IAS 39	Improvements in IFRS 9
Classification and measurement	
IAS 39 requires the classification of financial assets into one of four classes, each having its own eligibility criteria and different measurement requirements. The eligibility criteria are a combination of the nature of the instrument, its manner of use and management choice. IAS 39 has "tainting rules" that force an entity to reclassify to fair value through profit or loss all financial assets classified as held to maturity if more than an insignificant amount of the financial assets in this class are sold before their maturity date	Financial assets are classified in one of two measurement categories. The classification is based on an assessment of the way in which the instrument is managed (the entity's business model) and of its contractual cash flow terms.The category into which the asset is classified determines whether it is measured on an ongoing basis at amortised cost or fair value. A financial instrument should be measured at amortised cost only if it has basic loan features and is managed on a contractual yield basis. Other instruments should be measured at fair value. Assets cannot be reclassified between the two categories after initial recognition and the fair value option at initial recognition will be retained.
Impairment	
IAS 39 requires an impairment assessment for financial assets measured at fair value through other comprehensive income (OCI) as well as both classes of financial assets measured at amortised cost. There are several different models. Some financial asset impairments cannot be reversed.	As a result of the new classification model, the only financial assets subject to impairment will be instruments measured at amortised cost. All impairments are eligible for reversal.
Embedded derivatives	
The requirements for a hybrid contract (a non-derivative host contract with an embedded derivative) are mixed. Some hybrid contracts are measured at fair value through profit or loss in their entirety. Others are split, with one component (the embedded derivative) being measured at fair value through profit or loss and the other component (the non-derivative host contract) being measured at amortised cost or as an executory contract using accrual accounting. A third category of hybrid contract is accounted for either as a single contract or on a split basis, according to management’s choice.	A hybrid contract (a non-derivative host contract with an embedded derivative) with a host that is a financial asset is not separated. Such contracts are classified in accordance with the classification criteria in their entirety. There is no change to the accounting for hybrid contracts if the host contract is a financial liability or a non-financial item.
Fair value through other comprehensive income	
IAS 39 does not have a presentation option for strategic equity investments.	A presentation option is available for investments in equity investments that are strategic investments. If they meet the criteria, an entity may elect, at initial recognition, to record all fair value changes for such equity instruments in OCI. Dividends received from such investments are presented in profit or loss. Nor recycling of gains and losses between p&l and OCI will be permitted for these investments.
Disclosure	Additional disclosures are required, reflecting the revised classification and measurement guidance.