		<u>Financial asset</u>
	debt instrument	
	at amortized cost	at FVTPL
	(hold strategy for FA aka held to maturity securities - investments into debt securities e.g. corporate bonds, certificates of deposite, trade receivables on normal commercial terms****, which company intents to hold to maturity)	(held for trading strategy for FA aka trading investments into debt and equity securities and any fin instuments designed as FVTPL on inception e.g. investment into convertible bond with conversion option embedded in it)
General rules: initial measurement	FV + TC in BS	FV in BS, TC in PL
subsequent measurement	amortized cost*	changes in FV in PL
Additional notes: should be tested for	impairment testing	revaluations FV as current market
how FV, if any, is calculated?	-	price or as PV of future CF
how amortized cost, if any, is calculated?	Par value + Effective interest - Repayment	-
how transaction costs for FL are calculated?		

how TC for FL which is equity instrument are recorded in BS?

what can be issued as FL equity instrument?

*where

fin income (calculated using effective interest method any changes in FV since the previous reporting date ar amounts recognized in OCI are reclassified to PL when

Amortized cost =

amount measuerd at intial recognition minus principal repayments plus cummulative amortization using effective % meth minus any impairment loss

**(held for trading - short-term investments and all derivatives not held for

Tainting Rule - An accounting rule that defines a situation (tainting) in wl * If for the buyer a sale happened at better than normal commercial terr

equity instrument

at FVTOCI

(hold and sell strategy for FA aka available for sale securities - investments into debt and equity securities. It is residual category which includes non-trading/non-quoted equity securities and quoted debt securities which compny doesn't intent to held to maturity or if such debt securities are subject to 2 year timeout ban as result of tained portfolio***)

FV + TC in BS

changes in FV in OCI

revaluations

FV as current market price or as PV of future CF

debt instrument

(if obligation to repay)

at amortized cost

(hold strategy for FL aka issued to maturity securities - issue of debt securities e.g. corporate bonds, certificates of loans, trade payables on normal commercial terms, which company intents to redeem on maturity)

(held for to issue of to equity: redeem instumer inception bond to

FV - TC in BS

amortized cost

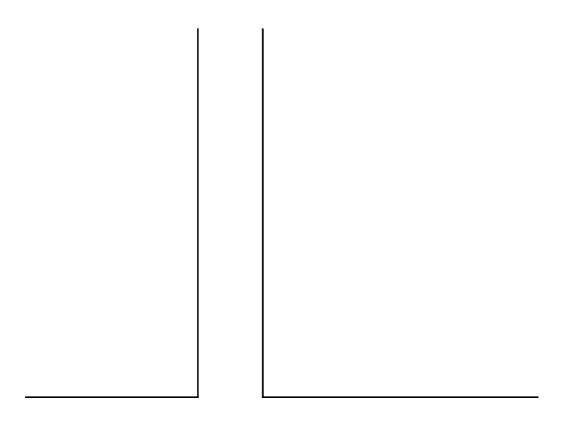
changes in in value change, b change, in

_

FV as curre

Par value + Effective interest - Repayment

TC = % paid, discount on issue, premium on redumption, issue costs



) is recognized in PL re recognized in OCI insturment is disposed of

ıod

hedging purposes or linked to certain unquoted equity instruments; any fin instument

hich classification of an investment as held-to-maturity (HTM) is prohibited if the reporms provided by seller in course of its ordinary business activity (e.g. if payment is defer

Financial liability

equity instrument

(if no obligation to repay)

at FVTPL

trading strategy for FL aka rading debt and particluar securities (pereference lable stocks) and any fin nts designed as FVTPL on n e.g. issue of convertible with conversion option embedded in it)

e.g. common stocks issued, issued option for purchase of common stocks

FV in BS, TC in PL

FV in PL; however if change is due not to general % ut due to entity credit risk this case difference should recorded in OCI

FV - TC in BS

revaluations

ent market price or as PV of future CF

FV as current market price or as PV of future CF (if delivery of consideration is deferred)

