

HKAS 24 (Revised)  
Revised November 2014 November 2016

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Effective for annual periods  
beginning on or after 1 January 2011

*Hong Kong Accounting Standard 24*

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# Related Party Disclosures



Hong Kong Institute of  
**Certified Public Accountants**  
香港會計師公會

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Hong Kong Accounting Standard 24 *Related Party Disclosures* (HKAS 24) is set out in paragraphs 1-29 and Appendix A. All of the paragraphs have equal authority. HKAS 24 should be read in the context of its objective and the Basis for Conclusions, the *Preface to Hong Kong Financial Reporting Standards* and the *Conceptual Framework for the Preparation and Presentation of Financial Reporting Statements*. HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* provides a basis for selecting and applying accounting policies in the absence of explicit guidance.

## Introduction

- IN1 Hong Kong Accounting Standard 24 *Related Party Disclosures* (HKAS 24) requires a reporting entity to disclose:
- (a) transactions with its related parties; and
  - (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties.
- IN2 The Hong Kong Institute of Certified Public Accountants (HKICPA) revised HKAS 24 in 2009 by:
- (a) simplifying the definition of a related party, clarifying its intended meaning and eliminating inconsistencies from the definition.
  - (b) providing a partial exemption from the disclosure requirements for government-related entities.
- IN3 In making those revisions, the HKICPA did not reconsider the fundamental approach to related party disclosures contained in HKAS 24 (as issued in 2004).

## Hong Kong Accounting Standard 24

### *Related Party Disclosures*

#### Objective

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- 1 The objective of this Standard is to ensure that an entity's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and profit or loss may have been affected by the existence of related parties and by transactions and outstanding balances, including commitments, with such parties.

#### Scope

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- 2 **This Standard shall be applied in:**
- (a) **identifying related party relationships and transactions;**
  - (b) **identifying outstanding balances, including commitments, between an entity and its related parties;**
  - (c) **identifying the circumstances in which disclosure of the items in (a) and (b) is required; and**
  - (d) **determining the disclosures to be made about those items.**
- 3 **This Standard requires disclosure of related party relationships, transactions and outstanding balances, including commitments, in the consolidated and separate financial statements of a parent or investors with joint control of, or significant influence over, an investee presented in accordance with HKFRS 10 *Consolidated Financial Statement* or HKAS 27 *Separate Financial Statements*. This Standard also applies to individual financial statements.**
- 4 Related party transactions and outstanding balances with other entities in a group are disclosed in an entity's financial statements. Intragroup related party transactions and outstanding balances are eliminated, except for those between an investment entity and its subsidiaries measured at fair value through profit or loss, in the preparation of consolidated financial statements of the group.

#### Purpose of related party disclosures

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- 5 Related party relationships are a normal feature of commerce and business. For example, entities frequently carry on parts of their activities through subsidiaries, joint ventures and associates. In those circumstances, the entity has the ability to affect the financial and operating policies of the investee through the presence of control, joint control or significant influence.
- 6 A related party relationship could have an effect on the profit or loss and financial position of an entity. Related parties may enter into transactions that unrelated parties would not. For example, an entity that sells goods to its parent at cost might not sell on those terms to another customer. Also, transactions between related parties may not be made at the same amounts as between unrelated parties.
- 7 The profit or loss and financial position of an entity may be affected by a related party relationship even if related party transactions do not occur. The mere existence of the relationship may be sufficient to affect the transactions of the entity with other parties. For example, a subsidiary may terminate relations with a trading partner on acquisition by the parent of a fellow subsidiary engaged in the same activity as the former trading partner. Alternatively, one party may refrain from acting because of the significant influence of another—for example, a subsidiary may be instructed by its parent not to engage in research and development.

- 8 For these reasons, knowledge of an entity's transactions, outstanding balances, including commitments, and relationships with related parties may affect assessments of its operations by users of financial statements, including assessments of the risks and opportunities facing the entity.

## Definitions

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- 9 The following terms are used in this Standard with the meanings specified:

A *related party* is a person or entity that is related to the entity that is preparing its financial statements (in this Standard referred to as the 'reporting entity').

- (a) A person or a close member of that person's family is related to a reporting entity if that person:
- (i) has control or joint control of the reporting entity;
  - (ii) has significant influence over the reporting entity; or
  - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- (b) An entity is related to a reporting entity if any of the following conditions applies:
- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (iii) Both entities are joint ventures of the same third party.
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
  - (vi) The entity is controlled or jointly controlled by a person identified in (a).
  - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
  - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

A *related party transaction* is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

*Close members of the family of a person* are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (a) that person's children and spouse or domestic partner;
- (b) children of that person's spouse or domestic partner; and
- (c) dependants of that person or that person's spouse or domestic partner.

**Compensation includes all employee benefits (as defined in HKAS 19 *Employee Benefits*) including employee benefits to which HKFRS 2 *Share-based Payment* applies. Employee benefits are all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered to the entity. It also includes such consideration paid on behalf of a parent of the entity in respect of the entity. Compensation includes:**

- (a) short-term employee benefits, such as wages, salaries and social security contributions, paid annual leave and paid sick leave, profit-sharing and bonuses (if payable within twelve months of the end of the period) and non-monetary benefits (such as medical care, housing, cars and free or subsidised goods or services) for current employees;
- (b) post-employment benefits such as pensions, other retirement benefits, post-employment life insurance and post-employment medical care;
- (c) other long-term employee benefits, including long-service leave or sabbatical leave, jubilee or other long-service benefits, long-term disability benefits and, if they are not payable wholly within twelve months after the end of the period, profit-sharing, bonuses and deferred compensation;
- (d) termination benefits; and
- (e) share-based payment.

**Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.**

**Government refers to government, government agencies and similar bodies whether local, national or international.**

**A government-related entity is an entity that is controlled, jointly controlled or significantly influenced by a government.**

**The terms 'control' and 'investment entity', 'joint control' and 'significant influence' are defined in HKFRS 10, HKFRS 11 *Joint Arrangements* and HKAS 28 (2011) *Investments in Associates and Joint Ventures respectively* and are used in this Standard with the meanings specified in those HKFRSs.**

10 In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form.

11 In the context of this Standard, the following are not related parties:

- (a) two entities simply because they have a director or other member of key management personnel in common or because a member of key management personnel of one entity has significant influence over the other entity.
- (b) two joint venturers simply because they share joint control of a joint venture.

- (c) (i) providers of finance,
- (ii) trade unions,
- (iii) public utilities, and
- (iv) departments and agencies of a government that does not control, jointly control or significant influence the reporting entity,

simply by virtue of their normal dealings with an entity (even though they may affect the freedom of action of an entity or participate in its decision-making process).

- (d) a customer, supplier, franchisor, distributor or general agent with whom an entity transacts a significant volume of business, simply by virtue of the resulting economic dependence.

