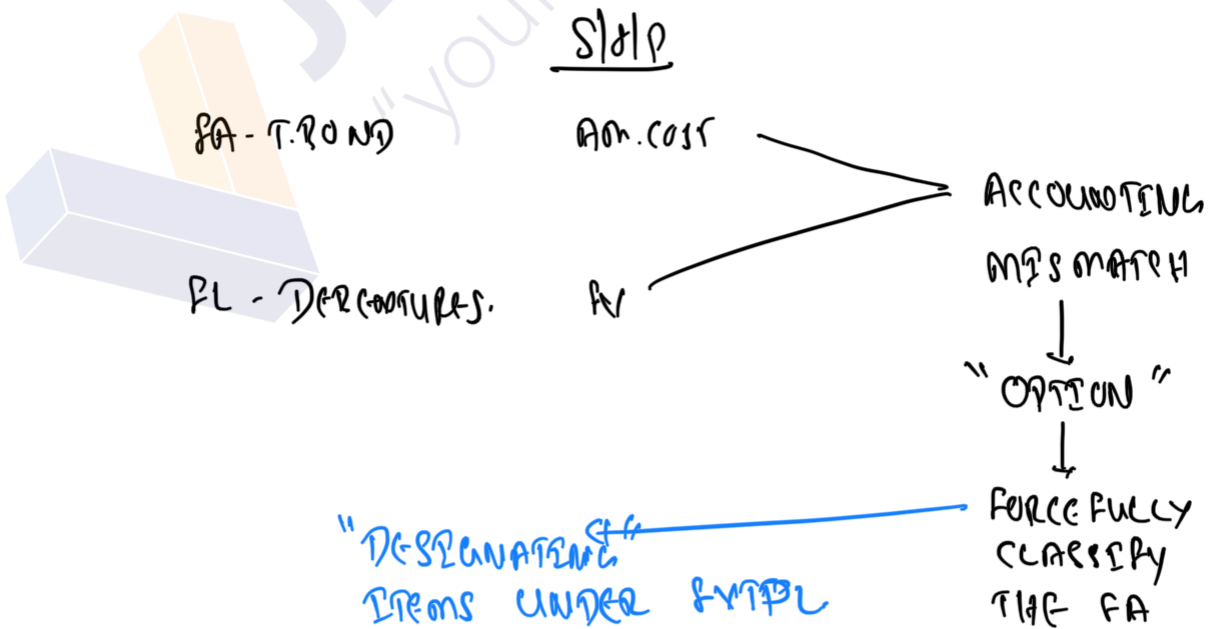
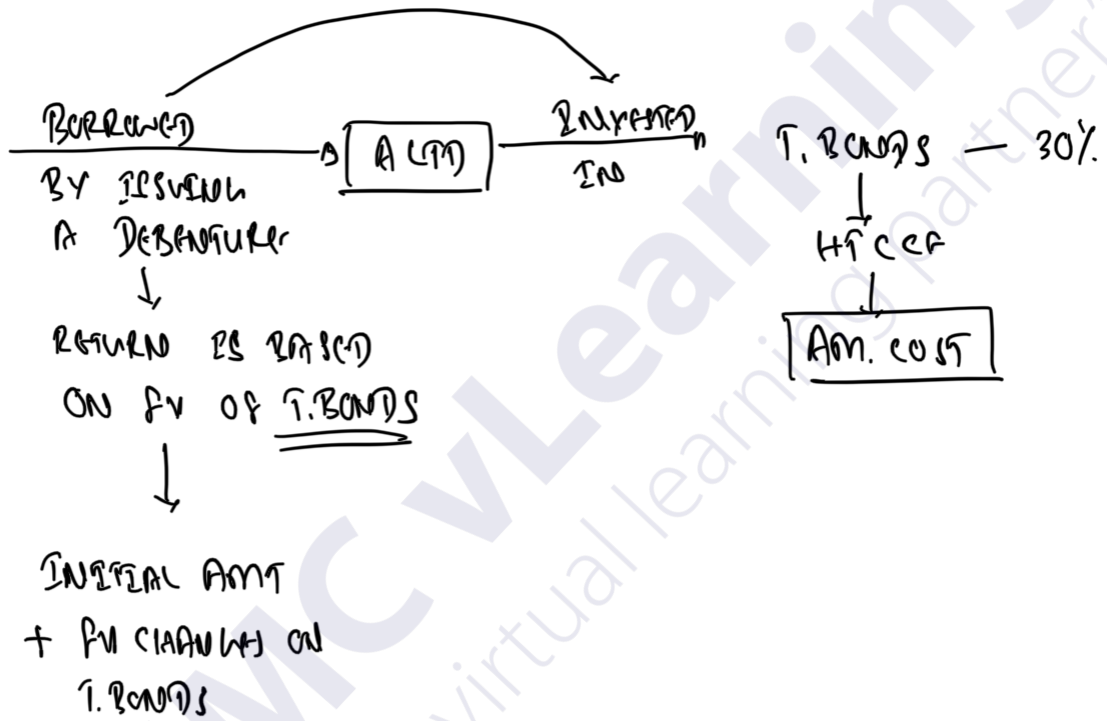
