

IFRS 1

IFRS 1 First-time Adoption of International Financial Reporting Standards

Sets out the procedures that an entity must follow when it adopts IFRSs for the first time as the basis for preparing its general purpose financial statements.

The IFRS grants limited exemptions from the general requirement to comply with each IFRS effective at the end of its first IFRS reporting period.

A restructured version of IFRS 1 was issued in November 2008 and applies if an entity's first IFRS financial statements are for a period beginning on or after 1 July 2009.

Definition of first-time adoption

A first-time adopter is an entity that, for the first time, makes an explicit and unreserved statement that its general purpose financial statements comply with IFRSs.

An entity may be a first-time adopter if, in the preceding year, it prepared IFRS financial statements for internal management use, as long as those IFRS financial statements were not made available to owners or external parties such as investors or creditors. If a set of IFRS financial statements was, for any reason, made available to owners or external parties in the preceding year, then the entity will already be considered to be on IFRSs, and IFRS 1 does not apply.

An entity can also be a first-time adopter if, in the preceding year, its financial statements: asserted compliance with some but not all IFRS.

REFERENCE:

Deloitte. IAS Plus The #1 website for global accounting news.
Staff Editor. January 1, 2022.
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<https://www.iasplus.com/en/standards/ifrs/ifrs1>