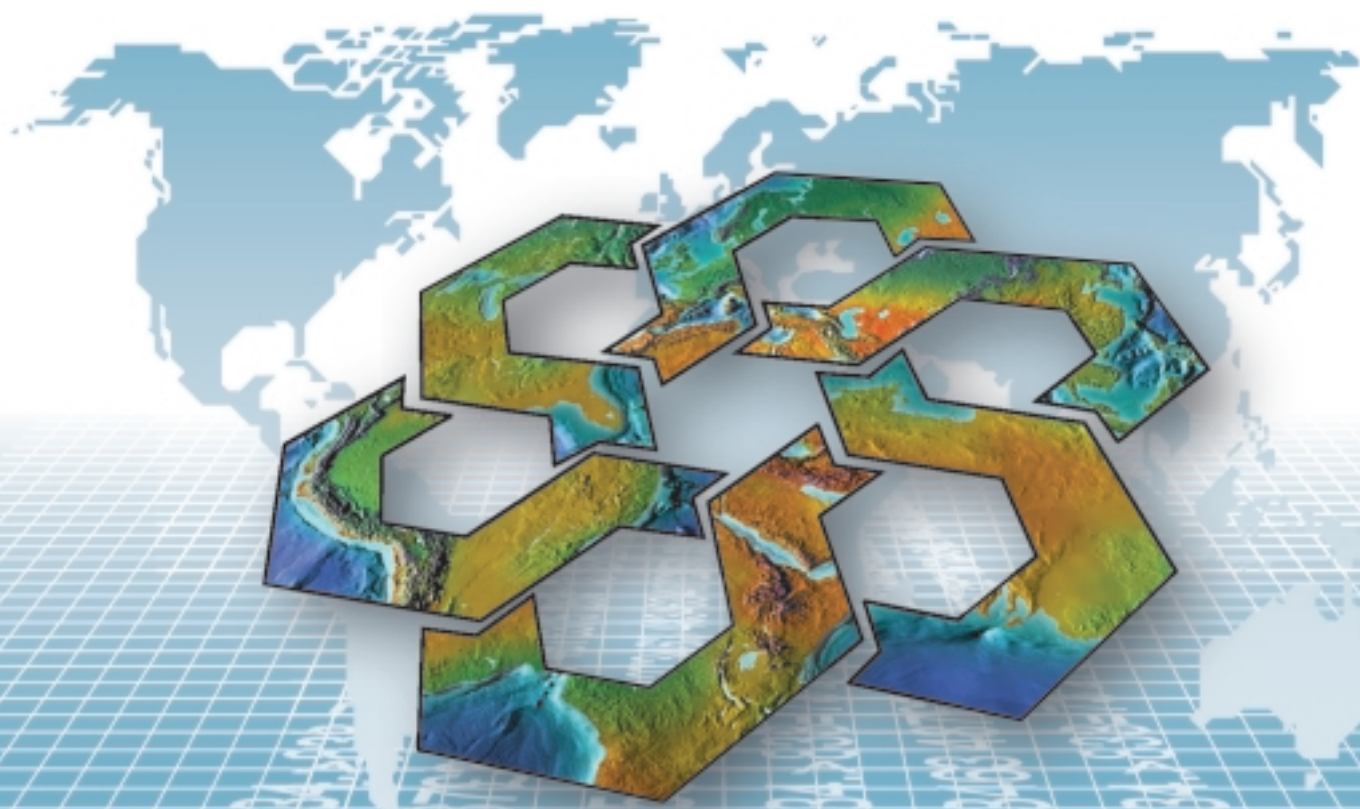


# Reclassification of Financial Assets— Effective Date and Transition

Amendments to IAS 39 Financial Instruments:  
Recognition and Measurement and  
IFRS 7 Financial Instruments: Disclosures



**Reclassification of Financial Assets—  
Effective Date and Transition**

Amendments to  
IAS 39 and IFRS 7

*Reclassification of Financial Assets—Effective Date and Transition (Amendments to IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures)* is issued by the International Accounting Standards Board (IASB), 30 Cannon Street, London EC4M 6XH, United Kingdom.

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ISBN: 978-1-905590-84-1

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**AMENDMENT TO IAS 39**

**AMENDMENT TO IFRS 7**

**APPROVAL BY THE BOARD**

**AMENDMENT TO THE BASIS FOR CONCLUSIONS ON IAS 39**

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## ***Reclassification of Financial Assets—Effective Date and Transition (Amendments to IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures)***

### **Amendment to IAS 39**

In the Introduction, paragraph IN8A is amended (new text is underlined).

