

Changes in this edition

This section is a brief guide to the changes since the 2010 edition that are incorporated in this edition of the Bound Volume of International Financial Reporting Standards (the 'Red Book').

Introduction

The text of this collection of International Financial Reporting Standards (IFRSs) includes the latest consolidated versions of all IFRSs (including IASs and Interpretations) as approved for issue up to 31 December 2010. Expressed differently, this text shows the IFRSs with which an entity would be required to comply for an annual period beginning on 1 January 2011 if it adopted early all those IFRSs with an effective date after 1 January 2011.

This volume does not contain those IFRSs that have been superseded by changes with an effective date after 1 January 2011. Readers seeking the consolidated text of IFRSs required to be applied on 1 January 2011 should refer to the single-part edition of the Bound Volume (the 'Blue Book'), which is published in parallel with this edition.

New requirements introduced in 2010

This section identifies the new requirements introduced during 2010. By their nature, these new requirements are also the differences between this text and the 2010 edition of the Bound Volume of IFRSs.

The main changes between the 2010 Bound Volume and this collection are the inclusion of:

- one amended IFRS—IFRS 9 (2010)
- amendments to IFRSs that were issued as separate documents
- amendments to IFRSs issued in the third annual improvements project
- amendments to other IFRSs resulting from those amended standards.

Details of the amended standards and amendments to IFRSs included in this edition are as follows.

IFRS 9

IFRS 9 *Financial Instruments* was issued in November 2009, as the first phase in a project to replace IAS 39 *Financial Instruments: Recognition and Measurement*. It addresses the classification and measurement of financial assets. IFRS 9 is required to be applied for annual periods beginning on or after 1 January 2013. Earlier application is permitted. In October 2010 sections were added to IFRS 9 addressing financial liabilities. The derecognition requirements in IAS 39 were also transferred to IFRS 9. The effective date was not amended. Again earlier application is permitted. Entities may choose to apply either version before 1 January 2013.

The version of IFRS 9 issued in October 2010 incorporated and superseded both the version issued in November 2009 and IFRIC 9 *Reassessment of Embedded Derivatives*, which are therefore omitted from this edition.

Changes in this edition

Amendments to IFRSs issued as separate documents

Annual improvements

The third set of annual improvements was issued in May 2010 as *Improvements to IFRSs*. Some of the miscellaneous amendments are required to be applied from 1 January 2011, but some have earlier effective dates.

Amendments to IFRS 1

Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters (Amendments to IFRS 1) was issued in January 2010. The amendment is required to be applied for annual periods beginning on or after 1 July 2010.

Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters (Amendments to IFRS 1) was issued in December 2010. The amendments are required to be applied for annual periods beginning on or after 1 July 2011. Earlier application is permitted.

Amendments to IFRS 7

Disclosures—Transfers of Financial Assets (Amendments to IFRS 7) was issued in October 2010. These amendments created new disclosure requirements in relation to derecognised financial assets. The amendments are required to be applied for annual periods beginning on or after 1 July 2011. Earlier application is permitted.

Amendments to IAS 12

Deferred Tax: Recovery of Underlying Assets (Amendments to IAS 12) was issued in December 2010. As well as amending IAS 12, *Income Taxes* the amendments supersede SIC-21 *Income Taxes—Recovery of Revalued Non-Depreciable Assets*, which is therefore omitted from this edition. The amendments are required to be applied for annual periods beginning on or after 1 January 2012. Earlier application is permitted.

Other pronouncements introduced in 2010

Conceptual Framework

In 2010 the IASB completed the first phase of its project to develop a new conceptual framework. The *Conceptual Framework for Financial Reporting* introduces chapters dealing with the objectives and qualitative characteristics of financial reports. It was issued on 28 September 2010, with immediate effect. The *Conceptual Framework* carries forward the sections of the *Framework for the Preparation and Presentation of Financial Statements* that have not yet been revised.

Management Commentary

In December 2010 the Board issued an IFRS Practice Statement *Management Commentary—A framework for presentation*. Although the Practice Statement is not an IFRS, managements are encouraged to apply it prospectively from 8 December 2010.

Other material that has changed

The *Preface to International Financial Reporting Standards*, the Glossary of Terms and the Index have been revised. Minor editorial corrections to IFRSs (including necessary updating) have been made: a list of these is available on the website.

The text of the organisation's Constitution contained in this edition is the version approved by the Trustees of the IASC Foundation in January 2010, which among other things led to the renaming of the organisation as the IFRS Foundation. Other changes made by the revised Constitution included the renaming of the International Financial Reporting Interpretations Committee (IFRIC) as the IFRS Interpretations Committee.

As a consequence of those changes the Due Process Handbooks for the IASB and the IFRS Interpretations Committee have been updated.

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