



Reference: Guideline for Banks/FBBs/
T&L/Co-op/Life/P&C/
Fraternal

Our File: P2050-20

October 13, 2006

To: Banks
Foreign Bank Branches
Trust and Loan Companies
Cooperative Credit Associations
Life Insurance Companies & Fraternal Benefit Societies
Property and Casualty Insurance Companies

**Subject: Consequential Amendments to OSFI Accounting Guidelines due to new
Canadian Financial Instruments Accounting Standards**

The new Canadian Accounting Standards, CICA Handbook sections 3855, Financial Instruments – Recognition and Measurement, 3861, Financial Instruments – Disclosure and Presentation, 3865 Hedges and 1530 Comprehensive Income introduce new accounting standards for financial instruments and a new financial statement for Comprehensive Income.

As a result of these new accounting standards, OSFI has made consequential amendments to certain guidelines to ensure they are consistent with the requirements and terminology of the new standards. OSFI is not adding new requirements to the guidelines listed below.

- D-1 - *Annual Disclosures (Banks, Foreign Bank Branches, Federally Regulated Trust and Loan Companies, and Cooperative Credit Associations)*
- D-1A - *Annual Disclosures (Life Insurance Companies)*
- D-1B - *Annual Disclosures (Property and Casualty Insurance Enterprises)*
- D-5 - *Accounting for Structured Settlements*
- D-6 - *Derivatives Disclosure*
- D-8 - *Accounting For Transfers of Receivables Including Securitizations*



With respect to Guideline D-8, the section on the accounting for Retained Interests, including the appendix, has been removed. This material is now addressed by the Canadian Accounting Standards Board guidance on retained interest in the Emerging Issues Committee (EIC) Abstract 139. The EIC will be amending this guidance to align with CICA section 3855.

Guideline, D-9 *Source of Earnings Disclosure* will be amended and issued at a later date.

Questions concerning amendments to the above-noted guidelines should be addressed to Ms. Karen Stothers, Director, Accounting Policy Division at (416) 973-0744 or by e-mail at karen.stothers@osfi-bsif.gc.ca.

Yours truly

Julie Dickson
Deputy Superintendent

Attach.