

**AASB Standard**

**AASB 2009-10**

October 2009

# **Amendments to Australian Accounting Standards – Classification of Rights Issues**

**[AASB 132]**



**Australian Government**

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**Australian Accounting  
Standards Board**

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**AASB 2009-10**

2

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## CONTENTS

PREFACE

**ACCOUNTING STANDARD**  
**AASB 2009-10 AMENDMENTS TO AUSTRALIAN ACCOUNTING**  
**STANDARDS – CLASSIFICATION OF RIGHTS ISSUES**

	<i>Paragraphs</i>
Objective	1
Application	2 – 5
Amendments to AASB 132	6

Australian Accounting Standard AASB 2009-10 *Amendments to Australian Accounting Standards – Classification of Rights Issues* is set out in paragraphs 1 – 6. All the paragraphs have equal authority.

## **PREFACE**

### **Standard Amended by AASB 2009-10**

This Standard makes amendments to Australian Accounting Standard AASB 132 *Financial Instruments: Presentation*.

These amendments arise from the issuance of *Classification of Rights Issues* (Amendment to IAS 32) by the International Accounting Standards Board in October 2009.

### **Main Features of this Standard**

#### **Application Date**

This Standard is applicable to annual reporting periods beginning on or after 1 February 2010. Early adoption is permitted for annual reporting periods beginning on or after 1 January 2005 but before 1 February 2010.

#### **Main Requirements**

The amendments clarify that rights, options or warrants to acquire a fixed number of an entity's own equity instruments for a fixed amount in any currency are equity instruments if the entity offers the rights, options or warrants pro rata to all existing owners of the same class of its own non-derivative equity instruments.

## **ACCOUNTING STANDARD AASB 2009-10**

The Australian Accounting Standards Board makes Accounting Standard AASB 2009-10 *Amendments to Australian Accounting Standards – Classification of Rights Issues* under section 334 of the *Corporations Act 2001*.

Dated 20 October 2009

Kevin M. Stevenson  
Chair – AASB

## **ACCOUNTING STANDARD AASB 2009-10**

### ***AMENDMENTS TO AUSTRALIAN ACCOUNTING STANDARDS – CLASSIFICATION OF RIGHTS ISSUES***

#### **Objective**

- 1 The objective of this Standard is to make amendments to AASB 132 *Financial Instruments: Presentation* as a consequence of the issuance of *Classification of Rights Issues* (Amendment to IAS 32) by the International Accounting Standards Board in October 2009.

#### **Application**

- 2 **This Standard applies to:**
  - (a) each entity that is required to prepare financial reports in accordance with Part 2M.3 of the *Corporations Act* and that is a reporting entity;
  - (b) general purpose financial statements of each other reporting entity; and
  - (c) financial statements that are, or are held out to be, general purpose financial statements.
- 3 **This Standard applies to annual reporting periods beginning on or after 1 February 2010.**
- 4 **This Standard may be applied to annual reporting periods beginning on or after 1 January 2005 but before 1 February 2010.**

If an entity applies this Standard to such an annual reporting period, it shall disclose that fact.

- 5 This Standard uses underlining, striking out and other typographical material to identify some of the amendments to a Standard, in order to make the amendments more understandable. However, the amendments made by this Standard do not include that underlining, striking out or other typographical material.

## Amendments to AASB 132

- 6 Paragraphs 11 and 16 are amended (new text is underlined and deleted text is struck through). Paragraph 97E is added.

### Definitions (see also paragraphs AG3-AG23)

- 11 The following terms are used in this Standard with the meanings specified:

...

A *financial liability* is any liability that is:

- (a) ...
- (b) a contract that will or may be settled in the entity's own equity instruments and is:
- (i) a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
  - (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose, rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are equity instruments if the entity offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments. Also ~~f~~For ~~th~~ these purposes the entity's own equity instruments ...

## Presentation

### Liabilities and equity

(see also paragraphs AG13-AG14J and AG25-AG29A)

- 16 When an issuer applies the definitions in paragraph 11 to determine whether a financial instrument is an equity instrument rather than a financial liability, the instrument is an equity instrument if, and only if, both conditions (a) and (b) below are met.
- (a) ...
  - (b) If the instrument will or may be settled in the issuer's own equity instruments, it is:
    - (i) a non-derivative that includes no contractual obligation for the issuer to deliver a variable number of its own equity instruments; or
    - (ii) a derivative that will be settled only by the issuer exchanging a fixed amount of cash or another financial asset for a fixed number of its own equity instruments. For this purpose, rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are equity instruments if the entity offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments. Also for these purposes the issuer's own equity instruments do not include instruments that have all the features and meet the conditions described in paragraphs 16A and 16B or paragraphs 16C and 16D, or instruments that are contracts for the future receipt or delivery of the issuer's own equity instruments.

A contractual obligation ...

### Effective date and transition

- 97E Paragraphs 11 and 16 were amended by AASB 2009-10 *Amendments to Australian Accounting Standards – Classification of Rights Issues* issued in October 2009. An entity shall apply that amendment for annual reporting periods beginning on or after 1 February 2010. Earlier application is

permitted. If an entity applies the amendment for an earlier period, it shall disclose that fact.