#### **Introduction**

##### **Reclassifications**

IN8A An amendment to the Standard, issued in October 2008, permits an entity to reclassify non-derivative financial assets (other than those designated at fair value through profit or loss by the entity upon initial recognition) out of the fair value through profit or loss category in particular circumstances. The amendment also permits an entity to transfer from the available-for-sale category to the loans and receivables category a financial asset that would have met the definition of loans and receivables (if the financial asset had not been designated as available for sale), if the entity has the intention and ability to hold that financial asset for the foreseeable future. A further amendment, issued in November 2008, clarified the effective date and transition requirements of that earlier amendment.

Paragraph 103H is amended (new text is underlined and deleted text is struck through) and paragraph 103I is added.

#### **Effective date and transition**

103H *Reclassification of Financial Assets* (Amendments to IAS 39 and IFRS 7), issued in October 2008, amended paragraphs 50 and AG8, and added paragraphs 50B–50F. An entity shall apply those amendments from on or after 1 July 2008. An entity shall not reclassify a financial asset in accordance with paragraph 50B, 50D or 50E before 1 July 2008. Any reclassification of a financial asset made ~~in periods beginning~~ on or after 1 November 2008 shall take effect only from the date when the reclassification is made. Any reclassification of a financial asset in accordance with paragraph 50B, 50D or 50E shall not be applied retrospectively before 1 July 2008 ~~to reporting periods ended before the effective date set out in this paragraph.~~

RECLASSIFICATION OF FINANCIAL ASSETS—EFFECTIVE DATE AND TRANSITION

- 103I *Reclassification of Financial Assets—Effective Date and Transition (Amendments to IAS 39 and IFRS 7)*, issued in November 2008, amended paragraph 103H. An entity shall apply that amendment on or after 1 July 2008.

## Amendment to IFRS 7

Paragraph 44E is amended (new text is underlined and deleted text is struck through) and paragraph 44F is added.

### Effective date and transition

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- 44E *Reclassification of Financial Assets* (Amendments to IAS 39 and IFRS 7), issued in October 2008, amended paragraph 12 and added paragraph 12A. An entity shall apply those amendments on or after ~~from~~ 1 July 2008.
- 44F *Reclassification of Financial Assets—Effective Date and Transition* (Amendments to IAS 39 and IFRS 7), issued in November 2008, amended paragraph 44E. An entity shall apply that amendment on or after 1 July 2008.

**Approval by the Board of *Reclassification of Financial Assets—Effective Date and Transition* (Amendments to IAS 39 and IFRS 7) issued in November 2008**

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*Reclassification of Financial Assets—Effective Date and Transition* (Amendments to IAS 39 *Financial Instruments: Recognition and Measurement* and IFRS 7 *Financial Instruments: Disclosures*) was approved for issue by the thirteen members of the International Accounting Standards Board.

Sir David Tweedie	Chairman
Thomas E Jones	Vice-Chairman
Mary E Barth	
Stephen Cooper	
Philippe Danjou	
Jan Engström	
Robert P Garnett	
Gilbert Gélard	
James J Leisenring	
Warren J McGregor	
John T Smith	
Tatsumi Yamada	
Wei-Guo Zhang	



## **Amendment to the Basis for Conclusions on IAS 39 *Financial Instruments: Recognition and Measurement***

In the Basis for Conclusions, paragraph BC104E is amended (new text is underlined).
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### **Measurement**

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#### **Reclassification of financial instruments (paragraphs 50–54)**

BC104E The Board normally publishes an exposure draft of any proposed amendments to standards to invite comments from interested parties. However, given the requests to address this issue urgently in the light of market conditions, and after consultation with the Trustees of the IASC Foundation, the Board decided to proceed directly to issuing the amendments. In taking this exceptional step the Board noted that the amendments to IAS 39 relaxed the existing requirements to provide short-term relief for some entities. The Board also noted that the amendments were a short-term response to the requests and therefore the Board decided to restrict the scope of the amendments. Shortly afterwards, in response to representations from some interested parties, the Board issued a further amendment clarifying the effective date of the amendments to IAS 39.

## **Amendment to the Basis for Conclusions on IFRS 7 *Financial Instruments: Disclosures***

In the Basis for Conclusions, paragraph BC23A is amended (new text is underlined).
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### **Disclosures about the significance of financial instruments for financial position and performance (paragraphs 7–30, B4 and B5)**

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#### **Balance sheet disclosures (paragraphs 8–19 and B4)**

##### **Reclassification (paragraphs 12 and 12A)**

BC23A In October and November 2008 the Board amended IAS 39 to permit reclassification of particular financial assets in some circumstances. The Board decided to require additional disclosures about the situations in which any such reclassification is made, and the effects on the financial statements. The Board regards such information as useful because the reclassification of a financial asset can have a significant effect on the financial statements.