



30 Cannon Street, London EC4M 6XH, United Kingdom
Tel: +44 (0)20 7246 6410 Fax: +44 (0)20 7246 6411
E-mail: iasb@iasb.org Website: www.iasb.org

International
Accounting Standards
Board

This document is provided as a convenience to observers at IASB meetings, to assist them in following the Board's discussion. It does not represent an official position of the IASB. Board positions are set out in Standards.

These notes are based on the staff papers prepared for the IASB. Paragraph numbers correspond to paragraph numbers used in the IASB papers. However, because these notes are less detailed, some paragraph numbers are not used.

INFORMATION FOR OBSERVERS

Board Meeting: November 2008, London

Project: Amendments to IAS 24 *Related Party Disclosures*

Subject: Attachment to Agenda paper 13 (Agenda paper 13A – to be discussed in sweep issues session on Friday 21 November)

Revised wording of paragraphs 17B and 17C

- 17B However, a reporting entity shall disclose the following information about transactions with the state or other entities referred to in paragraph 17A:
- (a) the name of the state and the nature of its relationship with the reporting entity (ie control, joint control or significant influence);
 - (b) the extent types of individually or collectively significant transactions with the state or such entities and a qualitative or quantitative indication of their extent. Types of transactions include those listed in paragraph 20; and
 - (c) the fact that the state or such entities are related parties as defined in IAS 24 but, as permitted by paragraph 17A, disclosures about related party transactions do not include transactions with that state or those entities.
- 17C ~~To comply with the requirement in paragraph 17B(b), the reporting entity might, for example, disclose whether transactions with the state or other entities described in paragraph 17A are significant or insignificant. The~~

~~reporting entity is not required to analyse those transactions by counterparty or by nature and need not provide detailed quantitative information about their extent.~~

Revised wording of the example disclosure

[Example] State S, directly or indirectly, owns 80 per cent of the company's outstanding shares. ~~[A significant portion] [About 50 per cent] of~~ the company's significant transactions take place with State S and other entities controlled, jointly controlled or significantly influenced by State S are [a large portion of its sales of goods and purchases of raw materials] [about 50 per cent of its sales of goods and about 35 per cent of purchases of raw materials]. The company also benefits from guarantees by State S of the company's bank borrowing (see note X for details [to comply with other relevant IFRSs]). Those transactions are related party transactions as defined in IAS 24 *Related Party Disclosures*. However, as permitted by IAS 24, the related party disclosures in ~~paragraph~~ note XY [of the financial statements] do not include disclosure about transactions with those related parties.

[For reference: paragraph 20 of IAS 24]

- 20 The following are examples of transactions that are disclosed if they are with a related party:
- a. purchases or sales of goods (finished or unfinished);
 - b. purchases or sales of property and other assets;
 - c. rendering or receiving of services;
 - d. leases;
 - e. transfers of research and development
 - f. transfers under licence agreements;
 - g. transfers under finance arrangements (including loans and equity contributions in cash or in kind);
 - h. provision of guarantees or collateral; and
 - i. settlement of liabilities on behalf of the entity or by the entity on behalf of another party.

Participation by a parent or subsidiary in a defined benefit plan that shares risks between group entities is a transaction between related parties (see paragraph 34 B of IAS 19).