

What's New in Regulatory Compliance

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Release Highlights

Regulatory Compliance

IFRS9 Accounting » Reclassification of Financial Assets

Financial assets are reclassified when the classification of a financial asset changes from one business model to another. When an entity recognises a financial asset, it classifies the asset based on the entity's business model for managing the asset and its contractual cash flow characteristics.

Reclassification is allowed only if there is a change in the objective of the entity's business model for managing those financial assets. It is an exceptional case and occurs mainly because of the management's intention to manage the asset differently.

This feature supports the accounting treatment of contracts with the new business model prospectively as required under IFRS9. It allows banks to account on reclassification of financial assets and measure contracts based on the new business model prospectively.

Click [here](#) to understand the technical impact of this enhancement for customisation and upgrades.

The topics related to this feature are given below:

[Reclassification of Financial Assets](#)

[Accounting](#)

Technical Notes

Regulatory Compliance

IFRS9 Accounting » Reclassification of Financial Assets

Only Temenos releases IAS.CLASSIFICATION records. Reclassify operation is not permitted for existing system contracts which are of the AFS, LAR,HFT, HTM, OL, FVPL,FVOCI,AMC classifications. Any modification of classification must be performed prior to Rclassify operation.