Sri Lanka Accounting Standards changes with effect from 1 January 2013.

Standard	Existing Para Reference	Provision applicable as at 1 January 2012	Provision applicable as at 1 January 2013
SLFRS 1	Para 29	An entity is permitted to designate a previously recognised financial asset as a financial asset measured at fair value through profit or loss in accordance with paragraph D19A. The entity shall disclose the fair value of financial assets so designated at the date of designation and their classification and carrying amount in the previous financial statements.	An entity is permitted to designate a previously recognised financial asset or financial liability as a financial asset or financial liability at fair value through profit or loss or a financial asset as available for sale in accordance with paragraph D19. The entity shall disclose the fair value of financial assets or financial liabilities designated into each category at the date of designation and their classification and carrying amount in the previous financial statements.
	Para 29A	An entity is permitted to designate a previously recognised financial liability as a financial liability at fair value through profit or lossin accordance with paragraph D19. The entity shall disclose the fair value of financial liabilities so designated at the date of designation and their classification and carrying amount in the previous financial statements.	No corresponding Para
	Para 39B	[Deleted]	*[This paragraph refers to amendments with an effective date after 1 January 2012, and is therefore not included in this edition.]*
	Para 39G	SLFRS 9 *Financial Instruments*, issued in October 2010, amended paragraphs 29, B1–B5, D1(j), D14, D15, D19 and D20, added paragraphs 29A, B8, B9, D19A–D19D, E1 and E2 and deleted paragraph 39B. An entity shall apply those amendments when it applies SLFRS 9 as issued in October 2010.	*[This paragraph refers to amendments with an effective date after 1 January 2012, and is therefore not included in this edition.]*
SLFRS 2	No Changes		
SLFRS 3	Para 16 (a)	classification of particular financial assets and liabilities as measured at fair value or as at amortised cost, in accordance with SLFRS 9 *Financial Instruments*;	classification of particular financial assets and liabilities as a financial asset or liability at fair value through profit or loss, or as a financial asset available for sale or held to maturity, in accordance with LKAS 39 *Financial Instruments: Recognition and Measurement*;
	Para 16 (c)	assessment of whether an embedded derivative	assessment of whether an embedded derivative should be

		should be separated from a host contract in accordance with SLFRS 9 (which is a matter of 'classification' as this SLFRS uses that term).	separated from the host contract in accordance with LKAS 39(which is a matter of 'classification' as this SLFRS uses that term).
	Para 42	In a business combination achieved in stages, the acquirer shall remeasure its previously held equity interest in the acquiree at its acquisition-date fair value and recognise the resulting gain or loss, if any, in profit or loss or other comprehensiveincome, as appropriate. In prior reporting periods, the acquirer may have recognised changes in the value of its equity interest in the acquiree in other comprehensive income. If so, the amount that was recognised in other comprehensive income shall be recognised on the same basis as would be required if the acquirer had disposed directly of the previously held equity interest.	In a business combination achieved in stages, the acquirer shall remeasure its previously held equity interest in the acquiree at its acquisition-date fair value and recognise the resulting gain or loss, if any, in profit or loss. In prior reporting periods, the acquirer may have recognised changes in the value of its equity interest in the acquiree in other comprehensive income (for example, because theinvestment was classified as available for sale). If so, the amount that was recognised in other comprehensive income shall be recognised on the same basis as would be required if the acquirer had disposed directly of the previously held equity interest.
	Para 53	Acquisition-related costs are costs the acquirer incurs to effect a business combination. Those costs include finder's fees; advisory, legal, accounting, valuation and other professional or consulting fees; general administrative costs, including the costs of maintaining an internal acquisitions department; and costs of registering and issuing debt and equity securities. The acquirer shall account for acquisition-related costs as expenses in the periods in which the costs are incurred and the services are received, with one exception. The costs to issue debt or equity securities shall be recognised in accordance with LKAS 32 and SLFRS 9.	Acquisition-related costs are costs the acquirer incurs to effect a business combination. Those costs include finder's fees; advisory, legal, accounting, valuation and other professional or consulting fees; general administrative costs, including the costs of maintaining an internal acquisitions department; and costs of registering and issuing debt and equity securities. The acquirer shall account for acquisition-related costs as expenses in the periods in which the costs are incurred and the services are received, with one exception. The costs to issue debt or equity securities shall be recognised in accordance with LKAS 32 and LKAS 39.
	Para 56	This requirement does not apply to contracts accounted for in accordance with SLFRS 9.	This requirement does not apply to contracts accounted for in accordance with LKAS 39.
	Para 58 (b) (i)	is a financial instrument and is within the scope of SLFRS 9 or LKAS 39 shall be measured at fair value, with any resulting gain or loss recognised either in profit or loss or in other comprehensive income	is a financial instrument and is within the scope of LKAS 39 shall be measured at fair value, with any resulting gain or loss recognized either in profit or loss or in other comprehensive income in accordance with that SLFRS.

		in accordance with SLFRS 9.	
	Para 58 (b) (ii)	is not within the scope of SLFRS 9 shall be accounted for in accordance with LKAS 37 or other SLFRSs as appropriate.	is not within the scope of LKAS 39 shall be accounted for in accordance with LKAS 37 or other SLFRSs as appropriate.
	Para 64A	[Deleted]	*[This paragraph refers to amendments with an effective date after 1 January 2012, and is therefore not included in this edition.]*
	Para 64D	SLFRS 9, issued in October 2010, amended paragraphs 16, 42, 53, 56 and 58(b) and deleted paragraph 64A. An entity shall apply those amendments when it applies SLFRS 9 as issued in October 2010.	No corresponding para
SLFRS 4	Para 3	This SLFRS does not address other aspects of accounting by insurers, such as accounting for financial assets held by insurers and financial liabilities issued by insurers (see LKAS 32 *Financial Instruments: Presentation*, LKAS 39 *Financial Instruments :Recognition and Measurement*, SLFRS 7 and SLFRS 9 *Financial Instruments*),except in the transitional provisions in paragraph 45.	This SLFRS does not address other aspects of accounting by insurers, such as accounting for financial assets held by insurers and financial liabilities issued by insurers (see LKAS 32 *Financial Instruments: Presentation*, LKAS 39 *Financial Instruments: Recognition and Measurement* and SLFRS 7), except in the transitional provisions in paragraph 45.
	Para 4 (d)	financial guarantee contracts unless the issuer has previously asserted explicitly that it regards such contracts as insurance contracts and has used accounting applicable to insurance contracts, in which case the issuer may elect to apply either LKAS 32, SLFRS 7 and SLFRS 9 or this SLFRS to such financial guarantee contracts. The issuer may make that election contract by contract, but the election for each contract is irrevocable.	financial guarantee contracts unless the issuer has previously asserted explicitly that it regards such contracts as insurance contracts and has used accounting applicable to insurance contracts, in which case the issuer may elect to apply either LKAS 39, LKAS 32 and SLFRS 7 or this SLFRS to such financial guarantee contracts. The issuer may make that election contract by contract, but the election for each contract is irrevocable.
	Para 7	SLFRS 9requires an entity to separate some embedded derivatives from their host contract, measure them at *fair value* and include changes in their fair value in profit or loss. SLFRS 9 applies to derivatives embedded in an insurance contract unless the embedded derivative is itself an insurance	LKAS 39 requires an entity to separate some embedded derivatives from their host contract, measure them at *fair value* and include changes in their fair value in profit or loss. LKAS 39 applies to derivatives embedded in an insurance contract unless the embedded derivative is itself an insurance contract.

		contract.	
	Para 8	As an exception to the requirements in SLFRS 9, an insurer need not separate, and measure at fair value, a policyholder's option to surrender an insurance contract for a fixed amount (or for an amount based on a fixed amount and an interest rate), even if the exercise price differs from the carrying amount of the host *insurance liability*. However, the requirements in SLFRS 9 do apply to a put option or cash surrender option embedded in an insurance contract if the surrender value varies in response to the change in a financial variable (such as an equity or commodity price or index), or a non-financial variable that is not specific to a party to the contract. Furthermore, those requirements also apply if the holder's ability to exercise a put option or cash surrender option is triggered by a change in such a variable (for example, a put option that can be exercised if a stock market index reaches a specified level).	As an exception to the requirement in LKAS 39, an insurer need not separate, and measure at fair value, a policyholder's option to surrender an insurance contract for a fixed amount (or for an amount based on a fixed amount and an interest rate), even if the exercise price differs from the carrying amount of the host *insurance liability*. However, the requirement in LKAS 39 does apply to a put option or cash surrender option embedded in an insurance contract if the surrender value varies in response to the change in a financial variable (such as an equity or commodity price or index), or a non-financial variable that is not specific to a party to the contract. Furthermore, that requirement also applies if the holder's ability to exercise a put option or cash surrender option is triggered by a change in such a variable (for example, a put option that can be exercised if a stock market index reaches a specified level).
	Para 12 (b)	Apply SLFRS 9 to the deposit component.	apply LKAS 39 to the deposit component
	Para 34 (d)	shall, if the contract contains an embedded derivative within the scope of SLFRS 9, apply SLFRS 9to that embedded derivative.	shall, if the contract contains an embedded derivative within the scope of LKAS 39, apply LKAS 39 to that embedded derivative.
	Para 35 (a)	if the issuer classifies the entire discretionary participation feature as a liability, it shall apply the liability adequacy test in paragraphs 15–19 to the whole contract (ie both the guaranteed element and the discretionary participation feature). The issuer need not determine the amount that would result from applying SLFRS 9 to the guaranteed element.	if the issuer classifies the entire discretionary participation feature as a liability, it shall apply the liability adequacy test in paragraphs 15–19 to the whole contract (ie both the guaranteed element and the discretionary participation feature). The issuer need not determine the amount that would result from applying LKAS 39 to the guaranteed element.
	Para 35 (b)	if the issuer classifies part or all of that feature as a separate component of equity, the liability recognised for the whole contract shall not be less than the amount that would result from applying SLFRS 9 to the guaranteed element. That amount shall include	if the issuer classifies part or all of that feature as a separate component of equity, the liability recognised for the whole contract shall not be less than the amount that would result from applying LKAS 39 to the guaranteed element. That amount shall include the intrinsic value of an

		the intrinsic value of an option to surrender the contract, but need not include its time value if paragraph 9 exempts that option from measurement at fair value. The issuer need not disclose the amount that would result from applying SLFRS 9 to the guaranteed element, nor need it present that amount separately. Furthermore, the issuer need not determine that amount if the total liability recognised is clearly higher.	option to surrender the contract, but need not include its time value if paragraph 9 exempts that option from measurement at fair value. The issuer need not disclose the amount that would result from applying LKAS 39 to the guaranteed element, nor need it present that amount separately. Furthermore, the issuer need not determine that amount if the total liability recognised is clearly higher.
SLFRS 5	Para 5 (c)	financial assets within the scope of SLFRS 9 *Financial Instruments*.	financial assets within the scope of LKAS 39 *Financial Instruments: Recognition and Measurement*.
SLFRS 6	No changes		
SLFRS 7	Para 2	The principles in this SLFRS complement the principles for recognising, measuring and presenting financial assets and financial liabilities in LKAS 32 *Financial Instruments: Presentation* and SLFRS 9 *Financial Instruments*.	The principles in this SLFRS complement the principles for recognising, measuring and presenting financial assets and financial liabilities in LKAS 32 *Financial Instruments: Presentation* and LKAS 39 *Financial Instruments: Recognition and Measurement*.
	Para 3 (a)	those interests in subsidiaries, associates or joint ventures that are accounted for in accordance with LKAS 27 *Consolidated and Separate Financial Statements*, LKAS 28 *Investments in Associates* or LKAS 31 *Interests in Joint Ventures*. However, in some cases, LKAS 27, LKAS 28 or LKAS 31 permits an entity to account for an interest in a subsidiary, associate or joint venture using SLFRS 9; in those cases, entities shall apply the requirements of this SLFRS. Entities shall also apply this SLFRS to all derivatives linked to interests in subsidiaries, associates or joint ventures unless the derivative meets the definition of an equity instrument in LKAS 32.	those interests in subsidiaries, associates or joint ventures that are accounted for in accordance with LKAS 27 *Consolidated and Separate Financial Statements*, LKAS 28 *Investments in Associates* or LKAS 31 *Interests in Joint Ventures*. However, in some cases, LKAS 27, LKAS 28 or LKAS 31 permits an entity to account for an interest in a subsidiary, associate or joint venture using LKAS 39; in those cases, entities shall apply the requirements of this SLFRS. Entities shall also apply this SLFRS to all derivatives linked to interests in subsidiaries, associates or joint ventures unless the derivative meets the definition of an equity instrument in LKAS 32.
	Para 3 (d)	insurance contracts as defined in SLFRS 4 *Insurance Contracts*. However, this SLFRS applies to derivatives that are embedded in insurance contracts if SLFRS 9 requires the entity to account for them separately. Moreover, an issuer shall apply this	insurance contracts as defined in SLFRS 4 *Insurance Contracts*. However, this SLFRS applies to derivatives that are embedded in insurance contracts if LKAS 39 requires the entity to account for them separately. Moreover, an issuer shall apply this SLFRS to *financial guarantee*

