

**Table of Concordance for IFRS Convergence IPSASs
IPSAS 30, “Financial Instruments: Disclosures”**

AASB-FRSB 27-28 October 2010 Agenda paper B3.6

IFRS Paragraph #	IPSAS Paragraph	Explanation
Objective		
IFRS 7.1	1. The objective of this IFRS- Standard is to require entities to provide disclosures in their financial statements that enable users to evaluate: <ul style="list-style-type: none"> (a) The significance of financial instruments for the entity’s financial position and performance; and (b) The nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the end of the reporting period, and how the entity manages those risks. 	Amended referencing from IFRSs to IPSASs. Editorial changes.
IFRS 7.2	2. The principles in this IFRS- Standard complement the principles for recognising recognizing, measuring and presenting financial assets and financial liabilities in IAS 32 IPSAS 28, “Financial Instruments: Presentation” and IAS 39 IPSAS 29, “Financial Instruments: Recognition and Measurement”.	Amended referencing from IFRSs to IPSASs. Editorial changes.
Scope		
IFRS 7.3	3. This IFRS-Standard shall be applied by all entities to all types of financial instruments, except: <ul style="list-style-type: none"> (a) Those interests in subsidiaries, associates or joint ventures that are accounted for in accordance with IAS 27IPSAS 6, “Consolidated and Separate Financial Statements”, IAS 28IPSAS 7, “Investments in Associates” or IAS 31IPSAS 8, “Interests in Joint Ventures”. However, in some cases, IAS 27IPSAS 6, IAS 28IPSAS 7 or IAS 31IPSAS 8 permits an entity to account for an interest in a subsidiarycontrolled entity, associate or joint venture using IAS 39 IPSAS 29; in those cases, entities shall apply the requirements of this Standard. Entities shall also apply this IFRS Standard to all derivatives linked to interests in subsidiaries, associates or joint ventures unless the derivative meets the 	Amended referencing from IFRSs to IPSASs. Amended wording to align with terminology used in other IPSASs. Editorial changes.

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	<p>definition of an equity instrument in IAS 32<u>IPSAS 28</u>.</p> <p>(b) E<u>mployers’ rights and obligations arising from employee benefit plans, to which IAS 19<u>IPSAS 25</u>, “Employee Benefits” applies.</u></p> <p>(e) [deleted]</p> <p>(d<u>c</u>) Rights and obligations arising under insurance contracts as defined in IFRS 4 Insurance Contracts. However, this IFRS Standard applies to:</p> <p style="padding-left: 20px;">(i) D<u>erivatives that are embedded in insurance contracts if IPSAS 29<u>IAS 39</u> requires the entity to account for them separately; And</u></p> <p style="padding-left: 20px;">(ii) Moreover, An<u> issuer of shall apply this IFRS to financial guarantee contracts if the issuer applies <u>IPSAS 29</u>IAS 39 in recognizing recognising and measuring the contracts, but shall apply the relevant international or national accounting standard dealing with insurance contracts IFRS 4 if the issuer elects, in accordance with paragraph 4(d) of IFRS 4, to apply <u>those standards</u> IFRS 4 in recognizing recognising and measuring them.</u></p> <p><u>In addition to (i) and (ii) above, an entity may apply this Standard to insurance contracts which involve the transfer of financial risk.</u></p> <p>(e) F<u>inancial instruments, contracts and obligations under share-based payment transactions to which IFRS 2 Share-based Payment the relevant international or national accounting standard dealing with share based payment applies, except for contracts that this IFRS applies to contracts within the scope of paragraphs 4-6-7 of IAS 39 <u>IPSAS 29</u>, to which that Standard applies.</u></p> <p>(f) Instruments that are required to be classified as equity instruments in accordance with paragraphs 16A and 16B or paragraphs 16C and 16D of IAS 32<u>15 and 16 or paragraphs 17 and 18 of IPSAS 28</u>.</p>	
IFRS 7.4	4. This IFRS Standard applies to recognised <u>recognized</u> and unrecognised <u>unrecognized</u> financial instruments. Recognised <u>Recognized</u> financial	Amended referencing from IFRSs to IPSASs. Editorial changes.

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	instruments include financial assets and financial liabilities that are within the scope of <u>IPSAS 29IAS 39</u> . Unrecognised Unrecognized financial instruments include some financial instruments that, although outside the scope of <u>IPSAS 29</u> , are within the scope of this IFRS Standard (such as some loan commitments).	
IFRS 7.5	5. This IFRS Standard applies to contracts to buy or sell a non-financial item that are within the scope of <u>IPSAS 29 IAS 39</u> (see paragraphs 4-65-8 of <u>IPSAS 29IAS 39</u>).	Amended referencing from IFRSs to IPSASs.
-	6. <u>This Standard applies to all public sector entities other than Government Business Enterprises.</u>	Added standard wording from IPSAS regarding the application of the standards to GBEs.
-	7. <u>The “Preface to International Public Sector Accounting Standards” issued by the IPSASB explains that Government Business Enterprises (GBEs) apply IFRSs issued by the IASB. GBEs are defined in IPSAS 1, “Presentation of Financial Statements.”</u>	Added standard wording from IPSAS regarding the application of the standards to GBEs.
Definitions		
IFRS 7. Appendix A	8. <u>The following terms are used in this Standard with the meanings specified:</u> <u>Credit risk</u> is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. <u>Currency risk</u> is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. <u>Interest rate risk</u> is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. <u>Liquidity risk</u> is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities <u>that are settled by delivering cash or another financial asset.</u> <u>Loans payable</u> are financial liabilities, other than short-term trade payables on normal credit terms. <u>Market risk</u> is the risk that the fair value or future cash flows of a financial	

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	<p>instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk, and other price risk.</p> <p>Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.</p> <p>A financial asset is past due when a counterparty has failed to make a payment when contractually due.</p> <p><u>Terms defined in other International Public Sector Accounting Standards are used in this Standard with the same meaning as in those other Standards, and are reproduced in the Glossary of Defined Terms published separately.</u></p>	
Classes of financial instruments and level of disclosure		
IFRS 7.6	9. When this IFRS-Standard requires disclosures by class of financial instrument, an entity shall group financial instruments into classes that are appropriate to the nature of the information disclosed and that take into account the characteristics of those financial instruments. An entity shall provide sufficient information to permit reconciliation to the line items presented in the statement of financial position.	Amended referencing from IFRSs to IPSASs.
Significance of financial instruments for financial position and financial performance		
IFRS 7.7	10. An entity shall disclose information that enables users of its financial statements to evaluate the significance of financial instruments for its financial position and performance.	No amendment.
Statement of financial position		
Categories of financial assets and financial liabilities		
IFRS 7.8	11. The carrying amounts of each of the following categories, as defined in IPSAS 29 IAS 39 , shall be disclosed either in the statement of financial position	Amended referencing from IFRSs to IPSASs.

