



Heads Up

Amendments to IFRS 1 for government loans at below-market rates of interest

Contents

IFRS in Focus

External Links

“In summary”

The IASB has issued *Government Loans (Amendments to IFRS 1)* for which an Australian equivalent is expected to be issued by the AASB in due course. Below is a link to a summary of the amendment.

The entities affected by these amendments are first-time adopters of IFRS which in the Australian context generally relates to:

- Entities moving to tier 1 from tier 2 under the Reduced Disclosure Regime
- Entities moving from SPFR to GPFR tier 1 or tier 2 (where recognition and measurement requirements have not previously been complied with in full in the latter case)
- Entities moving from small to large proprietary companies who have not historically prepared financial statements.

The amendments:

- provide relief to first-time adopters of IFRSs by amending IFRS 1 to allow prospective application of IAS 39 or IFRS 9 and paragraph 10A of IAS 20 to government loans at below-market rates of interest outstanding at the date of transition to IFRSs
- are effective for annual periods beginning on or after 1 January 2013, with early application permitted.

IFRS in Focus

- [IFRS in Focus – IASB amends IFRS 1 for government loans at below-market rates of interest](#)

External Links

- [IASB Press Release](#)

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