- 12 In the definition of a related party, an associate includes subsidiaries of the associate and a joint venture includes subsidiaries of the joint venture. Therefore, for example, an associate's subsidiary and the investor that has significant influence over the associate are related to each other.

## Disclosures

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### All entities

- 13 **Relationships between a parent and its subsidiaries shall be disclosed irrespective of whether there have been transactions between them. An entity shall disclose the name of its parent and, if different, the ultimate controlling party. If neither the entity's parent nor the ultimate controlling party produces consolidated financial statements available for public use, the name of the next most senior parent that does so shall also be disclosed.**
- 14 To enable users of financial statements to form a view about the effects of related party relationships on an entity, it is appropriate to disclose the related party relationship when control exists, irrespective of whether there have been transactions between the related parties.
- 15 The requirement to disclose related party relationships between a parent and its subsidiaries is in addition to the disclosure requirements in HKAS 27 and HKFRS 12 *Disclosure of Interests in Other Entities*.
- 16 Paragraph 13 refers to the next most senior parent. This is the first parent in the group above the immediate parent that produces consolidated financial statements available for public use.
- 17 **An entity shall disclose key management personnel compensation in total and for each of the following categories:**
- (a) short-term employee benefits;
  - (b) post-employment benefits;
  - (c) other long-term benefits;
  - (d) termination benefits; and
  - (e) share-based payment.
- 17A **If an entity obtains key management personnel services from another entity (the 'management entity'), the entity is not required to apply the requirements in paragraph 17 to the compensation paid or payable by the management entity to the management entity's employees or directors.**



- 18** If an entity has had related party transactions during the periods covered by the financial statements, it shall disclose the nature of the related party relationship as well as information about those transactions and outstanding balances, including commitments, necessary for users to understand the potential effect of the relationship on the financial statements. These disclosure requirements are in addition to those in paragraph 17. At a minimum, disclosures shall include:
- (a) the amount of the transactions;
  - (b) the amount of outstanding balances, including commitments, and:
    - (i) their terms and conditions, including whether they are secured, and the nature of the consideration to be provided in settlement; and
    - (ii) details of any guarantees given or received;
  - (c) provisions for doubtful debts related to the amount of outstanding balances; and
  - (d) the expense recognised during the period in respect of bad or doubtful debts due from related parties.
- 18A** Amounts incurred by the entity for the provision of key management personnel services that are provided by a separate management entity shall be disclosed.
- 19** The disclosures required by paragraph 18 shall be made separately for each of the following categories:
- (a) the parent;
  - (b) entities with joint control of, or significant influence over, the entity;
  - (c) subsidiaries;
  - (d) associates;
  - (e) joint ventures in which the entity is a joint venturer;
  - (f) key management personnel of the entity or its parent; and
  - (g) other related parties.
- 20** The classification of amounts payable to, and receivable from, related parties in the different categories as required in paragraph 19 is an extension of the disclosure requirement in HKAS 1 *Presentation of Financial Statements* for information to be presented either in the statement of financial position or in the notes. The categories are extended to provide a more comprehensive analysis of related party balances and apply to related party transactions.
- 21** 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;
- (i) commitments to do something if a particular event occurs or does not occur in the future, including executory contracts\* (recognised and unrecognised); and
- (j) settlement of liabilities on behalf of the entity or by the entity on behalf of that related party.

22 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 ~~34B-42~~ of HKAS 19 (as amended in 2011)).

23 Disclosures that related party transactions were made on terms equivalent to those that prevail in arm's length transactions are made only if such terms can be substantiated.

**24 Items of a similar nature may be disclosed in aggregate except when separate disclosure is necessary for an understanding of the effects of related party transactions on the financial statements of the entity.**

### **Government-related entities**

**25 A reporting entity is exempt from the disclosure requirements of paragraph 18 in relation to related party transactions and outstanding balances, including commitments, with:**

- (a) a government that has control, or joint control of, or significant influence over, the reporting entity; and
- (b) another entity that is a related party because the same government has control, or joint control of, or significant influence over, both the reporting entity and the other entity.

**26 If a reporting entity applies the exemption in paragraph 25, it shall disclose the following about the transactions and related outstanding balances referred to in paragraph 25:**

- (a) the name of the government and the nature of its relationship with the reporting entity (ie control, joint control or significant influence);
- (b) the following information in sufficient detail to enable users of the entity's financial statements to understand the effect of related party transactions on its financial statements:
  - (i) the nature and amount of each individually significant transaction; and
  - (ii) for other transactions that are collectively, but not individually, significant, a qualitative or quantitative indication of their extent. Types of transactions include those listed in paragraph 21.

27 In using its judgement to determine the level of detail to be disclosed in accordance with the requirements in paragraph 26(b), the reporting entity shall consider the closeness of the related party relationship and other factors relevant in establishing the level of significance of the transaction such as whether it is:

- (a) significant in terms of size;

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\* HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets* defines executory contracts as contracts under which neither party has performed any of its obligations or both parties have partially performed their obligations to an equal extent.

- (b) carried out on non-market terms;
- (c) outside normal day-to-day business operations, such as the purchase and sale of businesses;
- (d) disclosed to regulatory or supervisory authorities;
- (e) reported to senior management;
- (f) subject to shareholder approval.

## Effective date and transition

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- 28 An entity shall apply this Standard retrospectively for annual periods beginning on or after 1 January 2011. Earlier application is permitted, either of the whole Standard or of the partial exemption in paragraphs 25-27 for government-related entities. If an entity applies either the whole Standard or that partial exemption for a period beginning before 1 January 2011, it shall disclose that fact.
- 28A HKFRS 10, HKFRS 11 *Joint Arrangements* and HKFRS 12, issued in June 2011, amended paragraphs 3, 9, 11(b), 15, 19(b) and (e) and 25. An entity shall apply those amendments when it applies HKFRS 10, HKFRS 11 and HKFRS 12.
- 28B *Investment Entities* (Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011)), issued in December 2012, amended paragraphs 4 and 9. An entity shall apply those amendments for annual periods beginning on or after 1 January 2014. Earlier application of *Investment Entities* is permitted. If an entity applies those amendments earlier it shall also apply all amendments included in *Investment Entities* at the same time.
- 28C *Annual Improvements to HKFRSs 2010–2012 Cycle*, issued in January 2014, amended paragraph 9 and added paragraphs 17A and 18A. An entity shall apply that amendment for annual periods beginning on or after 1 July 2014. Earlier application is permitted. If an entity applies that amendment for an earlier period it shall disclose that fact.

## Withdrawal of HKAS 24 (2004)

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- 29 This Standard supersedes HKAS 24 *Related Party Disclosures* (as issued in 2004).