		SLFRS to *financial guarantee contracts* if the issuer applies SLFRS 9 in recognising and measuring the contracts, but shall apply SLFRS 4 if the issuer elects, in accordance with paragraph 4(d) of SLFRS 4, to apply SLFRS 4 in recognising and measuring them.	*contracts* if the issuer applies LKAS 39 in recognising and measuring the contracts, but shall apply SLFRS 4 if the issuer elects, in accordance with paragraph 4(d) of SLFRS 4, to apply SLFRS 4 in recognising and measuring them.
	Para 3 (e)	financial instruments, contracts and obligations under share-based payment transactions to which SLFRS 2 *Share-based Payment* applies, except that this SLFRS applies to contracts within the scope of SLFRS 9.	financial instruments, contracts and obligations under share-based payment transactions to which SLFRS 2 *Share-based Payment* applies, except that this SLFRS applies to contracts within the scope of paragraphs 5–7 of LKAS 39.
	Para 4	This SLFRS applies to recognised and unrecognised financial instruments. Recognised financial instruments include financial assets and financial liabilities that are within the scope of SLFRS 9.Unrecognised financial instruments include some financial instruments that, although outside the scope of SLFRS 9, are within the scope of this SLFRS (such as some loan commitments). 5	4 This SLFRS applies to recognised and unrecognised financial instruments. Recognised financial instruments include financial assets and financial liabilities that are within the scope of LKAS 39. Unrecognised financial instruments include some financial instruments that, although outside the scope of LKAS 39, are within the scope of this SLFRS (such as some loan commitments).
	Para 5	This SLFRS applies to contracts to buy or sell a non-financial item that are within the scope of SLFRS 9.	This SLFRS applies to contracts to buy or sell a non-financial item that are within the scope of LKAS 39 (see paragraphs 5–7 of LKAS 39).
	Para 8	The carrying amounts of each of the following categories, as specified in SLFRS 9,shall be disclosed either in the statement of financial position or in the notes:	The carrying amounts of each of the following categories, as defined in LKAS 39, shall be disclosed either in the statement of financial position or in the notes:
	Para 8 (a)	financial assets measured at fair value through profit or loss, showing separately (i) those designated as such upon initial recognition and (ii) those mandatorily measured at fair value in accordance with SLFRS 9.	financial assets at fair value through profit or loss, showing separately (i) those designated as such upon initial recognition and (ii) those classified asheld for trading in accordance with LKAS 39
	Para 8 (b)	Deleted	held-to-maturity investments
	Para 8 (c)	Deleted	loans and receivables
	Para 8 (d)	Deleted	available-for-sale financial assets
	Para 8 (e)	financial liabilities at fair value through profit or loss, showing separately (i) those designated as such upon	financial liabilities at fair value through profit or loss, showing separately (i) those designated as such upon initial

		initial recognition and (ii) those that meet the definition of held for trading in SLFRS 9.	recognition and (ii) those classified as held for trading in accordance with LKAS 39; and
	Para 8 (g)	financial liabilities measured at amortised cost.	No corresponding sub point
	Para 8 (h)	financial assets measured at fair value through other comprehensive income.	No corresponding sub point
	Para 9	If the entity has designated as measured at fair value a financial asset (or group of financial assets) that would otherwise be measured at amortised cost, it shall disclose:	If the entity has designated a loan or receivable (or group of loans or receivables) as at fair value through profit or loss , it shall disclose:
	Para 9 (a)	the maximum exposure to *credit risk* (see paragraph 36(a)) of the financial asset (or group of financial assets) at the end of the reporting period.	the maximum exposure to *credit risk* (see paragraph 36(a)) of the loan or receivable (or group of loans or receivables) at the end of the reporting period.
	Para 9 (c)	the amount of change, during the period and cumulatively, in the fair value of the financial asset (or group of financial assets) that is attributable to changes in the credit risk of the financial asset determined either:	the amount of change, during the period and cumulatively, in the fair value of the loan or receivable (or group of loans or receivables) that is attributable to changes in the credit risk of the financial asset determined either:
	Para 9 (d)	the amount of the change in the fair value of any related credit derivatives or similar instruments that has occurred during the period and cumulatively since the financial asset was designated.	the amount of the change in the fair value of any related credit derivatives or similar instruments that has occurred during the period and cumulatively since the loan or receivable was designated.
	Para 10	If the entity has designated a financial liability as at fair value through profit or loss in accordance with paragraph 4.2.2 of SLFRS 9 and is required to present the effects of changes in that liability's credit risk in other comprehensive income(see paragraph 5.7.7 of SLFRS 9),it shall disclose: (a) the amount of change, cumulatively, in the fair value of the financial liability that is attributable to changes in the credit risk of that liability (see paragraphs B5.7.13–B5.7.20 of SLFRS 9 for guidance on determining the effects of changes in a liability's credit risk). (b) the difference between the financial liability's	If the entity has designated a financial liability as at fair value through profit or loss in accordance with paragraph 9 of LKAS 39, it shall disclose: (a) the amount of change, during the period and cumulatively, in the fair value of the financial liability that is attributable to changes in the credit risk of that liability determined either: (i) as the amount of change in its fair value that is not attributable to changes in market conditions that give rise to market risk (see Appendix B, paragraph B4); or (ii) using an alternative method the entity believes more faithfully represents the amount of change in

		carrying amount and the amount the entity would be contractually required to pay at maturity to the holder of the obligation. (c) any transfers of the cumulative gain or loss within equity during the period including the reason for such transfers. (d) if a liability is derecognised during the period, the amount (if any) presented in other comprehensive income that was realized at derecognition.	its fair value that is attributable to changes in the credit risk of the liability. Changes in market conditions that give rise to market risk include changes in a benchmark interest rate, the price of another entity's financial instrument, a commodity price, a foreign exchange rate or an index of prices or rates. For contracts that include a unit-linking feature, changes in market conditions include changes in the performance of the related internal or external investment fund. (b) the difference between the financial liability's carrying amount and the amount the entity would be contractually required to pay at maturity to the holder of the obligation. No corresponding sub-par as for (c) & (d)
	Para 10A	If an entity has designated a financial liability as at fair value through profit or loss in accordance with paragraph 4.2.2 of SLFRS 9 and is required to present all changes in the fair value of that liability (including the effects of changes in the credit risk of the liability) in profit or loss (see paragraphs 5.7.7 and 5.7.8 of SLFRS 9), it shall disclose: (a) the amount of change, during the period and cumulatively, in the fair value of the financial liability that is attributable to changes in the credit risk of that liability (see paragraphs B5.7.13–B5.7.20 of SLFRS 9 for guidance on determining the effects of changes in a liability's credit risk); and (b) the difference between the financial liability's carrying amount and the amount the entity would be contractually required to pay at maturity to the holder of the obligation.	No corresponding para
	Para 11	The entity shall also disclose:	The entity shall disclose:
	Para 11 (a)	a detailed description of the methods used to comply	the methods used to comply with the requirements in

		with the requirements in paragraphs 9(c), 10(a) and 10A(a) and paragraph 5.7.7(a) of SLFRS 9, including an explanation of why the method is appropriate.	paragraphs 9(c) and 10(a).
	Para 11 (b)	if the entity believes that the disclosure it has given, either in the statement of financial position or in the notes, to comply with the requirements in paragraph 9(c), 10(a) or 10A(a) or paragraph 5.7.7(a) of SLFRS 9 does not faithfully represent the change in the fair value of the financial asset or financial liability attributable to changes in its credit risk, the reasons for reaching this conclusion and the factors it believes are relevant.	if the entity believes that the disclosure it has given to comply with the requirements in paragraph 9(c) or 10(a) does not faithfully represent the change in the fair value of the financial asset or financial liability attributable to changes in its credit risk, the reasons for reaching this conclusion and the factors it believes are relevant
	Para 11 (c)	a detailed description of the methodology or methodologies used to determine whether presenting the effects of changes in a liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss (see paragraphs 5.7.7 and 5.7.8 of SLFRS 9). If an entity is required to present the effects of changes in a liability's credit risk in profit or loss (see paragraph 5.7.8 of SLFRS 9), the disclosure must include a detailed description of the economic relationship described in paragraph B5.7.6 of SLFRS 9. Financial assets measured at fair value through other comprehensive Income	No corresponding sub point
		Financial assets measured at fair value through other comprehensive income	**Reclassification**
	Para 11A	If an entity has designated investments in equity instruments to be measured at fair value through other comprehensive income, as permitted by paragraph 5.7.5 of SLFRS 9, it shall disclose: (a) which investments in equity instruments have been designated to be measured at fair value	No corresponding para

		through other comprehensive income. (b) the reasons for using this presentation alternative. (c) the fair value of each such investment at the end of the reporting period. (d) dividends recognised during the period, showing separately those related to investments derecognised during the reporting period and those related to investments held at the end of the reporting period. (e) any transfers of the cumulative gain or loss within equity during the period including the reason for such transfers.	
	Para 11B	If an entity derecognised investments in equity instruments measured at fair value through other comprehensive income during the reporting period, it shall disclose: (a) the reasons for disposing of the investments. (b) the fair value of the investments at the date of derecognition. (c) the cumulative gain or loss on disposal.	No corresponding para
		Reclassification	No such heading
	Para 12	Deleted	If the entity has reclassified a financial asset (in accordance with paragraphs 51–54 of LKAS 39) as one measured: (a)at cost or amortised cost, rather than at fair value; or (b)at fair value, rather than at cost or amortised cost, it shall disclose the amount reclassified into and out of each category and the reason for that reclassification.
	Para 12A	Deleted	If the entity has reclassified a financial asset out of the fair value through profit or loss category in accordance with paragraph 50B or 50D of LKAS 39 or out of the available-for-sale category in accordance with paragraph 50E of LKAS 39, it shall disclose:

			(a)the amount reclassified into and out of each category; (b)for each reporting period until derecognition, the carrying amounts and fair values of all financial assets that have been reclassified in the current and previous reporting periods; (c) if a financial asset was reclassified in accordance with paragraph 50B, the rare situation, and the facts and circumstances indicating that the situation was rare; (d)for the reporting period when the financial asset was reclassified, the fair value gain or loss on the financial asset recognised in profit or loss or other comprehensive income in that reporting period and in the previous reporting period; (e) for each reporting period following the reclassification (including the reporting period in which the financial asset was reclassified) until derecognition of the financial asset, the fair value gain or loss that would have been recognised in profit or loss or other comprehensive income if the financial asset had not been reclassified, and the gain, loss, income and expense recognised in profit or loss; and (f) the effective interest rate and estimated amounts of cash flows the entity expects to recover, as at the date of reclassification of the financial asset.

	Para 12B	An entity shall disclose if, in the current or previous reporting periods, it has reclassified any financial assets in accordance with paragraph 4.4.1 of SLFRS 9. For each such event, an entity shall disclose: (a) the date of reclassification. (b) a detailed explanation of the change in business model and a qualitative description of its effect on the entity's financial statements. (c) the amount reclassified into and out of each category.	No corresponding para
	Para 12C	For each reporting period following reclassification until derecognition, an entity shall disclose for assets reclassified so that they are measured at amortised cost in accordance with paragraph 4.4.1 of SLFRS 9: (a) the effective interest rate determined on the date of reclassification; and (b) the interest income or expense recognised.	No corresponding para
	Para 12D	If an entity has reclassified financial assets so that they are measured at amortised cost since its last annual reporting date, it shall disclose: (a) the fair value of the financial assets at the end of the reporting period; and (b) the fair value gain or loss that would have been recognised in profit or loss during the reporting period if the financial assets had not been reclassified.	No corresponding para
	Para 14 (a)	the carrying amount of financial assets it has pledged as collateral for liabilities or contingent liabilities, including amounts that have been reclassified in accordance with paragraph 3.3.23(a) of SLFRS 9; and	the carrying amount of financial assets it has pledged as collateral for liabilities or contingent liabilities, including amounts that have been reclassified in accordance with paragraph 37(a) of LKAS 39; and

	Para 20 (a) (i)	financial assets or financial liabilities measured at fair value through profit or loss, showing separately those on financial assets or financial liabilities designated as such upon initial recognition, and those on financial assets or financial liabilities that are mandatorily measured at fair value inaccordance with SLFRS 9 (eg financial liabilities that meet the definition of held for trading in SLFRS 9). For financial liabilities designated as at fair value through profit or loss, an entity shall show separately the amount of gain or loss recognised in other comprehensive income and the amount recognised in profit or loss.	financial assets or financial liabilities at fair value through profit or loss, showing separately those on financial assets or financial liabilities designated as such upon initial recognition, and those on financial assets or financial liabilities that are classified as held fortrading in accordance with LKAS 39;
	Para 20 (a) (ii)	Deleted	available-for-sale financial assets, showing separately the amount of gain or loss recognised in other comprehensive income during the period and the amount reclassified from equity to profit or loss for the period;
	Para 20 (a) (iii)	Deleted	held-to-maturity investments;
	Para 20 (a) (iv)	Deleted	loans and receivables; and
	Para 20 (a) (vi)	financial assets measured at amortised cost.	No corresponding para
	Para 20 (a) (vii)	financial assets measured at fair value through other comprehensive income.	No corresponding para
	Para 20 (b)	total interest income and total interest expense (calculated using the effective interest method) for financial assets that are measured at amortised cost or financial liabilities not at fair value through profit or loss.	total interest income and total interest expense (calculated using the effective interest method) for financial assets or financial liabilities that are not at fair value through profit or loss;
	Para 20 (c) (i)	financial assets measured at amortised cost or financial liabilities that are not at fair value through profit or loss; and	financial assets or financial liabilities that are not at fair value through profit or loss; and
	Para 20 (d)	interest income on impaired financial assets accrued in accordance with paragraph AG93 of LKAS39 *Financial Instruments: Recognition and Measurement*.	interest income on impaired financial assets accrued in accordance with paragraph AG93 of LKAS39; and

