

The Canadian Report

Please find attached the May 2009 issue of *IFRS News*, a monthly global publication that provides IASB technical updates and PwC insights into the impact of IFRS on your business. A few highlights in this issue include information on the IASB's decision to accelerate the timetable for IAS 39 replacement; details on actions taken by FASB and IASB to address political concerns over fair value measurement in the economic crisis; a beginners' guide to consolidation; as well as a list of the 2009 annual improvements. In addition, please find enclosed the May 2009 *IFRS News Supplement*. This issue follows from the article in last month's *IFRS News* on the lease accounting discussion paper.

AcSB summarizes factors supporting move to IFRS in 2011

After extensive consultation and considering a number of factors below the AcSB concluded that the adoption of IFRS for publicly accountable enterprises remains the "soundest strategic choice".

The AcSB cited benefits of the adoption of IFRS for many public entities. SEC registrants filing IFRS financial statements will not have to provide a costly Canadian to US GAAP reconciliation. Subsidiaries of international companies or those with significant international operations that already use IFRS will also save time and money from not reporting under Canadian GAAP. With current standards moving closer to IFRS and further from US GAAP, waiting for the US to adopt IFRS would strand Canadian GAAP in no man's land, as the US has no definitive timeline for IFRS adoption. With only four per cent of global capital markets, retaining a unique Canadian GAAP is no longer cost effective.

As many businesses move forward with their transition plans, including early adopters, and the IASB taking steps to ease countries transitioning at this time, 2011 remains the most compelling date for adoption of IFRS.

New publication available called GAPP or IFRS? An important choice to be made by private companies

The Canadian Accounting Standards Board (AcSB) has recently released an exposure draft of Generally Accepted Accounting Principles (GAAP) for Private Enterprises. Private enterprises will have a choice of reporting in accordance with Canadian GAAP by adopting either the same set of accounting standards as publicly accountable enterprises (International Financial Reporting Standards) or the proposed standards for private enterprises (Canadian GAAP for private enterprises).

The new PwC brochure, *GAAP or IFRS?: An important choice to be made by private companies* discusses the impact of this choice on financial reporting for Canadian private companies and provides an overview of some of the issues that private companies need to consider when choosing between Canadian GAAP for private enterprises and IFRS.

In addition, The International Accounting Standards Board (IASB) has published an exposure draft of an International Financial Reporting Standard (IFRS) for Private Companies.

The PwC brochure, *IFRS for Private Companies*, covers some of the issues private companies need to think about as Canada moves to adopt IFRS by 2011.

To download soft copies, please visit the publications section of our IFRS Microsite (www.pwcifrs.ca)

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IFRS News is a monthly global publication that provides IASB technical updates and PwC insights into the impact of the adoption of International Financial Reporting Standards (IFRS) and may be helpful as you move toward conversion.

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