## **Appendix A**

### **Amendment to HKFRS 8 *Operating Segments***

*The amendments in this appendix shall be applied for annual reporting periods beginning on or after 1 January 2011. If an entity applies this HKFRS for an earlier period, these amendments shall be applied for that earlier period. In amended paragraphs, deleted text is struck through and new text is underlined.*

\* \* \*

*The amendments contained in this appendix when this Standard was issued have been incorporated into the relevant Standards.*

## **Appendix B**

### **Comparison with International Financial Reporting Standards**

This comparison appendix, which was prepared in November 2009 and deals only with significant differences in the standards extant, is produced for information only and does not form part of the standards in HKAS 24 (Revised).

The International Financial Reporting Standard comparable with HKAS 24 (Revised) is IAS 24 *Related Party Disclosures*.

There are no major textual differences between HKAS 24 (Revised) and IAS 24.

## Basis for Conclusions on IAS 24 *Related Party Disclosures*

*This Basis for Conclusions accompanies, but is not part of, IAS 24.*

HKAS 24 (Revised) is based on IAS 24 (Revised) *Related Party Disclosures*. In approving HKAS 24 (Revised), the Council of the Hong Kong Institute of Certified Public Accountants considered and agreed with the IASB's Basis for Conclusions on IAS 24. Accordingly, there are no significant differences between HKAS 24 (Revised) and IAS 24. The IASB's Basis for Conclusions is reproduced below. The paragraph numbers of IAS 24 referred to below generally correspond with those in HKAS 24 (Revised).

### Introduction

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- BC1 This Basis for Conclusions summarises the International Accounting Standards Board's considerations in reaching its conclusions on revising IAS 24 *Related Party Disclosures* in 2003 and 2009. Individual Board members gave greater weight to some factors than to others.
- BC2 In July 2001 the Board announced that, as part of its initial agenda of technical projects, it would undertake a project to improve a number of standards, including IAS 24. The project was undertaken in the light of queries and criticisms raised in relation to the standards by securities regulators, professional accountants and other interested parties. The objectives of the Improvements project were to reduce or eliminate alternatives, redundancies and conflicts within existing standards, to deal with some convergence issues and to make other improvements. In May 2002 the Board published its proposals in an exposure draft of *Improvements to International Accounting Standards (the 2002 ED)*, with a comment deadline of 16 September 2002. The Board received over 160 comment letters on the exposure draft. After reviewing the responses, the Board issued a revised version of IAS 24 in December 2003.
- BC3 In February 2007 the Board published an exposure draft *State-controlled Entities and the Definition of a Related Party (the 2007 ED)*, proposing:
- (a) an exemption from the disclosure requirements in IAS 24 for transactions between entities that are controlled, jointly controlled or significantly influenced by a state ('state-controlled entities'<sup>1</sup>); and
  - (b) amendments to the definition of a related party.
- BC4 The Board received 72 comment letters on the 2007 ED. After considering those comments, in December 2008 the Board published revised proposals in an exposure draft *Relationships with the State (the 2008 ED)*. The 2008 ED:
- (a) presented revised proposals for state-controlled entities; and
  - (b) proposed one further amendment to the definition of a related party.
- BC5 The Board received 75 comment letters on the 2008 ED. After reviewing the responses, the Board issued a revised version of IAS 24 in November 2009.
- BC6 Because the Board's intention was not to reconsider the fundamental approach to related party disclosures established by IAS 24, this Basis for Conclusions discusses only the following requirements in IAS 24:
- (a) management compensation (paragraphs BC7–BC10);
  - (b) related party disclosures in separate financial statements (paragraphs BC11–BC17);

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<sup>1</sup> In finalising the revised version of IAS 24 in 2009, the Board replaced the term 'state' with 'government'.

- (c) definition of a related party (paragraphs BC18–BC32);
- (d) government-related entities (paragraphs BC33–BC48); and
- (e) other minor changes made in 2009 (paragraph BC49).

## Management compensation

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- BC7 The version of IAS 24 issued by the Board's predecessor in 1984 had no exemption for the disclosure of key management personnel compensation. In developing the 2002 ED, the Board proposed that the disclosure of management compensation, expense allowances and similar items paid in the ordinary course of business should not be required because:
- (a) the approval processes for key management personnel compensation in some jurisdictions remove the rationale for related party disclosures;
  - (b) privacy issues arise in some jurisdictions where accountability mechanisms other than disclosure in financial statements exist; and
  - (c) requiring these disclosures placed weight on the determination of 'key management personnel' and 'compensation', which was likely to prove contentious. In addition, comparability of these disclosures would be unlikely until measurement requirements are developed for all forms of compensation.
- BC8 However, some respondents to the 2002 ED objected to the proposed exemption because they were concerned that information relating to management compensation is relevant to users' information needs and that an exemption based on 'items paid in the ordinary course of business' could lead to abuse. Establishing a disclosure exemption on such a criterion without a definition of the terms could lead to exempting other transactions with management from being disclosed, because they could all be structured as 'compensation paid in the ordinary course of an entity's operations'. Respondents argued that such an exemption could lead to abuse because it could potentially apply to any transactions with management.
- BC9 The Board was persuaded by the respondents' views on the 2002 ED and decided that the Standard should require disclosure of key management personnel compensation because:
- (a) the principle underpinning the requirements in IAS 24 is that transactions with related parties should be disclosed, and key management personnel are related parties of an entity.
  - (b) key management personnel compensation is relevant to decisions made by users of financial statements when it represents a material amount. The structure and amount of compensation are major drivers in the implementation of the business strategy.
  - (c) the benefit of this information to users of financial statements largely outweighs the potential lack of comparability arising from the absence of recognition and measurement requirements for all forms of compensation.
- BC10 The Board believes that although some jurisdictions have processes for approving compensation for key management personnel in an attempt to ensure an arm's length result, it is clear that some jurisdictions do not. Furthermore, although approval processes for management compensation may involve other parties such as shareholders or investors, key management personnel may still have a significant input. In addition, the Board noted that disclosing key management personnel compensation would improve transparency and comparability, thereby enabling users of financial statements to make a better assessment of the impact of such compensation on the entity's financial position and profit or loss. The Board also noted that the definition of key management personnel and the guidance on compensation in IAS 19 *Employee Benefits* are sufficient to enable entities to disclose the relevant information.

