

CPA Canada handbook – accounting, part I

highlight summary no. I.79

November 2023

(Note: Any changes to previously issued standards are identified in the effective date guidance in each affected standard.)

Lack of Exchangeability (Amendments to IAS 21)

IAS 21 *The Effects of Changes in Foreign Exchange Rates* has been revised to incorporate amendments issued by the International Accounting Standards Board (IASB) in August 2023.

The amendments require entities to apply a consistent approach in assessing whether a currency can be exchanged into another currency and, when it cannot, in determining the exchange rate to use and the disclosures to provide.

IFRS 1 *First-time Adoption to International Financial Reporting Standards* has also been revised to incorporate conforming amendments.

The amendments are effective for annual reporting periods beginning on or after January 1, 2025. Early application is permitted.

IAS 21 Non-authoritative Material

The paragraphs in the IASB's Basis for Conclusions on IAS 21 necessary to understand the amendments for *Lack of Exchangeability* (Amendments to IAS 21) have been added. The IASB's Basis for Conclusions accompany, but are not part of, IAS 21.

In addition, the Illustrative Examples issued by the IASB for *Lack of Exchangeability* (Amendments to IAS 21) have been added. These Illustrative Examples accompany, but are not part of, IAS 21.

IFRS 1 Non-authoritative Material

The paragraphs in the IASB's Basis for Conclusions on IFRS 1 *First-time Adoption of International Financial Reporting Standards* necessary to understand the amendments for *Lack of Exchangeability* (Amendments to IAS 21) have been added. The IASB's Basis for Conclusions accompany, but are not part of, IFRS 1.

Other editorial changes and corrections introduced in November 2023 to the English version only.

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