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	<p>or in the notes:</p> <p>(a) financial<u>Financial</u> assets at fair value through profit<u>surplus</u> or loss<u>deficit</u>, showing separately (i) those designated as such upon initial recognition and (ii) those classified as held for trading in accordance with IPSAS 29<u>IAS 39</u>;</p> <p>(b) held<u>Held</u>-to-maturity investments;</p> <p>(c) loans<u>Loans</u> and receivables;</p> <p>(d) available<u>Available</u>-for-sale financial assets;</p> <p>(e) financial<u>Financial</u> liabilities at fair value through profit<u>surplus</u> or loss<u>deficit</u>, showing separately (i) those designated as such upon initial recognition and (ii) those classified as held for trading in accordance with IPSAS 29<u>IAS 39</u>; and</p> <p>(f) financial<u>Financial</u> liabilities measured at amortised<u>amortized</u> cost.</p>	<p>Amended wording to align with terminology used in other IPSASs.</p> <p>Editorial changes.</p>
Financial assets or financial liabilities at fair value through profit<u>surplus</u> or loss<u>deficit</u>		
IFRS 7.9	<p>12. If the entity has designated a loan or receivable (or group of loans or receivables) as at fair value through profit<u>surplus</u> or loss<u>deficit</u>, it shall disclose:</p> <p>(a) the<u>The</u> maximum exposure to credit risk (see paragraph 43<u>36</u>(a)) of the loan or receivable (or group of loans or receivables) at the end of the reporting period.</p> <p>(b) the<u>The</u> amount by which any related credit derivatives or similar instruments mitigate that maximum exposure to credit risk.</p> <p>(c) the<u>The</u> 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:</p> <p style="padding-left: 40px;">(i) as<u>As</u> the amount of change in its fair value that is not attributable to changes in market conditions that give rise to market risk ; or</p> <p style="padding-left: 40px;">(ii) using<u>Using</u> an alternative method the entity believes more faithfully represents the amount of change in its fair value that</p>	<p>Amended wording to align with terminology used in other IPSASs.</p> <p>Editorial changes.</p>

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	<p>is attributable to changes in the credit risk of the asset.</p> <p>Changes in market conditions that give rise to market risk include changes in an observed (benchmark) interest rate, commodity price, foreign exchange rate or index of prices or rates.</p> <p>(d) the<u>The</u> 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.</p>	
IFRS 7.10	<p>13. If the entity has designated a financial liability as at fair value through profit surplus or loss deficit in accordance with paragraph 109 of IPSAS 29<u>IAS 39</u>, it shall disclose:</p> <p>(a) the<u>The</u> 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:</p> <p>(i) as<u>As</u> 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 AG4); or</p> <p>(ii) using<u>Using</u> an alternative method the entity believes more faithfully represents the amount of change in its fair value that is attributable to changes in the credit risk of the liability.</p> <p>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.</p> <p>(b) the<u>The</u> 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.</p>	<p>Amended referencing from IFRSs to IPSASs.</p> <p>Amended wording to align with terminology used in other IPSASs.</p> <p>Editorial changes.</p>
IFRS 7.11	<p>14. The entity shall disclose:</p> <p>(a) the<u>The</u> methods used to comply with the requirements in paragraphs 129(c) and 134(a).</p> <p>(b) if<u>If</u> the entity believes that the disclosure it has given to comply with</p>	<p>Editorial changes.</p>

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	the requirements in paragraph 129 (c) or 134 (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.	
Reclassification		
IFRS 7.12	15. If the entity has reclassified a financial asset (in accordance with paragraphs 60 –63 of IPSAS 29) as one measured: (a) at-At cost or amortised-amortized cost, rather than at fair value; or (b) at-At fair value, rather than at cost or amortised-amortized cost, it shall disclose the amount reclassified into and out of each category and the reason for that reclassification (see paragraphs 51–54 of IAS 39) .	Amended referencing from IFRSs to IPSASs. Editorial changes.
IFRS 7.12A	16. If the entity has reclassified a financial asset out of the fair value through profit surplus or loss-deficit category in accordance with paragraph 55 or 57 of IAS 39 <u>IPSAS 29</u> or out of the available-for-sale category in accordance with paragraph 58 of IAS 39 <u>IPSAS 29</u> , it shall disclose: (a) the <u>The</u> amount reclassified into and out of each category; (b) for <u>For</u> 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 <u>If</u> a financial asset was reclassified in accordance with paragraph 55, the rare situation, and the facts and circumstances indicating that the situation was rare; (d) for <u>For</u> the reporting period when the financial asset was reclassified, the fair value gain or loss on the financial asset recognised <u>recognized</u> in profit-surplus or loss-deficit or other-comprehensive-income-in-net assets/equity in that reporting period and in the previous reporting period; (e) for <u>For</u> 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 <u>recognized</u> in profit-surplus or loss-deficit	Amended referencing from IFRSs to IPSASs. Amended wording to align with terminology used in other IPSASs. Editorial changes.

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	<p>or other comprehensive income <u>in net assets/equity</u> if the financial asset had not been reclassified, and the gain, loss, income <u>revenue</u> and expense recognised <u>recognized</u> in profit surplus or loss <u>deficit</u>; and</p> <p>(f) the <u>The</u> effective interest rate and estimated amounts of cash flows the entity expects to recover, as at the date of reclassification of the financial asset.</p>	
Derecognition		
IFRS 7.13	<p>17. An entity may have transferred financial assets in such a way that part or all of the financial assets do not qualify for derecognition (see paragraphs 17-39 of IPSAS 29 <u>IAS 39</u>). The entity shall disclose for each class of such financial assets:</p> <p>(a) the <u>The</u> nature of the assets;</p> <p>(b) the <u>The</u> nature of the risks and rewards of ownership to which the entity remains exposed;</p> <p>(c) when <u>When</u> the entity continues to recognise <u>recognize</u> all of the assets, the carrying amounts of the assets and of the associated liabilities; and</p> <p>(d) when <u>When</u> the entity continues to recognise <u>recognize</u> the assets to the extent of its continuing involvement, the total carrying amount of the original assets, the amount of the assets that the entity continues to recognise <u>recognize</u>, and the carrying amount of the associated liabilities.</p>	Amended referencing from IFRSs to IPSASs. Editorial changes.
Collateral		
IFRS 7.14	<p>18. An entity shall disclose:</p> <p>(a) the <u>The</u> 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 39(a) of IAS 39 <u>IPSAS 29</u>; and</p> <p>(b) the <u>The</u> terms and conditions relating to its pledge.</p>	Amended referencing from IFRSs to IPSASs. Editorial changes.

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IFRS 7.15	<p>19. When an entity holds collateral (of financial or non-financial assets) and is permitted to sell or repledge the collateral in the absence of default by the owner of the collateral, it shall disclose:</p> <p>(a) the<u>The</u> fair value of the collateral held;</p> <p>(b) the<u>The</u> fair value of any such collateral sold or repledged, and whether the entity has an obligation to return it; and</p> <p>(c) the<u>The</u> terms and conditions associated with its use of the collateral.</p>	Editorial changes.
Allowance account for credit losses		
IFRS 7.16	<p>20. When financial assets are impaired by credit losses and the entity records the impairment in a separate account (e.g.<u>e.g.</u> an allowance account used to record individual impairments or a similar account used to record a collective impairment of assets) rather than directly reducing the carrying amount of the asset, it shall disclose a reconciliation of changes in that account during the period for each class of financial assets. —</p>	Editorial change.
Compound financial instruments with multiple embedded derivatives		
IFRS 7.17	<p>21. If an entity has issued an instrument that contains both a liability and an equity component (see paragraph 33 of IPSAS 28<u>IAS 32</u>) and the instrument has multiple embedded derivatives whose values are interdependent (such as a callable convertible debt instrument), it shall disclose the existence of those features.</p>	Amended referencing from IFRSs to IPSASs.
Defaults and breaches		
IFRS 7.18	<p>22. For loans payable recognised<u>recognized</u> at the end of the reporting period, an entity shall disclose:</p> <p>(a) details<u>Details</u> of any defaults during the period of principal, interest, sinking fund, or redemption terms of those loans payable;</p> <p>(b) the<u>The</u> carrying amount of the loans payable in default at the end of the reporting period; and</p> <p>(c) whether<u>Whether</u> the default was remedied, or the terms of the loans payable were renegotiated, before the financial statements were</p>	Editorial changes.

