

## **CICA handbook – accounting, part II**

### **highlight summary no. II.6**

### **October 2011**

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#### **Improvements to accounting standards for private enterprises**

- GENERAL STANDARDS OF FINANCIAL STATEMENT PRESENTATION, paragraph 1400.11A, has been added to require an enterprise to:
  - present only one set of general purpose financial statements under Part II of the CICA Handbook – Accounting in any particular period; and
  - refer to its general purpose financial statements in any additional sets of financial statements prepared under Part II.
- BALANCE SHEET, paragraph 1521.05, has been amended to address an inconsistency with CURRENT ASSETS AND CURRENT LIABILITIES, Section 1510.
- GOODWILL AND INTANGIBLE ASSETS, paragraph 3064.53, has been amended to clarify that the requirement to expense expenditures on advertising and promotional activities includes expenditures on mail order catalogues and other similar documents intended to advertise goods, services or events to customers. As well, paragraph 3064.53A has been added and paragraph 3064.54 has been amended to provide guidance in respect of paragraph 3064.53.
- SUBSEQUENT EVENTS, paragraph 3820.07A, has been added to clarify the meaning of the date of completion of financial statements.
- FINANCIAL INSTRUMENTS, Section 3856, has been amended as follows:
  - Paragraph 3856.33 provides additional guidance on the accounting treatment of hedges of anticipated transactions.
  - Paragraphs 3856.35-.36 and 3856.A62-.A63 increase the maximum number of days between a hedged transaction and the maturity of a hedging forward contract from 14 to 30.
  - Paragraphs 3856.35-.36 and 3856.A64 clarify qualifying conditions for hedging a prepayable interest-bearing financial asset or financial liability with an interest rate swap.
  - Paragraphs 3856.55-.56 amend the transition provisions for hedges meeting the revised requirements that were entered into prior to the date the amended Section was issued.
  - Paragraphs 3856.A63-.A63C clarify the conditions for concurrent hedging of commodity and foreign currency risks in an anticipated purchase or sale of a commodity.

These amendments are effective for periods beginning on or after January 1, 2011.

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