



International Accounting Standards Board®

# Press Release

FOR IMMEDIATE RELEASE

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## **IASB issues amendments to the standards for first-time adopters of IFRSs and for exploration and evaluation expenditures**

The International Accounting Standards Board (IASB) today issued amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards* and the Basis for Conclusions on IFRS 6 *Exploration for and Evaluation of Mineral Resources*. The amendments clarify the IASB's intentions with respect to an exemption provided to first-time adopters of International Financial Reporting Standards (IFRSs) who choose to adopt IFRS 6 before 1 January 2006.

The primary means of publishing IFRSs and amendments to IFRSs is by electronic format through the IASB's subscriber Website. Subscribers are able to access the amendments issued today through 'online services'. Those wishing to subscribe should contact:

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## ***NOTES TO EDITORS***

### **About the Amendments**

IFRS 1 *First-time Adoption of International Financial Reporting Standards* currently provides an exemption from the requirement to provide comparative disclosures for IFRS 6 *Exploration for and Evaluation of Mineral Resources* to an entity that both (a) adopts IFRSs for the first time before 1 January 2006 and (b) applies IFRS 6 before that date.

Some constituents raised a concern that the wording of the exemption did not properly convey the IASB's intention, which was to exempt such entities from the requirement to provide comparative information for IFRS 6 in the first year of application.

Given the concern, the IASB decided to amend IFRS 1 and the Basis for Conclusions on IFRS 6 to clarify that such entities are not only exempt from providing comparative disclosures, but also exempt from the recognition and measurement requirements of IFRS 6 for the comparative period.

### **About the IASB**

The International Accounting Standards Board (IASB), based in London, began operations in 2001. Contributions collected by its Trustees, the IASC Foundation, from the major accounting firms, private financial institutions and industrial companies throughout the world, central and development banks, and other international and professional organisations fund the operations of the IASB.

The 14 Board members (12 of whom are full-time) are drawn from nine countries and have wide international experience and a variety of functional backgrounds. The IASB is committed to developing, in the public interest, a single set of high quality, global accounting standards that require transparent and comparable information in general purpose financial statements. In pursuit of this objective, the IASB co-operates with national accounting standard-setters to achieve convergence in accounting standards around the world.

A Deloitte & Touche study indicates that 94 countries either require or permit the use of IFRSs for publicly traded companies beginning in 2005. Some other jurisdictions, including Australia, New Zealand, the Philippines and Singapore, base their national practices on international standards. In September 2002 the IASB and the US standard-setter, the Financial Accounting Standards Board, reached an agreement to work towards the convergence of existing US and international practices and the joint development of future standards. In October 2004, the IASB and the Accounting Standards Board of Japan agreed to initiate discussions about a joint project to minimise differences between IFRSs and Japanese accounting standards towards a final goal of convergence of their standards. In January 2005 the two boards announced their agreement to launch a joint project to reduce differences between IFRSs and Japanese accounting standards, and in March the boards met to decide on the initial programme of work for the project.