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	authorised - <u>authorized</u> for issue.	
IFRS 7.19	23. If, during the period, there were breaches of loan agreement terms other than those described in paragraph 22, an entity shall disclose the same information as required by paragraph 22 if those breaches permitted the lender to demand accelerated repayment (unless the breaches were remedied, or the terms of the loan were renegotiated, on or before the end of the reporting period).	No amendment.
Statement of comprehensive income<u>financial performance</u>		
Items of income<u>revenue</u>, expense, gains or losses		
IFRS 7.20	<p>24. An entity shall disclose the following items of income<u>revenue</u>, expense, gains or losses either in the statement of comprehensive income<u>financial performance</u> or in the notes:</p> <p>(a) net-<u>Net</u> gains or net losses on:</p> <p style="padding-left: 20px;">(i) financial-<u>Financial</u> assets or financial liabilities at fair value through profit surplus or loss<u>deficit</u>, 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 for trading in accordance with IPSAS 29<u>IAS 39</u>;</p> <p style="padding-left: 20px;">(ii) available<u>Available</u>-for-sale financial assets, showing separately the amount of gain or loss recognised-<u>recognized</u> in other comprehensive income<u>net assets/equity</u> during the period and the amount reclassified from equity to profit surplus or loss-<u>deficit</u> for the period;</p> <p style="padding-left: 20px;">(iii) held<u>Held</u>-to-maturity investments;</p> <p style="padding-left: 20px;">(iv) loans-<u>Loans</u> and receivables; and</p> <p style="padding-left: 20px;">(v) financial-<u>Financial</u> liabilities measured at amortised<u>amortized</u> cost;</p> <p>(b) total-<u>Total</u> interest income-<u>revenue</u> and total interest expense (calculated using the effective interest method) for financial assets or financial liabilities that are not at fair value through profit surplus or</p>	<p>Amended referencing from IFRSs to IPSASs.</p> <p>Amended wording to align with terminology used in other IPSASs.</p> <p>Editorial changes.</p>

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	<p>lossdeficit;</p> <p>(c) feeFee incomerevenue and expense (other than amounts included in determining the effective interest rate) arising from:</p> <p>(i) financialFinancial assets or financial liabilities that are not at fair value through profitsurplus or lossdeficit; and</p> <p>(ii) trustTrust and other fiduciary activities that result in the holding or investing of assets on behalf of individuals, trusts, retirement benefit plans, and other institutions;</p> <p>(d) interestInterest incomerevenue on impaired financial assets accrued in accordance with paragraph AG126 of IPSAS 29IAS 39; and</p> <p>(e) theThe amount of any impairment loss for each class of financial asset.</p>	
Other disclosures		
Accounting policies		
IFRS 7.21	25. In accordance with paragraph 117 132 of IAS-IPSAS 1 Presentation of Financial Statements” (as revised in 2007), an entity discloses, in the summary of significant accounting policies, the measurement basis (or bases) used in preparing the financial statements and the other accounting policies used that are relevant to an understanding of the financial statements.	Amended referencing from IFRSs to IPSASs.
Hedge accounting		
IFRS 7.22	26. An entity shall disclose the following separately for each type of hedge described in IPSAS 30 IAS 39 (ie i.e. fair value hedges, cash flow hedges, and hedges of net investments in foreign operations):	Amended referencing from IFRSs to IPSASs. Editorial changes.
	<p>(a) aA description of each type of hedge;</p> <p>(b) aA description of the financial instruments designated as hedging instruments and their fair values at the end of the reporting period; and</p> <p>(c) theThe nature of the risks being hedged.</p>	
IFRS 7.23	27. For cash flow hedges, an entity shall disclose:	Amended wording to align with terminology used in other IPSASs.
	(a) the The periods when the cash flows are expected to occur and when	

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	<p>they are expected to affect profit-surplus or loss/deficit;</p> <p>(b) a description of any forecast transaction for which hedge accounting had previously been used, but which is no longer expected to occur;</p> <p>(c) the The amount that was recognised recognized in other comprehensive income surplus or deficit net assets/equity during the period;</p> <p>(d) the The amount that was reclassified from net assets/equity to profit surplus or loss deficit for the period, showing the amount included in each line item in the statement of comprehensive income financial performance; and</p> <p>(e) the The amount that was removed from net assets/equity during the period and included in the initial cost or other carrying amount of a non-financial asset or non-financial liability whose acquisition or incurrence was a hedged highly probable forecast transaction.</p>	Editorial changes.
IFRS 7.24	<p>28. An entity shall disclose separately:</p> <p>(a) in In fair value hedges, gains or losses:</p> <p>(i) on On the hedging instrument; and</p> <p>(ii) on On the hedged item attributable to the hedged risk.</p> <p>(b) the The ineffectiveness recognised recognized in profit surplus or loss deficit that arises from cash flow hedges; and</p> <p>(c) the The ineffectiveness recognised recognized in profit surplus or loss deficit that arises from hedges of net investments in foreign operations.</p>	<p>Amended wording to align with terminology used in other IPSASs.</p> <p>Editorial changes.</p>
Fair value		
IFRS 7.25	<p>29. Except as set out in paragraph 35, for each class of financial assets and financial liabilities (see paragraph 9), an entity shall disclose the fair value of that class of assets and liabilities in a way that permits it to be compared with its carrying amount.</p>	No amendment.
IFRS 7.26	<p>30. In disclosing fair values, an entity shall group financial assets and financial liabilities into classes, but shall offset them only to the extent that their carrying</p>	No amendment.

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	amounts are offset in the statement of financial position.	
IFRS 7.27	<p>31. An entity shall disclose for each class of financial instruments:</p> <p>(a) — the methods and, when a valuation technique is used, the assumptions applied in determining fair values of each class of financial assets or financial liabilities. For example, if applicable, an entity discloses information about the assumptions relating to prepayment rates, rates of estimated credit losses, and interest rates or discount rates. <u>If there has been a change in valuation technique, the entity shall disclose that change and the reasons for making it.</u></p> <p>(b) — whether fair values are determined, in whole or in part, directly by reference to published price quotations in an active market or are estimated using a valuation technique (see paragraphs AG71–AG79 of IAS 39).</p> <p>(c) — whether the fair values recognised or disclosed in the financial statements are determined in whole or in part using a valuation technique based on assumptions that are not supported by prices from observable current market transactions in the same instrument (ie without modification or repackaging) and not based on available observable market data. For fair values that are recognised in the financial statements, if changing one or more of those assumptions to reasonably possible alternative assumptions would change fair value significantly, the entity shall state this fact and disclose the effect of those changes. For this purpose, significance shall be judged with respect to profit or loss, and total assets or total liabilities, or, when changes in fair value are recognised in other comprehensive income, total equity.</p> <p>(d) — if (c) applies, the total amount of the change in fair value estimated using such a valuation technique that was recognised in profit or loss during the period.</p>	
IFRS 7.27A	<p>32. To make the disclosures required by paragraphs 33 an entity shall classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy shall have the following levels:</p> <p>(a) <u>Quoted prices (unadjusted)</u> in active markets for <u>identical assets or</u></p>	

