

**Accounting Standard**

**AASB 2008-X**

December 2008

# **Amendments to Australian Accounting Standards – Reclassification of Financial Assets – Effective Date and Transition**

**[AASB 7, AASB 139 &  
AASB 2008-10]**

*Draft AASB 2008-X Amendments to Australian Accounting Standards - Reclassification of Financial Assets - Effective Date and Transition will be considered by the Board at its meeting on 17-18 December 2008. Please note that the Draft Accounting Standard does not reflect settled positions by the AASB and may change or be modified by the AASB. This draft is not an authoritative pronouncement of the AASB. Decisions become final only after completion of the formal processes required to issue an Exposure Draft. No responsibility is taken for the results of actions or omission to act taken on the basis of any information in this draft or for any errors or omissions.*



**Australian Government**

**Australian Accounting  
Standards Board**

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Australian Accounting Standard AASB 2008-X *Amendments to Australian Accounting Standards – Reclassification of Financial Assets – Effective Date and Transition* is set out in paragraphs 1-9. All the paragraphs have equal authority.

## **PREFACE**

### **Standards Amended by AASB 2008-X**

This Standard makes amendments to the following Australian Accounting Standards:

1. AASB 7 *Financial Instruments: Disclosures*;
2. AASB 139 *Financial Instruments: Recognition and Measurement*; and
3. AASB 2008-10 *Amendments to Australian Accounting Standards – Reclassification of Financial Assets*.

These amendments arise from the issuance by the IASB of Amendments to IAS 39 *Financial Instruments: Recognition and Measurement* and IFRS 7 *Financial Instruments: Disclosures – Reclassification of Financial Assets – Effective Date and Transition*.

### **Main Features of this Standard**

#### **Application Date**

This Standard is applicable on or after 1 July 2008. Early adoption of this Standard is not permitted.

#### **Main Requirement**

This Standard clarifies the effective date of the amendments made to AASB 139 and AASB 7 as a result of the issuance of AASB 2008-10 in November 2008.

## **ACCOUNTING STANDARD AASB 2008-X**

The Australian Accounting Standards Board makes Accounting Standard AASB 2008-X *Amendments to Australian Accounting Standards arising from* under section 334 of the *Corporations Act 2001*.

Dated XX December 2008

Bruce Porter  
Acting Chair – AASB

## **ACCOUNTING STANDARD AASB 2008-X**

### ***AMENDMENTS TO AUSTRALIAN ACCOUNTING STANDARDS ARISING FROM***

#### **Objective**

1 The objective of this Standard is to make amendments to:

- (a) *AASB 7 Financial Instruments: Disclosures*;
- (b) *AASB 139 Financial Instruments: Recognition and Measurement*; and
- (c) *AASB 2008-10 Amendments to Australian Accounting Standards - Reclassification of Financial Assets*;

to clarify the effective date of the amendments made to AASB 139 and AASB 7 as a result of the issuance of AASB 2008-10 in November 2008.

#### **Application**

2 **This Standard applies to:**

- (a) **each entity that is required to prepare financial reports in accordance with Part 2M.3 of the Corporations Act 2001 and that is a reporting entity;**
- (b) **general purpose financial reports of each other reporting entity; and**
- (c) **financial reports that are, or are held out to be, general purpose financial reports.**

- 3 This Standard applies to reclassifications on or after 1 July 2008. Early Adoption of this standard is not permitted.**

### **Amendments to AASB 7**

- 4 Paragraphs Aus44E and Aus44F are inserted as follows:

Aus44E *AASB 2008-10 Amendments to Australian Accounting Standards – Reclassification of Financial Assets*, issued in November 2008, amended paragraph 12 and added paragraph 12A. An entity shall apply those amendments on or after 1 July 2008.

Aus44F *AASB 2008-X Amendments to Australian Accounting Standards – Reclassification of Financial Assets – Effective Date and Transition*, issued in December 2008, amended paragraph Aus44E. An entity shall apply that amendment on or after 1 July 2008.

### **Amendments to AASB 139**

- 5 Paragraphs Aus103H and Aus103I are added as follows:

Aus103H *AASB 2008-10 Amendments to Australian Accounting Standards – Reclassification of Financial Assets*, issued in November 2008, amended paragraphs 50 and AG8, and added paragraphs 50B-50F. An entity shall apply those amendments 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 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.

Aus103I *AASB 2008-X Amendments to Australian Accounting Standards – Reclassification of Financial Assets – Effective Date and Transition*, issued in December 2008, amended paragraph Aus103H. An entity shall apply that amendment on or after 1 July 2008.

- 6 The second and third sentences of paragraph AG8 are amended to read as follows:

AG8 The entity recalculates the carrying amount by computing the present value of estimated future cash flows at the financial instrument's original effective interest rate or, when applicable, the revised effective interest rate calculated in accordance with paragraph 92. The adjustment is recognised in profit or loss as income or expense.

### **Amendments to AASB 2008-10**

- 7 Paragraph 3 is amended to read as follows:

**3 The amendments to AASB 139 shall apply 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, in accordance with paragraph 50B, 50D or 50E, made 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.**

- 8 Paragraph 4 is amended to read as follows:

**4 The amendments to AASB 7 shall apply on or after 1 July 2008.**

- 9 Sub-heading 'Paragraph 103G' in the section titled DELETED IFRS TEXT under the heading IAS 39 *Financial Instruments: Recognition and Measurement* is amended to refer to Paragraph 103H.

## **DELETED IFRS TEXT**

*Deleted IFRS text is not part of AASB 2008-X.*

### ***IFRS 7 Financial Instruments: Disclosures***

*Deleted IFRS 7 text is not part of AASB 7.*

#### **Paragraph 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.*

#### **Paragraph 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.*

### ***IAS 39 Financial Instruments: Recognition and Measurement***

*Deleted IAS 39 text is not part of AASB 139.*

#### **Paragraph 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 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 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.*

#### **Paragraph 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.*