

IAS 39 Financial Instruments: Recognition and Measurement (May 2016)

IFRS 9 Financial Instruments and IAS 39 Financial Instruments: Recognition and Measurement Derecognition of modified financial assets

The Interpretations Committee discussed whether to undertake a potential narrow-scope project to clarify the requirements in IFRS 9 *Financial Instruments* and IAS 39 *Financial Instruments: Recognition and Measurement* about when a modification or exchange of financial assets results in derecognition of the original asset.

Many Interpretations Committee members observed that, in their experience, the circumstances in which an entity should derecognise financial assets that have been modified or exchanged is an issue that arises in practice. However, because of the broad nature of the issue, the Interpretations Committee noted that it could not resolve it in an efficient manner. Consequently, the Interpretations Committee decided not to further consider such a project.