

# IFRS 1 and IAS 38: Indefinite Lived Intangibles Amortization

---

## Excerpt, IFRS Discussion Group Report on Meeting – June 1, 2010

Prior to January 2002, Canadian GAAP required amortization of indefinite lived intangibles. IFRS 1 *First-time Adoption of International Financial Reporting Standards* requires retrospective application of IFRSs unless there is a specific exception or exemption. IAS 38 *Intangibles* states that indefinite-lived intangibles are not to be amortized. Therefore, on transition to IFRSs, it appears that entities will be required to reverse previously recognized amortization. The issue was whether to request an exemption under IFRS 1. The members recommended that this issue not be brought to the attention of the IFRS Interpretations Committee as the treatment under IFRS 1 is clear and there do not appear to be significant cost/benefit arguments to support proposing an exemption under IFRS 1.