



**Changes to Companion Policy 52-107CP  
Acceptable Accounting Principles and Auditing Standards**

1. ***The changes to Companion Policy 52-107CP Acceptable Accounting Principles and Auditing Standards are set out in this schedule.***

2. ***Section 2.14 is changed by deleting the following:***

"If acquisition statements are carve-out statements prepared in accordance with Canadian GAAP for private enterprises, as discussed in section 2.18 of this Companion Policy, subparagraph 3.11(6)(d)(iii) requires reconciliation information for non-venture issuers similar to that required by subparagraph 3.11(1)(f)(iv). The above guidance on subparagraph 3.11(1)(f)(iv) also applies to subparagraph 3.11(6)(d)(iii)."

3. ***Section 2.17 is changed by***

(a) ***adding*** ", predecessor statements, or primary business statements" ***after*** "Acquisition statements",

(b) ***replacing*** "Subsection" ***with*** "In the case of acquisition statements that are an operating statement, subsection",

(c) ***replacing*** "an operating statement to be prepared" ***with*** "the operating statement to be prepared",

(d) ***before*** "For the purpose of preparing", ***adding the following:***

"In the case of predecessor statements or primary business statements that are an operating statement, section 3.17 requires the line items in the operating statement to be prepared in accordance with accounting policies that comply with the accounting policies permitted by one of: Canadian GAAP applicable to publicly accountable enterprises, U.S. GAAP if the issuer is an SEC issuer or SEC foreign issuer, or IFRS if the issuer is a foreign issuer.", ***and***

(e) ***by replacing*** "For the purpose of preparing the operating statement" ***with*** "For the purpose of preparing an operating statement".

4. ***Section 2.18 is changed by***

(a) ***adding*** ", predecessor statements, or primary business statements" ***after*** "Acquisition statements",

- (b) **replacing** "Subsection 3.11(6) specifies the financial reporting framework required for acquisition statements that are" **with** "Acquisition statements, predecessor statements or primary business statements may be",
- (c) **after** "acquired business", **replacing** "or" **with** ",",
- (d) **after** "business to be acquired,", **replacing** "and" **with** "the predecessor entity or primary business. In some cases,",
- (e) **adding** ",which" **after** "Such financial statements", **and**
- (f) **replacing the following:**

"“carve-out” financial statements. Subsection 3.11(6) requires carve-out financial statements to be prepared in accordance with one of Canadian GAAP applicable to publicly accountable enterprises, IFRS, U.S. GAAP, or Canadian GAAP applicable to private enterprises, and in each case include specified line items. For carve-out financial statements prepared in accordance with Canadian GAAP applicable to publicly accountable enterprises or IFRS, the exceptions and exemptions included as Appendices in IFRS 1 would be relevant for determining the opening statement of financial position at the date of transition to IFRS.”,

**with the following:**

“carve-out financial statements, should generally include:

- (a) all assets and liabilities directly attributable to the business;
- (b) all revenue and expenses directly attributable to the business;
- (c) if there are expenses for the business that are common expenses shared with the other entity, a portion of those expenses allocated on a reasonable basis to the business;
- (d) income and capital taxes calculated as if the business had been a separate legal entity and had filed a separate tax return for the period presented; and
- (e) a description of the method of allocation for each significant line item presented in financial statements.”.

**5. Section 3.5 is changed by**

- (a) **deleting** "or carve-out financial statements" **wherever it appears,**

(b) **replacing** "Paragraph 3.12(2)(e) requires" **with** "Paragraphs 3.12(2)(e) and 3.18(2)(e) require", **and**

(c) **replacing** "subsections 3.11(5) and (6)" **with** "subsection 3.11(5) and section 3.17".

6. These changes become effective on May 14, 2013.