

SECTION PS 3430

restructuring transactions

SUPPLEMENT

This supplement sets out the previous wording of the paragraph that has been amended as a consequence of approving FINANCIAL STATEMENT PRESENTATION, Section PS 1202.

- .47 Aligning with the accounting policies to be adopted by the recipient may require reclassification of assets and liabilities received in a restructuring transaction at the restructuring date. For example, reclassification would be required if the transferor and the recipient have different accounting policies on designating financial assets and financial liabilities in the fair value category under FINANCIAL INSTRUMENTS, paragraph PS 3450.023, and the restructuring does not give rise to changes in how risks would be managed and performance would be evaluated.

SUPPLEMENT

This supplement sets out the previous wording of paragraphs that have been amended as a consequence of approving the new CONCEPTUAL FRAMEWORK FOR FINANCIAL REPORTING.

- .12 Fair value of transferred operations or programs is only relevant in determining consideration for acquisitions in the public sector when the transferred program or operation is of a business or revenue-generating nature. The fair value amount can only be evidence of consideration for acquisitions if it meets the qualitative characteristics of reliable information including representational faithfulness and verifiability.
- .22 Assets and liabilities are defined in FINANCIAL STATEMENT CONCEPTS, Section PS 1000. Recognition criteria and definitions of individual asset and liability items are specified in individual Sections of the PSA Handbook.

SUPPLEMENT

This supplement sets out the previous wording of paragraphs that have been amended as a consequence of the 2019-2020 annual improvements.

- .56 A transferor and a recipient provide a description of the restructuring transaction in the notes including:
- ...
- (f) the nature and extent of any contingent liability and contractual obligations transferred;
- ...