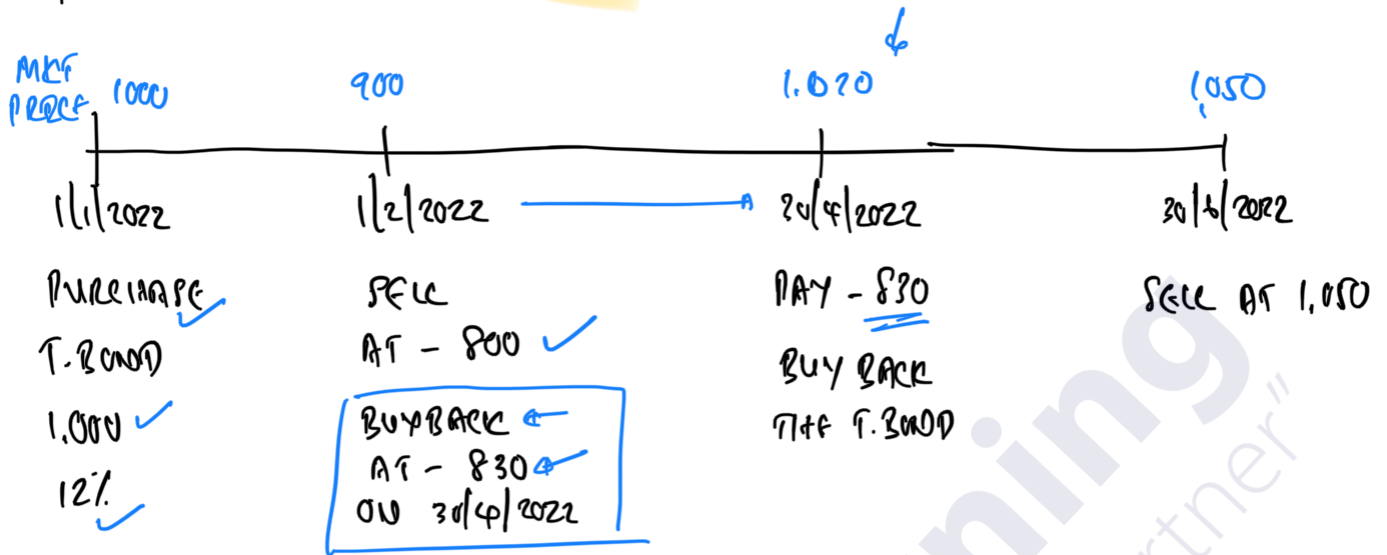


POINT OF DERECOGNITION - ?



