

Introduction

The 2018/19 *Code of Practice on Local Authority Accounting in the United Kingdom* applied IFRS 9 *Financial Instruments* for the first time, introducing new arrangements in particular for the classification of financial assets and the setting of allowances for impairment losses. Practitioners were given advance notice of the new arrangements in April 2017 by the publication of *Forthcoming Provisions for IFRS 9 Financial Instruments* and *IFRS 15 Revenue from Contracts with Customers*. The 2017 edition of this guidance was based on this publication.

This new edition updates the 2017 guidance to reflect the amendments that were made in finalising the 2018/19 Code, changes made in the 2019/20 Code for amendments to IFRS 9 and the experience of practitioners in the implementation year of 2018/19.

The guidance provides comprehensive coverage of the requirements of the provisions, including recognition, measurement, treatment of gains and losses, derecognition and presentation and disclosure in the financial statements, and should reasonably allow practitioners to determine the appropriate treatment for any instrument that they might originate or hold.

Each of these areas is supported fully by practical tips, worked examples and illustrations.

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