## Related party disclosures in separate financial statements

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- BC11 The version of IAS 24 issued by the Board's predecessor in 1984 exempted disclosures about related party transactions in:
- (a) parents' financial statements when they are made available or published with the consolidated statements; and
  - (b) financial statements of a wholly-owned subsidiary if its parent is incorporated in the same country and provides consolidated financial statements in that country.
- BC12 In the 2002 ED the Board proposed to continue exempting separate financial statements of parents and financial statements of wholly-owned subsidiaries from disclosures about any related parties in specified circumstances. It proposed that disclosure of related party transactions and outstanding balances in the separate financial statements of a parent or the financial statements of a wholly-owned subsidiary would not be required, but only if those statements were made available or published with consolidated financial statements for the group.
- BC13 The Board proposed to retain this exemption so that entities that are required by law to produce financial statements available for public use in accordance with International Financial Reporting Standards (IFRSs) in addition to the group's consolidated financial statements would not be unduly burdened. The Board noted that in some circumstances, users can find sufficient information for their purposes regarding a subsidiary from either its financial statements or the group's consolidated financial statements. In addition, the users of financial statements of a subsidiary often have, or can obtain access to, more information. The Board also noted that users should be aware that amounts recognised in the financial statements of a wholly-owned subsidiary can be affected significantly by the subsidiary's relationship with its parent.
- BC14 However, respondents to the 2002 ED objected to this exemption, on the grounds that disclosure of related party transactions and outstanding balances is essential information for external users, who need to be aware of the level of support provided by related parties. The respondents also argued that financial statements prepared in accordance with IFRSs could be presented on a stand-alone basis. Therefore, financial statements prepared on the basis of this proposed exemption would not achieve a fair presentation without related party disclosures.
- BC15 The Board was persuaded by those arguments and decided to require the disclosure of related party transactions and outstanding balances in separate financial statements of a parent, investor or venturer in addition to the disclosure requirements in IAS 27 *Consolidated and Separate Financial Statements*,<sup>2</sup> IAS 28 *Investments in Associates*<sup>3</sup> and IAS 31 *Interests in Joint Ventures*.<sup>4</sup>
- BC16 The Board noted that the financial statements of an entity that is part of a consolidated group may include the effects of extensive intragroup transactions. Indeed, potentially all of the revenues and expenses for such an entity may derive from related party transactions. The Board concluded that the disclosures required by IAS 24 are essential to understanding the financial position and financial performance of such an entity and therefore should be required for separate financial statements presented in accordance with IAS 27.
- BC17 The Board also believed that disclosure of such transactions is essential because the external users need to be aware of the interrelationships between related parties, including the level of support provided by related parties, to assist external users in their economic decisions.

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<sup>2</sup> The consolidation guidance was removed from IAS 27 and the Standard was renamed *Separate Financial Statements* by IFRS 10 *Consolidated Financial Statement* issued in May 2011. The accounting requirements for separate financial statements were not changed.

<sup>3</sup> In May 2011, the Board amended IAS 28 and changed its title to *Investments in Associates and Joint Ventures*.

<sup>4</sup> IFRS 11 *Joint Arrangements*, issued in May 2011, replaced IAS 31.



## Definition of a related party

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- BC18 The definition of a related party in IAS 24 was widely considered to be too complex and difficult to apply in practice. The Board noted that the existing definition of a related party had weaknesses: it was cumbersome and included several cross-references that made it difficult to read (and to translate). Therefore, the 2007 and 2008 EDs proposed revised definitions.
- BC19 In revising the definition, the Board adopted the following approach:
- (a) When an entity assesses whether two parties are related, it would treat significant influence as equivalent to the relationship that exists between an entity and a member of its key management personnel. However, those relationships are not as close as a relationship of control or joint control.
  - (b) If two entities are both subject to control (or joint control) by the same entity or person, the two entities are related to each other.
  - (c) If one entity (or person) controls (or jointly controls) a second entity and the first entity (or person) has significant influence over a third entity, the second and third entities are related to each other.
  - (d) Conversely, if two entities are both subject to significant influence by the same entity (or person), the two entities are not related to each other.
  - (e) If the revised definition treats one party as related to a second party, the definition should also treat the second party as related to the first party, by symmetry.
- BC20 The new definition was not intended to change the meaning of a related party except in the three respects detailed in paragraphs BC21–BC26. The 2008 ED proposed other amendments to the definition for one additional case that had been inadvertently omitted from the 2007 ED and the elimination of further inconsistencies (paragraphs BC27–BC29). In finalising the amendments in 2009, the Board also removed the term ‘significant voting power’ from the definition of a related party (paragraphs BC30 and BC31).

## An associate of a subsidiary’s controlling investor

- BC21 First, the Board considered the relationship between an associate and a subsidiary of an investor that has significant influence over the associate. The Board observed that when an associate prepares individual or separate financial statements, its investor is a related party. If the investor has a subsidiary, that subsidiary is also related to the associate, because the subsidiary is part of the group that has significant influence over the associate. Although the definition in the 2003 version of IAS 24 incorporated such relationships, the Board concluded that the revised definition should state this more clearly.
- BC22 In contrast, when a subsidiary prepares individual or separate financial statements, an associate of the subsidiary’s controlling investor was not a related party as defined in the 2003 version of IAS 24. The subsidiary does not have significant influence over the associate, nor is it significantly influenced by the associate.
- BC23 However, the Board decided that, for the same reasons that the parties described in paragraph BC21 are related, the parties described in paragraph BC22 are also related. Thus, the Board amended the definition of a related party to include the relationship discussed in paragraph BC22.
- BC24 Furthermore, the Board decided that in the situations described in paragraphs BC21 and BC22, if the investor is a person who has significant influence over one entity and control or joint control over another entity, sufficient influence exists to warrant concluding that the two entities are related.

## Two associates of a person

- BC25 Secondly, the Board considered the relationship between associates of the investor. IAS 24 does not define associates as related to each other if the investor is an entity. This is because there is insufficient influence through the common investment in two associates. However, the Board noted a discrepancy in that if a person significantly influences one entity and a close member of that person's family significantly influences another entity, those entities were treated as related parties of each other. The Board amended the definition to exclude the entities described in the latter scenario, thereby ensuring a consistent treatment of associates.

## Investments of members of key management personnel

- BC26 Thirdly, IAS 24 treats some investees of the key management personnel of a reporting entity as related to that entity. However, the definition in the 2003 version of IAS 24 did not include the reciprocal of this—ie for the financial statements of the investee, the other entity managed by the key management personnel was not a related party. To eliminate this inconsistency, the Board amended the definition so that for both sets of financial statements the entities are related parties.

## Joint control

- BC27 Respondents to the 2007 ED pointed out that one case had been excluded from the restructured definition without being explicitly stated as a change to IAS 24. When a person has joint control over a reporting entity and a close member of that person's family has joint control or significant influence over the other entity, the 2003 version of IAS 24 defined the other entity as related to the reporting entity.
- BC28 The Board noted that joint control is generally regarded as influence that is stronger than significant influence. Therefore, the Board concluded that the relationship described in paragraph BC27 should continue to be treated as a related party relationship.
- BC29 The definition in the 2003 version of IAS 24 did not include the reciprocal of the case described in paragraph BC27, nor did it deal with cases when a person or a third entity has joint control or significant influence over the two entities. The definition proposed in the 2007 ED would not have rectified these omissions. The Board decided to include these cases in the definition, to treat similar relationships in a consistent manner. In summary, whenever a person or entity has both joint control over a second entity and joint control or significant influence over a third entity, the amendments described in this paragraph and paragraph BC27 treat the second and third entities as related to each other.

