

**Revised to: Update No. 91 (12/25)**

**2026 Edition**

## **Introduction to Part I**

### **Background Information and Basis for Conclusions**

Adoption of IFRS® Standards

Adoption of IFRS® Standards by entities with rate-regulated activities — amendment to Introduction to Part I

September 2024

- I.1 The Preface to the CPA Canada Handbook – Accounting (Handbook) defines the various categories of reporting entity and specifies which Part of the Handbook applies to each category. This Introduction provides information specific to the use of Part I and should be read in conjunction with the Preface.

### **AUTHORITY**

- I.2 The Accounting Standards Board (AcSB) has approved the standards set out in Part I of the Handbook as accounting standards for publicly accountable enterprises and other categories of reporting entity permitted, but not required, to apply the standards in this Part.

### **CONTENTS**

- I.3 This Part of the Handbook contains IFRS® Accounting Standards 1 that have been adopted by the AcSB. Newly issued, amended or revised IFRS Accounting Standards are part of Canadian generally accepted accounting principles (GAAP) only after they are approved by the AcSB in accordance with its due process. IFRS Accounting Standards that are currently effective are located in the separate section entitled "IFRS® Accounting Standards in effect on January 1 [20XX]." IFRS Accounting Standards that are not currently effective on a mandatory basis are located in a separate section entitled "IFRS® Accounting Standards issued but not yet effective." A standard in effect on January 1 that has been replaced, amended or revised contains a caption at the beginning reading "For future updates to this standard, see IFRS® Accounting Standards issued but not yet effective" to indicate the existence of issued but not yet effective material. IFRS Accounting Standards that have been issued by the International Accounting Standards Board (IASB) but for which the due process of the AcSB is yet to be completed are not incorporated in the Handbook.
- I.4 The policy of the AcSB is to adopt IFRS Accounting Standards without modification. However, in circumstances expected to be rare and after following its due process, the AcSB may decide not to adopt an IFRS Accounting Standard or to modify it when adopting it into Canadian GAAP. At present, no such decisions have been taken and the Handbook includes all effective IFRS Accounting Standards as issued by the IASB.

- I.5 This Part of the Handbook also contains, for selected standards, non-authoritative material issued by the IASB accompanying but not a part of those standards, that the AcSB thinks supports their application. Such material is being incorporated into the Handbook gradually and on a priority basis that considers the implementation needs of Canadians.
- I.6 This Part of the Handbook does not include the *IFRS for SMEs®* Standard. Consequently, an entity choosing to apply that standard is not permitted to state that its financial statements are prepared in accordance with Canadian GAAP.

### **FIRST-TIME ADOPTION AND TRANSITIONAL PROVISIONS**

- I.7 First-time adoption of this Part of the Handbook by publicly accountable enterprises, and by private enterprises that have chosen to adopt this Part, is mandatory for interim and annual financial statements relating to annual periods beginning on or after January 1, 2011.
- I.8 [Deleted]
- I.9 First-time adoption of this Part of the Handbook by not-for-profit organizations that have chosen to adopt this Part is mandatory for annual financial statements relating to fiscal years beginning on or after January 1, 2012.
- I.10 When the end of an entity's annual reporting period does not coincide with the end of a calendar year, the mandatory date for first-time adoption of this Part of the Handbook is the beginning of the annual reporting period commencing on or after December 21st of the year immediately preceding the mandatory date specified in paragraph I.7 or I.9, as the case may be.

- I.11 The mandatory date specified in paragraph I.7 or I.9 does not apply to entities that initially apply the standards in Part II or Part III of the Handbook and subsequently adopt this Part of the Handbook. In such cases, this Part applies from the date chosen by the private enterprise or not-for-profit organization, or the date at which an entity becomes a publicly accountable enterprise and is required to apply the IFRS Accounting Standards in this Part. The entity or not-for-profit organization determines when it must first prepare financial statements using the standards in this Part in accordance with IFRS 1 *First-time Adoption of International Financial Reporting Standards*.
- I.12 This Part of the Handbook may be adopted for annual periods beginning prior to the applicable date specified in paragraph I.7, I.9 or I.10. Entities adopting this Part early are not required to apply the standards to interim financial statements in the year of adoption, unless required to do so by another authoritative body.

#### **BASIS OF ACCOUNTING**

- I.13 An entity that prepares its financial statements in accordance with this Part of the Handbook states that they have been prepared in accordance with IFRS Accounting Standards.
  - I.14 An entity that prepares its financial statements in accordance with this Part of the Handbook is permitted, but not required, to make the additional statement that its financial statements are in accordance with Canadian GAAP. This applies equally to an entity that adopted IFRS Accounting Standards for the first time before the mandatory date, even when the standards applied before that date were earlier versions of the ones found in this Part and have, themselves, never been part of Canadian GAAP.
- 

## **Footnotes**

1. The term "IFRS® Accounting Standards" includes IFRS® Accounting Standards as issued by the International Accounting Standards Board (IASB), International Accounting Standards (IAS) as issued by the IASB's predecessor, the Board of the International Accounting Standards Committee, and adopted by the IASB upon its inception, and IFRS® Interpretations developed by the IFRS® Interpretations Committee (previously named the International Financial Reporting Interpretations Committee (IFRIC) or its predecessor, the Standing Interpretations Committee (SIC)).
- 

[Terms and Conditions](#) and [Privacy Policy](#)

Help desk: Mon-Fri, 9am-5pm ET 1-866-256-6842 [Contact Us](#) [Quick Reference Guide](#)

© 2001-2025, Knotia Canada Limited Partnership All rights reserved.