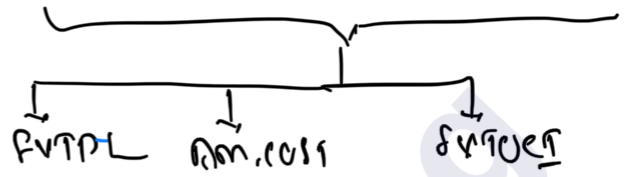
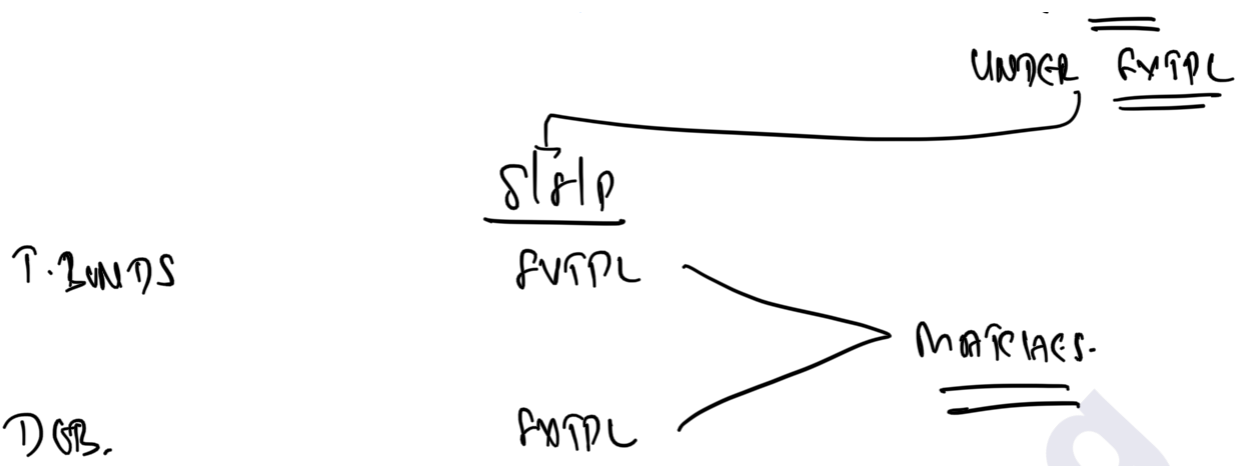


