

## CPA Canada handbook – accounting, part II

### highlight summary no. II.25

### November 2020

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

#### **Section 3065, Leases**

This Section has been amended to provide optional relief for both lessees and lessors on accounting for lease modifications received or granted as a result of the COVID-19 pandemic. For an enterprise that chooses to apply the relief, changes to the provisions of an existing lease would not be accounted for as a new lease if specific conditions are met.

These amendments are effective for fiscal years ending on or after December 31, 2020. Earlier application is permitted, including in financial statements not yet authorized for issue, so that the relief is available for most COVID-19-related lease modifications received or granted in 2020.

#### **Section 3462, Employee Future Benefits**

This Section has been amended to:

- clarify the measurement of the defined benefit obligation (DBO) for plans with a legislative, regulatory or contractual requirement to prepare a funding valuation; and
- remove the accommodation to allow the use of a funding valuation for defined benefit plans without a funding valuation requirement.

Significant consequential amendments include changes to ACCOUNTING CHANGES, Section 1506, to remove the accommodation for defined benefit plans without a funding valuation requirement to measure the DBO using a funding valuation without meeting the criterion in paragraph 1506.06(b).

The amendments are effective for annual financial statements relating to fiscal years beginning on or after January 1, 2022. Earlier application is permitted but only for all of an enterprise's defined benefit plans.

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To give Handbook readers continued access to superseded Sections and paragraphs in other Sections, the Archived Pronouncements set out the wording of those Sections and paragraphs. The archived material will be withdrawn from the Handbook when it is no longer effective.

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