## Removal of 'significant voting power'

- BC30 Respondents to the 2007 and 2008 EDs raised concerns about the term 'significant voting power' in the definition of a related party. They identified anomalies in its use such as when significant voting power created a related party relationship only when that power is held by individuals, not when that power is held by an entity. A further anomaly arose because two entities were classified as related to each other when a third person was a member of the key management personnel of one and had significant voting power in the other; however, they were not treated as related when a third person had significant voting power in both entities.
- BC31 In response to these comments, the Board deleted the reference to 'significant voting power' because it was undefined, used inconsistently and created unnecessary complexity. The Board concluded that if the effect of 'significant voting power' was considered to be the same as 'significant influence', its deletion would have no effect because 'significant influence' is in the definition. On the other hand, if the effect of 'significant voting power' was considered to be different from that of 'significant influence', IAS 24 did not explain what that difference was.

## Other minor changes to the definition of a related party

BC32 The revisions to IAS 24 in 2009 included the following other minor changes:

- (a) The definition of a **related party** is amended:
  - (i) to replace references to 'individual' with 'person';
  - (ii) to clarify that an associate includes subsidiaries of an associate and a joint venture includes subsidiaries of the joint venture; and
  - (iii) to clarify that two entities are not related parties simply because a member of key management personnel of one entity has significant influence over the other entity.
- (b) The definition of a **close member of the family** is amended:
  - (i) to replace references to 'individual' with 'person'; and
  - (ii) to delete 'may' from the list of examples to state that close members of a person's family include (rather than 'may include') that person's spouse or domestic partner and children.

## Government-related entities

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### Exemption (paragraph 25)

BC33 The version of IAS 24 that preceded its revision in 2003 did not require 'state-controlled' entities to disclose transactions with other such entities. The revised version of IAS 24 issued in 2003 omitted this exemption because at the time the Board concluded that the disclosure requirements would not be a burden for those entities.

BC34 Subsequently concerns were raised that in environments where government control is pervasive, compliance with IAS 24 was problematic. To address those concerns, the 2007 ED proposed an exemption from the disclosure requirements now in paragraph 18 of IAS 24 for government-related entities. In developing that proposal, the Board noted the following:

- (a) It can be difficult to identify other government-related entities, particularly in jurisdictions with a large number of such entities. Such entities might not even be aware that an entity with which they have transactions is a related party.
- (b) For these transactions, the cost of meeting the requirements in IAS 24 was not always offset by the benefit of increased information for users of financial statements. More specifically:
  - (i) extensive disclosures were required for transactions that are unaffected by the relationship;
  - (ii) if some entities are not aware that their transactions are with other government-related entities, the disclosures provided would be incomplete; and
  - (iii) transactions that are affected by the relationship might well be obscured by excessive disclosures about unaffected transactions.
- (c) Some governments establish subsidiaries, joint ventures and associates to compete with each other. In this case, transactions between such entities are likely to be conducted as if they are unrelated parties.

- BC35 Respondents to the 2007 ED generally supported an exemption for government-related entities. However, they expressed concerns about the complexity of the specific proposal and asked the Board to clarify various aspects of it. After considering all comments received, the Board proposed a revised exemption for those entities in the 2008 ED.
- BC36 Respondents to the 2008 ED generally supported the revised proposal, but some argued that the exemption should not apply to transactions:
- (a) between members of a group that is controlled by a government (paragraph BC37); and
  - (b) between government-related entities that are related for a reason in addition to their relationship with the same government (paragraph BC38).
- BC37 Some respondents reasoned that the exemption should not apply to transactions between members of a group that is controlled by a government, for example between a government-related entity and its parent or its fellow subsidiaries. Those respondents noted that the relationship within such a group might sometimes be closer and more influential than between government-related entities in an environment where government control is pervasive. However, for the following reasons the Board concluded that the exemption should also apply within such groups:
- (a) Sometimes, requiring disclosure in such cases would negate the purpose of the exemption and could lead to significant differences in the level of disclosure when the substance of the relationships and transactions could be very similar. For example, suppose one government controls all entities directly but another government has similar entities and controls them all through a single holding company. The entities controlled by the first government would all qualify for the exemption but those controlled by the second government would not.
  - (b) Requiring disclosure in such cases would place considerable pressure on the definition of the boundary between government and entities controlled by the government. For example, suppose a government controls entities through an intermediate institution. It would be necessary to determine whether that institution is an entity controlled by the government (in which case the exemption would not apply) or part of the government (in which case the exemption would apply). This may be answered easily if the institution is a company incorporated under normal company law that simply happens to have the government as a controlling shareholder. It may be less clear if the institution is, for example, a government agency or department.
- BC38 The Board identified only one case when government-related entities might be related to each other for reasons other than their relationships with the same government: a government might control both a post-employment benefit plan and the sponsoring employer. However, the main transactions between such a plan and the sponsoring employer are (a) employer contributions and (b) investments by the plan in the employer or in assets used by the employer. IAS 19 already requires a sponsoring employer to disclose most, if not all, of the information that IAS 24 would require if the exemption did not apply. Thus the Board concluded that no significant loss of disclosure would arise from applying the exemption in these cases.
- BC39 Paragraph BC34 explains why the Board provided an exemption from the disclosure requirements in paragraph 18 of IAS 24 for government-related entities. It was beyond the scope of the project to consider whether similar exemptions would be appropriate in other circumstances.
- BC40 Some respondents to the 2008 ED noted that many financial institutions had recently become government-related entities when governments took significant and sometimes controlling equity interests in them during the global financial crisis. They queried whether the exemption was appropriate in such cases. In finalising the amendments in 2009, the Board identified no reason to treat such entities differently from other government-related entities. The Board noted that in addition to the disclosure requirements in IAS 24, IAS 20 *Accounting for Government Grants and*

*Disclosure of Government Assistance* requires the reporting entity to disclose information about the receipt of government grants or assistance.

- BC41 Respondents to the 2008 ED noted that the proposed definition of 'state' was similar to the definition of 'government' in IAS 20. To avoid confusion and provide consistency, the Board adopted the latter definition when finalising the amendments to IAS 24 in 2009. The Board decided that it need not provide a more comprehensive definition or additional guidance on how to determine what is meant by 'government'. In the Board's view, a more detailed definition could not capture every conceivable government structure across every jurisdiction. In addition, judgement is required by the reporting entity when applying the definition because every jurisdiction has its own way of organising government-related activities.