	Para 20A	An entity shall disclose an analysis of the gain or loss recognised in the statement of comprehensive income arising from the derecognition of financial assets measured at amortised cost, showing separately gains and losses arising from derecognition of those financial assets. This disclosure shall include the reasons for derecognising those financial assets.	No corresponding para
	Para 28	If the market for a financial instrument is not active, an entity establishes its fair value using a valuation technique (see paragraphs B5.4.6–B5.4.12 of SLFRS 9).Nevertheless, the best evidence of fair value at initial recognition is the transaction price (ie the fair value of the consideration given or received), unless the conditions described in paragraph B5.4.8 of SLFRS 9are met. It follows that there could be a difference between the fair value at initial recognition and the amount that would be determined at that date using the valuation technique. If such a difference exists, an entity shall disclose, by class of financial instrument:	If the market for a financial instrument is not active, an entity establishes its fair value using a valuation technique (see paragraphs AG74–AG79 of LKAS 39). Nevertheless, the best evidence of fair value at initial recognition is the transaction price (ie the fair value of the consideration given or received), unless conditions described in paragraph AG76 of LKAS 39 are met. It follows that there could be a difference between the fair value at initial recognition and the amount that would be determined at that date using the valuation technique. If such a difference exists, an entity shall disclose, by class of financial instrument:
	Para 28 (a)	its accounting policy for recognising that difference in profit or loss to reflect a change in factors (including time) that market participants would consider in setting a price (see paragraph B5.4.9 of SLFRS 9); and	its accounting policy for recognising that difference in profit or loss to reflect a change in factors (including time) that market participants would consider in setting a price (see paragraph AG76A of LKAS 39); and
	Para 29 (b)	deleted	for an investment in equity instruments that do not have a quoted market price in an active market, or derivatives linked to such equity instruments, that is measured at cost in accordance with LKAS 39 because its fair value cannot be measured reliably; or
	Para 30	In the cases described in paragraph 29(c), an entity shall disclose information to help users of the financial statements make their own judgements about the extent of possible differences between the carrying amount of those contracts and their fair value, including:	In the cases described in paragraph 29(b) and (c), an entity shall disclose information to help users of the financial statements make their own judgements about the extent of possible differences between the carrying amount of those financial assets or financial liabilities and their fair value, including:

	Para 42C (c)	an arrangement whereby an entity retains the contractual rights to receive the cash flows of a financial asset but assumes a contractual obligation to pay the cash flows to one or more entities and the conditions in paragraph 3.2.5(a)–(c) of SLFRS 9 are met.	an arrangement whereby an entity retains the contractual rights to receive the cash flows of a financial asset but assumes a contractual obligation to pay the cash flows to one or more entities and the conditions in paragraph 19(a)–(c) of LKAS 39 are met.
	Para 42D (f)	when the entity continues to recognize the assets to the extent of its continuing involvement (see paragraphs 3.2.6(c)(ii) and 3.2.16 of SLFRS 9), the total carrying amount of the original assets before the transfer, the carrying amount of the assets that the entity continues to recognise, and the carrying amount of the associated liabilities.	when the entity continues to recognise the assets to the extent of its continuing involvement (see paragraphs 20(c)(ii) and 30 of LKAS 39), the total carrying amount of the original assets before the transfer, the carrying amount of the assets that the entity continues to recognise, and the carrying amount of the associated liabilities.
	Para 42E	To meet the objectives set out in paragraph 42B(b), when an entity derecognizes transferred financial assets in their entirety (see paragraph 3.2.6(a) and (c)(i) of SLFRS 9) but has continuing involvement in them, the entity shall disclose, as a minimum, for each type of continuing involvement at each reporting date:	To meet the objectives set out in paragraph 42B(b), when an entity derecognizes transferred financial assets in their entirety (see paragraph 20(a) and (c)(i) of LKAS 39)but has continuing involvement in them, the entity shall disclose, as a minimum, for each type of continuing involvement at each reporting date:
SLFRS 8	No changes		
SLFRS 9			
LKAS 1	Para 7(d)	gains and losses from investments in equity instruments measured at fair value through other comprehensive income in accordance with paragraph 5.7.5 of SLFRS 9 *Financial Instruments*;	gains and losses on remeasuring available-for-sale financial assets (see LKAS 39 *Financial Instruments: Recognition and Measurement*);
	Para 7 (f)	for particular liabilities designated as at fair value through profit or loss, the amount of the change in fair value that is attributable to changes in the liability's credit risk (see paragraph 5.7.7 of SLFRS 9).	Deleted

	Para 68	The operating cycle of an entity is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. When the entity's normal operating cycle is not clearly identifiable, it is assumed to be twelve months. Current assets include assets (such as inventories and trade receivables) that are sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within twelve months after the reporting period. Current assets also include assets held primarily for the purpose of trading (examples include some financial assets that meet the definition of held for trading in SLFRS 9) and the current portion of non-current financial assets.	The operating cycle of an entity is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. When the entity's normal operating cycle is not clearly identifiable, it is assumed to be twelve months. Current assets include assets (such as inventories and trade receivables) that are sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within twelve months after the reporting period. Current assets also include assets held primarily for the purpose of trading (examples include some financial assets classified as held for trading in accordance with LKAS 39) and the current portion of non-current financial assets.
	Para 71	Other current liabilities are not settled as part of the normal operating cycle, but are due for settlement within twelve months after the reporting period or held primarily for the purpose of trading. Examples are some financial liabilities that meet the definition of held for trading in SLFRS 9, bank overdrafts, and the current portion of non-current financial liabilities, dividends payable, income taxes and other non-trade payables. Financial liabilities that provide financing on a long-term basis (ie are not part of the working capital used in the entity's normal operating cycle) and are not due for settlement within twelve months after the reporting period are non-current liabilities, subject to paragraphs 74 and 75.	Other current liabilities are not settled as part of the normal operating cycle, but are due for settlement within twelve months after the reporting period or held primarily for the purpose of trading. Examples are some financial liabilities classified as held for trading in accordance with LKAS 39, bank overdrafts, and the current portion of non-current financial liabilities, dividends payable, income taxes and other non-trade payables. Financial liabilities that provide financing on a long-term basis (ie are not part of the working capital used in the entity's normal operating cycle) and are not due for settlement within twelve months after the reporting period are non-current liabilities, subject to paragraphs 74 and 75.
	Para 82 (aa)	**(aa) gains and losses arising from the derecognition of financial assets measured at amortised cost;**	Deleted
	Para 82 (**ca**)	**ca) if a financial asset is reclassified so that it is measured at fair value, any gain or loss arising from a difference between the previous carrying amount and its fair value at the reclassification date (as defined in SLFRS 9);**	Deleted

	Para 93	Other SLFRSs specify whether and when amounts previously recognised in other comprehensive income are reclassified to profit or loss. Such reclassifications are referred to in this Standard as reclassification adjustments. A reclassification adjustment is included with the related component of other comprehensive income in the period that the adjustment is reclassified to profit or loss.	Other SLFRSs specify whether and when amounts previously recognised in other comprehensive income are reclassified to profit or loss. Such reclassifications are referred to in this Standard as reclassification adjustments. A reclassification adjustment is included with the related component of other comprehensive income in the period that the adjustment is reclassified to profit or loss. For example, gains realised on the disposal of available-for-sale financial assets are included in profit or loss of the current period.
	Para 95	Reclassification adjustments arise, for example, on disposal of a foreign operation (see LKAS 21) and when a hedged forecast cash flow affects profit or loss (see paragraph 100 of LKAS39).	Reclassification adjustments arise, for example, on disposal of a foreign operation (see LKAS 21),on derecognition of available-for-sale financial assets (see LKAS 39) and when a hedged forecast transaction affects profit or loss (see paragraph 100 of LKAS39 in relation to cash flow hedges).
	Para 123 (a)	Deleted	whether financial assets are held-to-maturity investments;
LKAS 02	Para 2 (b)	**financial instruments (see LKAS 32 *Financial Instruments: Presentation* and SLFRS 9 *Financial Instruments*); and**	financial instruments (see LKAS 32 Financial Instruments: Presentation and LKAS 39 Financial Instruments: Recognition and Measurement); and
	Para 40 A	[Deleted]	No corresponding para
LKAS 7	No Changes		
LKAS 8	Para 5	**The following terms are used in this Standard with the meanings specified:** ***Sri Lanka Accounting Standards (SLFRSs)* are Standards and Interpretations adopted by the Council. They comprise:** **(a) Sri Lanka Accounting Standards (SLFRSs);** **(b) Sri Lanka Accounting Standards (LKASs); and** **(c) Interpretations adopted by the Institute of**	**The following terms are used in this Standard with the meanings specified:** **Sri Lanka Accounting Standards (SLFRSs) are Standards and Interpretations adopted by the Council of the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka). They comprise:** **(a) Sri Lanka Accounting Standards (SLFRSs);** **(b) Sri Lanka Accounting Standards (LKASs);**

		Chartered Accountants of Sri Lanka (IFRIC and SIC).	**(c) Statement of Recommended Practices (SoRPs);** **(d) Statement of Alternative Treatments (SoATs);** **(e) Interpretations adopted by the Council of the Institute of Chartered Accountants of Sri Lanka (IFRIC & SIC);** **(f) Financial Reporting guidelines issued by the Institute of Chartered Accountants of Sri Lanka.**
	Para 53	Hindsight should not be used when applying a new accounting policy to, or correcting amounts for, a prior period, either in making assumptions about what management's intentions would have been in a prior period or estimating the amounts recognised, measured or disclosed in a prior period. For example, when an entity corrects a prior period error in calculating its liability for employees' accumulated sick leave in accordance with LKAS19 *Employee Benefits*, it disregards information about an unusually severe influenza season during the next period that became available after the financial statements for the prior period were authorised for issue. The fact that significant estimates are frequently required when amending comparative information presented for prior periods does not prevent reliable adjustment or correction of the comparative information.	Hindsight should not be used when applying a new accounting policy to, or correcting amounts for, a prior period, either in making assumptions about what management's intentions would have been in a prior period or estimating the amounts recognised, measured or disclosed in a prior period. For example, when an entity corrects a prior period error in measuring financial assets previously classified as held to- maturity investments in accordance with LKAS 39 *FinancialInstruments: Recognition and Measurement*, it does not change their basis of measurement for that period if management decided later not to hold them to maturity. In addition, when an entity corrects a prior period error in calculating its liability for employees' accumulated sick leave in accordance with LKAS19 *Employee Benefits*, it disregards information about an unusually severe influenza season during the next period that became available after the financial statements for the prior period were authorised for issue. The fact that significant estimates are frequently required when amending comparative information presented for prior periods does not prevent reliable adjustment or correction of the comparative information.
LKAS 10	No changes		
LKAS 11	No changes		
LKAS 12	Para 20	SLFRSs permit or require certain assets to be carried at fair value or to be revalued (see, for example, LKAS 16 *Property, Plant and Equipment*, LKAS 38 *Intangible Assets*, LKAS 40 *Investment Property* and SLFRS 9 *Financial Instruments*). In some	SLFRSs permit or require certain assets to be carried at fair value or to be revalued (see, for example, LKAS 16 *Property, Plant and Equipment*, LKAS 38 *Intangible Assets*, LKAS 39 *Financial Instruments: Recognition and Measurement* and LKAS 40 *Investment Property*). In some

		jurisdictions, the revaluation or other restatement of an asset to fair value affects taxable profit (tax loss) for the current period. As a result, the tax base of the asset is adjusted and no temporary difference arises. In other jurisdictions, the revaluation or restatement of an asset does not affect taxable profit in the period of the revaluation or restatement and, consequently, the tax base of the asset is not adjusted. Nevertheless, the future recovery of the carrying amount will result in a taxable flow of economic benefits to the entity and the amount that will be deductible for tax purposes will differ from the amount of those economic benefits. The difference between the carrying amount of a revalued asset and its tax base is a temporary difference and gives rise to a deferred tax liability or asset. This is true even if:	jurisdictions, the revaluation or other restatement of an asset to fair value affects taxable profit (tax loss) for the current period. As a result, the tax base of the asset is adjusted and no temporary difference arises. In other jurisdictions, the revaluation or restatement of an asset does not affect taxable profit in the period of the revaluation or restatement and, consequently, the tax base of the asset is not adjusted. Nevertheless, the future recovery of the carrying amount will result in a taxable flow of economic benefits to the entity and the amount that will be deductible for tax purposes will differ from the amount of those economic benefits. The difference between the carrying amount of a revalued asset and its tax base is a temporary difference and gives rise to a deferred tax liability or asset. This is true even if:
	Para 52	[moved and renumbered 51A]	No corresponding para
LKAS 16	No Changes		
LKAS 17	No Changes		
LKAS 18	Para 6 (d)	changes in the fair value of financial assets and financial liabilities or their disposal (see SLFRS 9 Financial Instruments);	This Standard does not deal with revenue arising from: changes in the fair value of financial assets and financial liabilities or their disposal (see LKAS 39 Financial Instruments: Recognition and Measurement);
	Para 11	The difference between the fair value and the nominal amount of the consideration is recognised as interest revenue in accordance with paragraphs 29 and 30 and in accordance with SLFRS 9.	The difference between the fair value and the nominal amount of the consideration is recognised as interest revenue in accordance with paragraphs 29 and 30 and in accordance with LKAS 39.
LKAS 19	Full Standard has been changed		

