

Consolidate all subsidiaries [Paragraph 3.2.1]

Determine whether the derecognition principles below are applied to a part or all of an asset (or group of similar assets) [Paragraph 3.2.2]

Have the rights to the cash flows from the asset expired?
[Paragraph 3.2.3(a)]

Yes → Derecognise the asset

No

Has the entity transferred its rights to receive the cash flows from the asset?
[Paragraph 3.2.4(a)]

No

Has the entity assumed an obligation to pay the cash flows from the asset that meets the conditions in paragraph 3.2.5?
[Paragraph 3.2.4(b)]

No → Continue to recognise the asset

Yes

Has the entity transferred substantially all risks and rewards?
[Paragraph 3.2.6(a)]

Yes → Derecognise the asset

No

Has the entity retained substantially all risks and rewards?
[Paragraph 3.2.6(b)]

Yes → Continue to recognise the asset

No

Has the entity retained control of the asset?
[Paragraph 3.2.6(c)]

No → Derecognise the asset

Yes

Continue to recognise the asset to the extent of the entity's continuing involvement