

## CPA Canada handbook – accounting, part II

### highlight summary no. II.19

#### June 2019

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(Note: Any changes to previously issued standards are identified in the effective date guidance in each affected standard.)

#### **Section 3051, Investments**

This Section has been amended to clarify that the guidance on how to apply the cost method also applies to interests in jointly controlled enterprises.

Significant consequential amendments include changes to FIRST-TIME ADOPTION, Section 1500, to permit a first-time adopter to apply the transitional provisions in amended Section 3051.

These amendments are effective for annual financial statements relating to fiscal years beginning on or after January 1, 2020. Earlier application is permitted.

Prospective application of the amendments is permitted.

#### **Section 3465, Income Taxes**

This Section has been amended to:

- remove the example that provides guidance on accounting for eligible capital property;
- replace the requirement to present future income tax assets and future income tax liabilities as current and non-current, when the future income taxes method is applied, with a non-current presentation requirement; and
- require the disclosure of the amount of future income tax assets and future income tax liabilities for each type of temporary difference for each period presented.

These amendments are effective for annual financial statements relating to fiscal years beginning on or after January 1, 2020. Earlier application is permitted.

Retrospective application of the amendments is required.

#### **Archived Pronouncements**

To give Handbook readers continued access to superseded Sections and paragraphs in other Sections, the Archived Pronouncements set out the wording of those Sections and paragraphs. The archived material will be withdrawn from the Handbook when it is no longer effective.

#### **Section 3856, Financial Instruments**

In December 2018, the AcSB amended FINANCIAL INSTRUMENTS, Section 3856, as a result of the Retractable or Mandatorily Redeemable Shares Issued in a Tax Planning Arrangement and the Financial Instruments in a Related Party Transaction and Risk Disclosures projects (the December 2018 amendments) (See Highlight Summary No. II.18). These amendments are effective for fiscal years beginning on or after January 1, 2020, with earlier application permitted.

Given the extent of the changes to Section 3856, some stakeholders have noted that it is challenging to determine which paragraphs in Section 3856 are applicable before an enterprise has adopted the December 2018 amendments. In response to these challenges, included in Archived Pronouncements is a complete PDF version of Section 3856 excluding the December 2018 amendments.