



Financial Reporting

IFIC's Accounting Advisory
Working Group

IFIC Annual Leadership Conference / 2016

FINANCIAL REPORTING PANEL

Gary Chin, EY (moderator)

Justin Ashley, 1832 Asset Management

Robert Schauer, BMO Investments

Mervyn Ramos, Deloitte

UPDATES TO IFIC'S ACCOUNTING GUIDANCE

- **IFRS Toolkit amended for IFRS 9**
 - Overview of the toolkit amendments
 - Impact to investment fund FS presentation
- **IFIC Bulletin #22 – Portfolio NAV Errors**
 - Guideline updated in 2015 and discussed last year
 - Potential changes being addressed and timeline
- **Guidance on Portfolio Pricing and Fair Valuation**
 - Updates to 2004 portfolio pricing guidance
 - Guideline status and timeline for publication

NEGATIVE INTEREST RATES

- **Accounting for financial instruments**
 - FV of cash and debt instruments
 - Disclosure of interest revenue
 - Impact to investment fund FS presentation
- **MER and TER calculations**
 - Where to include?
- **Business and operational considerations**

INVESTMENT FUNDS PRACTITIONER (SEP 2016)

- **Currency hedged classes and series**
 - Implications for discretionary hedging programs
 - Disclosure requirements and program changes
- **Fund-of-funds disclosure of fees and expenses**
 - MER and TER calculations (3rd party funds)
 - Duplication of fees and prospectus disclosures
- **Other OSC observations**
 - Disclosure of tax consequences of fundamental changes
 - Application of materiality in IRC reporting to regulators
 - Observations and recommendations for liquidity risk management

ACCOUNTING AND REPORTING UPDATES

- **IFRS 9 – Financial Instruments**
 - Summary of the changes from IAS 39
 - Business model approach to classification
 - Timing of adoption (early adoption permitted)
- **IFRS 15 – Revenue from Contracts with Customers**
 - Impact to investment funds
 - Impact to fund managers
- **NI 81-106: Disclosure of Securities Lending Transactions**

Q&A ?