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	<p>liabilities the same instrument (i.e. without modification or repackaging) (Level 1);</p> <p>(b) Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as price) or indirectly (i.e., derived from prices) (Level 2); and in active markets for similar assets or liabilities or other valuation techniques for which all significant inputs are based on observable market data (Level 2); and</p> <p>(c) Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3) valuation techniques for which any significant input is not based on observable market data (Level 3).</p> <p><u>The level in the fair value hierarchy within which the fair value measurement is categorized in its entirety shall be determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability. For the purposes of the fair value hierarchy, a significant input is an input that is significant to the fair value measurement in its entirety. Assessing the significance of a particular input requires judgement.</u></p>	
IFRS 7.27B	<p>33. For fair value measurements recognised<u>recognized</u> in the statement of financial<u>financial</u> position an entity shall disclose for each class of financial instruments:</p> <p>(a) The level in the fair value hierarchy into which the fair value measurements are categorised<u>categorized</u> in their entirety, segregating fair value measurements in accordance with the levels defined in paragraph 32.</p> <p>(b) <u>Any significant transfers between Level 1 and Level 2 of the fair value hierarchy and the reasons for those transfers. Transfers into each level shall be disclosed and discussed separately from transfers out of each level. For this purpose, significance shall be judged with respect to surplus or deficit, and total assets or total liabilities.</u></p>	<p>Amended wording to align with terminology used in other IPSASs.</p> <p>Editorial changes.</p>

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	<p>(bc) Ffor fair value measurements using valuation techniques for which any significant input is not based on observable market data (in Level 3), a reconciliation from the beginning balances to the ending balances, disclosing separately changes during the period attributable to the following:</p> <p>(i) Ttotal gains or losses for the period (realised and unrealised) recognisedrecognized in profit surplus or loss deficit, and a description of where they are presented in the statement of comprehensive incomefinancial performance;</p> <p>(ii) Ttotal gains or losses recognisedrecognized in other comprehensive incomenet assets/equity;</p> <p>(iii) Ppurchases, sales, issues and settlements (net each type of movement disclosed separately); and</p> <p>(iv) Transfers into andor out of Level 3 (e.g., transfers attributable to changes in the observability of market data and the reasons for those transfers. For significant transfers, transfers into Level 3 shall be disclosed and discussed separately from transfers out of Level 3.</p> <p>(ed) The total amount of unrealised total gains or losses for the period in (bc)(i) above included in profit surplus or loss deficit that are attributable to gains or losses relating to those assets and liabilities still held at the end of the reporting period and a description of where those unrealised gains or losses are presented in the statement of comprehensive incomefinancial performance.</p> <p>(de) Ffor fair value measurements using valuation techniques for which any significant input is not based on observable market data (in Level 3), if changing one or more of those the inputs to reasonably possible alternative assumptions would change fair value significantly, the entity shall state that fact and disclose the effect of those changes. The entity shall disclose how the effect of a change to a reasonably possible alternative assumption was calculated. for each class of financial instrument. For this purpose, significance shall be judged with respect to profit surplus or loss deficit, and total assets or total liabilities, or, when changes in fair value are recognisedrecognized in other comprehensive incomenet assets/equity, total equity.</p>	
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	<p>(e) — any movements between the levels of the fair value hierarchy (in addition to those disclosed to comply with paragraph 27B(b)(iv)). The entity shall also disclose the reasons for all movements between any of the levels of the hierarchy.</p> <p>An entity shall present<u>provide</u> the quantitative disclosure<u>information</u> required by this paragraph in tabular format unless another format is more appropriate. In addition, an entity shall also disclose any other information that is necessary for users to evaluate the quantitative information disclosed (eg information about those instruments in one level of the hierarchy that are hedged by instruments in another level of the hierarchy).</p>	
IFRS 7.27C	<p>27C. — An entity shall disclose the fair value, by level of the fair value hierarchy into which the financial instruments are categorised in their entirety, of the financial instruments or the classes of financial instruments that are not measured at fair value in the statement of financial position.</p>	
IFRS 7.28	<p>34. If the market for a financial instrument is not active, an entity establishes its fair value using a valuation technique (see paragraphs AG106–AG112 of IAS 39<u>IPSAS 29</u>). Nevertheless, the best evidence of fair value at initial recognition is the transaction price (i.e., the fair value of the consideration given or received), unless conditions described in paragraph AG108 of IAS 39<u>IPSAS 29</u> 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:</p> <p>(a) its<u>Its</u> accounting policy for recognising<u>recognizing</u> that difference in profit surplus or loss deficit to reflect a change in factors (including time) that market participants would consider in setting a price (see paragraph AG109 of IAS 39<u>IPSAS 29</u>); and</p> <p>(b) the<u>The</u> aggregate difference yet to be recognised<u>recognized</u> in profit surplus or loss deficit at the beginning and end of the period and a reconciliation of changes in the balance of this difference.</p>	<p>Amended referencing from IFRSs to IPSASs.</p> <p>Amended wording to align with terminology used in other IPSASs.</p> <p>Editorial changes.</p>
IFRS 7.29	<p>35. Disclosures of fair value are not required:</p> <p>(a) when<u>When</u> the carrying amount is a reasonable approximation of fair value, for example, for financial instruments such as short-term trade</p>	<p>Amended referencing from IFRSs to IPSASs.</p> <p>Editorial changes.</p>

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	<p>receivables and payables;</p> <p>(b) for 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 IAS 39 <u>IPSAS 29</u> because its fair value cannot be measured reliably; or</p> <p>(c) for For a contract containing a discretionary participation feature (as described in IFRS 4) if the fair value of that feature cannot be measured reliably.</p>	
IFRS 7.30	<p>36. In the cases described in paragraph 35(b) and (c), an entity shall disclose information to help users of the financial statements make their own judgements <u>judgments</u> about the extent of possible differences between the carrying amount of those financial assets or financial liabilities and their fair value, including:</p> <p>(a) the <u>The</u> fact that fair value information has not been disclosed for these instruments because their fair value cannot be measured reliably;</p> <p>(b) a <u>A</u> description of the financial instruments, their carrying amount, and an explanation of why fair value cannot be measured reliably;</p> <p>(c) information <u>Information</u> about the market for the instruments;</p> <p>(d) information <u>Information</u> about whether and how the entity intends to dispose of the financial instruments; and</p> <p>(e) if <u>If</u> financial instruments whose fair value previously could not be reliably measured are derecognised <u>derecognized</u>, that fact, their carrying amount at the time of derecognition, and the amount of gain or loss recognised <u>recognized</u>.</p>	Editorial changes.
<u>Concessionary Loans</u>		
-	<p>37. <u>Concessionary loans are granted by entities on below market terms. Examples of concessionary loans granted by entities include loans to developing countries, small farms, student loans granted to qualifying students for university or college education, and housing loans granted to low income families. For concessionary loans granted an entity shall disclose:</u></p> <p>(a) <u>A reconciliation between the opening and closing carrying amounts of</u></p>	

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	<p><u>the loans, including:</u></p> <p>(i) <u>Nominal value of new loans granted during the period;</u></p> <p>(ii) <u>The fair value adjustment on initial recognition;</u></p> <p>(iii) <u>Loans repaid during the period;</u></p> <p>(iv) <u>Impairment losses recognized;</u></p> <p>(v) <u>Any increase during the period in the discounted amount arising from the passage of time; and</u></p> <p>(vi) <u>Other changes.</u></p> <p>(b) <u>Nominal value of the loans at the end of the period;</u></p> <p>(c) <u>The purpose and terms of the various types of loans; and</u></p> <p>(d) <u>Valuation assumptions.</u></p>	
Nature and extent of risks arising from financial instruments		
IFRS 7.31	38. An entity shall disclose information that enables users of its financial statements to evaluate the nature and extent of risks arising from financial instruments to which the entity is exposed at the end of the reporting period.	No amendment.
IFRS 7.32	39. The disclosures required by paragraphs 40–49 focus on the risks that arise from financial instruments and how they have been managed. These risks typically include, but are not limited to, credit risk, liquidity risk and market risk.	No amendment.
Qualitative disclosures		
IFRS 7.33	40. For each type of risk arising from financial instruments, an entity shall disclose: <p>(a) theThe exposures to risk and how they arise;</p> <p>(b) itsIts objectives, policies and processes for managing the risk and the methods used to measure the risk; and</p> <p>(c) anyAny changes in (a) or (b) from the previous period.</p>	Editorial changes.
Quantitative disclosures		

