

Information about the significance of financial instruments

Statement of financial position

- Disclose the significance of financial instruments for an entity's financial position and performance.

This includes disclosures for each of the following categories:

- Financial assets measured at fair value through profit and loss, showing separately those held for trading and those designated at initial recognition
 - Held-to-maturity investments
 - Loans and receivables
 - Available-for-sale assets
 - Financial liabilities at fair value through profit and loss, showing separately those held for trading and those designated at initial recognition
 - Financial liabilities measured at amortized cost
- Other balance sheet-related disclosures:
 - Special disclosures about financial assets and financial liabilities designated to be measured at fair value through profit and loss, including disclosures about credit risk and market risk, changes in fair values attributable to these risks and the methods of measurement.
 - Reclassifications of financial instruments from one category to another (e.g. from fair value to amortized cost or vice versa)
 - Information about financial assets pledged as collateral and about financial or non-financial assets held as collateral
 - Reconciliation of the allowance account for credit losses (bad debts) by class of financial assets
 - Information about compound financial instruments with multiple embedded derivatives
 - Breaches of terms of loan agreements

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Statement of comprehensive income

- Items of income, expense, gains, and losses, with separate disclosure of gains and losses from:
 - Financial assets measured at fair value through profit and loss, showing separately those
 - Held for trading and those designated at initial recognition. Held-to-maturity investments.
 - Loans and receivables.
 - Available-for-sale assets.
 - Financial liabilities measured at fair value through profit and loss, showing separately those held for trading and those designated at initial recognition.
 - Financial liabilities measured at amortized cost.

- Other income statement-related disclosures:
 - Total interest income and total interest expense for those financial instruments that are not measured at fair value through profit and loss.
 - Fee income and expense
 - Amount of impairment losses by class of financial assets
 - Interest income on impaired financial assets

Other disclosures

- Accounting policies for financial instruments

Information about hedge accounting, including:

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- Description of each hedge, hedging instrument, and fair values of those instruments, and nature of risks being hedged
- For cash flow hedges, the periods in which the cash flows are expected to occur, when they are expected to enter into the determination of profit or loss, and a description of any forecast transaction for which hedge accounting had previously been used but which is no longer expected to occur
- if a gain or loss on a hedging instrument in a cash flow hedge has been recognized in other comprehensive income, an entity should disclose the following:
 - the amount that was so recognized in other comprehensive income during the period the amount that was removed from equity and included in profit or loss for the period
 - the amount that was removed from equity during the period and included in the initial measurement of the acquisition cost or other carrying amount of a non-financial asset or non-financial liability in a hedged highly probable forecast transaction
- For fair value hedges, information about the fair value changes of the hedging instrument and the hedged item
- Hedge ineffectiveness recognized in profit and loss (separately for cash flow hedges and hedges of a net investment in a foreign operation)
- Uncertainty arising from the interest rate benchmark reform
- Information about the fair values of each class of financial asset and financial liability, along with:
 - Comparable carrying amounts
 - Description of how fair value was determined
 - The level of inputs used in determining fair value

Information about the significance of financial instruments

- Reconciliations of movements between levels of fair value measurement hierarchy additional disclosures for financial instruments whose fair value is determined using level 3 inputs including impacts on profit and loss, other comprehensive income and sensitivity analysis
- Information if fair value cannot be reliably measured

Reference:

Deloitte, Standards. IFRS 7 Financial Instruments.

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