



October 31, 2011

To: All Federally Regulated Entities (FREs)

Subject: Early Adoption of New or Amended International Financial Reporting Standards (IFRSs) Issued in May and June 2011

In May and June 2011, the International Accounting Standards Board (“IASB”) issued several new or amended IFRSs that may affect FREs. This letter provides OSFI’s position on the following IFRSs:

- 1) Consolidation and related standards
 - *IFRS 10 Consolidated Financial Statements*
 - *IFRS 11 Joint Arrangements*
 - *IFRS 12 Disclosure of Interests in Other Entities*
 - *IAS 27 Separate Financial Statements*
 - *IAS 28 Investments in Associates and Joint Ventures*
- 2) *IFRS 13 Fair Value Measurement*
- 3) *Amendment to IAS 19 Employee Benefits*
- 4) *Amendment to IAS 1 Presentation of Items of Other Comprehensive Income*

In analyzing the accounting standards listed above, OSFI’s assessment included, but was not limited to, consideration of factors such as industry consistency, OSFI policy positions on accounting and capital, operational capacity and resource constraints of FREs, the ability to benefit from improved standards arising from the financial crisis and the notion of a level playing field with other Canadian and international financial institutions.

OSFI has concluded that FREs should not early adopt the new or amended IFRSs outlined in this letter. As a result, FREs should adhere to the mandatory effective dates as stated in each of the respective IFRSs. Given the considerable work effort in transitioning to IFRS and amount of recently issued IFRSs with a similar effective date, OSFI believes that this position provides a reasonable timeframe for FREs to adequately plan, analyze and implement these accounting standards within their organization.

The position in this letter does not override the decisions set forth in OSFI’s Advisory on the [*Conversion to International Financial Reporting Standards by Federally Regulated Entities*](#) dated March 2010.



As addressed in *International Standard on Auditing 210* (“ISA 210”) and the equivalent *Canadian Auditing Standard 210* (“CAS 210”), OSFI understands that the financial reporting practices in this letter will not impair an FRE’s ability to obtain an unqualified audit opinion that states that the financial statements are in accordance with IFRSs as issued by the IASB.

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