If the economic challenges of the past year delayed your IFRS preparation, a host of resources is available to help you catch up. Talk to your Chartered Accountant or visit www.cica.ca/IFRS. Financial reporting is a core competency of the CA profession. We can assist you in achieving a seamless transition.

IFRSs become a reality for calendar-year end companies with the filing of first quarter financial statements in 2011.

Questions you may be asking yourself:

1. Are all Canadian companies required to report under IFRSs?

IFRSs will be required for publicly accountable enterprises and government business enterprises for periods beginning on or after January 1, 2011. IFRSs will also be available for any entity within the scope of the CICA Handbook – Accounting that chooses to adopt IFRSs such as not-for-profit organizations and private enterprises.

2. What should I be doing now?

IFRS adopters that are still in the early stages of adoption require an aggressive strategy to meet the January 1, 2011 adoption date. It may be helpful to consider your company's implementation status in terms of the following:

- Identify the key accounting policy issues – familiarize yourself with the standards and consider which of your company's accounting policies may need to change

- Gain an understanding of IFRS 1, First-time Adoption of International Financial Reporting Standards – review the requirements and options when preparing IFRS financial statements for the first time
- Analyze the relevant IFRSs – conduct a detailed review and interpretation of the new requirements and how these will affect your accounting policies
- Determine your accounting policies – based on the detailed analysis, determine your new accounting policies in the areas where change is necessary
- Implement your transition plan – determine the quantitative impact of any changes to your accounting policies and begin to draft your IFRS financial statements

Review where you now are in your transition process, assess what is still to be done, make plans accordingly, and take your next steps as soon as possible.

If you have questions, ask your Chartered Accountant.

3. How much time and resources will the transition require?

The amount of time and resources necessary for a successful transition depends on each organization's unique circumstances. Complex organizations generally require complex transition plans involving a cross-functional team headed up by a leader with strong project management skills. Smaller and less complex organizations may need less complicated strategies and considerably fewer resources, but will still need high level corporate support, careful planning and training. The experience in the European Union tells us that delaying IFRS preparations results in higher cost and more business disruption.