LKAS 20	Para 10A	The benefit of a government loan at a below-market rate of interest is treated as a government grant. The loan shall be recognised and measured in accordance With SLFRS 9 *Financial Instruments*. The benefit of the below-market rate of interest shall be measured as the difference between the initial carrying value of the loan determined in accordance with SLFRS 9 and the proceeds received. The benefit is accounted for in accordance with this Standard. The entity shall consider the conditions and obligations that have been, or must be, met when identifying the costs for which the benefit of the loan is intended to compensate.	The benefit of a government loan at a below-market rate of interest is treated as a government grant. The loan shall be recognised and measured in accordance with LKAS 39 Financial Instruments: Recognition and Measurement. The benefit of the below-market rate of interest shall be measured as the difference between the initial carrying value of the loan determined in accordance with LKAS 39 and the proceeds received. The benefit is accounted for in accordance with this Standard. The entity shall consider the conditions and obligations that have been, or must be, met when identifying the costs for which the benefit of the loan is intended to compensate.
LKAS 21	Para 3 (a)	**in accounting for transactions and balances in foreign currencies, except for those derivative transactions and balances that are within the scope of SLFRS 9 *Financial Instruments*;**	in accounting for transactions and balances in foreign currencies, except for those derivative transactions and balances that are within the scope of LKAS 39 Financial Instruments: Recognition and Measurement;
	Para 4	SLFRS 9 applies to many foreign currency derivatives and, accordingly, these are excluded from the scope of this Standard. However, those foreign currency derivatives that are not within the scope of SLFRS 9 (eg some foreign currency derivatives that are embedded in other contracts) are within the scope of this Standard. In addition, this Standard applies when an entity translates amounts relating to derivatives from its functional currency to its presentation currency.	LKAS 39 applies to many foreign currency derivatives and, accordingly, these are excluded from the scope of this Standard. However, those foreign currency derivatives that are not within the scope of LKAS 39 (eg some foreign currency derivatives that are embedded in other contracts) are within the scope of this Standard. In addition, this Standard applies when an entity translates amounts relating to derivatives from its functional currency to its presentation currency.
	Para 52 (a)	**the amount of exchange differences recognised in profit or loss except for those arising on financial instruments measured at fair value through profit or loss in accordance with SLFRS 9; and**	the amount of exchange differences recognised in profit or loss except for those arising on financial instruments measured at fair value through profit or loss in accordance with LKAS 39; and
LKAS 23	No changes		
LKAS 24	No changes		
LKAS 26	No changes		

LKAS 27	Para 35	If a parent loses control of a subsidiary, the parent shall account for all amounts recognised in other comprehensive income in relation to that subsidiary on the same basis as would be required if the parent had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income would be reclassified to profit or loss on the disposal of the related assets or liabilities, the parent reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when it loses control of the subsidiary. For example, if a subsidiary has cumulative exchange differences relating to a foreign operation and the parent loses control of the subsidiary, the parent shall reclassify to profit or loss the gain or loss previously recognised in other comprehensive income in relation to the foreign operation. Similarly, if a revaluation surplus previously recognised in other comprehensive income would be transferred directly to retained earnings on the disposal of the asset, the parent transfers the revaluation surplus directly to retained earnings when it loses control of the subsidiary.	If a parent loses control of a subsidiary, the parent shall account for all amounts recognised in other comprehensive income in relation to that subsidiary on the same basis as would be required if the parent had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income would be reclassified to profit or loss on the disposal of the related assets or liabilities, the parent reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when it loses control of the subsidiary. For example, if a subsidiary has available-for-sale financial assets and the parent loses control of the subsidiary, the parent shall reclassify to profit or loss the gain or loss previously recognised in other comprehensive income in relation to those assets. Similarly, if a revaluation surplus previously recognized in other comprehensive income would be transferred directly to retained earnings on the disposal of the asset, the parent transfers the revaluation surplus directly to retained earnings when it loses control of the subsidiary.
	Para 37	The fair value of any investment retained in the former subsidiary at the date when control is lost shall be regarded as the fair value on initial recognition of a financial asset in accordance with SLFRS 9 *Financial Instruments* or, when appropriate, the cost on initial recognition of an investment in an associate or jointly controlled entity.	The fair value of any investment retained in the former subsidiary at the date when control is lost shall be regarded as the fair value on initial recognition of a financial asset in accordance with LKAS 39 Financial Instruments: Recognition and Measurement or, when appropriate, the cost on initial recognition of an investment in an associate or jointly controlled entity.
	Para 38 (b)	**in accordance with SLFRS 9.**	in accordance with LKAS 39.

	Para 38	**The entity shall apply the same accounting for each category of investments. Investments accounted for at cost shall be accounted for in accordance with SLFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* when they are classified as held for sale (or included in a disposal group that is classified as held for sale). The accounting for investments in accordance with SLFRS 9 is not changed in such circumstances.**	The entity shall apply the same accounting for each category of investments. Investments accounted for at cost shall be accounted for in accordance with SLFRS 5 Non-current Assets Held for Sale and Discontinued Operations when they are classified as held for sale (or included in a disposal group that is classified as held for sale)in accordance with SLFRS 5. The measurement of investments accounted for in accordance with LKAS 39 is not changed in such circumstances.
	Para 40	**Investments in jointly controlled entities and associates that are accounted for in accordance with SLFRS 9 in the consolidated financial statements shall be accounted for in the same way in the investor's separate financial statements.**	Investments in jointly controlled entities and associates that are accounted for in accordance with LKAS 39 in the consolidated financial statements shall be accounted for in the same way in the investor's separate financial statements.
LKAS 28	Para 1	**That are measured at fair value through profit or loss in accordance with SLFRS 9 *Financial Instruments*. An entity shall measure such investments at fair value through profit or loss in accordance with SLFRS 9.An entity holding such an investment shall make the disclosures required by paragraph 37(f).**	That upon initial recognition are designated as at fair value through profit or loss or are classified as held for trading and accounted for in accordance with LKAS 39 Financial Instruments: Recognition and Measurement. Such investments shall be measured at fair value in accordance with LKAS 39, with changes in fair value recognised in profit or loss in the period of the change. An entity holding such an investment shall make the disclosures required by paragraph 37(f).
	Para 18	**An investor shall discontinue the use of the equity method from the date when it ceases to have significant influence over an associate and shall account for the investment in accordance with SLFRS 9 from that date, provided the associate does not become a subsidiary or a joint venture as defined in LKAS 31. On the loss of significant influence, the investor shall measure at fair value any investment the investor retains in the former associate. The investor shall recognise in profit or loss any difference between:**	An investor shall discontinue the use of the equity method from the date when it ceases to have significant influence over an associate and shall account for the investment in accordance with LKAS 39 from that date, provided the associate does not become a subsidiary or a joint venture as defined in LKAS 31. On the loss of significant influence, the investor shall measure at fair value any investment the investor retains in the former associate. The investor shall recognise in profit or loss any difference between:

	Para 19	**When an investment ceases to be an associate and is accounted for in accordance with SLFRS 9, the fair value of the investment at the date when it ceases to be an associate shall be regarded as its fair value on initial recognition as a financial asset in accordance with SLFRS 9.**	When an investment ceases to be an associate and is accounted for in accordance with LKAS 39, the fair value of the investment at the date when it ceases to be an associate shall be regarded as its fair value on initial recognition as a financial asset in accordance with LKAS 39.
	Para 19A	If an investor loses significant influence over an associate, the investor shall account for all amounts recognised in other comprehensive income in relation to that associate on the same basis as would be required if the associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by an associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the investor reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when it loses significant influence over the associate. For example, if an associate has cumulative exchange differences relating to a foreign operation and the investor loses significant influence over the associate, the investor shall reclassify to profit or loss the gain or loss previously recognised in other comprehensive income in relation to the foreign operation. If an investor's ownership interest in an associate is reduced, but the investment continues to be an associate, the investor shall reclassify to profit or loss only a proportionate amount of the gain or loss previously recognised in other comprehensive income.	If an investor loses significant influence over an associate, the investor shall account for all amounts recognised in other comprehensive income in relation to that associate on the same basis as would be required if the associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by an associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the investor reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when it loses significant influence over the associate. For example, if an associate has available-for-sale financial assets and the investor loses significant influence over the associate, the investor shall reclassify to profit or loss the gain or loss previously recognised in other comprehensive income in relation to those assets. If an investor's ownership interest in an associate is reduced, but the investment continues to be an associate, the investor shall reclassify to profit or loss only a proportionate amount of the gain or loss previously recognised in other comprehensive income.
LKAS 29	No changes		
LKAS 31	Para 1	**This Standard shall be applied in accounting for interests in joint ventures and the reporting of joint venture assets, liabilities, income and expenses in the financial statements of venturers and investors, regardless of the structures or**	**This Standard shall be applied in accounting for interests in joint ventures and the reporting of joint venture assets, liabilities, income and expenses in the financial statements of venturers and investors, regardless of the structures or**

		forms under which the joint venture activities take place. However, it does not apply to venturers' interests in jointly controlled entities held by: **(a) venture capital organisations, or** **(b) mutual funds, unit trusts and similar entities including investment-linked insurance funds** **That are measured at fair value through profit or loss in accordance with SLFRS 9 *Financial Instruments.* An entity shall measure such investments at fair value through profit or loss in accordance with SLFRS 9. A venturer holding such an interest shall make the disclosures required by paragraphs 55 and 56.**	**forms under which the joint venture activities take place. However, it does not apply to venturers' interests in jointly controlled entities held by:** **(a) venture capital organisations, or** **(b) mutual funds, unit trusts and similar entities including investment-linked insurance funds** **That upon initial recognition are designated as at fair value through profit or loss or are classified as held for trading and accounted for in accordance with LKAS 39 *Financial Instruments: Recognition and Measurement*. Such investments shall be measured at fair value in accordance with LKAS 39, with changes in fair value recognised in profit or loss in the period of the change. A venturer holding suchan interest shall make the disclosures required by paragraphs 55 and 56.**
	Para 45	**When an investor ceases to have joint control over an entity, it shall account for any remaining investment in accordance with SLFRS 9 from that date, provided that the former jointly controlled entity does not become a subsidiary or associate. From the date when a jointly controlled entity becomes a subsidiary of an investor, the investor shall account for its interest in accordance with LKAS 27 and SLFRS 3 *Business Combinations* (as revised in 2008). From the date when a jointly controlled entity becomes an associate of an investor, the investor shall account for its interest in accordance with LKAS 28. On the loss of joint control, the investor shall measure at fair value any investment the investor retains in the former jointly controlled entity. The investor shall recognise in profit or loss any difference between:**	When an investor ceases to have joint control over an entity, it shall account for any remaining investment in accordance with LKAS 39 from that date, provided that the former jointly controlled entity does not become a subsidiary or associate. From the date when a jointly controlled entity becomes a subsidiary of an investor, the investor shall account for its interest in accordance with LKAS 27 and SLFRS 3 Business Combinations (as revised in 2008). From the date when a jointly controlled entity becomes an associate of an investor, the investor shall account for its interest in accordance with LKAS 28. On the loss of joint control, the investor shall measure at fair value any investment the investor retains in the former jointly controlled entity. The investor shall recognise in profit or loss any difference between:

	Para 45A	**When an investment ceases to be a jointly controlled entity and is accounted for in accordance with SLFRS 9, the fair value of the investment when it ceases to be a jointly controlled entity shall be regarded as its fair value on initial recognition as a financial asset in accordance with SLFRS 9.**	When an investment ceases to be a jointly controlled entity and is accounted for in accordance with LKAS 39, the fair value of the investment when it ceases to be a jointly controlled entity shall be regarded as its fair value on initial recognition as a financial asset in accordance with LKAS 39.
	Para 45B	If an investor loses joint control of an entity, the investor shall account for all amounts recognised in other comprehensive income in relation to that entity on the same basis as would be required if the jointly controlled entity had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income would be reclassified to profit or loss on the disposal of the related assets or liabilities, the investor reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the investor loses joint control of the entity. For example, if a jointly controlled entity has cumulative exchange differences relating to a foreign operation and the investor loses joint control of the entity, the investor shall reclassify to profit or loss the gain or loss previously recognised in other comprehensive income in relation to the foreign operation. If an investor's ownership interest in a jointly controlled entity is reduced, but the investment continues to be a jointly controlled entity, the investor shall reclassify to profit or loss only a proportionate amount of the gain or loss previously recognised in other comprehensive income.	If an investor loses joint control of an entity, the investor shall account for all amounts recognised in other comprehensive income in relation to that entity on the same basis as would be required if the jointly controlled entity had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income would be reclassified to profit or loss on the disposal of the related assets or liabilities, the investor reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the investor loses joint control of the entity. For example, if a jointly controlled entity has available-for-sale financial assets and the investor loses joint control of the entity, the investor shall reclassify to profit or loss the gain or loss previously recognised in other comprehensive income in relation to those assets. If an investor's ownership interest in a jointly controlled entity is reduced, but the investment continues to be a jointly controlled entity, the investor shall reclassify to profit or loss only a proportionate amount of the gain or loss previously recognised in other comprehensive income.
	Para 51	**An investor in a joint venture that does not have joint control shall account for that investment in accordance with SLFRS 9 or, if it has significant influence in the joint venture, in accordance with LKAS 28.**	An investor in a joint venture that does not have joint control shall account for that investment in accordance with LKAS 39 or, if it has significant influence in the joint venture, in accordance with LKAS 28.

