

IFRS 1 and IAS 24: Related Party Transactions

Extract, IFRS Discussion Group Report on Meeting – November 25, 2009

Canadian GAAP contains requirements for the recognition and measurement of related party transactions. However, IAS 24 *Related Party Disclosures* does not specify any particular recognition and measurement requirements for related party transactions. IFRS 1 requires the retrospective restatement of balances on transition to IFRSs in the absence of any prescribed exemption. The issue raised was what, if any, restatements would be required for related party transactions on transition to IFRSs from Canadian GAAP.

IDG members recommended that no request be made to the IFRIC on this issue, because it is only a problem for Canadians transitioning to IFRSs, without global implications. However, IDG members did suggest that it might be useful for AcSB staff to develop a commentary that would help entities determine what questions they need to ask in evaluating whether restatement of past related party transactions is necessary on transition to IFRSs.