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IFRS 7.34	<p>41. For each type of risk arising from financial instruments, an entity shall disclose:</p> <p>(a) summarySummary quantitative data about its exposure to that risk at the end of the reporting period. This disclosure shall be based on the information provided internally to key management personnel of the entity (as defined in IAS 24IPSAS 20, “Related Party Disclosures”), for example the entity’s board of directorsgoverning body or chief executive officer.</p> <p>(b) theThe disclosures required by paragraphs 43-49, to the extent not provided in (a), unless the risk is not material (see paragraphs 15-4729-31 of IASIPSAS 1 for a discussion of materiality).</p> <p>(c) concentrationsConcentrations of risk if not apparent from (a) and (b).</p>	<p>Amended referencing from IFRSs to IPSASs.</p> <p>Amended wording to align with terminology used in other IPSASs.</p> <p>Editorial changes.</p>
IFRS 7.35	<p>42. If the quantitative data disclosed as at the end of the reporting period are unrepresentative of an entity’s exposure to risk during the period, an entity shall provide further information that is representative.</p>	<p>No amendment.</p>
Credit risk		
IFRS 7.36	<p>43. An entity shall disclose by class of financial instrument:</p> <p>(a) theThe amount that best represents its maximum exposure to credit risk at the end of the reporting period without taking account of any collateral held or other credit enhancements (ege.g. netting agreements that do not qualify for offset in accordance with IAS 32IPSAS 28);</p> <p>(b) inIn respect of the amount disclosed in (a), a description of collateral held as security and other credit enhancements;</p> <p>(c) informationInformation about the credit quality of financial assets that are neither past due nor impaired; and</p> <p>(d) theThe carrying amount of financial assets that would otherwise be past due or impaired whose terms have been renegotiated.</p>	<p>Amended referencing from IFRSs to IPSASs.</p> <p>Editorial changes.</p>
<i>Financial assets that are either past due or impaired</i>		
IFRS 7.37	<p>44. An entity shall disclose by class of financial asset:</p> <p>(a) anAn analysis of the age of financial assets that are past due as at the</p>	<p>Editorial changes.</p>

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	<p>end of the reporting period but not impaired;</p> <p>(b) an<u>An</u> analysis of financial assets that are individually determined to be impaired as at the end of the reporting period, including the factors the entity considered in determining that they are impaired; and</p> <p>(c) for<u>For</u> the amounts disclosed in (a) and (b), a description of collateral held by the entity as security and other credit enhancements and, unless impracticable, an estimate of their fair value.</p>	
<i>Collateral and other credit enhancements obtained</i>		
IFRS 7.38	<p>45. When an entity obtains financial or non-financial assets during the period by taking possession of collateral it holds as security or calling on other credit enhancements (<u>e.g.</u> guarantees), and such assets meet the recognition criteria in other Standards, an entity shall disclose:</p> <p>(a) the<u>The</u> nature and carrying amount of the assets obtained; and</p> <p>(b) when<u>When</u> the assets are not readily convertible into cash, its policies for disposing of such assets or for using them in its operations.</p>	Editorial changes.
Liquidity risk		
IFRS 7.39	<p>46. An entity shall disclose:</p> <p>(a) a<u>A</u> maturity analysis for non-derivative financial liabilities (including issued financial guarantee contracts) that shows the remaining contractual maturities.</p> <p>(b) A maturity analysis for derivative financial liabilities. The maturity analysis shall include the remaining contractual maturities for those derivative financial liabilities for which contractual maturities are essential for an understanding of the timing of the cash flows (see paragraph B11B<u>AG14</u>).</p> <p>(c) a<u>A</u> description of how it manages the liquidity risk inherent in (a) and (b).</p>	Editorial changes.
Market risk		

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<i>Sensitivity analysis</i>		
IFRS 7.40	47. Unless an entity complies with paragraph 48, it shall disclose: <ul style="list-style-type: none"> (a) a<u>A</u> sensitivity analysis for each type of market risk to which the entity is exposed at the end of the reporting period, showing how profit surplus or loss deficit and <u>net assets</u>/equity would have been affected by changes in the relevant risk variable that were reasonably possible at that date; (b) the<u>The</u> methods and assumptions used in preparing the sensitivity analysis; and (c) changes<u>Changes</u> from the previous period in the methods and assumptions used, and the reasons for such changes. 	Amended wording to align with terminology used in other IPSASs. Editorial changes.
IFRS 7.41	48. If an entity prepares a sensitivity analysis, such as value-at-risk, that reflects interdependencies between risk variables (e.g.g. interest rates and exchange rates) and uses it to manage financial risks, it may use that sensitivity analysis in place of the analysis specified in paragraph 47. The entity shall also disclose: <ul style="list-style-type: none"> (a) an<u>An</u> explanation of the method used in preparing such a sensitivity analysis, and of the main parameters and assumptions underlying the data provided; and (b) an<u>An</u> explanation of the objective of the method used and of limitations that may result in the information not fully reflecting the fair value of the assets and liabilities involved. 	Editorial changes.
<i>Other market risk disclosures</i>		
IFRS 7.42	49. When the sensitivity analyses disclosed in accordance with paragraph 47 or 48 are unrepresentative of a risk inherent in a financial instrument (for example because the year-end exposure does not reflect the exposure during the year), the entity shall disclose that fact and the reason it believes the sensitivity analyses are unrepresentative.	No amendment.
Effective date and transition		
IFRS 7.43	50. An entity shall apply this IFRS-Standard for annual <u>financial statements</u>	Amended referencing from IFRSs to IPSASs.

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	covering periods beginning on or after 1–January 1, 2013 ⁰⁷ . Earlier application is encouraged. If an entity applies this IFRS–Standard for an an earlier period beginning before January 1, 2013 , it shall disclose that fact.	Added standard wording included in IPSAS.
IFRS 7.	51. An entity shall not apply this Standard before January 1, 2013, unless it also applies IPSAS 28 and IPSAS 29.	Added paragraph to explain the early adoption of the financial instrument standards as a package of Standards.
IFRS 7.	52. When an entity adopts the accrual basis of accounting, as defined by IPSASs, for financial reporting purposes, subsequent to this effective date, this Standard applies to the entity’s annual financial statements covering periods beginning on or after the date of adoption.	Standard wording in IPSASs.
IFRS 7.44	53. If an entity applies this IFRS–Standard for annual periods beginning before January 1, 2013 ^{January 2006} , it need not present comparative information for the disclosures required by paragraphs 38–49 about the nature and extent of risks arising from financial instruments.	Amended referencing from IFRSs to IPSASs.
IFRS 7.44A-E		IFRS 7 effective date paragraphs not reproduced.
<u>Withdrawal of IAS 30 and Replacement of IPSAS 15 (2001)</u>		
-	54. This Standard and IPSAS 28 supersede IPSAS 15, “Financial Instruments: Disclosure and Presentation” issued in 2001. IPSAS 15 remains applicable until IPSAS 28 and IPSAS 30 are applied or become effective, whichever is earlier.	Added standard wording.
IFRS 7.45	45. This Standard supersedes IAS 30 Disclosures in the Financial Statements of Banks and Similar Financial Institutions.	

