

IAS 10: Reissuing Financial Statements in Connection with an Offering Document

Extract, IFRS Discussion Group Report on Meeting – June 13, 2013

At the January 2012 meeting, the Group recommended that the AcSB request clarification from the IFRS Interpretations Committee regarding the accounting implications of applying IAS 10 *Events after the Reporting Period* when reissuing financial statements in connection with an offering document as described above.

The IFRS Interpretations Committee discussed the AcSB's submission at its November 2012, January 2013 and May 2013 meetings. The Committee decided not to add this issue to its agenda, providing the following comments in its agenda decision published in the May 2013 IFRIC Update:

“The Interpretations Committee noted that IAS 10 does not address the presentation of re-issued financial statements in an offering document when the originally issued financial statements have not been withdrawn, but the re-issued financial statements are provided either as supplementary information or a re-presentation of the original financial statements in an offering document in accordance with regulatory requirements.

On the basis of the above and because the issue arises in multiple jurisdictions, each with particular securities laws and regulations which may dictate the form for re-presentations of financial statements, the Interpretations Committee decided not to add this issue to its agenda.”

The Group discussed the implications of the IFRS Interpretations Committee's agenda decision for Canadian companies.

The Group's Discussion

Group members noted that the IFRS Interpretations Committee's agenda decision is helpful because it provides the needed clarity that IAS 10 does not address the presentation of reissued financial statements in an offering document when the originally issued financial statements have not been withdrawn.

Group members observed that the agenda decision provides a relatively clear signal that IFRSs do not preclude an approach that is consistent with dual dating in these circumstances. Further, entities may be able to re-present previously issued financial statements in connection with an offering document and report that those financial statements comply with IFRSs.

Group members observed that the final agenda decision represented a change in direction from the previously held global view that dual dating was not permitted under IFRSs. This view was a consequence of the presumption that the general principles of IAS 10 should be applied in the context of reissuing previously issued financial statements in connection with an offering document. Under this view, it was difficult to reach a conclusion that dual dating was acceptable under IFRSs.

Group members explained that the IFRS Interpretations Committee's agenda decision allows individuals to look at this issue much differently because it clarifies that the circumstances being discussed are not addressed by IAS 10. As a result, views have evolved sufficiently to allow some flexibility in how an issuer accommodates regulatory requirements in these specific circumstances.

Further discussions continue regarding some details such as the auditors' report and presentation of discontinued operations. The final approach to reissuing financial statements in connection with an offering document will likely be established by the first few filings that trigger the related regulatory requirements.

The Group recommended that the Securities Regulation Advisory Group (referred to as "SRAG") may be an appropriate forum to explore some of the detailed issues and reporting implications of the IFRS Interpretations Committee's agenda decision. This Advisory Group is a standing committee of the Auditing and Assurance Standards Board (AASB) with the objective of assisting the AASB in all matters relating to securities regulation.