-

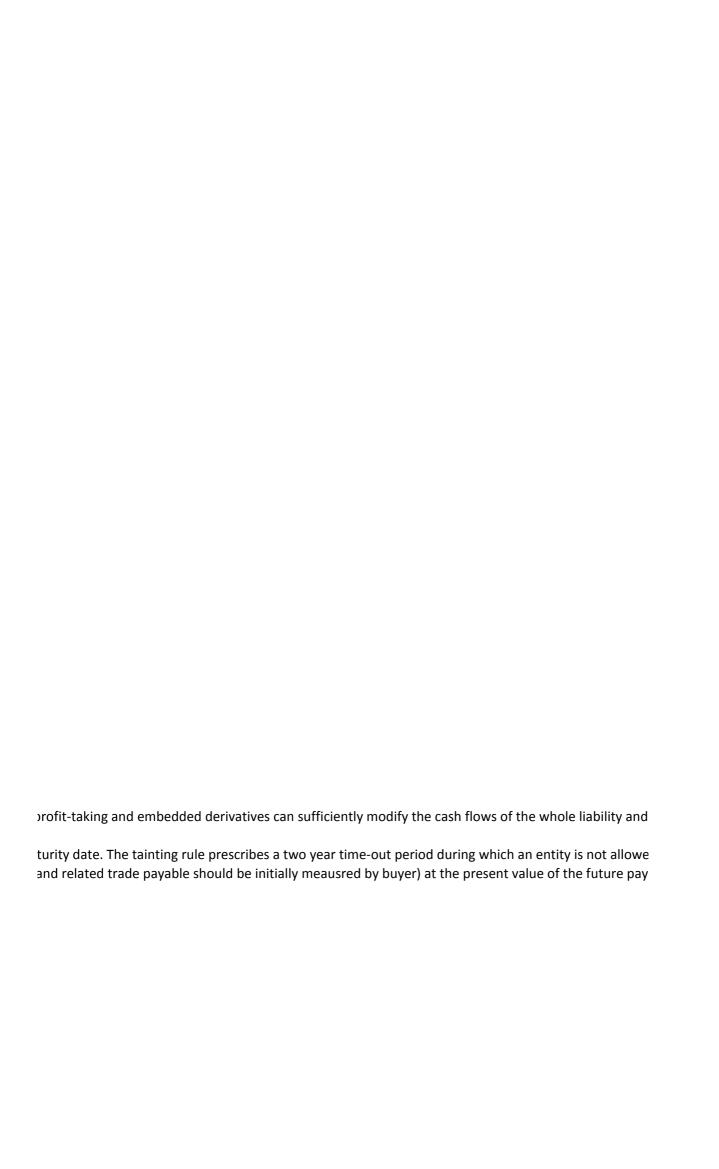
TC reduce Share premium or Retained earnings accounts

shares issued at normal market price, bonus issue of shares (as noncash dividends), stock right issue (issue of shares at reduced market price), covertable bond issue (ordinary shares can be deliverd at maturity instead of cash), share options issue (allow purchase shares in the future at set price)

s designed as FVTPL on inception - on initial recognition it is part of a portfolio of identified financial instrument

rting entity, during the current reporting year or the two preceding years, has sold, transferred or exercised an pred beyond normal business terms or is financed at a rate of interest that is not a market rate), such sale is considered to the current reporting year or the two preceding years, has sold, transferred or exercised an pred beyond normal business terms or is financed at a rate of interest that is not a market rate), such sale is considered to the current reporting year or the two preceding years, has sold, transferred or exercised an pred beyond normal business terms or is financed at a rate of interest that is not a market rate), such sale is considered to the current reporting years.

ts that are managed together and for which there is evidence of a recent actual pattern of short-term p
out option on a significant amount of the investment, initially classified as held-to-maturity, before mainsidered as financing transaction and such trade receivable should be initially meausured by the seller (a



are not clearly closely related to underlying lianility - e.g. conversion option embedded in a convertible	
ed to classify any financial assets as held to maturity if the portfolio is found to have been tainted (a tail ments discounted at a market rate of interest for a similar debt instrument.	