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IFRS Paragraph #	IPSAS Paragraph	Explanation
Appendix BA - Application Guidance		
<i>This appendix is an integral part of the IFRS IPSAS 30.</i>		
Classes of Financial Instruments and Level of Disclosure (paragraph 9)		
IFRS 7.B1	AG1. Paragraph 9 requires an entity to group financial instruments into classes that are appropriate to the nature of the information disclosed and that take into account the characteristics of those financial instruments. The classes described in paragraph 9 are determined by the entity and are, thus, distinct from the categories of financial instruments specified in IAS 39 <u>IPSAS 29</u> (which determine how financial instruments are measured and where changes in fair value are recognised <u>recognized</u>).	Amended referencing from IFRSs to IPSASs. Editorial changes.
IFRS 7.B2	AG2. In determining classes of financial instrument, an entity shall, at a minimum: (a) distinguish <u>Distinguish</u> instruments measured at amortised <u>amortized</u> cost from those measured at fair value. (b) treat <u>Treat</u> as a separate class or classes those financial instruments outside the scope of this IFRS <u>Standard</u> .	Amended referencing from IFRSs to IPSASs. Editorial changes.
IFRS 7.B3	AG3. An entity decides, in the light of its circumstances, how much detail it provides to satisfy the requirements of this IFRS <u>IPSAS</u> Standard , how much emphasis it places on different aspects of the requirements and how it aggregates information to display the overall picture without combining information with different characteristics. It is necessary to strike a balance between overburdening financial statements with excessive detail that may not assist users of financial statements and obscuring important information as a result of too much aggregation. For example, an entity shall not obscure important information by including it among a large amount of insignificant detail. Similarly, an entity shall not disclose information that is so aggregated that it obscures important differences between individual transactions or associated	Amended referencing from IFRSs to IPSASs.

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	risks.	
Significance of Financial Instruments for Financial Position and <u>Financial</u> Performance		
Financial Liabilities at Fair Value through profit <u>Surplus</u> or loss <u>Deficit</u> (paragraphs 13 and 14)		Amended wording to align with terminology used in other IPSASs.
IFRS 7.B4	<p>AG4. If an entity designates a financial liability as at fair value through profit-surplus or loss<u>deficit</u>, paragraph 13(a) requires it to disclose the amount of change in the fair value of the financial liability that is attributable to changes in the liability’s credit risk. Paragraph 13(a)(i) permits an entity to determine this amount as the amount of change in the liability’s fair value that is not attributable to changes in market conditions that give rise to market risk. If the only relevant changes in market conditions for a liability are changes in an observed (benchmark) interest rate, this amount can be estimated as follows:</p> <p>(a) First, the entity computes the liability’s internal rate of return at the start of the period using the observed market price of the liability and the liability’s contractual cash flows at the start of the period. It deducts from this rate of return the observed (benchmark) interest rate at the start of the period, to arrive at an instrument-specific component of the internal rate of return.</p> <p>(b) Next, the entity calculates the present value of the cash flows associated with the liability using the liability’s contractual cash flows at the end of the period and a discount rate equal to the sum of (i) the observed (benchmark) interest rate at the end of the period and (ii) the instrument-specific component of the internal rate of return as determined in (a).</p> <p>(c) The difference between the observed market price of the liability at the end of the period and the amount determined in (b) is the change in fair value that is not attributable to changes in the observed (benchmark) interest rate. This is the amount to be disclosed.</p> <p>This example assumes that changes in fair value arising from factors other than changes in the instrument’s credit risk or changes in interest rates are not significant. If the instrument in the example contains an embedded derivative, the change in fair value of the embedded derivative is excluded in determining the amount to be disclosed in accordance with paragraph 13(a).</p>	Amended wording to align with terminology used in other IPSASs.

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Other Disclosure – Accounting Policies (paragraph 25)		
IFRS 7.B5	<p>AG5. Paragraph 25 requires disclosure of the measurement basis (or bases) used in preparing the financial statements and the other accounting policies used that are relevant to an understanding of the financial statements. For financial instruments, such disclosure may include:</p> <p>(a) for<u>For</u> financial assets or financial liabilities designated as at fair value through profit surplus or loss deficit:</p> <p style="margin-left: 20px;">(i) the<u>The</u> nature of the financial assets or financial liabilities the entity has designated as at fair value through profit surplus or loss deficit;</p> <p style="margin-left: 20px;">(ii) the<u>The</u> criteria for so designating such financial assets or financial liabilities on initial recognition; and</p> <p style="margin-left: 20px;">(iii) how<u>How</u> the entity has satisfied the conditions in paragraph 10, 13 or 14 of IAS 39<u>IPSAS 29</u> for such designation. For instruments designated in accordance with paragraph (b)(i) of the definition of a financial asset or financial liability at fair value through profit surplus or loss deficit in IAS 39<u>IPSAS 29</u>, that disclosure includes a narrative description of the circumstances underlying the measurement or recognition inconsistency that would otherwise arise. For instruments designated in accordance with paragraph (b)(ii) of the definition of a financial asset or financial liability at fair value through profit surplus or loss deficit in IAS 39<u>IPSAS 29</u>, that disclosure includes a narrative description of how designation at fair value through profit surplus or loss deficit is consistent with the entity’s documented risk management or investment strategy.</p> <p>(b) the<u>The</u> criteria for designating financial assets as available for sale.</p> <p>(c) whether<u>Whether</u> regular way purchases and sales of financial assets are accounted for at trade date or at settlement date (see paragraph 40 of IAS 39<u>IPSAS 29</u>).</p> <p>(d) when<u>When</u> an allowance account is used to reduce the carrying amount of financial assets impaired by credit losses:</p>	<p>Amended referencing from IFRSs to IPSASs.</p> <p>Amended wording to align with terminology used in other IPSASs.</p> <p>Editorial changes.</p>

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	<p>(i) the<u>The</u> criteria for determining when the carrying amount of impaired financial assets is reduced directly (or, in the case of a reversal of a write-down, increased directly) and when the allowance account is used; and</p> <p>(ii) the<u>The</u> criteria for writing off amounts charged to the allowance account against the carrying amount of impaired financial assets (see paragraph <u>20</u>).</p> <p>(e) how<u>How</u> net gains or net losses on each category of financial instrument are determined (see paragraph <u>24(a)</u>), for example, whether the net gains or net losses on items at fair value through profit surplus or loss deficit include interest or <u>revenue from dividends or similar distributions income revenue</u>.</p> <p>(f) the<u>The</u> criteria the entity uses to determine that there is objective evidence that an impairment loss has occurred (see paragraph <u>24(e)</u>).</p> <p>(g) when<u>When</u> the terms of financial assets that would otherwise be past due or impaired have been renegotiated, the accounting policy for financial assets that are the subject of renegotiated terms (see paragraph 43(d)).</p> <p><u>(h) For financial guarantee contracts issued through a non-exchange transaction, where no fair value can be determined and a provision is recognized in accordance with IPSAS 19, “Provisions, Contingent Liabilities and Contingent Assets,” disclosure of the circumstances that result in a provision being recognized.</u></p> <p>Paragraph 122-137 of <u>IAS-IPSAS 1</u> -(as revised in 2007)- also requires entities to disclose, in the summary of significant accounting policies or other notes, the judgements<u>judgments</u>, apart from those involving estimations, that management has made in the process of applying the entity’s accounting policies and that have the most significant effect on the amounts recognised<u>recognized</u> in the financial statements.</p>	
Nature and Extent of Risks Arising from Financial Instruments (paragraphs 38-49)		
IFRS 7.B6	AG6. The disclosures required by paragraphs 38-49 shall be either given in the financial statements or incorporated by cross-reference from the financial statements to some other statement, such as a management commentary or risk	No amendment.