## **Disclosure requirements when the exemption applies (paragraph 26)**

- BC42 The Board considered whether the disclosure requirements in paragraph 26:
- (a) met the objective of IAS 24 (paragraphs BC43–BC46); and
  - (b) were operational (paragraphs BC47 and BC48).
- BC43 The objective of IAS 24 is to provide 'disclosures necessary to draw attention to the possibility that [the entity's] financial position and profit or loss may have been affected by the existence of related parties and by transactions and outstanding balances, including commitments, with such parties'. To meet that objective, paragraph 26 requires some disclosure when the exemption applies. Those disclosures are intended to put users on notice that related party transactions have occurred and to give an indication of their extent. The Board did not intend to require the reporting entity to identify **every** government-related entity, or to quantify in detail **every** transaction with such entities, because such a requirement would negate the exemption.
- BC44 Some respondents to the 2008 ED were concerned that qualitative disclosure of individually significant related party transactions alone would not meet the objective of IAS 24 and that combining individually significant transactions with collectively significant transactions would not provide sufficient transparency. The Board concluded that it should require an entity to disclose:
- (a) the nature and amount of each individually significant transaction; and
  - (b) quantitative or qualitative information about other types of transactions that are collectively, but not individually, significant.
- BC45 The Board noted that this requirement should not be too onerous for the reporting entity because:
- (a) individually significant transactions should be a small subset, by number, of total related party transactions;
  - (b) the reporting entity should know what those transactions are; and
  - (c) reporting such items on an exceptional basis takes into account cost-benefit considerations.
- BC46 The Board also noted that more disclosure of individually significant transactions would better meet the objective of IAS 24 because this approach focuses on transactions that, through their nature or size, are of more interest to users and are more likely to be affected by the related party relationship.

- BC47 Some respondents raised concerns about whether the reporting entity would be able to identify whether the counterparty to individually significant or collectively significant transactions is a related party because it is controlled, jointly controlled or significantly influenced by the same government. The problem of identifying all such counterparties was one of the primary reasons for the exemption.
- BC48 However, as discussed in paragraph BC43, it was not the Board's intention to require the reporting entity to identify every government-related entity, or to quantify every transaction with such entities. Moreover, individually significant transactions are likely to attract more scrutiny by management. The Board concluded that management will know, or will apply more effort in establishing, who the counterparty to an individually significant transaction is and will have, or be able to obtain, background information on the counterparty.

## Other minor changes made in 2009

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- BC49 The revisions to IAS 24 in 2009 included the following other changes:
- (a) The list of examples of **related party transactions** is amended to include in paragraph 21(i) commitments to do something if a particular event occurs or does not occur in the future, including executory contracts. The Board concluded that commitments were one type of transaction, but to avoid doubt decided to make explicit reference to them.
  - (b) Paragraph 3 relating to the **scope** of IAS 24 is amended to clarify that the Standard applies to individual, as well as separate and consolidated, financial statements because individual financial statements relate to something different from the defined term in IAS 27.<sup>5</sup>
  - (c) Paragraph 34 of IFRS 8 *Operating Segments* is amended. The Board recognised that in applying the requirements in IFRS 8 it may not be practicable or meaningful to regard all government-related entities as a single customer, especially for environments in which government control is pervasive.
  - (d) A consequential amendment to the Basis for Conclusions on IAS 19 draws attention to the new definition of a related party. The definition of a qualifying insurance policy in IAS 19 refers to this definition.

## Key management personnel

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- BC50 The Board was asked to address the identification and disclosure of related party transactions that arise when a management entity provides key management personnel services to a reporting entity. The Board understood that divergence existed because some reporting entities do not identify this as a related party transaction. Of those who do identify this as a related party transaction, some reporting entities would disclose the compensation paid by the management entity to those employees or directors of the management entity that act as key management personnel of the reporting entity. Other reporting entities would disclose the service fee that is paid or payable to the management entity, which is incurred by the reporting entity.

<sup>5</sup> The consolidation guidance was removed from IAS 27 and the Standard was renamed *Separate Financial Statements* by IFRS 10 *Consolidated Financial Statements* issued in May 2011. The definition of separate financial statements was not changed.

BC51 The Board noted that IAS 24 is unclear as to what information to disclose for key management personnel when those persons are not employees of the reporting entity. To address the diversity in disclosures that has arisen from IAS 24 being unclear, the Board decided to amend the definition of 'related party'. The amendment clarified that a management entity that provides key management services to a reporting entity is deemed to be a related party of the reporting entity. In discussing these proposals, the Board acknowledged that the relationship between the management entity and the reporting entity is not symmetrical. The reporting entity is not a related party of the management entity solely as a consequence of being a customer of the management entity. The reporting entity cannot affect the management entity's activities, financial position or profit except through some other relationship. Consequently, the reporting entity is required to disclose the amount incurred for the service fee paid or payable to the management entity that employs, or has as directors, the persons that provide the key management personnel services. As a result of identifying the management entity as a related party of the reporting entity, the Board noted that the reporting entity is also required to disclose other transactions with the management entity, for example, loans, under the existing disclosure requirements of IAS 24 with respect to related parties.

BC52 The Board was informed of concerns that it is impracticable to access the detailed information that is required in paragraph 17 when compensation is paid to a separate management entity as fees. The Board therefore decided to provide relief so that the reporting entity is not required to disclose the components of compensation to key management personnel that is paid through another entity. Instead, amounts incurred in respect of key management personnel compensation or key management personnel services, paid or payable to another entity, shall be disclosed in accordance with paragraph 18A.

## Appendix

### **Amendments to the Basis for Conclusions on IAS 19 *Employee Benefits***

*This appendix contains amendments to the Basis for Conclusions on other IFRSs accompanying the equivalent converged IFRSs that are necessary in order to ensure consistency with IAS 24 (as revised in 2009) and the related amendments to other IFRSs. In the amended paragraphs, new text is underlined and deleted text is struck through.*

\* \* \*

*The amendments contained in this appendix when this Basis for Conclusions was issued have been incorporated into the text of the relevant Basis for Conclusions.*



## Dissenting opinion on IAS 24

### Dissent of Robert P Garnett

- DO1 Mr Garnett disagrees with the Board's decision to exempt only government-related entities from the requirements of paragraph 18 to disclose information about all transactions with related parties. He also disagrees with the decision not to require all entities to provide information about each individually significant transaction with a related party as set out in paragraph 26(b)(i).
- DO2 The Basis for Conclusions sets out clearly the need to remove the unnecessary burden of collecting data for all transactions, entered into and priced on normal business terms, because the counterparty was identified as a related party. It also explains the need to inform investors of individually significant transactions with related parties. Mr Garnett agrees with the explanations in paragraphs BC33–BC48.
- DO3 Paragraph 25, however, restricts these changes to entities that are controlled, jointly controlled or significantly influenced by the same government. Mr Garnett sees no reason to make such a distinction, other than to provide limited relief to certain entities.

