

## **CICA handbook – accounting revisions release no. 42 December 2006**

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### **ACCOUNTING STANDARDS**

#### **General standards of financial statement presentation, paragraph 1400.14**

Moved to Section 3861 and renumbered as paragraph 3861.43A as a result of issuing new Section 3862.

#### **Current assets and current liabilities, paragraph 1510.10**

Amended to remove the reference to former paragraph 1400.14 and provide references to Section 3861 and new Section 3862.

#### **Capital disclosures, Section 1535 [OCT. 2007]**

New.

#### **Accounts and notes receivable, paragraph 3020.02**

Amended to provide a reference to new Section 3862.

#### **Long-term debt, paragraph 3210.07**

Amended to remove the reference to former paragraph 1400.14 and provide references to Section 3861 and new Section 3862.

#### **Equity, paragraph 3251.07**

Amended to provide a reference to new Section 1535.

#### **Income taxes, paragraphs 3465.71-.72**

Amended to provide references to new Section 3863.

#### **Capital transactions, paragraph 3610.02**

Amended to provide a reference to new Section 1535.

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

Added paragraphs 3855.51A-.51C to clarify the treatment of fees and costs incurred on the exchange or modification of a financial liability. This reflects the Board Notice issued on October 2, 2006.

Amended paragraph 3855.72 to provide a reference to new Section 3862.

Added paragraph 3855.87B to provide transitional provisions for paragraphs 3855.51A-.51C.

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

Added paragraph 3861.02A to specify when Section 3861 may continue to be applied after new Section 3862 becomes effective.

Amended paragraph 3861.03 to provide a reference to new paragraph 3861.02A.

Former paragraph 1400.14 moved to Section 3861 and renumbered as paragraph 3861.43A as a result of issuing new Section 3862.

#### **Financial instruments — disclosures, Section 3862 [OCT. 2007]**

New.

#### **Financial instruments — presentation, Section 3863 [OCT. 2007]**

Replaces portions of FINANCIAL INSTRUMENTS — DISCLOSURE AND PRESENTATION, Section 3861, carrying forward the content of that Section as it pertains to the presentation of financial instruments.

#### **Hedges, Section 3865**

Amended paragraph 3865.14 as a result of issuing new Section 3862 to add "other price risk" as an example of a separate risk exposure giving rise either to changes in fair values or to changes in cash flows.

Amended paragraph 3865.71 to clarify the transitional provisions. This reflects the Board Notice issued on October 18, 2006.

### **ACCOUNTING GUIDELINES**

#### **Actuarial liabilities of life insurance enterprises — disclosure (AcG-8)**

Amended paragraph 3 to specify that the disclosure requirements in Section 3861 may continue to be applied to insurance contracts in place of new Section 3862, and that AcG-8 applies irrespective of the choice made in this regard. Amended paragraph 4 to reflect the language used in new Section 3862 to describe its requirements, and also describe the disclosure requirements of Section 3861.

Amended paragraph 31 to add "other price risk" as an example of other significant risks to which an enterprise may be exposed.

Amended paragraph 32 to explain that new Section 3862 requires disclosures about the fair value of financial instruments similar to those required by Section 3861, but permits continued application of Section 3861 to insurance contracts.

#### **Disclosure of guarantees (AcG-14)**

Amended paragraph 10 to reflect the language used in new Section 3862 to describe its requirements, and also to describe the disclosure requirements of Section 3861.

#### **Consolidation of variable interest entities (AcG-15)**

Amended paragraph 19 to clarify that a loan restructuring or other troubled debt restructuring does not affect the reconsideration of whether an enterprise is a primary beneficiary.

#### **EIC ABSTRACTS**

##### **Presentation of a financial instrument labelled as a share when a future event or circumstance may affect the issuer's obligations (EIC-70)**

Amended on September 15, 2006 as a consequence of the release of Sections 3855 and 3861.

##### **Debtor's accounting for a modification or exchange of debt instruments (EIC-88)**

Amended on October 19, 2006 as a consequence of the release of Section 3855.

##### **Determining the variability to be considered in applying AcG-15 (EIC-163)**

Issued on September 15, 2006.

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