LKAS 32	Para 3	The principles in this Standard complement the principles for recognising and measuring financial assets and financial liabilities in SLFRS 9 *Financial Instruments,* and for disclosing information about them in SLFRS 7 *Financial Instruments: Disclosures*.	The principles in this Standard complement the principles for recognising and measuring financial assets and financial liabilities in LKAS 39 *Financial Instruments: Recognition and Measurement,* and for disclosing information about them in SLFRS 7 *Financial Instruments: Disclosures*.
	Para 4 (a)	those interests in subsidiaries, associates or joint ventures that are accounted for in accordance with LKAS 27 *Consolidated and Separate Financial Statements*, LKAS 28 *Investments in Associates* or LKAS 31 *Interests in Joint Ventures*. However, in some cases, LKAS 27, LKAS 28 or LKAS 31 permits an entity to account for an interest in a subsidiary, associate or joint venture using SLFRS 9; in those cases, entities shall apply the requirements of this Standard. Entities shall also apply this Standard to all derivatives linked to interests in subsidiaries, associates or joint ventures.	those interests in subsidiaries, associates or joint ventures that are accounted for in accordance with LKAS 27 *Consolidated and Separate Financial Statements*, LKAS 28 *Investments in Associates* or LKAS 31 *Interests in Joint Ventures*. However, in some cases, LKAS 27, LKAS 28 or LKAS 31 permits an entity to account for an interest in a subsidiary, associate or joint venture using LKAS 39; in those cases, entities shall apply the requirements of this Standard. Entities shall also apply this Standard to all derivatives linked to interests in subsidiaries, associates or joint ventures.
	Para 4 (d)	insurance contracts as defined in SLFRS 4 *Insurance Contracts*. However, this Standard applies to derivatives that are embedded in insurance contracts if SLFRS 9 requires the entity to account for them separately. Moreover, an issuer shall apply this Standard to financial guarantee contracts if the issuer applies SLFRS 9 in recognising and measuring the contracts, but shall apply SLFRS 4 if the issuer elects, in accordance with paragraph 4(d) of SLFRS 4, to apply SLFRS 4 in recognising and measuring them.	insurance contracts as defined in SLFRS 4 *Insurance Contracts*. However, this Standard applies to derivatives that are embedded in insurance contracts if LKAS 39 requires the entity to account for them separately. Moreover, an issuer shall apply this Standard to financial guarantee contracts if the issuer applies LKAS 39 in recognising and measuring the contracts, but shall apply SLFRS 4 if the issuer elects, in accordance with paragraph 4(d) of SLFRS 4, to apply SLFRS 4 in recognising and measuring them.

	Para 4 (e)	financial instruments that are within the scope of SLFRS 4 because they contain a discretionary participation feature. The issuer of these instruments is exempt from applying to these features paragraphs 15–32 and AG25–AG35 of this Standard regarding the distinction between financial liabilities and equity instruments. However, these instruments are subject to all other requirements of this Standard. Furthermore, this Standard applies to derivatives that are embedded in these instruments (see SLFRS 9).	financial instruments that are within the scope of SLFRS 4 because they contain a discretionary participation feature. The issuer of these instruments is exempt from applying to these features paragraphs 15–32 and AG25–AG35 of this Standard regarding the distinction between financial liabilities and equity instruments. However, these instruments are subject to all other requirements of this Standard. Furthermore, this Standard applies to derivatives that are embedded in these instruments (see LKAS 39).
	Para 12	The following terms are defined in Appendix A of SLFRS 9 or paragraph 9 of LKAS 39 *Financial Instruments: Recognition and Measurement* and are used in this Standard with the meaning specified in LKAS 39 and SLFRS 9. • amortised cost of a financial asset or financial liability • derecognition • derivative • effective interest method • financial guarantee contract • financial liability at fair value through profit or loss • firm commitment • forecast transaction • hedge effectiveness • hedged item • hedging instrument • held for trading • regular way purchase or sale • transaction costs.	The following terms are defined in paragraph 9 of LKAS 39 and are used in this Standard with the meaning specified in LKAS39. • amortised cost of a financial asset or financial liability • available-for-sale financial assets • derecognition • derivative • effective interest method • financial asset or financial liability at fair value through profit or loss • financial guarantee contract • firm commitment • forecast transaction • hedge effectiveness • hedged item • hedging instrument • held-to-maturity investments • loans and receivables • regular way purchase or sale • transaction costs

	Para 23	With the exception of the circumstances described in paragraphs 16A and 16B or paragraphs 16C and 16D, a contract that contains an obligation for an entity to purchase its own equity instruments for cash or another financial asset gives rise to a financial liability for the present value of the redemption amount (for example, for the present value of the forward repurchase price, option exercise price or other redemption amount). This is the case even if the contract itself is an equity instrument. One example is an entity's obligation under a forward contract to purchase its own equity instruments for cash. When the financial liability is recognised initially under SLFRS 9, its fair value (the present value of the redemption amount) is reclassified from equity. Subsequently, the financial liability is measured in accordance with SLFRS 9. If the contract expires without delivery, the carrying amount of the financial liability is reclassified to equity. An entity's contractual obligation to purchase its own equity instruments gives rise to a financial liability for the present value of the redemption amount even if the obligation to purchase is conditional on the counterparty exercising a right to redeem (eg a written put option that gives the counterparty the right to sell an entity's own equity instruments to the entity for a fixed price).	With the exception of the circumstances described in paragraphs 16A and 16B or paragraphs 16C and 16D, a contract that contains an obligation for an entity to purchase its own equity instruments for cash or another financial asset gives rise to a financial liability for the present value of the redemption amount (for example, for the present value of the forward repurchase price, option exercise price or other redemption amount). This is the case even if the contract itself is an equity instrument. One example is an entity's obligation under a forward contract to purchase its own equity instruments for cash. When the financial liability is recognised initially under LKAS 39, its fair value (the present value of the redemption amount) is reclassified from equity. Subsequently, the financial liability is measured in accordance with LKAS 39. If the contract expires without delivery, the carrying amount of the financial liability is reclassified to equity. An entity's contractual obligation to purchase its own equity instruments gives rise to a financial liability for the present value of the redemption amount even if the obligation to purchase is conditional on the counterparty exercising a right to redeem (eg a written put option that gives the counterparty the right to sell an entity's own equity instruments to the entity for a fixed price).

	Para 31	SLFRS 9 deals with the measurement of financial assets and financial liabilities. Equity instruments are instruments that evidence a residual interest in the assets of an entity after deducting all of its liabilities. Therefore, when the initial carrying amount of a compound financial instrument is allocated to its equity and liability components, the equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component. The value of any derivative features (such as a call option) embedded in the compound financial instrument other than the equity component (such as an equity conversion option) is included in the liability component. The sum of the carrying amounts assigned to the liability and equity components on initial recognition is always equal to the fair value that would be ascribed to the instrument as a whole. No gain or loss arises from initially recognising the components of the instrument separately.	LKAS 39 deals with the measurement of financial assets and financial liabilities. Equity instruments are instruments that evidence a residual interest in the assets of an entity after deducting all of its liabilities. Therefore, when the initial carrying amount of a compound financial instrument is allocated to its equity and liability components, the equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component. The value of any derivative features (such as a call option) embedded in the compound financial instrument other than the equity component (such as an equity conversion option) is included in the liability component. The sum of the carrying amounts assigned to the liability and equity components on initial recognition is always equal to the fair value that would be ascribed to the instrument as a whole. No gain or loss arises from initially recognising the components of the instrument separately.
	Para 42	In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity shall not offset the transferred asset and the associated liability (see SLFRS 9, paragraph 3.2.22).	In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity shall not offset the transferred asset and the associated liability (see LKAS 39, paragraph 36).
LKAS 33	No changes		
LKAS 34	No changes		
LKAS 36	Para 2 (e)	financial assets that are within the scope of SLFRS 9 *Financial Instruments*;	financial assets that are within the scope of LKAS 39 *Financial Instruments: Recognition and Measurement*;

	Para 5	This Standard does not apply to financial assets within the scope of SLFRS 9, investment property measured at fair value in accordance with LKAS 40, or biological assets related to agricultural activity measured at fair value less costs to sell in accordance with LKAS 41. However, this Standard applies to assets that are carried at revalued amount (ie fair value) in accordance with other SLFRSs, such as the revaluation model in LKAS 16 *Property, Plant and Equipment*. Identifying whether a revalued asset may be impaired depends on the basis used to determine fair value:	This Standard does not apply to financial assets within the scope of LKAS 39, investment property measured at fair value in accordance with LKAS 40, or biological assets related to agricultural activity measured at fair value less costs to sell in accordance with LKAS 41. However, this Standard applies to assets that are carried at revalued amount (ie fair value) in accordance with other SLFRSs, such as the revaluation model in LKAS 16 *Property, Plant and Equipment*. Identifying whether a revalued asset may be impaired depends on the basis used to determine fair value:
LKAS 37	Para 2	This Standard does not apply to financial instruments (including guarantees) that are within the scope of SLFRS 9 *Financial Instruments*.	This Standard does not apply to financial instruments (including guarantees) that are within the scope of LKAS 39 *Financial Instruments: Recognition and Measurement*.
LKAS 38	No changes		
LKAS 39	Heading	[Deleted]	Objective
	Para 1	No corresponding para	The objective of this Standard is to establish principles for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. Requirements for presenting information about financial instruments are in LKAS 32 *Financial Instruments: Presentation*. Requirements for disclosing information about financial instruments are in SLFRS 7 *Financial Instruments: Disclosures*.

	Para 2 (a)	those interests in subsidiaries, associates and joint ventures that are accounted for under LKAS 27 *Consolidated and Separate Financial Statements*, LKAS 28 *Investments in Associates* or LKAS 31 *Interests in Joint Ventures.* However, entities shall apply this Standard to an interest in a subsidiary, associate or joint venture that according to LKAS 27, LKAS 28 or LKAS 31 is accounted for under this Standard. Entities shall also apply this Standard to derivatives on an interest in a subsidiary, associate or joint venture unless the derivative meets the definition of an equity instrument of the entity in LKAS 32 *Financial Instruments: Presentation*.	those interests in subsidiaries, associates and joint ventures that are accounted for under LKAS 27 *Consolidated and Separate Financial Statements*, LKAS 28 *Investments in Associates* or LKAS 31 *Interests in Joint Ventures.* However, entities shall apply this Standard to an interest in a subsidiary, associate or joint venture that according to LKAS 27, LKAS 28 or LKAS 31 is accounted for under this Standard. Entities shall also apply this Standard to derivatives on an interest in a subsidiary, associate or joint venture unless the derivative meets the definition of an equity instrument of the entity in LKAS 32.
	Para 2 (b) (i)	lease receivables recognised by a lessor are subject to the derecognition and impairment provisions of this Standard;	lease receivables recognised by a lessor are subject to the derecognition and impairment provisions of this Standard(see paragraphs 15–37, 58, 59, 63–65 and Appendix A paragraphsAG36–AG52 and AG84–AG93);
	Para 2 (b) (ii)	finance lease payables recognised by a lessee are subject to the derecognition provisions of this Standard; and	finance lease payables recognised by a lessee are subject to the derecognition provisions of this Standard (see paragraphs 39–42 and Appendix A paragraphs AG57–AG63); and
	Para 2 (b) (iii)	derivatives that are embedded in leases are subject to the embedded derivatives provisions of this Standard.	derivatives that are embedded in leases are subject to the embedded derivatives provisions of this Standard (see paragraphs 10–13 and Appendix A paragraphs AG27–AG33).

