
**STATUTORY BOARD FINANCIAL
REPORTING STANDARD**

SB-FRS 101

**Additional Exemptions
for First-time Adopters**

Amendments to SB-FRS 101

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***ADDITIONAL EXEMPTIONS FOR FIRST-TIME ADOPTERS
(AMENDMENTS TO SB-FRS 101)***

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STAUTORY BOARD FINANCIAL REPORTING STANDARD

SB-FRS 101

Amendments to SB-FRS 101 *First-time Adoption of Statutory Board Financial Reporting Standards*

A heading and paragraphs 31A and 39A are added.

Presentation and disclosure

Explanation of transition to SB-FRSs

Use of deemed cost for oil and gas assets

- 31A If an entity uses the exemption in paragraph D8A(b) for oil and gas assets, it shall disclose that fact and the basis on which carrying amounts determined under previous GAAP were allocated.

Effective date

- 39A *Additional Exemptions for First-time Adopters* (Amendments to SB-FRS 101), issued in November 2009, added paragraphs 31A, D8A, D9A and D21A and amended paragraph D1(c), (d) and (l). An entity shall apply those amendments for annual periods beginning on or after 1 January 2010. Earlier application is permitted. If an entity applies the amendments for an earlier period it shall disclose that fact.

Exemptions from other SB-FRSs

In Appendix D paragraph D1(c), (d) and (l) and a heading are amended (new text is underlined and deleted text is struck through). Paragraphs D8A, D9A and D21A are added.

- D1 An entity may elect to use one or more of the following exemptions:
- (a) ...
 - (c) ~~fair value or revaluation as deemed cost~~ (paragraphs D5–D8A);
 - (d) leases (paragraphs D9 and D9A);
 - (e) ...
 - (l) decommissioning liabilities included in the cost of property, plant and equipment (paragraphs D21 and D21A);
 - (m) ...

~~Fair value or revaluation as deemed cost~~

- D8A Under some national accounting requirements exploration and development costs for oil and gas properties in the development or production phases are accounted for in cost centres that include all properties in a large geographical area. A first-time adopter using such accounting under previous GAAP may elect to measure oil and gas assets at the date of transition to SB-FRSs on the following basis:

- (a) exploration and evaluation assets at the amount determined under the entity's previous GAAP; and
- (b) assets in the development or production phases at the amount determined for the cost centre under the entity's previous GAAP. The entity shall allocate this amount to the cost centre's underlying assets pro rata using reserve volumes or reserve values as of that date.

The entity shall test exploration and evaluation assets and assets in the development and production phases for impairment at the date of transition to SB-FRSs in accordance with SB-FRS 106 *Exploration for and Evaluation of Mineral Resources* or SB-FRS 36 respectively and, if necessary, reduce the amount determined in accordance with (a) or (b) above. For the purposes of this paragraph, oil and gas assets comprise only those assets used in the exploration, evaluation, development or production of oil and gas.

Leases

- D9A If a first-time adopter made the same determination of whether an arrangement contained a lease in accordance with previous GAAP as that required by INT SB-FRS 104 but at a date other than that required by INT SB-FRS 104, the first-time adopter need not reassess that determination when it adopts SB-FRSs. For an entity to have made the same determination of whether the arrangement contained a lease in accordance with previous GAAP, that determination would have to have given the same outcome as that resulting from applying SB-FRS 17 *Leases* and INT SB-FRS 104.

Decommissioning liabilities included in the cost of property, plant and equipment

- D21A An entity that uses the exemption in paragraph D8A(b) (for oil and gas assets in the development or production phases accounted for in cost centres that include all properties in

a large geographical area under previous GAAP) shall, instead of applying paragraph D21 or INT SB-FRS 101:

- (a) measure decommissioning, restoration and similar liabilities as at the date of transition to SB-FRSs in accordance with SB-FRS 37; and
- (b) recognise directly in retained earnings any difference between that amount and the carrying amount of those liabilities at the date of transition to SB-FRSs determined under the entity's previous GAAP.

Amendments to the guidance on implementing SB-FRS 101 *First-time Adoption of Statutory Board Financial Reporting Standards*

Paragraphs IG8 and IG9 are amended (new text is underlined and deleted text is struck through). Paragraph IG206 is added.
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SB-FRS 16 Property, Plant and Equipment

IG8 An entity may elect to use one of the following amounts as the deemed cost of an item of property, plant and equipment:

- (a) fair value at the date of transition to SB-FRSs (paragraph D5 of the SB-FRS), in which case the entity gives the disclosures required by paragraph 30 of the SB-FRS;
- (b) a revaluation in accordance with previous GAAP that meets the criteria in paragraph D6 of the SB-FRS; ~~or~~
- (c) fair value at the date of an event such as a privatisation or initial public offering (paragraph D8 of the SB-FRS); ~~or~~
- (d) an allocation of an amount determined under previous GAAP that meets the criteria in paragraph D8A of the SB-FRS.

IG9 Subsequent depreciation is based on that deemed cost and starts from the date for which the entity established the ~~fair value measurement or revaluation~~ deemed cost.

INT SB-FRS 104 Determining whether an Arrangement contains a Lease

IG206 Paragraph D9A of SB-FRS 101 provides a transitional exemption in addition to that discussed in paragraph IG205. The exemption in paragraph D9A applies only to arrangements that were assessed in the same manner as required by INT SB-FRS 104. If arrangements exist at the date of transition to SB-FRSs that an entity did not assess under previous GAAP in the same manner as required by INT SB-FRS 104 to determine whether they contain a lease, the entity may apply the transition exemption discussed in paragraph IG205.