

## **CICA handbook – accounting highlight summary no. 55 August 2009**

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### **HIGHLIGHT SUMMARY**

(Note: New Handbook material or changes in existing material are identified in each HANDBOOK REVISIONS RELEASE.)

#### **Comprehensive revaluation of assets and liabilities, Section 1625**

This Section has been amended as a result of issuing BUSINESS COMBINATIONS, Section 1582, CONSOLIDATED FINANCIAL STATEMENTS, Section 1601, and NON-CONTROLLING INTERESTS, Section 1602, in January 2009. The amendments apply prospectively to comprehensive revaluations of assets and liabilities occurring in fiscal years beginning on or after January 1, 2011. Earlier adoption is permitted as of the beginning of a fiscal year. An entity adopting this Section for a fiscal year beginning before January 1, 2011 also adopts Section 1582.

#### **Impaired loans, Section 3025**

This Section has been amended to conform the definition of a loan to that in amended Section 3855 and to include held-to-maturity investments within the scope of this Section. These amendments apply to annual financial statements relating to fiscal years beginning on or after November 1, 2008.

#### **Equity, Section 3251**

This Section has been amended as a result of issuing Section 1602. The amendments apply only to entities that have adopted Section 1602.

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

This Section has been amended to add guidance concerning the assessment of embedded derivatives upon reclassification of a financial asset out of the held-for-trading category. These amendments apply to reclassifications made on or after July 1, 2009. Earlier adoption is permitted.

Also, this Section has been amended to:

- change the categories into which a debt instrument is required or permitted to be classified;
- change the impairment model for held-to-maturity investments to the incurred credit loss model of IMPAIRED LOANS, Section 3025; and
- require reversal of previously recognized impairment losses on available-for-sale financial assets in specified circumstances.

These amendments apply to annual financial statements relating to fiscal years beginning on or after November 1, 2008.

#### **EIC Abstracts**

Amended

- Application of Section 3465 to Mutual Fund Trusts, Real Estate Investment Trusts, Royalty Trusts and Income Trusts (EIC-107)

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