## Illustrative examples

The following examples accompany, but are not part of, IAS 24 Related Party Disclosures. They illustrate:

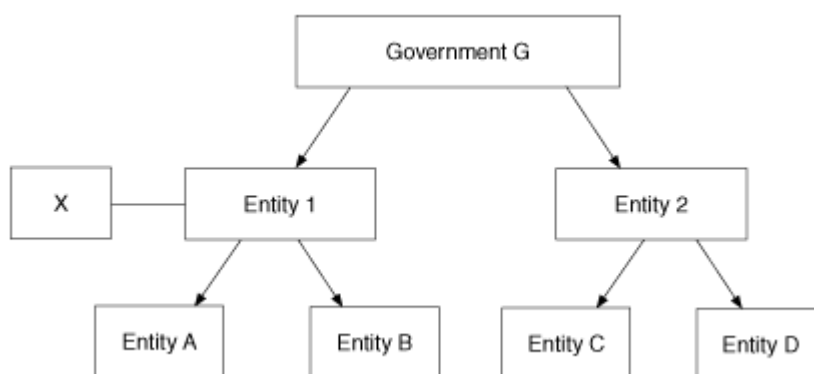
- the partial exemption for government-related entities; and
- how the definition of a related party would apply in specified circumstances.

In the examples, references to 'financial statements' relate to the individual, separate or consolidated financial statements.

## Partial exemption for government-related entities

### Example 1 – Exemption from disclosure (paragraph 25)

- IE1 Government G directly or indirectly controls Entities 1 and 2 and Entities A, B, C and D. Person X is a member of the key management personnel of Entity 1.



- IE2 For Entity A's financial statements, the exemption in paragraph 25 applies to:

- transactions with Government G; and
- transactions with Entities 1 and 2 and Entities B, C and D.

However, that exemption does not apply to transactions with Person X.

### Disclosure requirements when exemption applies (paragraph 26)

- IE3 In Entity A's financial statements, an example of disclosure to comply with paragraph 26(b)(i) for **individually** significant transactions could be:

*Example of disclosure for individually significant transaction carried out on **non-market terms***

On 15 January 20X1 Entity A, a utility company in which Government G indirectly owns 75 per cent of outstanding shares, sold a 10 hectare piece of land to another government-related utility company for CU5 million.\* On 31 December 20X0 a plot of land in a similar location, of a similar size and with similar characteristics, was sold for CU3 million. There had not been any appreciation or depreciation of the land in the intervening period. See note X [of the financial statements] for disclosure of government assistance as required by IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance* and notes Y and Z [of the financial statements] for compliance with other relevant IFRSs.

\* In these examples monetary amounts are denominated in 'currency units (CU)'.

*Example of disclosure for individually significant transaction because of **size** of transaction*

In the year ended December 20X1 Government G provided Entity A, a utility company in which Government G indirectly owns 75 per cent of outstanding shares, with a loan equivalent to 50 per cent of its funding requirement, repayable in quarterly instalments over the next five years. Interest is charged on the loan at a rate of 3 per cent, which is comparable to that charged on Entity A's bank loans.\* See notes Y and Z [of the financial statements] for compliance with other relevant IFRSs.

*Example of disclosure of collectively significant transactions*

In Entity A's financial statements, an example of disclosure to comply with paragraph 26(b)(ii) for **collectively** significant transactions could be:

Government G, indirectly, owns 75 per cent of Entity A's outstanding shares. Entity A's significant transactions with Government G and other entities controlled, jointly controlled or significantly influenced by Government G are [a large portion of its sales of goods and purchases of raw materials] or [about 50 per cent of its sales of goods and about 35 per cent of its purchases of raw materials].

The company also benefits from guarantees by Government G of the company's bank borrowing. See note X [of the financial statements] for disclosure of government assistance as required by IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance* and notes Y and Z [of the financial statements] for compliance with other relevant IFRSs.

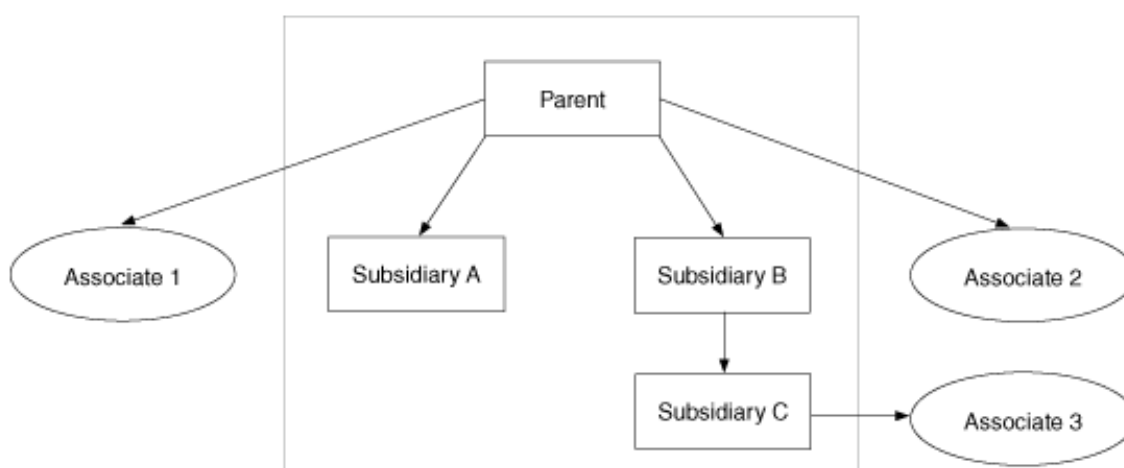
## **Definition of a related party**

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*The references are to subparagraphs of the definition of a **related party** in paragraph 9 of IAS 24.*

### **Example 2 – Associates and subsidiaries**

IE4 Parent entity has a controlling interest in Subsidiaries A, B and C and has significant influence over Associates 1 and 2. Subsidiary C has significant influence over Associate 3.



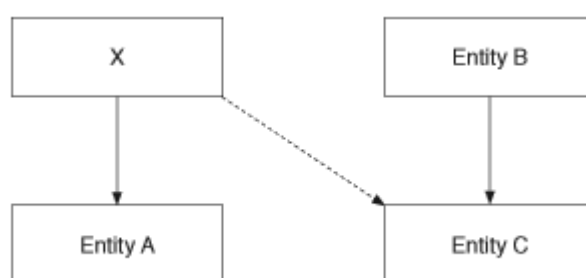

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\* If the reporting entity had concluded that this transaction constituted government assistance it would have needed to consider the disclosure requirements in IAS 20.