	Para 2 (e)	rights and obligations arising under (i) an insurance contract as defined in SLFRS 4 *Insurance Contracts*, other than an issuer's rights and obligations arising under an insurance contract that meets the definition of a financial guarantee contract in Appendix A of SLFRS 9 *Financial Instruments*, or (ii) a contract that is within the scope of SLFRS 4 because it contains a discretionary participation feature. However, this Standard applies to a derivative that is embedded in a contract within the scope of SLFRS 4 if the derivative is not itself a contract within the scope of SLFRS 4. Moreover, if an issuer of financial guarantee contracts has previously asserted explicitly that it regards such contracts as insurance contracts and has used accounting applicable to insurance contracts, the issuer may elect to apply either this Standard or SLFRS 4 to such financial guarantee contracts (see paragraphs AG4 and AG4A). The issuer may make that election contract by contract, but the election for each contract is irrevocable.	rights and obligations arising under (i) an insurance contract as defined in SLFRS 4 *Insurance Contracts*, other than an issuer's rights and obligations arising under an insurance contract that meets the definition of a financial guarantee contract in paragraph 9, or (ii) a contract that is within the scope of SLFRS 4 because it contains a discretionary participation feature. However, this Standard applies to a derivative that is embedded in a contract within the scope of SLFRS 4 if the derivative is not itself a contract within the scope of SLFRS 4 (see paragraphs 10–13 and Appendix A paragraphs AG27–AG33 of this Standard).Moreover, if an issuer of financial guarantee contracts has previously asserted explicitly that it regards such contracts as insurance contracts and has used accounting applicable to insurance contracts, the issuer may elect to apply either this Standard or SLFRS 4 to such financial guarantee contracts (see paragraphs AG4 and AG4A). The issuer may make that election contract by contract, but the election for each contract is irrevocable.
	Para 2 (h)	loan commitments other than those loan commitments described in paragraph 4. An issuer of loan commitments shall apply LKAS 37 *Provisions, Contingent Liabilities and Contingent Assets* to loan commitments that are not within the scope of this Standard. However, all loan commitments are subject to the derecognition provisions of this Standard.	loan commitments other than those loan commitments described in paragraph 4. An issuer of loan commitments shall apply LKAS 37 *Provisions, Contingent Liabilities and Contingent Assets* to loan commitments that are not within the scope of this Standard. However, all loan commitments are subject to the derecognition provisions of this Standard (see paragraphs 15–42and Appendix A paragraphs AG36–AG63).
	Para 4 (a)	loan commitments that the entity designates as financial liabilities at fair value through profit or loss (see paragraph 4.2.2 of SLFRS 9). An entity that has a past practice of selling the assets resulting from its loan commitments shortly after origination shall apply this Standard to all its loan commitments in the same class.	loan commitments that the entity designates as financial liabilities at fair value through profit or loss. An entity that has a past practice of selling the assets resulting from its loan commitments shortly after origination shall apply this Standard to all its loan commitments in the same class.

	Para 4 (c)	commitments to provide a loan at a below-market interest rate (see paragraph 4.2.1 of SLFRS 9).	commitments to provide a loan at a below-market interest rate. Paragraph 47(d) specifies the subsequent measurement of liabilities arising from these loan commitments.
	Para 8	The terms defined in SLFRS 9 and LKAS 32 are used in this Standard with the meanings specified in Appendix A of SLFRS 9 and paragraph 11 of LKAS 32. SLFRS 9 and LKAS 32 define the following terms: • derecognition • derivative • equity instrument • fair value • financial asset • financial guarantee contract • financial instrument • financial liability And provide guidance on applying those definitions.	The terms defined in LKAS 32 are used in this Standard with the meanings specified in paragraph 11 of LKAS 32. LKAS 32 defines the following terms: • financial instrument • financial asset • financial liability • equity instrument and provides guidance on applying those definitions.
	Para 9	The following terms are used in this Standard with the meanings specified: Definitions relating to recognition and measurement The *amortised cost of a financial asset or financial liability* is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility. The *effective interest method* is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest	The following terms are used in this Standard with the meanings specified: Definition of a derivative A *derivative* is a financial instrument or other contract within the scope of this Standard (see paragraphs 2–7) with all three of the following characteristics: (a) its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the ‘underlying’); (b) it requires no initial net investment or an initial net investment that is smaller than would be required for

		income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see LKAS 18 *Revenue*), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to estimate reliably the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments). *Transaction costs* are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability (see Appendix A paragraph AG13). An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.	other types of contracts that would be expected to have a similar response to changes in market factors; and (c) it is settled at a future date. Definitions of four categories of financial instruments A *financial asset or financial liability at fair value through profit or loss* is a financial asset or financial liability that meets either of the following conditions. (a) It is classified as held for trading. A financial asset or financial liability is classified as held for trading if: (i) it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term; (ii) on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or (iii) it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument). (b) Upon initial recognition it is designated by the entity as at fair value through profit or loss. An entity may use this designation only when permitted by paragraph 11A, or when doing so results in more relevant information, because either (i) it eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as 'an accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases; or (ii) a group of financial assets, financial liabilities or both is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and

			information about the group is provided internally on that basis to the entity's key management personnel (as defined in LKAS 24 *Related Party Disclosures*), for example the entity's board of directors and chief executive officer. In SLFRS 7, paragraphs 9–11 and B4 require the entity to provide disclosures about financial assets and financial liabilities it has designated as at fair value through profit or loss, including how it has satisfied these conditions. For instruments qualifying in accordance with (ii) above, that disclosure includes a narrative description of how designation as at fair value through profit or loss is consistent with the entity's documented risk management or investment strategy. Investments in equity instruments that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured (see paragraph 46(c) and Appendix A paragraphs AG80 and AG81), shall not be designated as at fair value through profit or loss. It should be noted that paragraphs 48, 48A, 49 and Appendix A paragraphs AG69–AG82, which set out requirements for determining a reliable measure of the fair value of a financial asset or financial liability, apply equally to all items that are measured at fair value, whether by designation or otherwise, or whose fair value is disclosed. *Held-to-maturity investments* are non-derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity (see Appendix A paragraphs AG16–AG25) other than: (a) those that the entity upon initial recognition designates as

			at fair value through profit or loss; (b) those that the entity designates as available for sale; and (c) those that meet the definition of loans and receivables. An entity shall not classify any financial assets as held to maturity if the entity has, during the current financial year or during the two preceding financial years, sold or reclassified more than an insignificant amount of held-to-maturity investments before maturity (more than insignificant in relation to the total amount of held-to-maturity investments) other than sales or reclassifications that: (i) are so close to maturity or the financial asset's call date (for example, less than three months before maturity) that changes in the market rate of interest would not have a significant effect on the financial asset's fair value; (ii) occur after the entity has collected substantially all of the financial asset's original principal through scheduled payments or prepayments; or (iii) are attributable to an isolated event that is beyond the entity's control, is non-recurring and could not have been reasonably anticipated by the entity. *Loans and receivables* are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than: (a) those that the entity intends to sell immediately or in the near term, which shall be classified as held for trading, and those that the entity upon initial recognition designates as at fair value through profit or loss; (b) those that the entity upon initial recognition designates as available for sale; or (c) those for which the holder may not recover substantially all of its initial investment, other than

			because of credit deterioration, which shall be classified as available for sale. An interest acquired in a pool of assets that are not loans or receivables (for example, an interest in a mutual fund or a similar fund) is not a loan or receivable. *Available-for-sale financial assets* are those non-derivative financial assets that are designated as available for sale or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at fair value through profit or loss. Definition of a financial guarantee contract A *financial guarantee contract* is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Definitions relating to recognition and measurement The *amortised cost of a financial asset or financial liability* is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility. The *effective interest method* is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts

			through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see LKAS 18 *Revenue*), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to estimate reliably the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments). *Derecognition*is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position. *Fair value* is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.* A *regular way purchase or sale* is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned. *Transaction costs* are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability (see Appendix A paragraph

			AG13). An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.
	Para 9 (foot note)	No corresponding note	* Paragraphs 48–49 and AG69–AG82 of Appendix A contain requirements for determining the fair value of a financial asset or financial liability.
	Heading	No corresponding heading	Embedded derivatives
	Para 10	Deleted	10 An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract—with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. A derivative that is attached to a financial instrument but is contractually transferable independently of that instrument, or has a different counterparty from that instrument, is not an embedded derivative, but a separate financial instrument.
	Para 11	Deleted	An embedded derivative shall be separated from the host contract and accounted for as a derivative under this Standard if, and only if: (a) the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract (see Appendix A paragraphs AG30 and AG33); (b) a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and (c) the hybrid (combined) instrument is not measured at

			fair value with changes in fair value recognised in profit or loss (ie a derivative that is embedded in a financial asset or financial liability at fair value through profit or loss is not separated). If an embedded derivative is separated, the host contract shall be accounted for under this Standard if it is a financial instrument, and in accordance with other appropriate Standards if it is not a financial instrument. This Standard does not address whether an embedded derivative shall be presented separately in the statement of financial position.
	Para 11A	Deleted	Notwithstanding paragraph 11, if a contract contains one or more embedded derivatives, an entity may designate the entire hybrid (combined) contract as a financial asset or financial liability at fair value through profit or loss unless: (a) the embedded derivative(s) does not significantly modify the cash flows that otherwise would be required by the contract; or (b) it is clear with little or no analysis when a similar hybrid (combined) instrument is first considered that separation of the embedded derivative(s) is prohibited, such as a prepayment option embedded in a loan that permits the holder to prepay the loan for approximately its amortised cost.
	Para 12	Deleted	If an entity is required by this Standard to separate an embedded derivative from its host contract, but is unable to measure the embedded derivative separately either at acquisition or at the end of a subsequent financial reporting period, it shall designate the entire hybrid (combined) contract as at fair value through profit or loss. Similarly, if an entity is unable to measure separately the embedded derivative that would have to be separated on reclassification of a hybrid (combined) contract out of the fair value through profit or loss category, that reclassification is prohibited. In such circumstances the

			hybrid (combined) contract remains classified as at fair value through profit or loss in its entirety.
	Para 13	Deleted	If an entity is unable to determine reliably the fair value of an embedded derivative on the basis of its terms and conditions (for example, because the embedded derivative is based on an unquoted equity instrument), the fair value of the embedded derivative is the difference between the fair value of the hybrid (combined) instrument and the fair value of the host contract, if those can be determined under this Standard. If the entity is unable to determine the fair value of the embedded derivative using this method, paragraph 12 applies and the hybrid (combined) instrument is designated as at fair value through profit or loss.
	Heading	Deleted	Recognition and derecognition
	Heading	Deleted	Initial recognition
	Para 14	Deleted	An entity shall recognise a financial asset or a financial liability in its statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument. (See paragraph 38 with respect to regular way purchases of financial assets.)
	Heading	Deleted	Derecognition of a financial asset
	Para 15	Deleted	In consolidated financial statements, paragraphs 16–23 and Appendix A paragraphs AG34–AG52 are applied at a consolidated level. Hence, an entity first consolidates all subsidiaries in accordance with LKAS 27 and SIC-12 *Consolidation—Special Purpose Entities* and then applies paragraphs 16–23 and Appendix A paragraphs AG34–AG52 to the resulting group.
	Para 16	Deleted	Before evaluating whether, and to what extent, derecognition is appropriate under paragraphs 17–23, an entity determines whether those paragraphs should be applied to a part of a financial asset (or a part of a group of similar financial assets)

			or a financial asset (or a group of similar financial assets) in its entirety, as follows. (a) Paragraphs 17–23 are applied to a part of a financial asset (or a part of a group of similar financial assets) if, and only if, the part being considered for derecognition meets one of the following three conditions. (i) The part comprises only specifically identified cash flows from a financial asset (or a group of similar financial assets). For example, when an entity enters into an interest rate strip whereby the counterparty obtains the right to the interest cash flows, but not the principal cash flows from a debt instrument, paragraphs 17–23 are applied to the interest cash flows. (ii) The part comprises only a fully proportionate (pro rata) share of the cash flows from a financial asset (or a group of similar financial assets). For example, when an entity enters into an arrangement whereby the counterparty obtains the rights to a 90 per cent share of all cash flows of a debt instrument, paragraphs 17–23 are applied to 90 per cent of those cash flows. If there is more than one counterparty, each counterparty is not required to have a proportionate share of the cash flows provided that the transferring entity has a fully proportionate share. (iii) The part comprises only a fully proportionate (pro rata) share of specifically identified cash flows from a financial asset (or a group of similar financial assets). For example, when an entity enters into an arrangement whereby the counterparty obtains the rights to a 90 per cent share of interest cash flows from a financial asset, paragraphs 17–23 are applied to 90 per cent of those interest cash flows. If there is more than one counterparty, each counterparty is not required to have a proportionate share of the

			specifically identified cash flows provided that the transferring entity has a fully proportionate share. (b) In all other cases, paragraphs 17–23 are applied to the financial asset in its entirety (or to the group of similar financial assets in their entirety). For example, when an entity transfers (i) the rights to the first or the last 90 per cent of cash collections from a financial asset (or a group of financial assets), or (ii) the rights to 90 per cent of the cash flows from a group of receivables, but provides a guarantee to compensate the buyer for any credit losses up to 8 per cent of the principal amount of the receivables, paragraphs 17–23 are applied to the financial asset (or a group of similar financial assets) in its entirety. In paragraphs 17–26, the term 'financial asset' refers to either a part of a financial asset (or a part of a group of similar financial assets) as identified in (a) above or, otherwise, a financial asset (or a group of similar financial assets) in its entirety.
	Para 17	Deleted	An entity shall derecognise a financial asset when, and only when: (a) the contractual rights to the cash flows from the financial asset expire; or (b) it transfers the financial asset as set out in paragraphs 18 and 19 and the transfer qualifies for derecognition in accordance with paragraph 20. (See paragraph 38 for regular way sales of financial assets.)
	Para 18	Deleted	An entity transfers a financial asset if, and only if, it either: (a) transfers the contractual rights to receive the cash flows of the financial asset; or (b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement that meets the conditions in

			paragraph 19.
	Para 19	Deleted	When an entity retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), the entity treats the transaction as a transfer of a financial asset if, and only if, all of the following three conditions are met. (a) The entity has no obligation to pay amounts to the eventual recipients unless it collects equivalent amounts from the original asset. Short-term advances by the entity with the right of full recovery of the amount lent plus accrued interest at market rates do not violate this condition. (b) The entity is prohibited by the terms of the transfer contract from selling or pledging the original asset other than as security to the eventual recipients for the obligation to pay them cash flows. (c) The entity has an obligation to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the entity is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents (as defined in LKAS 7 *Statement of Cash Flows*) during the short settlement period from the collection date to the date of required remittance to the eventual recipients, and interest earned on such investments is passed to the eventual recipients.
	Para 20	Deleted	When an entity transfers a financial asset (see paragraph 18), it shall evaluate the extent to which it retains the risks and rewards of ownership of the financial asset. In this case: (a) if the entity transfers substantially all the risks and rewards of ownership of the financial asset, the entity shall derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer.

