

Closing the GAAP: New Canadian GAAP Pronouncements

(includes developments to September 30, 2013)

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The following summarizes Canadian GAAP pronouncements that must be applied, if applicable, for the first time to a calendar year-end company that is preparing financial statements in accordance with Canadian GAAP. This newsletter sets out new requirements by the calendar year in which they are first effective. Developments relate to Canadian GAAP as set out in the following parts of the CICA Handbook:

- Part II – Private Enterprises
- Part III – Not-for-profit Organizations
- Part IV – Pension Plans

This ACS newsletter supersedes the information in previous [Newsletter 2013-068](#) and is updated quarterly. Developments since the previous newsletter, if any, are highlighted in yellow.

While we have attempted to make this newsletter as complete as possible, it may not include all changes or modifications to existing authoritative literature that may affect a particular enterprise.



Developments related to CICA Handbook, Part II – Private Enterprises

Reference	Pronouncement and Effective Date Impacting 2013 Calendar Years																				
Annual improvements project	<u>Annual improvements 2012</u> Improves existing standards. The amendments are effective for periods beginning on/after January 1, 2013.																				
<table border="1"><thead><tr><th>Part II - ASPE</th><th>Subject of amendment</th></tr></thead><tbody><tr><td>CICA 1400, <i>General Standards of Financial Statement Presentation</i></td><td>Paragraph 1400.19 has been added to eliminate an inconsistency with CICA 1520.</td></tr><tr><td>CICA 1520, <i>Income Statement</i></td><td>Paragraphs 1520.03-04 have been amended to eliminate inconsistencies between CICA 1520 and other standards.</td></tr><tr><td>CICA 1582, <i>Business Combinations</i></td><td>Paragraph 1582.55 has been amended to extend the exception to the general requirement to expense acquisition costs to the cost of issuing debt securities.</td></tr><tr><td>CICA 1590, <i>Subsidiaries</i></td><td>Paragraph 1590.16A has been added to address the accounting for acquisition costs and contingent consideration when a subsidiary is accounted for under the cost or equity method.</td></tr><tr><td>CICA 1651, <i>Foreign Currency Translation</i></td><td>Paragraphs 1651.30-31 have been replaced and 1651.31A added to remove an inconsistency with CICA 1602, <i>Non-Controlling Interests</i>. Application guidance has been added as an appendix to the standard.</td></tr><tr><td>CICA 3051, <i>Investments</i></td><td>Paragraph 3051.25A has been added to provide guidance on the accounting for dilution gains and losses.</td></tr><tr><td>CICA 3064, <i>Goodwill and Intangible Assets</i></td><td>Paragraph 3062.89 has been amended to eliminate an inconsistency with CICA 1520.</td></tr><tr><td>CICA 3465, <i>Income Taxes</i></td><td>Paragraph 3465.88 has been amended to eliminate an inconsistency with CICA 1520.</td></tr><tr><td>CICA 3856, <i>Financial Instruments</i></td><td>Paragraph 3856.19A has been added to eliminate an inconsistency with CICA 1520.</td></tr></tbody></table>		Part II - ASPE	Subject of amendment	CICA 1400, <i>General Standards of Financial Statement Presentation</i>	Paragraph 1400.19 has been added to eliminate an inconsistency with CICA 1520.	CICA 1520, <i>Income Statement</i>	Paragraphs 1520.03-04 have been amended to eliminate inconsistencies between CICA 1520 and other standards.	CICA 1582, <i>Business Combinations</i>	Paragraph 1582.55 has been amended to extend the exception to the general requirement to expense acquisition costs to the cost of issuing debt securities.	CICA 1590, <i>Subsidiaries</i>	Paragraph 1590.16A has been added to address the accounting for acquisition costs and contingent consideration when a subsidiary is accounted for under the cost or equity method.	CICA 1651, <i>Foreign Currency Translation</i>	Paragraphs 1651.30-31 have been replaced and 1651.31A added to remove an inconsistency with CICA 1602, <i>Non-Controlling Interests</i> . Application guidance has been added as an appendix to the standard.	CICA 3051, <i>Investments</i>	Paragraph 3051.25A has been added to provide guidance on the accounting for dilution gains and losses.	CICA 3064, <i>Goodwill and Intangible Assets</i>	Paragraph 3062.89 has been amended to eliminate an inconsistency with CICA 1520.	CICA 3465, <i>Income Taxes</i>	Paragraph 3465.88 has been amended to eliminate an inconsistency with CICA 1520.	CICA 3856, <i>Financial Instruments</i>	Paragraph 3856.19A has been added to eliminate an inconsistency with CICA 1520.
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Developments related to CICA Handbook, Part II – Private Enterprises

Reference	Pronouncement and Effective Date Impacting 2014 Calendar Years
CICA 3462	<u>Employee future benefits</u>
Consequential amendments to:	Replaces CICA 3461, revising requirements related to employee future benefits including requiring immediate recognition of all gains and losses from defined benefit plans as they are incurred (i.e. eliminating deferral and amortization accounting).
CICA 1500	
CICA 1506	Effective for years beginning on/after January 1, 2014.
CICA 1520	
CICA 1521	
CICA 1582	
 CICA 3475	<u>Disposal of long-lived assets and discontinued operations</u>
	Amended to incorporate a revised definition of a discontinued operation.
	Effective for years beginning on/after January 1, 2014.

Developments related to CICA Handbook, Part III – Not-for-profit Organizations

Reference	Pronouncement and Effective Date Impacting 2013 Calendar Years
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No new requirements related to Part III.

Developments related to CICA Handbook, Part IV – Pension Plans

Reference	Pronouncement and Effective Date Impacting 2013 Calendar Years
CICA 4600	<p><u>Fair value amendments</u></p> <p>Amended to delete definition of fair value in paragraph 4600.05(l) and to require a pension plan to follow the fair value measurement guidance in Part I of the Handbook (i.e. IFRS) in determining fair value for its investment assets and investment liabilities. This change is a result of the issuance of IFRS 13 <i>Fair Value Measurement</i> in Part I of the Handbook in November 2011. Consistent with this change regarding measurement, the recognition requirements in paragraph 4600.18 have been amended to refer generally to either Part I or Part II of the Handbook. Paragraphs 4600.38-39 have been amended and paragraphs 4600.40-41 have been added to deal with a pension plan's transition to the amended requirements.</p> <p>Effective for years beginning on/after January 1, 2013.</p>
CICA 4600	<p><u>Fair value disclosures</u></p> <p>Paragraph 4600.32(a)(ii) and an Appendix have been added to clarify that the fair value disclosures in paragraphs 27-27B of IFRS 7 <i>Financial Instruments: Disclosures</i> that were deleted as a consequence of incorporating IFRS 13 <i>Fair Value Measurement</i> into Part I of the Handbook will continue to be required for pension plans applying the measurement requirements of IFRS 13.</p> <p>Effective at the same time as the fair value amendments to CICA 4600 noted above.</p>

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