

## CICA handbook – accounting revisions release no. 52 December 2008

### ACCOUNTING STANDARDS

#### Comprehensive income, paragraphs 1530.10-10A

Amended to exempt non-publicly accountable enterprises from mandatory adoption of this Section.

#### Foreign currency translation, paragraphs 1651.54-.55

Amended to exempt non-publicly accountable enterprises from mandatory adoption of this Section.

#### Impaired loans, paragraphs 3025.57-.58

Amended to exempt non-publicly accountable enterprises from mandatory adoption of this Section.

#### Investments, paragraphs 3051.35-36

Amended to exempt non-publicly accountable enterprises from mandatory adoption of this Section.

#### Equity, paragraphs 3251.14-.14A

Amended to exempt non-publicly accountable enterprises from mandatory adoption of this Section.

#### Financial instruments — recognition and measurement, Section 3855

Amended paragraphs 3855.19(f), 3855.80, 3855.85(a) and 3855.A26 and added paragraphs 3855.80A-.80D to permit reclassification of a financial asset out of the held-for-trading or available-for-sale category in specified circumstances.

The former wording of paragraphs 3855.80 and 3855.85(a) was as follows:

- .80 ♦ *An entity should not reclassify a financial instrument into or out of the held-for-trading category while it is held or issued.* [OCT. 2006]
- .85 ♦ *When, as a result of a change in intention or ability, or when a quoted market price in an active market is no longer available (see paragraph 3855.66(c)) or because the "two preceding financial years" referred to in paragraph 3855.26 have passed, it becomes appropriate to carry a financial asset at cost or amortized cost rather than at fair value, the fair value carrying amount of the financial asset on that date becomes its new cost or amortized cost, as applicable. Any previous gain or loss on that asset that has been recognized directly in other comprehensive income in accordance with paragraph 3855.76(b) should be accounted for as follows:*
  - (a) *In the case of a financial asset with a fixed maturity, the gain or loss should be amortized to net income over the remaining life of the held to maturity investment using the effective interest method. Any difference between the new amortized cost and maturity amount should also be amortized over the remaining life of the financial asset using the effective interest method, similar to amortization of premium and discount. When the financial asset is subsequently impaired, any previous gain or loss that has been recognized directly in other comprehensive income is recognized in net income in accordance with paragraphs 3855.A73-.A75.*

Amended paragraph 3855.81 as a result of the amendment to permit reclassification of a financial asset out of the held-for-trading or available-for-sale category in specified circumstances.

Amended paragraphs 3855.87-.87A to exempt non-publicly accountable enterprises from mandatory adoption of this Section.

Added paragraph 3855.87D to provide the effective date for application of the reclassification changes in paragraphs 3855.80-80D.

#### Financial instruments — disclosure and presentation, Section 3861

Added paragraph 3861.85A to specify disclosures required when an entity reclassifies a financial instrument out of the held-for-trading or available-for-sale category in the circumstances specified in the amendments to Section 3855.

Amended paragraphs 3861.92-.93 to exempt non-publicly accountable enterprises from mandatory adoption of this Section.

Added paragraph 3861.93A to provide the effective date for application of the new reclassification disclosures in paragraph 3861.85A.

#### Financial instruments — disclosure, Section 3862

Amended paragraph 3862.12 and added paragraph 3862.12A to specify disclosures required when an entity reclassifies a financial instrument out of the held-for-trading or available-for-sale category in the circumstances specified in the amendments to Section 3855.

Amended paragraphs 3862.43A-.43B to exempt non-publicly accountable enterprises from mandatory adoption of this Section.

Added paragraph 3862.43C to eliminate the requirement for not-for-profit entities, and particular co-operative enterprises and rate-regulated enterprises to adopt this Section.

Added paragraph 3862.43D to provide the effective date for application of the new reclassification disclosures in paragraph 3862.12A.

**Financial instruments — presentation, Section 3863**

Amended paragraph 3863.38 and added paragraph 3863.39 to exempt non-publicly accountable enterprises from mandatory adoption of this Section.

Added paragraph 3863.40 to eliminate the requirement for not-for-profit entities, and particular co-operative enterprises and rate-regulated enterprises to adopt this Section.

**Hedges, paragraphs 3865.70-70A**

Amended to exempt non-publicly accountable enterprises from mandatory adoption of this Section.

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