			(b) if the entity retains substantially all the risks and rewards of ownership of the financial asset, the entity shall continue to recognise the financial asset. (c) if the entity neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, the entity shall determine whether it has retained control of the financial asset. In this case: (i) if the entity has not retained control, it shall derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer. (ii) if the entity has retained control, it shall continue to recognise the financial asset to the extent of its continuing involvement in the financial asset (see paragraph 30).
	Para 21	Deleted	The transfer of risks and rewards (see paragraph 20) is evaluated by comparing the entity's exposure, before and after the transfer, with the variability in the amounts and timing of the net cash flows of the transferred asset. An entity has retained substantially all the risks and rewards of ownership of a financial asset if its exposure to the variability in the present value of the future net cash flows from the financial asset does not change significantly as a result of the transfer (eg because the entity has sold a financial asset subject to an agreement to buy it back at a fixed price or the sale price plus a lender's return). An entity has transferred substantially all the risks and rewards of ownership of a financial asset if its exposure to such variability is no longer significant in relation to the total variability in the present value of the future net cash flows associated with the financial asset (eg because the entity has sold a financial asset subject only to an option to buy it back at its fair value at the time of repurchase or has transferred a fully proportionate share of the cash flows from a larger

			financial asset in an arrangement, such as a loan sub-participation, that meets the conditions in paragraph 19).
	Para 22	Deleted	Often it will be obvious whether the entity has transferred or retained substantially all risks and rewards of ownership and there will be no need to perform any computations. In other cases, it will be necessary to compute and compare the entity's exposure to the variability in the present value of the future net cash flows before and after the transfer. The computation and comparison is made using as the discount rate an appropriate current market interest rate. All reasonably possible variability in net cash flows is considered, with greater weight being given to those outcomes that are more likely to occur.
	Para 23	Deleted	Whether the entity has retained control (see paragraph 20(c)) of the transferred asset depends on the transferee's ability to sell the asset. If the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer, the entity has not retained control. In all other cases, the entity has retained control.
	heading	Deleted	**Transfers that qualify for derecognition** (see paragraph 20(a) and (c)(i))
	Para 24	Deleted	If an entity transfers a financial asset in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it shall recognise either a servicing asset or a servicing liability for that servicing contract. If the fee to be received is not expected to compensate the entity adequately for performing the servicing, a servicing liability for the servicing obligation shall be recognised at its fair value. If the fee to be received is expected to be more than adequate compensation for the servicing, a servicing asset shall be recognised for the

			servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset in accordance with paragraph 27.
	Para 25	Deleted	If, as a result of a transfer, a financial asset is derecognised in its entirety but the transfer results in the entity obtaining a new financial asset or assuming a new financial liability, or a servicing liability, the entity shall recognise the new financial asset, financial liability or servicing liability at fair value.
	Para 26	Deleted	On derecognition of a financial asset in its entirety, the difference between: (a) the carrying amount and (b) the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in other comprehensive income (see paragraph 55(b)) shall be recognised in profit or loss.
	Para 27	Deleted	If the transferred asset is part of a larger financial asset (eg when an entity transfers interest cash flows that are part of a debt instrument, see paragraph 16(a)) and the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the larger financial asset shall be allocated between the part that continues to be recognised and the part that is derecognised, based on the relative fair values of those parts on the date of the transfer. For this purpose, a retained servicing asset shall be treated as a part that continues to be recognised. The difference between: (a) the carrying amount allocated to the part derecognised and (b) the sum of (i) the consideration received for the part derecognised (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss allocated to it that had

			been recognised in other comprehensive income (see paragraph 55(b)) shall be recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is derecognised, based on the relative fair values of those parts.
	Para 28	Deleted	When an entity allocates the previous carrying amount of a larger financial asset between the part that continues to be recognised and the part that is derecognised, the fair value of the part that continues to be recognised needs to be determined. When the entity has a history of selling parts similar to the part that continues to be recognised or other market transactions exist for such parts, recent prices of actual transactions provide the best estimate of its fair value. When there are no price quotes or recent market transactions to support the fair value of the part that continues to be recognised, the best estimate of the fair value is the difference between the fair value of the larger financial asset as a whole and the consideration received from the transferee for the part that is derecognised.
	Heading	Deleted	**Transfers that do not qualify for derecognition** (see paragraph 20(b))
	Para 29	Deleted	If a transfer does not result in derecognition because the entity has retained substantially all the risks and rewards of ownership of the transferred asset, the entity shall continue to recognise the transferred asset in its entirety and shall recognise a financial liability for the consideration received. In subsequent periods, the entity shall recognise any income on the transferred asset and any expense incurred on the financial liability.
	Heading	Deleted	**Continuing involvement in transferred assets** (see paragraph 20(c)(ii))

	Para 30	Deleted	If an entity neither transfers nor retains substantially all the risks and rewards of ownership of a transferred asset, and retains control of the transferred asset, the entity continues to recognise the transferred asset to the extent of its continuing involvement. The extent of the entity's continuing involvement in the transferred asset is the extent to which it is exposed to changes in the value of the transferred asset. For example: a) when the entity's continuing involvement takes the form of guaranteeing the transferred asset, the extent of the entity's continuing involvement is the lower of (i) the amount of the asset and (ii) the maximum amount of the consideration received that the entity could be required to repay ('the guarantee amount'). (b) when the entity's continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the extent of the entity's continuing involvement is the amount of the transferred asset that the entity may repurchase. However, in case of a written put option on an asset that is measured at fair value, the extent of the entity's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price (see paragraph AG48). (c) when the entity's continuing involvement takes the form of a cash-settled option or similar provision on the transferred asset, the extent of the entity's continuing involvement is measured in the same way as that which results from non-cash settled options as set out in (b) above.

	Para 31	Deleted	When an entity continues to recognise an asset to the extent of its continuing involvement, the entity also recognises an associated liability. Despite the other measurement requirements in this Standard, the transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the entity has retained. The associated liability is measured in such a way that the net carrying amount of the transferred asset and the associated liability is: (a) the amortised cost of the rights and obligations retained by the entity, if the transferred asset is measured at amortised cost; or (b) equal to the fair value of the rights and obligations retained by the entity when measured on a stand-alone basis, if the transferred asset is measured at fair value.
	Para 32	Deleted	The entity shall continue to recognise any income arising on the transferred asset to the extent of its continuing involvement and shall recognise any expense incurred on the associated liability.
	Para 33	Deleted	For the purpose of subsequent measurement, recognised changes in the fair value of the transferred asset and the associated liability are accounted for consistently with each other in accordance with paragraph 55, and shall not be offset.

	Para 34	Deleted	If an entity's continuing involvement is in only a part of a financial asset (eg when an entity retains an option to repurchase part of a transferred asset, or retains a residual interest that does not result in the retention of substantially all the risks and rewards of ownership and the entity retains control), the entity allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. For this purpose, the requirements of paragraph 28 apply. The difference between: (a) the carrying amount allocated to the part that is no longer recognised; and (b) the sum of (i) the consideration received for the part no longer recognized and (ii) any cumulative gain or loss allocated to it that had been recognized in other comprehensive income (see paragraph 55(b)) shall be recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.
	Para 35	Deleted	If the transferred asset is measured at amortised cost, the option in this Standard to designate a financial liability as at fair value through profit or loss is not applicable to the associated liability.
	heading	Deleted	**All transfers**
	Para 36	Deleted	If a transferred asset continues to be recognised, the asset and the associated liability shall not be offset. Similarly, the entity shall not offset any income arising from the transferred asset with any expense incurred on the associated liability (see LKAS 32 paragraph 42).

	Para 37	Deleted	If a transferor provides non-cash collateral (such as debt or equity instruments) to the transferee, the accounting for the collateral by the transferor and the transferee depends on whether the transferee has the right to sell or repledge the collateral and on whether the transferor has defaulted. The transferor and transferee shall account for the collateral as follows: (a) If the transferee has the right by contract or custom to sell or repledge the collateral, then the transferor shall reclassify that asset in its statement of financial position (eg as a loaned asset, pledged equity instruments or repurchase receivable) separately from other assets. (b) If the transferee sells collateral pledged to it, it shall recognise the proceeds from the sale and a liability measured at fair value for its obligation to return the collateral. (c) If the transferor defaults under the terms of the contract and is no longer entitled to redeem the collateral, it shall derecognise the collateral, and the transferee shall recognise the collateral as its asset initially measured at fair value or, if it has already sold the collateral, derecognise its obligation to return the collateral. (d) Except as provided in (c), the transferor shall continue to carry the collateral as its asset, and the transferee shall not recognise the collateral as an asset.
	Heading	Deleted	**Regular way purchase or sale of a financial asset**
	Para 38	Deleted	A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting or settlement date accounting (see Appendix A paragraphs AG53–AG56).
	heading	Deleted	**Derecognition of a financial liability**

	Para 39	Deleted	An entity shall remove a financial liability (or a part of a financial liability) from its statement of financial position when, and only when, it is extinguished— ie when the obligation specified in the contract is discharged or cancelled or expires.
	Para 40	Deleted	An exchange between an existing borrower and lender of debt instruments with substantially different terms shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability or a part of it (whether or not attributable to the financial difficulty of the debtor) shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.
	Para 41	Deleted	The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, shall be recognised in profit or loss.
	Para 42	Deleted	If an entity repurchases a part of a financial liability, the entity shall allocate the previous carrying amount of the financial liability between the part that continues to be recognised and the part that is derecognised based on the relative fair values of those parts on the date of the repurchase. The difference between (a) the carrying amount allocated to the part derecognised and (b) the consideration paid, including any non-cash assets transferred or liabilities assumed, for the part derecognised shall be recognised in profit or loss.
	heading	Deleted	**Measurement**
	heading	Deleted	**Initial measurement of financial assets and financial liabilities**

	Para 43	Deleted	When a financial asset or financial liability is recognised initially, an entity shall measure it at its fair value plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.
	Para 44	Deleted	When an entity uses settlement date accounting for an asset that is subsequently measured at cost or amortised cost, the asset is recognised initially at its fair value on the trade date (see Appendix A paragraphs AG53–AG56).
		Deleted	**Subsequent measurement of financial assets**
	Para 45	Deleted	For the purpose of measuring a financial asset after initial recognition, this Standard classifies financial assets into the following four categories defined in paragraph 9: (a) financial assets at fair value through profit or loss; (b) held-to-maturity investments; (c) loans and receivables; and (d) available-for-sale financial assets. These categories apply to measurement and profit or loss recognition under this Standard. The entity may use other descriptors for these categories or other categorisations when presenting information in the financial statements. The entity shall disclose in the notes the information required by SLFRS 7.

	Para 46	Deleted	After initial recognition, an entity shall measure financial assets, including derivatives that are assets, at their fair values, without any deduction for transaction costs it may incur on sale or other disposal, except for the following financial assets: (a) loans and receivables as defined in paragraph 9, which shall be measured at amortised cost using the effective interest method; (b) held-to-maturity investments as defined in paragraph 9, which shall be measured at amortised cost using the effective interest method; and (c) investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, which shall be measured at cost (see Appendix A paragraphs AG80 and AG81). Financial assets that are designated as hedged items are subject to measurement under the hedge accounting requirements in paragraphs 89–102. All financial assets except those measured at fair value through profit or loss are subject to review for impairment in accordance with paragraphs 58–70 and Appendix A paragraphs AG84–AG93.
	heading	Deleted	**Subsequent measurement of financial liabilities**
	Para 47	Deleted	After initial recognition, an entity shall measure all financial liabilities at amortised cost using the effective interest method, except for: (a) financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be measured at fair value except for a derivative liability that is linked to and must be settled by delivery of an unquoted equity instrument whose fair value cannot be reliably measured, which shall be measured at cost.

