
Canada

Local stock exchanges

Toronto Stock Exchange

<http://www.tmx.com/>

TSX – Venture Exchange

<http://www.tmx.com/>

Rules for listed filings

IFRS required or permitted for listed companies?

IFRS is required for interim and annual financial statements for listed companies . However, US GAAP continues to be acceptable for US listed issuers.

Version of IFRS

IFRS as published by the IASB as included in Part I of the CICA Handbook*.

*References to the “Handbook” throughout this section refers to the handbook issued by the Chartered Professional Accountants of Canada that sets out information pertaining to accounting practices and processes in Canada.

Are subsidiaries of foreign companies or foreign companies listed on local exchanges subject to different rules?

IFRS would apply for financial statements filed in Canada, except that:

- (i) foreign public companies (US or otherwise), listed on a Canadian exchange, that are also SEC issuers have the option of using US GAAP, and
- (ii) public companies from certain foreign jurisdictions other than the United States may have the option of applying their domestic GAAP if certain conditions are met.

Rules for statutory filings

Is IFRS or IFRS for SMEs required, permitted or prohibited for statutory filings?

Entities subject to regulation by various government and financial regulatory bodies are subject to different statutory reporting requirements as outlined below:

- 1) Entities registered under National Instrument 31-103 (securities legislation) have to file IFRS non-consolidated financial statements (i.e. asset managers, broker dealers etc.). Under the revised National Instrument, statements are prepared using IFRS except that there is no requirement for comparatives in the year of adoption and the financial statements should be prepared on a non-consolidated basis. These entities are also required to state in the basis of preparation that they're prepared on a non-consolidated basis in accordance with the regulation.
- 2) Statutory filings for insurance companies, federally regulated deposit-taking institutions and private pension plans subject to the requirements of the Office of the Superintendent of Financial Institutions (“OSFI”) are required to file full IFRS financial statements.

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- 3) Pension plans, and benefit plans that have characteristics similar to pension plans and provide benefits other than pensions, apply the accounting standards for pension plans in Part IV of the Handbook. They do not apply IAS 26 Accounting and Reporting by Retirement Benefit Plans, included in Part I of the Handbook.

IFRS for SMEs is prohibited. Private enterprises have the option of applying either IFRS or the accounting standards for private enterprises (“ASPE”).

Version of IFRS

IFRS as published by the IASB as included in Part I of the CICA Handbook.

In addition to local GAAP statutory financial statements, are there any other regulatory financial statement requirements that permit or require the use of IFRS?

No

IFRS conversion plans

Plans for converging

Not applicable

Other useful websites

Chartered Professional Accountants of Canada

<http://www.cpacanada.ca/>

Financial Reporting and Assurance Standards Canada

<http://www.frascanada.org>

Tax information

Type of tax regime

Quasi-dependent: Taxable profit is principally based on the legal entity statutory accounts with a number of adjustments provided in the tax law.

Plans for IFRS converging as the basis of tax reporting

The local tax authorities have not announced any adoption or convergence plans of tax reporting to IFRS or IFRS for SMEs. To date, there have not been any amendments in the tax act as a result of the adoption of IFRS.