$$1000 \times 12\% \times \frac{1}{12} = 10$$

II - PRL

$$CA = 1,010$$

$$SP - CA$$

$$800 - 1,010$$

$$= 210 \text{ LOSS ?}$$

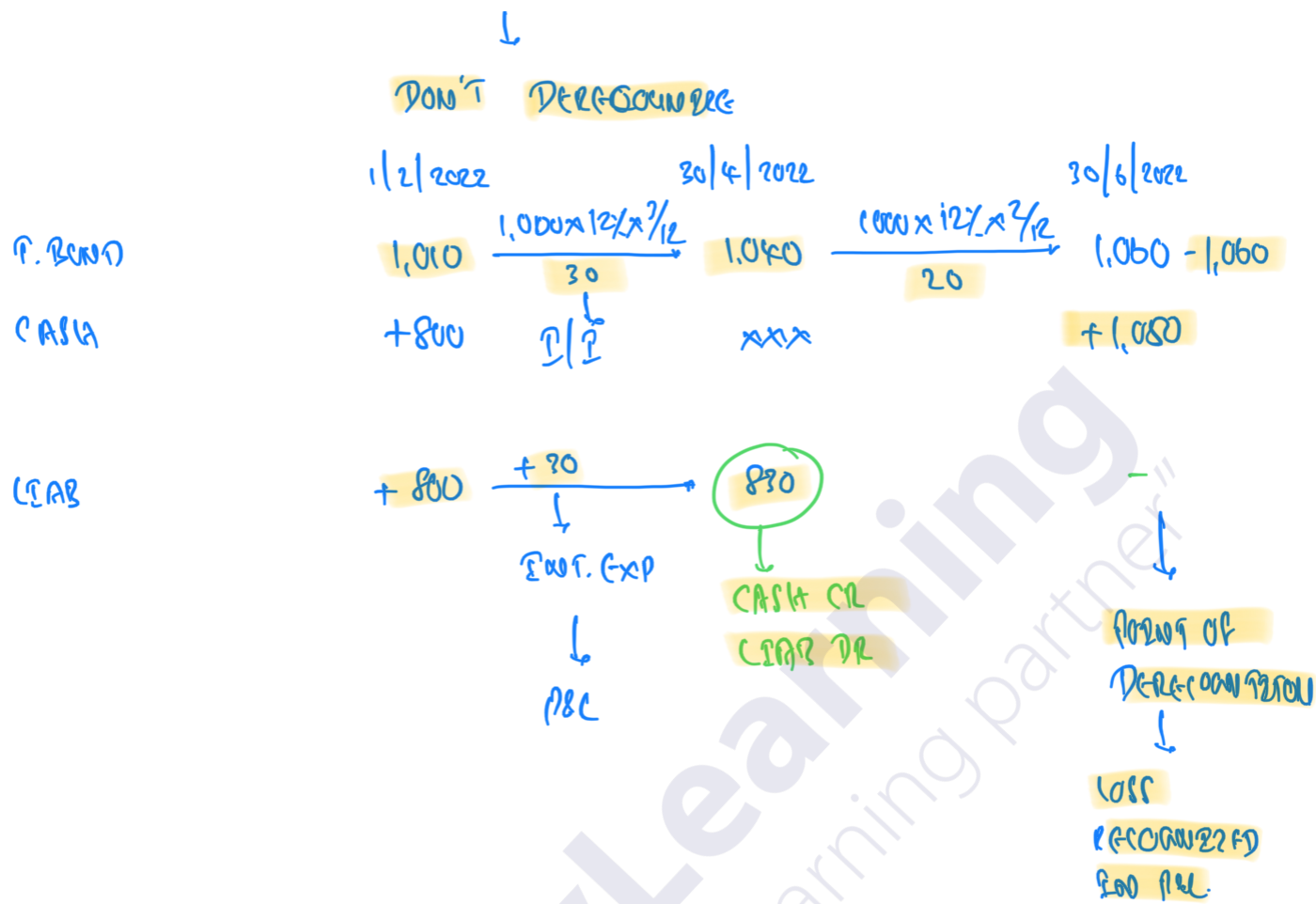
IF THIS IS A

REAL SALE

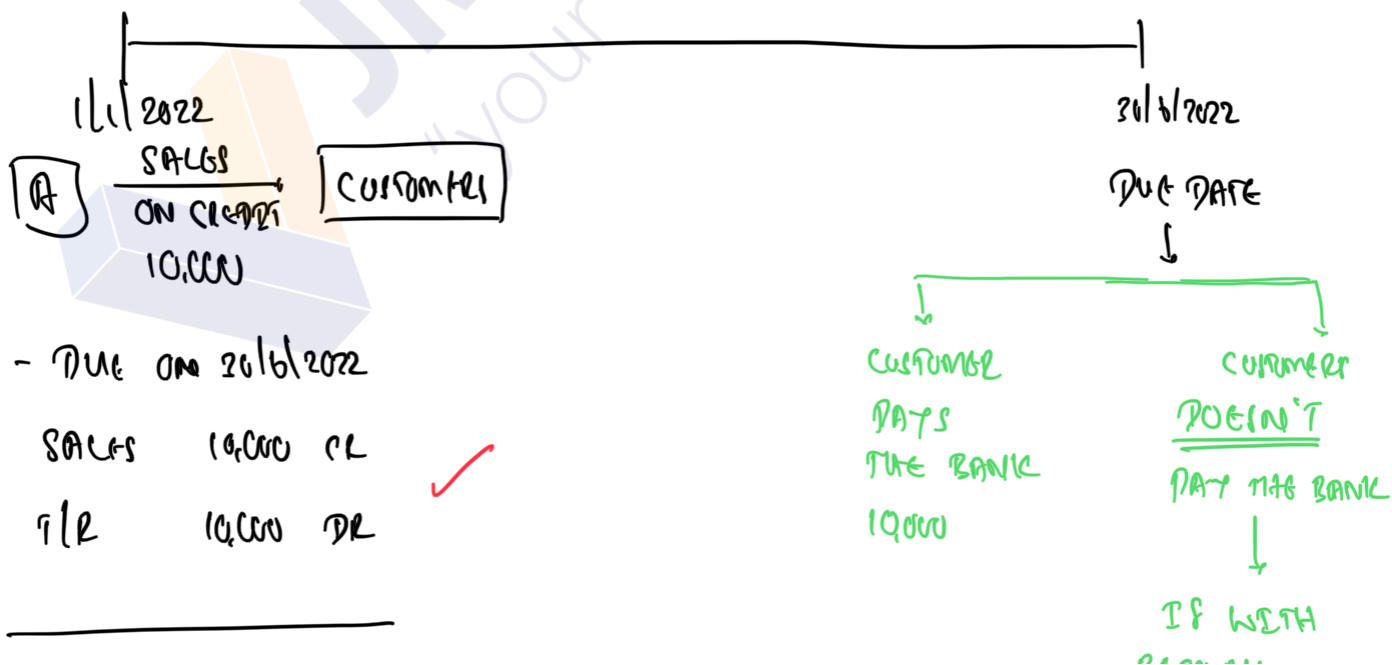
DERECOGNIZE THE T-BOND

LOST CONTROL OVER THE ASSET / RISK & REWARDS RELATION TO THE ASSET

NO



SALE / FACTORING OF TRADE RECEIVABLES.