			(b) financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies. Paragraphs 29 and 31 apply to the measurement of such financial liabilities. (c) financial guarantee contracts as defined in paragraph 9. After initial recognition, an issuer of such a contract shall (unless paragraph 47(a) or (b) applies) measure it at the higher of: (i) the amount determined in accordance with LKAS 37; and (ii) the amount initially recognised (see paragraph 43) less, when appropriate, cumulative amortization recognised in accordance with LKAS 18. (d) commitments to provide a loan at a below-market interest rate. After initial recognition, an issuer of such a commitment shall (unless paragraph 47(a) applies) measure it at the higher of: (i) the amount determined in accordance with LKAS 37; and (ii) the amount initially recognised (see paragraph 43) less, when appropriate, cumulative amortization recognised in accordance with LKAS 18. Financial liabilities that are designated as hedged items are subject to the hedge accounting requirements in paragraphs 89–102.
	heading	Deleted	Fair value measurement considerations
	Para 48	Deleted	In determining the fair value of a financial asset or a financial liability for the purpose of applying this Standard, LKAS 32 or SLFRS 7, an entity shall apply paragraphs AG69–AG82 of Appendix A.

	Para 48A	Deleted	The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, an entity establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal business considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the entity uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on entity-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, an entity calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (ie without modification or repackaging) or based on any available observable market data.
	Para 49	Deleted	The fair value of a financial liability with a demand feature (eg a demand deposit) is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.
	heading	Deleted	**Reclassifications**

	Para 50	Deleted	An entity: (a) shall not reclassify a derivative out of the fair value through profit or loss category while it is held or issued; (b) shall not reclassify any financial instrument out of the fair value through profit or loss category if upon initial recognition it was designated by the entity as at fair value through profit or loss; and (c) may, if a financial asset is no longer held for the purpose of selling or repurchasing it in the near term (notwithstanding that the financial asset may have been acquired or incurred principally for the purpose of selling or repurchasing it in the near term), reclassify that financial asset out of the fair value through profit or loss category if the requirements in paragraph 50B or 50D are met. An entity shall not reclassify any financial instrument into the fair value through profit or loss category after initial recognition.
	Para 50A	Deleted	The following changes in circumstances are not reclassifications for the purposes of paragraph 50: (a) a derivative that was previously a designated and effective hedging instrument in a cash flow hedge or net investment hedge no longer qualifies as such; (b) a derivative becomes a designated and effective hedging instrument in a cash flow hedge or net investment hedge; (c) financial assets are reclassified when an insurance company changes its accounting policies in accordance with paragraph 45 of SLFRS 4.
	Para 50B	Deleted	financial asset to which paragraph 50(c) applies (except a financial asset of the type described in paragraph 50D) may be reclassified out of the fair value through profit or loss category only in rare circumstances.

	Para 50C	Deleted	If an entity reclassifies a financial asset out of the fair value through profit or loss category in accordance with paragraph 50B, the financial asset shall be reclassified at its fair value on the date of reclassification. Any gain or loss already recognised in profit or loss shall not be reversed. The fair value of the financial asset on the date of reclassification becomes its new cost or amortised cost, as applicable.
	Para 50D	Deleted	A financial asset to which paragraph 50(c) applies that would have met the definition of loans and receivables (if the financial asset had not been required to be classified as held for trading at initial recognition) may be reclassified out of the fair value through profit or loss category if the entity has the intention and ability to hold the financial asset for the foreseeable future or until maturity.
	Para 50E	Deleted	A financial asset classified as available for sale that would have met the definition of loans and receivables (if it had not been designated as available for sale) may be reclassified out of the available-for-sale category to the loans and receivables category if the entity has the intention and ability to hold the financial asset for the foreseeable future or until maturity.
	Para 50F	Deleted	If an entity reclassifies a financial asset out of the fair value through profit or loss category in accordance with paragraph 50D or out of the available-for-sale category in accordance with paragraph 50E, it shall reclassify the financial asset at its fair value on the date of reclassification. For a financial asset reclassified in accordance with paragraph 50D, any gain or loss already recognised in profit or loss shall not be reversed. The fair value of the financial asset on the date of reclassification becomes its new cost or amortised cost, as applicable. For a financial asset reclassified out of the available-for-sale category in accordance with paragraph 50E, any previous gain or loss on that asset that has been recognised in other comprehensive income in accordance with paragraph 55(b) shall be accounted for in accordance

			with paragraph 54.
	Para 51	Deleted	If, as a result of a change in intention or ability, it is no longer appropriate to classify an investment as held to maturity, it shall be reclassified as available for sale and remeasured at fair value, and the difference between its carrying amount and fair value shall be accounted for in accordance with paragraph 55(b).
	Para 52	Deleted	Whenever sales or reclassification of more than an insignificant amount of held-to-maturity investments do not meet any of the conditions in paragraph 9, any remaining held-to-maturity investments shall be reclassified as available for sale. On such reclassification, the difference between their carrying amount and fair value shall be accounted for in accordance with paragraph 55(b).
	Para 53	Deleted	If a reliable measure becomes available for a financial asset or financial liability for which such a measure was previously not available, and the asset or liability is required to be measured at fair value if a reliable measure is available (see paragraphs 46(c) and 47), the asset or liability shall be remeasured at fair value, and the difference between its carrying amount and fair value shall be accounted for in accordance with paragraph 55.

	Para 54	Deleted	If, as a result of a change in intention or ability or in the rare circumstance that a reliable measure of fair value is no longer available (see paragraphs 46(c) and 47) or because the 'two preceding financial years' referred to in paragraph 9 have passed, it becomes appropriate to carry a financial asset or financial liability at cost or amortised cost rather than at fair value, the fair value carrying amount of the financial asset or the financial liability on that date becomes its new cost or amortised cost, as applicable. Any previous gain or loss on that asset that has been recognised in other comprehensive income in accordance with paragraph 55(b) shall be accounted for as follows: (a) In the case of a financial asset with a fixed maturity, the gain or loss shall be amortised to profit or loss over the remaining life of the held-to-maturity investment using the effective interest method. Any difference between the new amortised cost and maturity amount shall also be amortised over the remaining life of the financial asset using the effective interest method, similar to the amortisation of a premium and a discount. If the financial asset is subsequently impaired, any gain or loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss in accordance with paragraph 67. (b) In the case of a financial asset that does not have a fixed maturity, the gain or loss shall be recognised in profit or loss when the financial asset is sold or otherwise disposed of. If the financial asset is subsequently impaired any previous gain or loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss in accordance with paragraph 67.
	heading	Deleted	**Gains and losses**

	Para 55	Deleted	A gain or loss arising from a change in the fair value of a financial asset or financial liability that is not part of a hedging relationship (see paragraphs 89–102), shall be recognised, as follows. (a) A gain or loss on a financial asset or financial liability classified as at fair value through profit or loss shall be recognised in profit or loss. (b) A gain or loss on an available-for-sale financial asset shall be recognised in other comprehensive income, except for impairment losses (see paragraphs 67–70) and foreign exchange gains and losses (see Appendix A paragraph AG83), until the financial asset is derecognised. At that time the cumulative gain or loss previously recognised in other comprehensive income shall be reclassified from equity to profit or loss as a reclassification adjustment (see LKAS 1 *Presentation of Financial Statements* (as revised in 2007)). However, interest calculated using the effective interest method (see paragraph 9) is recognised in profit or loss (see LKAS 18). Dividends on an available-for-sale equity instrument are recognised in profit or loss when the entity's right to receive payment is established (see LKAS 18).
	Para 56	Deleted	For financial assets and financial liabilities carried at amortised cost (see paragraphs 46 and 47), a gain or loss is recognised in profit or loss when the financial asset or financial liability is derecognised or impaired, and through the amortisation process. However, for financial assets or financial liabilities that are hedged items (see paragraphs 78–84 and Appendix A paragraphs AG98–AG101) the accounting for the gain or loss shall follow paragraphs 89–102.

	Para 57	Deleted	If an entity recognises financial assets using settlement date accounting (see paragraph 38 and Appendix A paragraphs AG53 and AG56), any change in the fair value of the asset to be received during the period between the trade date and the settlement date is not recognised for assets carried at cost or amortised cost (other than impairment losses). For assets carried at fair value, however, the change in fair value shall be recognised in profit or loss or in other comprehensive income, as appropriate under paragraph 55.
	heading	**Impairment and uncollectibility of financial assets measured at amortised cost**	**Impairment and uncollectibility of financial assets**
	Para 58	An entity shall assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets measured atamortisedcostis impaired. If any such evidence exists, the entity shall apply paragraph 63 to determine the amount of any impairment loss.	An entity shall assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. If any such evidence exists, the entity shall apply paragraph 63 (for financial assets carried at amortised cost), paragraph 66 (for financial assets carried at cost)or paragraph 67 (for available-for-sale financial assets) to determine the amount of any impairment loss.
	Para 61	Deleted	In addition to the types of events in paragraph 59, objective evidence of impairment for an investment in an equity instrument includes information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in the equity instrument may not be recovered. A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost is also objective evidence of impairment.
	heading	No corresponding heading	**Financial assets carried at amortised cost**

	Para 63	If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (ie the effective interest rate computed at initial recognition). The carrying amount of the asset shall be reduced either directly or through use of an allowance account. The amount of the loss shall be recognised in profit or loss.	If there is objective evidence that an impairment loss on loans and receivables or held-to-maturity investments carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (ie the effective interest rate computed at initial recognition). The carrying amount of the asset shall be reduced either directly or through use of an allowance account. The amount of the loss shall be recognized in profit or loss.
	heading	No corresponding heading	Financial assets carried at cost
	Para 66	Deleted	If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset (see paragraph 46(c) and Appendix A paragraphs AG80 and AG81). Such impairment losses shall not be reversed.
	heading	No corresponding heading	**Available-for-sale financial assets**
	Para 67	Deleted	When a decline in the fair value of an available-for-sale financial asset has been recognised in other comprehensive income and there is objective evidence that the asset is impaired (see paragraph 59), the cumulative loss that had been recognised in other comprehensive income shall be reclassified from equity to profit or loss as a reclassification adjustment even though the financial asset has not been derecognised.

	Para 68	Deleted	The amount of the cumulative loss that is reclassified from equity to profit or loss under paragraph 67 shall be the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.
	Para 69	Deleted	Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available for sale shall not be reversed through profit or loss.
	Para 70	Deleted	If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss shall be reversed, with the amount of the reversal recognised in profit or loss.
	Para 79	Deleted	Unlike loans and receivables, a held-to-maturity investment cannot be a hedged item with respect to interest-rate risk or prepayment risk because designation of an investment as held to maturity requires an intention to hold the investment until maturity without regard to changes in the fair value or cash flows of such an investment attributable to changes in interest rates. However, a held-to-maturity investment can be a hedged item with respect to risks from changes in foreign currency exchange rates and credit risk.
	Para 88 (d)	The effectiveness of the hedge can be reliably measured, ie the fair value or cash flows of the hedged item that are attributable to the hedged risk and the fair value of the hedging instrument can be reliably measured.	The effectiveness of the hedge can be reliably measured, ie the fair value or cash flows of the hedged item that are attributable to the hedged risk and the fair value of the hedging instrument can be reliably measured (see paragraphs 46 and 47 and Appendix A paragraphs AG80 and AG81 for guidance on determining fair value).

	Para 89 (b)	the gain or loss on the hedged item attributable to the hedged risk shall adjust the carrying amount of the hedged item and be recognised in profit or loss. This applies if the hedged item is otherwise measured at cost.	the gain or loss on the hedged item attributable to the hedged risk shall adjust the carrying amount of the hedged item and be recognised in profit or loss. This applies if the hedged item is otherwise measured at cost. Recognition of the gain or loss attributable to the hedged risk in profit or loss applies if the hedged item is an available-for-sale financial asset.
	Para 90	If only particular risks attributable to a hedged item are hedged, recognized changes in the fair value of the hedged item unrelated to the hedged risk are recognised as set out in paragraph 5.7.1 of SLFRS 9.	If only particular risks attributable to a hedged item are hedged, recognized changes in the fair value of the hedged item unrelated to the hedged risk are recognised as set out in paragraph 55.
	Para 96 (c)	if an entity's documented risk management strategy for a particular hedging relationship excludes from the assessment of hedge effectiveness a specific component of the gain or loss or related cash flows on the hedging instrument (see paragraphs 74, 75 and 88(a)), that excluded component of gain or loss is recognised in accordance with paragraph 5.7.1 of SLFRS 9.	if an entity's documented risk management strategy for a particular hedging relationship excludes from the assessment of hedge effectiveness a specific component of the gain or loss or related cash flows on the hedging instrument (see paragraphs 74, 75 and 88(a)), that excluded component of gain or loss is recognised in accordance with paragraph 55.
LKAS 40	No changes		
LKAS 41	No changes		