

SPECIFIC ITEMS

SECTION 3610

capital transactions

PURPOSE AND SCOPE

- .01 This Section establishes presentation standards for capital transactions.
- .02 Capital transactions include items such as:
- (a) changes in capital, including premiums, discounts and expenses relating to the issue, redemption or cancellation of share capital;
 - (b) gains or losses:
 - (i) on purchase and resale by a company of its own issued common shares; or
 - (ii) on purchase and cancellation by a company of its own issued common shares;
 - (c) contributions by owners or others (see EQUITY, Section 3251);
 - (d) transfers to and from reserves (see RESERVES, Section 3260);
 - (e) dividend distributions (including stock dividends); and
 - (f) taxes arising at the time of changes in shareholder status or share capital transactions (see INCOME TAXES, paragraphs 3465.09 and 3465.59-.78).

FINANCIAL INSTRUMENTS, paragraph 3856.22, determines whether a transaction involving a financial instrument is a capital transaction.

PRESENTATION

- .03 *Capital transactions shall be excluded from the determination of net income and shown separately in the statement to which they relate (at least for the year in which the transactions occur).*

EFFECTIVE DATE

- .04 This Section applies to annual financial statements relating to fiscal years beginning on or after January 1, 2011. Earlier application is permitted.

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