SELL THE T/R TO A

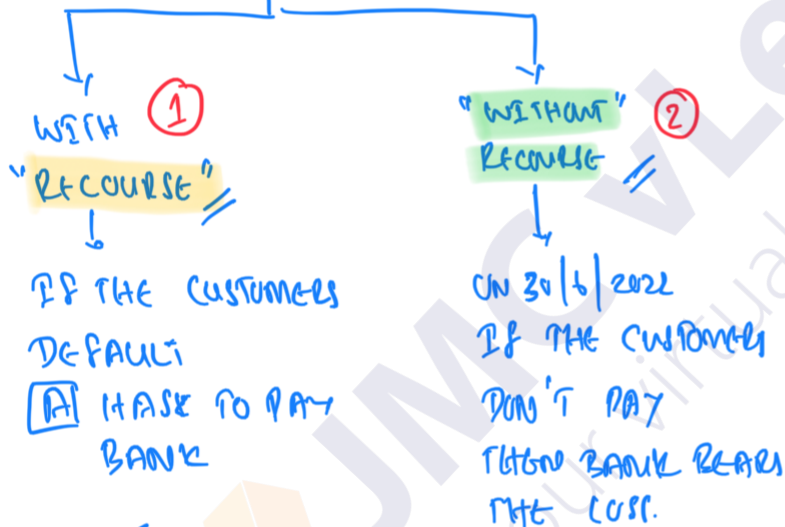
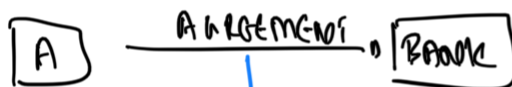
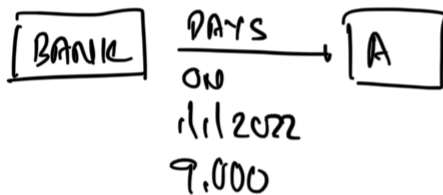
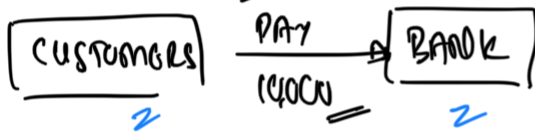
BANK

RECOURSE



AUTO PAYS
THE BANK

ON 20/6/2022



✓
AMOUNT RECEIVED
9000

AMOUNT RECEIVED
7,500

② WITHOUT RECOURSE - POINT OF RECOGNITION IS THE SALE DATE

01/01/2022

CASH 7,500 DR

T/R 10,000 CR

PRC

2,500 DR

① WITH REVERSE

1/1/2022

TR 10,000

20/6/2022

10,000

CASH DR 9,000

LTAB CR 9,000

+ 1,000
INT. EXP
↓
PRC

10,000

CUSTOMER
PAYS THE
BANK

10,000 CR

CUSTOMER
DOES NOT PAY

10,000

GET FOR
TEMPORARILY

10,000 CR ?

10,000 DR

POINT OF

DEREGISTRATION.

NETTING OFF FA & FL

FA

DEPOSIT - Com. Bank (A) 5,000

TR - ALT 3,000

FL

LOAN - Com. Bank (A) 1,000

TR - ALT 500

PRESENTATION

①

4,000

2,500

?

10,500

PRESENTATION

②

5,000 ✓

3,000

1,000 ✓

500

?

10,000

NETTING OFF ALLOWED

- LEGAL + ENFORCEABLE RIGHT ✓

AND

- EXPECT TO SETTLE NETS / REALIZE THE ASSET & LIABILITY
SIMULTANEOUSLY

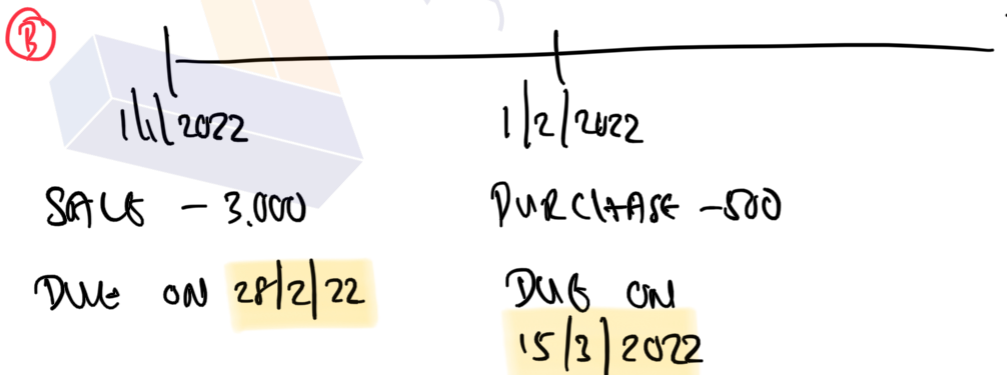
① DEPOSIT 5,000 IS AT 20% P.A FOR 5YR. ✓

LOAN 1,000 " " 22% P.A FOR 6 MONTHS. ✓

✓ IF THE LOAN IS NOT REPAYED, SETTLE WITH OUR DEPOSITS

SINCE THE ASSET & LIABILITY WILL NOT BE
SETTLED TOGETHER — CANNOT NET OFF

∴ PRESENTATION ② APPLIES



Inform A Ltd to pay on 28/2/2022 net amt 2,500
then → presentation ① can be applied.



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