



Project	Related Party Disclosures
Topic	Comment Letter Analysis: Cover Note

Introduction

1. Exposure draft (ED) *Relationships with the State proposed amendments to IAS 24* was published on 11 December 2008¹. This was the second ED to address issues relating to:
 - (a) exemption from disclosure for state-controlled entities² and
 - (b) amendments to the definition of a related party.
2. This paper outlines the meeting objectives, project scope and a summary of the papers for this meeting.

Meeting objectives

3. At this meeting staff summarize responses to ED 2008 and seek Board decisions on outstanding issues raised by respondents on the following:
 - (a) application scope of the exemption (Agenda Paper 2B)
 - (b) revisions to disclosure requirements when exemption applies (Agenda Paper 2B)
 - (c) changes to definition of 'state' (Agenda Paper 2C)

¹ Referred to as ED 2008

² By 'state-controlled' we mean entities controlled, jointly controlled or significantly influenced by the state.

This paper has been prepared by the technical staff of the IASCF for discussion at a public meeting of the IASB.

The views expressed in this paper are those of the staff preparing the paper. They do not purport to represent the views of any individual members of the IASB.

Comments made in relation to the application of an IFRS do not purport to be acceptable or unacceptable application of that IFRS—only the IFRIC or the IASB can make such a determination.

The tentative decisions made by the IASB at its public meetings are reported in IASB *Update*. Official pronouncements of the IASB, including Discussion Papers, Exposure Drafts, IFRSs and Interpretations are published only after it has completed its full due process, including appropriate public consultation and formal voting procedures.

- (d) revision to definition of a related party for joint control (Agenda Paper 2D).
- (e) removal of the term 'significant voting power' from the definition of a related party (Agenda Paper 2D).

Project scope

4. This is a short term project with limited scope. The Board's intention is to fix some immediate issues quickly, not fundamentally reconsider the requirements in IAS 24 *Related Party Disclosures*.
5. Apart from matters that were the subject of the limited re-exposure in 2008 (amendments to the scope of the exemption proposal and the specific disclosure requirements when the exemption applies, and one further amendment to the definition of a related party), the Board was ready to proceed to drafting a final standard in September 2008.
6. Staff note that any fundamental re-consideration of the related party definition would delay publication of the final standard beyond 2009. Similarly, if the Board should request further meetings to deliberate issues raised by respondents, this will also delay the publication of a final standard to next year.

Agenda papers for this meeting

7. Staff have prepared the following agenda papers for this meeting:

Agenda Paper no.	Title	Content Summary
2	Cover note	Outlines meeting objectives, project scope and agenda papers for this meeting.
2A	Overview	A reminder of the questions in ED 2008 and an overview of responses.
2B	Exemption from disclosure	Analysis of comments relating to proposed exemption and disclosure requirements when exemption applies. Includes questions for the Board.
2C	Definition of 'state'	Analysis of comments relating to definition of 'state'. Includes questions for the Board.
2D	Definition of a related party	Analysis of comments relating to the revised definition of a related party for one specific instance (joint control). Includes a principle-based definition developed by the International Auditing and Assurance Standards Board (IAASB). Considers 'significant voting power' issue. Includes questions for the Board.
2E	Other issues	Analysis of other issues raised by respondents to ED 2008.
2F	Next steps in the project	Discusses transitional issues and effective date(s), as well as how the proposed timescales fit in with the project Tech plan. Includes questions for the Board.
2G	Tentative Board decisions made	Summarizes how the final revised standard will reflect tentative Board decisions made after the Board's review of responses to <i>ED State-controlled Entities and the Definition of a Related Party</i> (ED 2007). Staff do not intend to re-open previous tentative decisions reached by the Board at this meeting.