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	report, that is available to users of the financial statements on the same terms as the financial statements and at the same time. Without the information incorporated by cross-reference, the financial statements are incomplete.	
Quantitative Disclosures (paragraph 41)		
IFRS 7.B7	AG7. Paragraph 41(a) requires disclosures of summary quantitative data about an entity’s exposure to risks based on the information provided internally to key management personnel of the entity. When an entity uses several methods to manage a risk exposure, the entity shall disclose information using the method or methods that provide the most relevant and reliable information. IAS 8 <u>IPSAS 3</u> . “Accounting Policies, Changes in Accounting Estimates and Errors” discusses relevance and reliability.	Amended referencing from IFRSs to IPSASs.
IFRS 7.B8	AG8. Paragraph 41(c) requires disclosures about concentrations of risk. Concentrations of risk arise from financial instruments that have similar characteristics and are affected similarly by changes in economic or other conditions. The identification of concentrations of risk requires judgement <u>judgment</u> taking into account the circumstances of the entity. Disclosure of concentrations of risk shall include: (a) a <u>A</u> description of how management determines concentrations; (b) a <u>A</u> description of the shared characteristic that identifies each concentration (e.g. <u>e.g.</u> counterparty, geographical area, currency or market); and (c) the <u>The</u> amount of the risk exposure associated with all financial instruments sharing that characteristic.	Editorial changes.
Maximum Credit Risk Exposure (paragraph 43(a))		
IFRS 7.B9	AG9. Paragraph 43(a) requires disclosure of the amount that best represents the entity’s maximum exposure to credit risk. For a financial asset, this is typically the gross carrying amount, net of: (a) any <u>Any</u> amounts offset in accordance with IAS 32 <u>IPSAS 28</u> ; and (b) any <u>Any</u> impairment losses recognised <u>recognized</u> in accordance with IAS 39 <u>IPSAS 29</u> .	Amended referencing from IFRSs to IPSASs. Editorial changes.

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IFRS 7.B10	<p>AG10. Activities that give rise to credit risk and the associated maximum exposure to credit risk include, but are not limited to:</p> <ul style="list-style-type: none"> (a) grantingGranting loans and receivables to customers and placing deposits with other entities. In these cases, the maximum exposure to credit risk is the carrying amount of the related financial assets. (b) enteringEntering into derivative contracts, e.g.e.g., foreign exchange contracts, interest rate swaps and credit derivatives. When the resulting asset is measured at fair value, the maximum exposure to credit risk at the end of the reporting period will equal the carrying amount. (c) grantingGranting financial guarantees. In this case, the maximum exposure to credit risk is the maximum amount the entity could have to pay if the guarantee is called on, which may be significantly greater than the amount recognisedrecognized as a liability. (d) makingMaking a loan commitment that is irrevocable over the life of the facility or is revocable only in response to a material adverse change. If the issuer cannot settle the loan commitment net in cash or another financial instrument, the maximum credit exposure is the full amount of the commitment. This is because it is uncertain whether the amount of any undrawn portion may be drawn upon in the future. This may be significantly greater than the amount recognisedrecognized as a liability. 	Editorial changes.
Quantitative Liquidity Risk Disclosures (paragraphs 3441341(a), and 39463946(a) and (b))		
B10A	<p>AG11. In accordance with paragraph 3441(a)341(a) an entity discloses summary quantitative data about its exposure to liquidity risk on the basis of the information provided internally to key management personnel. An entity shall explain how those data are determined. If the outflows of cash (or another financial asset) included in those data could either:</p> <ul style="list-style-type: none"> (a) Occur significantly earlier than indicated in the data; or (b) Be for significantly different amounts from those indicated in the data (e.g., for a derivative that is included in the data on a net settlement basis but for which the counterparty has the option to require gross settlement); 	

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	the entity shall state that fact and provide quantitative information that enables users of its financial statements to evaluate the extent of this risk unless that information is included in the contractual maturity analyses required by paragraph 39 46(a) or (b).	
IFRS 7.B11	<p>AG12. In preparing the contractual-maturity analysis for financial liabilitiesanalyses required by paragraph 46(a) and (b), an entity uses its judgementjudgment to determine an appropriate number of time bands. For example, an entity might determine that the following time bands are appropriate:</p> <p>(a) notNot later than one month;</p> <p>(b) laterLater than one month and not later than three months;</p> <p>(c) laterLater than three months and not later than one year; and</p> <p>(d) laterLater than one year and not later than five years.</p>	<p>Amended wording to align with terminology used in other IPSASs.</p> <p>Editorial changes.</p>
IFRS 7.B11A	<p>AG13. In complying with paragraph 3946(a) and (b), an entity shall not separate an embedded derivative from a hybrid (combined) instrument. For such an instrument, an entity shall apply paragraph 3946(a).</p>	
IFRS 7.B11B	<p>AG14. Paragraph 3946(b) requires an entity to disclose a quantitative maturity analysis for derivative financial liabilities that shows remaining contractual maturities if the contractual maturities are essential for an understanding of the timing of the cash flows. For example, this would be the case for:</p> <p>(a) An interest rate swap with a remaining maturity of five years in a cash flow hedge of a variable rate financial asset or liability.</p> <p>(b) All loan commitments.</p>	
IFRS 7.B11C	<p>AG15. Paragraph 3946(a) and (b) requires an entity to disclose maturity analyses for financial liabilities that show the remaining contractual maturities for some financial liabilities. In this disclosure:</p> <p>(a) When a counterparty has a choice of when an amount is paid, the liability is allocated to the earliest period in which the entity can be required to pay. For example, financial liabilities that an entity can be required to repay on demand (e.g., demand deposits) are included in the earliest time band.</p>	

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	<p>(b) When an entity is committed to make amounts available in instalments, each instalment is allocated to the earliest period in which the entity can be required to pay. For example, an undrawn loan commitment is included in the time band containing the earliest date it can be drawn down.</p> <p>(c) For issued financial guarantee contracts the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called.</p>	
IFRS 7.B11D	<p>AG16. The contractual amounts disclosed in the maturity analyses as required by paragraph 3946(a) and (b) are the contractual undiscounted cash flows, for example:</p> <p>(a) Gross finance lease obligations (before deducting finance charges);</p> <p>(b) Prices specified in forward agreements to purchase financial assets for cash;</p> <p>(c) Net amounts for pay-floating/receive-fixed interest rate swaps for which net cash flows are exchanged;</p> <p>(d) Contractual amounts to be exchanged in a derivative financial instrument (e.g., a currency swap) for which gross cash flows are exchanged; and</p> <p>(e) Gross loan commitments.</p> <p>Such undiscounted cash flows differ from the amount included in the statement of financial position because the amount in that statement is based on discounted cash flows. When the amount payable is not fixed, the amount disclosed is determined by reference to the conditions existing at the end of the reporting period. For example, when the amount payable varies with changes in an index, the amount disclosed may be based on the level of the index at the end of the period.</p>	
IFRS 7.B11E	<p>AG17. Paragraph 3946(c) requires an entity to describe how it manages the liquidity risk inherent in the items disclosed in the quantitative disclosures required in paragraph 3940(a) and (b). An entity shall disclose a maturity analysis of financial assets it holds for managing liquidity risk (e.g., financial assets that are readily saleable or expected to generate cash inflows to meet cash outflows on financial liabilities), if that information is necessary to enable users of its</p>	