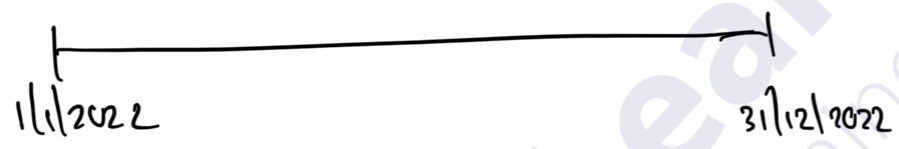
DESIGNATING ITEMS UNDER FVTPL

CLASSIFICATION OF FA → CF CHARACTERISTICS + BUSINESS MODEL





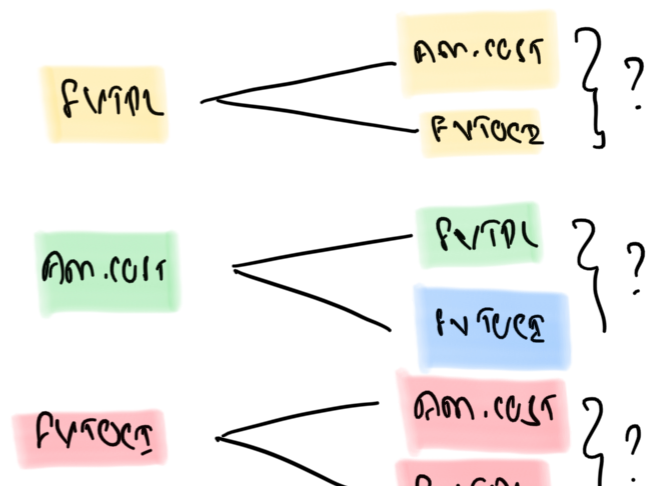
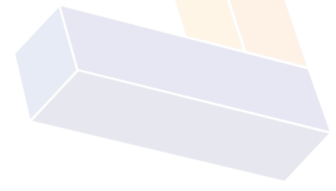
FA RECLASSIFICATIONS.



INDICES

CHANGE CLASSIFICATION ?

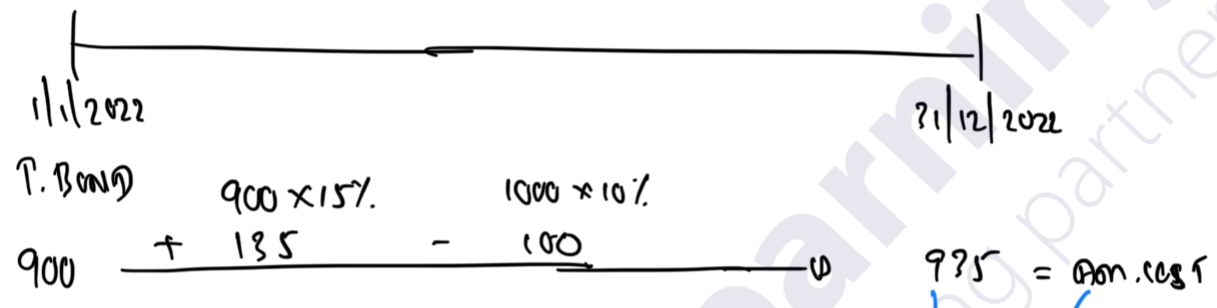
- JICA SHARES - "FVTPL" → NO CHANGES
 - COM. BANK MARKETS - "FVTPL" → NO CHANGES.
 - T. BOND - AM.COST → CHANGE ARE ALLOWED IF BUSINESS MODEL CHANGES
 - DERIVATIVES - FVTPL
 - F. BILL - FVTPL
- BE RARE
- CONSIDERED TO



