

EXHIBIT 1
IASB's Proposed Recognition and Measurement Simplifications for SMEs

IASB Standard	Issue	Proposed Simplifications
IAS 39	Financial instruments	Report most investments at fair value, with changes in fair value included in net income; report qualifying investments at cost or amortized cost; and use a simplified form of effectiveness testing for hedges.
IFRS 3	Goodwill impairment	Test goodwill for impairment only when an indicator of impairment is present.
IAS 38	Research and development costs	Expense all research and development costs as incurred.
IASs 28 and 31	Associates and joint ventures	Use either the cost method or the fair-value method, with changes in fair value included in net income.
IAS 12	Income taxes	Recognize deferred income taxes based on timing differences.
IAS 41	Agricultural activities	May use the cost-depreciation-impairment model, where fair values of biological assets are not readily determinable.
IAS 19	Defined-benefit plans	Immediately recognize actuarial gains and losses in net income.
IFRS 2	Share-based payments	SMEs unable to determine the fair value of equity instruments granted may continue to apply the intrinsic-value method.
IAS 17	Leases	Lessees in a capital lease should initially recognize assets and liabilities at their fair values.
IFRS 1	Transition to IFRS	SMEs unable to provide restated information based on full IFRS for the comparative year may omit this information.