



Exposure Draft Proposed IFRS® Standards

Classification of Liabilities as Current or Non-current – Deferral of Effective Date (Proposed amendment to IAS 1)

May 2020

COMMENTS TO THE AcSB MUST BE RECEIVED BY
JUNE 3, 2020

We value your input and look forward to your feedback on this Exposure Draft.

The response deadlines to these IASB and AcSB Exposure Drafts are the same, but should you desire the AcSB to consider your comments prior to finalizing its comment letter, please feel free to submit your comment letter earlier. Following the deadline, your feedback to the AcSB is considered as part of our IFRS Standards endorsement process. We also share Canadian feedback with the IASB through our involvement in international activities.

We therefore encourage you to respond directly to the IASB and copy the AcSB on your response.

Responses to our Canadian-specific questions in this Exposure Draft should be sent directly to the AcSB by uploading your response letter via this [online form](#).

Please address your response to:

Kelly Khalilieh, CPA, CA
Director, Accounting Standards
Accounting Standards Board
277 Wellington Street West
Toronto, Ontario M5V 3H2

This Exposure Draft reflects proposals made by the International Accounting Standards Board (IASB) that the Accounting Standards Board (AcSB) intends to adopt, subject to deliberating comments received, as Canadian generally accepted accounting principles.

Individuals and organizations are invited to send written comments on the Exposure Draft proposals. Comments are requested from those who agree with the Exposure Draft as well as from those who do not.

Comments are most helpful if they relate to a specific paragraph or group of paragraphs. Any comments that express disagreement with the proposals in the Exposure Draft should clearly explain the problem and include a suggested alternative, supported by specific reasoning. All comments received by the AcSB will be available on the website shortly after the comment deadline unless confidentiality is requested. The request for confidentiality must be stated explicitly within the response.

HIGHLIGHTS

The Accounting Standards Board (AcSB) proposes, subject to comments received following exposure, to incorporate into Part I of the CPA Canada Handbook – Accounting, amendment to IAS 1 *Presentation of Financial Statements*.

IASB® Exposure Draft

The International Accounting Standards Board (IASB) recently issued the [Exposure Draft, “Classification of Liabilities as Current or Non-current – Deferral of Effective Date \(Proposed amendment to IAS 1\)”](#), which is available on the IASB website at www.ifs.org.

Classification of Liabilities as Current or Non-current, which amends IAS 1, affects requirements for the presentation of liabilities. Specifically, the amendments clarify the criterion for classifying a liability as non-current relating to the right to defer settlement for at least 12 months after the reporting period. The IASB issued the amendments in January 2020 and they were subsequently endorsed by the AcSB and incorporated into Part I of the CPA Canada Handbook – Accounting.

In response to the COVID-19 pandemic, the IASB has proposed delaying the effective date of the amendments by one year. Therefore, this Exposure Draft proposes that these amendments will be effective for annual reporting periods beginning on or after January 1, 2023 with earlier application permitted.

Comments requested

The AcSB encourages Canadian stakeholders to respond to the IASB on its Exposure Draft. Specific questions on which the IASB would like input are provided in the Invitation to Comment in its Exposure Draft. The AcSB requests that comment letters be sent directly to the IASB, with a copy to the AcSB.

The AcSB would like input from Canadian respondents on the following additional question regarding the proposed amendment:

The IASB has developed the proposed amendment in accordance with its due process for application around the world. Assuming the Exposure Draft proposal is finalized and approved by the IASB in accordance with its due process, do you think that the proposal is appropriate for application in Canada? If not, please specify which aspects of the proposal, and what circumstances, make the accounting requirement proposed in the Exposure Draft inappropriate.

Send responses to this additional question directly to the AcSB.

Comment on this document by uploading your response letter via this [online form](#).

The deadline for responding to the IASB on its Exposure Draft is June 3, 2020. Responses to the AcSB on the additional question set out above are due on the same date.

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