ACCOUNTING FOR RECLASSIFICATION

eg: Cost 900
 Fair Value 1,000
 Coupon 10% P.A.
 Effective Rate 15% P.A.
 RATE

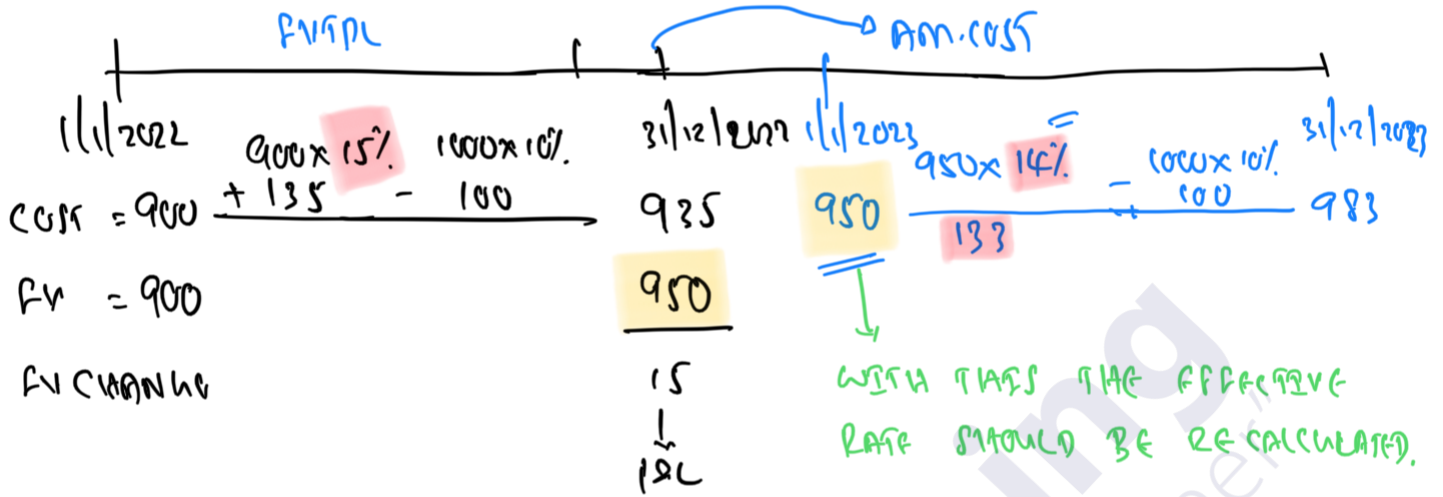
1) Am. Cost → n FVIFPL / FVIFCS



S/PL - FVIF 21/12/2022

	FVIFPL	FVIFCS
Int. Income =	135	135
FV CHANGE	+15	-
<u>↑ P&L</u>		
<u>OCI</u>		
FV CHANGE		+15

2) FVIFPL → Am. cost | FVIFCE



S/P/L

	2022
INT. INCOM	135
FV CHANGE	+ 15

P/S

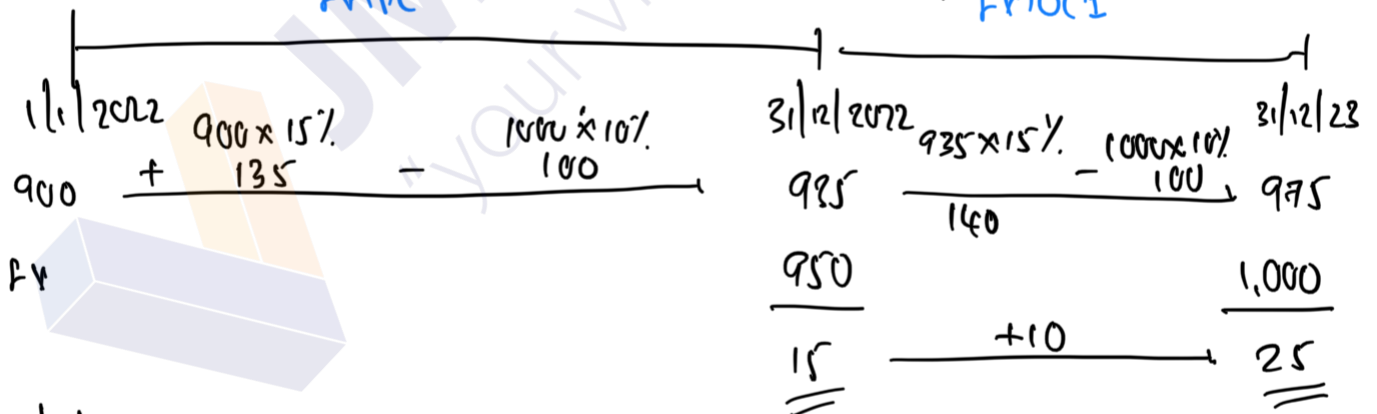
2023

133

-

FVIFPL

FVIFCE



S/P/L

	2022
INT. INCOM	135
FV CHANGE	15

2023

140

-

FX CHANGE

15

P&Y

OCE

FX CHANGE

-

+10

3) FVOCI → FVPL | Am. Cost

FVOCI → FVPL

	1/1/2022		3/12/2022	31/12/2022		31/12/2023
Cost	900	$900 \times 15\%$	$1000 \times 10\%$	935	935	975
		+ 135	- 100		+ 140	- 100
FV	900			950	950	1,000
				15	15	25
					+ 10	

	2022	2023
<u>P&Y</u>		
I/E	135	140
FX CHANGE - TRF ON RECLASSIFICATION	+ 15	
FX CHANGE		+ 10
P&Y		
<u>OCE</u>		
FX CHANGE	+ 15	-
TRF ON RECLASSIFICATION	(15)	-

FXFOCI → Am. COST

			FXFOCI		Am. COST	
1/1/2022			31/12/2022		31/12/2022	31/12/2022
	$900 \times 15\%$	$- 1000 \times 10\%$			$935 \times 15\%$	$1000 \times 10\%$
COST = 900	+ 135	- 100	→ 935		<u>935</u>	+ 140 - 100
FV = 900						<u>975</u>
			950			
			<u>15</u>			

	2022	2023
PLI		
I/I	135	140
REVENUE	-	-
PROF		
OCE		
FV CHANGE	+15	-
REWARD ON RECLASSIFICATION	(15)	-

	2022
SLIP	
T. BONDS	950
	(15)
Am. COST	<u>935</u>