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	financial statements to evaluate the nature and extent of liquidity risk.	
IFRS 7.B11F	<p>AG18. Other factors that an entity might consider in providing the disclosure required in paragraph 3940(c) include, but are not limited to, whether the entity:</p> <ul style="list-style-type: none"> (a) Has committed borrowing facilities (e.g., commercial paper facilities) or other lines of credit (e.g., stand-by credit facilities) that it can access to meet liquidity needs; (b) Holds deposits at central banks to meet liquidity needs; (c) Has very diverse funding sources; (d) Has significant concentrations of liquidity risk in either its assets or its funding sources; (e) Has internal control processes and contingency plans for managing liquidity risk; (f) Has instruments that include accelerated repayment terms (e.g., on the downgrade of the entity’s credit rating); (g) Has instruments that could require the posting of collateral (e.g., margin calls for derivatives); (h) Has instruments that allows the entity to choose whether it settles its financial liabilities by delivering cash (or another financial asset) or by delivering its own shares; or (i) Has instruments that are subject to master netting agreements. 	
IFRS 7.B12-16	–	Deleted by IASB
Market risk – sensitivity analysis (paragraphs 47 and 48)		
IFRS 7.B17	<p>AG19. Paragraph 47(a) requires a sensitivity analysis for each type of market risk to which the entity is exposed. In accordance with paragraph AG3, an entity decides how it aggregates information to display the overall picture without combining information with different characteristics about exposures to risks from significantly different economic environments. For example:</p> <ul style="list-style-type: none"> (a) an<u>An</u> entity that trades financial instruments might disclose this 	Editorial changes.

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	<p>information separately for financial instruments held for trading and those not held for trading.</p> <p>(b) an<u>An</u> entity would not aggregate its exposure to market risks from areas of hyperinflation with its exposure to the same market risks from areas of very low inflation.</p> <p>If an entity has exposure to only one type of market risk in only one economic environment, it would not show disaggregated information.</p>	
IFRS 7.B18	<p>AG20. Paragraph 47(a) requires the sensitivity analysis to show the effect on profit surplus or loss-deficit and net assets/equity of reasonably possible changes in the relevant risk variable (e.g., prevailing market interest rates, currency rates, equity prices or commodity prices). For this purpose:</p> <p>(a) entities<u>Entities</u> are not required to determine what the profit surplus or loss-deficit for the period would have been if relevant risk variables had been different. Instead, entities disclose the effect on profit surplus or loss-deficit and net assets/equity at the end of the reporting period assuming that a reasonably possible change in the relevant risk variable had occurred at the end of the reporting period and had been applied to the risk exposures in existence at that date. For example, if an entity has a floating rate liability at the end of the year, the entity would disclose the effect on profit surplus or loss-deficit (ie interest expense) for the current year if interest rates had varied by reasonably possible amounts.</p> <p>(b) entities<u>Entities</u> are not required to disclose the effect on profit surplus or loss-deficit and net assets/equity for each change within a range of reasonably possible changes of the relevant risk variable. Disclosure of the effects of the changes at the limits of the reasonably possible range would be sufficient.</p>	<p>Amended wording to align with terminology used in other IPSASs.</p> <p>Editorial changes.</p>
IFRS 7.B19	<p>AG21. In determining what a reasonably possible change in the relevant risk variable is, an entity should consider:</p> <p>(a) the<u>The</u> economic environments in which it operates. A reasonably possible change should not include remote or ‘worst case’ scenarios or ‘stress tests’. Moreover, if the rate of change in the underlying risk variable is stable, the entity need not alter the chosen reasonably possible change in the risk variable. For example, assume that interest</p>	<p>Amended wording to align with terminology used in other IPSASs.</p> <p>Editorial changes.</p>

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	<p>rates are 5 per cent and an entity determines that a fluctuation in interest rates of ± 50 basis points is reasonably possible. It would disclose the effect on profit surplus or loss-deficit and net assets/equity if interest rates were to change to 4.5 per cent or 5.5 per cent. In the next period, interest rates have increased to 5.5 per cent. The entity continues to believe that interest rates may fluctuate by ± 50 basis points (i.e., that the rate of change in interest rates is stable). The entity would disclose the effect on profit surplus or loss-deficit and net assets/equity if interest rates were to change to 5 per cent or 6 per cent. The entity would not be required to revise its assessment that interest rates might reasonably fluctuate by ± 50 basis points, unless there is evidence that interest rates have become significantly more volatile.</p> <p>(b) the<u>The</u> time frame over which it is making the assessment. The sensitivity analysis shall show the effects of changes that are considered to be reasonably possible over the period until the entity will next present these disclosures, which is usually its next annual reporting period.</p>	
IFRS 7.B20	AG22. Paragraph 48 permits an entity to use a sensitivity analysis that reflects interdependencies between risk variables, such as a value-at-risk methodology, if it uses this analysis to manage its exposure to financial risks. This applies even if such a methodology measures only the potential for loss and does not measure the potential for gain. Such an entity might comply with paragraph 48(a) by disclosing the type of value-at-risk model used (e.g. , whether the model relies on Monte Carlo simulations), an explanation about how the model works and the main assumptions (e.g. , the holding period and confidence level). Entities might also disclose the historical observation period and weightings applied to observations within that period, an explanation of how options are dealt with in the calculations, and which volatilities and correlations (or, alternatively, Monte Carlo probability distribution simulations) are used.	Editorial changes.
IFRS 7.B21	AG23. An entity shall provide sensitivity analyses for the whole of its business, but may provide different types of sensitivity analysis for different classes of financial instruments.	No amendment.
Interest rate risk		

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IFRS 7.B22	AG24. Interest rate risk arises on interest-bearing financial instruments reeognised <u>recognized</u> in the statement of financial position (eg e.g., loans and receivables and debt instruments issued) and on some financial instruments not reeognised <u>recognized</u> in the statement of financial position (ege.g., some loan commitments).	Editorial changes.
Currency risk		
IFRS 7.B23	AG25. Currency risk (or foreign exchange risk) arises on financial instruments that are denominated in a foreign currency, ie i.e. , in a currency other than the functional currency in which they are measured. For the purpose of this IFRS Standard , currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency.	Amended referencing from IFRSs to IPSASs. Editorial changes.
IFRS 7.B24	AG26. A sensitivity analysis is disclosed for each currency to which an entity has significant exposure.	No amendment.
Other price risk		
IFRS 7.B25	AG27. Other price risk arises on financial instruments because of changes in, for example, commodity prices or equity prices. To comply with paragraph 47, an entity might disclose the effect of a decrease in a specified stock market index, commodity price, or other risk variable. For example, if an entity gives residual value guarantees that are financial instruments, the entity discloses an increase or decrease in the value of the assets to which the guarantee applies.	No amendment.
IFRS 7.B26	AG28. Two examples of financial instruments that give rise to equity price risk are (a) a holding of equities in another entity and (b) an investment in a trust that in turn holds investments in equity instruments. Other examples include forward contracts and options to buy or sell specified quantities of an equity instrument and swaps that are indexed to equity prices. The fair values of such financial instruments are affected by changes in the market price of the underlying equity instruments.	No amendment.
IFRS 7.B27	AG29. In accordance with paragraph 47(a), the sensitivity of profit-surplus or loss deficit (that arises, for example, from instruments classified as at fair value through profit-surplus or loss-deficit and impairments of available-for-sale financial assets) is disclosed separately from the sensitivity of net assets /equity	Amended wording to align with terminology used in other IPSASs.

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	(that arises, for example, from instruments classified as available for sale).	
IFRS 7.B28	AG30. Financial instruments that an entity classifies as equity instruments are not remeasured. Neither profit surplus or loss deficit nor net assets /equity will be affected by the equity price risk of those instruments. Accordingly, no sensitivity analysis is required.–	Amended wording to align with terminology used in other IPSASs.