- IE5 For Parent's separate financial statements, Subsidiaries A, B and C and Associates 1, 2 and 3 are related parties. [*Paragraph 9(b)(i) and (ii)*]
- IE6 For Subsidiary A's financial statements, Parent, Subsidiaries B and C and Associates 1, 2 and 3 are related parties. For Subsidiary B's separate financial statements, Parent, Subsidiaries A and C and Associates 1, 2 and 3 are related parties. For Subsidiary C's financial statements, Parent, Subsidiaries A and B and Associates 1, 2 and 3 are related parties. [*Paragraph 9(b)(i) and (ii)*]
- IE7 For the financial statements of Associates 1, 2 and 3, Parent and Subsidiaries A, B and C are related parties. Associates 1, 2 and 3 are not related to each other. [*Paragraph 9(b)(ii)*]
- IE8 For Parent's consolidated financial statements, Associates 1, 2 and 3 are related to the Group. [*Paragraph 9(b)(ii)*]

### Example 3 – Key management personnel

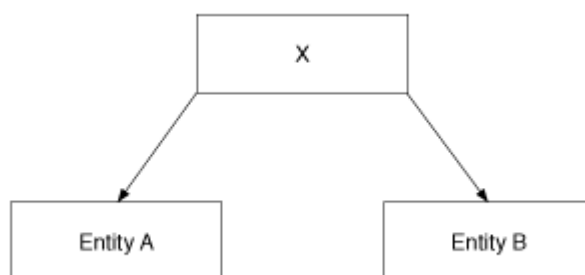
- IE9 A person, X, has a 100 per cent investment in Entity A and is a member of the key management personnel of Entity C. Entity B has a 100 per cent investment in Entity C.



- IE10 For Entity C's financial statements, Entity A is related to Entity C because X controls Entity A and is a member of the key management personnel of Entity C. [*Paragraph 9(b)(vi)–(a)(iii)*]
- IE11 For Entity C's financial statements, Entity A is also related to Entity C if X is a member of the key management personnel of Entity B and not of Entity C. [*Paragraph 9(b)(vi)–(a)(iii)*]
- IE12 Furthermore, the outcome described in paragraphs IE10 and IE11 will be the same if X has joint control over Entity A. [*Paragraph 9(b)(vi)–(a)(iii)*] (If X had only significant influence over Entity A and not control or joint control, then Entities A and C would not be related to each other.)
- IE13 For Entity A's financial statements, Entity C is related to Entity A because X controls A and is a member of Entity C's key management personnel. [*Paragraph 9(b)(vii)–(a)(i)*]
- IE14 Furthermore, the outcome described in paragraph IE13 will be the same if X has joint control over Entity A. The outcome will also be the same if X is a member of key management personnel of Entity B and not of Entity C. [*Paragraph 9(b)(vii)–(a)(i)*]
- IE15 For Entity B's consolidated financial statements, Entity A is a related party of the Group if X is a member of key management personnel of the Group. [*Paragraph 9(b)(vi)–(a)(iii)*]

### Example 4 – Person as investor

IE16 A person, X, has an investment in Entity A and Entity B.



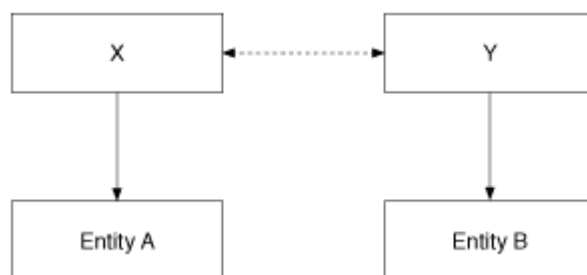
IE17 For Entity A's financial statements, if X controls or jointly controls Entity A, Entity B is related to Entity A when X has control, joint control or significant influence over Entity B. [*Paragraph 9(b)(vi)–(a)(i) and 9(b)(vii)–(a)(i)*]

IE18 For Entity B's financial statements, if X controls or jointly controls Entity A, Entity A is related to Entity B when X has control, joint control or significant influence over Entity B. [*Paragraph 9(b)(vi)–(a)(i) and 9(b)(vi)–(a)(ii)*]

IE19 If X has significant influence over both Entity A and Entity B, Entities A and B are not related to each other.

### Example 5 – Close members of the family holding investments

IE20 A person, X, is the domestic partner of Y. X has an investment in Entity A and Y has an investment in Entity B.



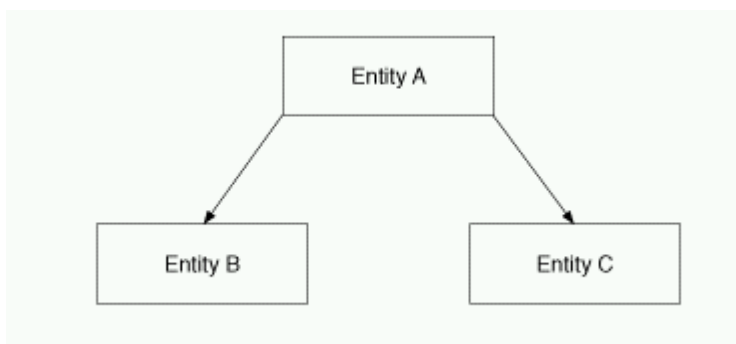
IE21 For Entity A's financial statements, if X controls or jointly controls Entity A, Entity B is related to Entity A when Y has control, joint control or significant influence over Entity B. [*Paragraph 9(b)(vi)–(a)(i) and 9(b)(vii)–(a)(i)*]

IE22 For Entity B's financial statements, if X controls or jointly controls Entity A, Entity A is related to Entity B when Y has control, joint control or significant influence over Entity B. [*Paragraph 9(b)(vi)–(a)(i) and 9(b)(vi)–(a)(ii)*]

IE23 If X has significant influence over Entity A and Y has significant influence over Entity B, Entities A and B are not related to each other.

## Example 6 – Entity with joint control

IE24 Entity A has both (i) joint control over Entity B and (ii) joint control or significant influence over Entity C.



IE25 For Entity B's financial statements, Entity C is related to Entity B. [*Paragraph 9(b)(iii) and (iv)*]

IE26 Similarly, for Entity C's financial statements, Entity B is related to Entity C. [*Paragraph 9(b)(iii) and (iv)*]

## Table of Concordance

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This table shows how the contents of the superseded version of HKAS 24 and the revised version of HKAS 24 correspond. Paragraphs are treated as corresponding if they broadly address the same matter even though the guidance may differ.

Superseded HKAS 24 paragraph	Revised HKAS 24 paragraph
1	1
2	2
3	3
4	4
5	5
6	6
7	7
8	8
9	9
10	10
11	11
None	12
12	13
13	14
14	15
15	16
16	17
17	18
18	19
19	20
20	21
20	22
21	23

HKAS 24 (REVISED) RELATED PARTY DISCLOSURES

22	24
None	25
None	26
None	27
23	28
23A	None
24	29