



To:	AASB members	Date:	12 April 2010
From:	Raymond Yu	Agenda Item:	5.1
Subject:	Related Party Disclosures for NFP public sector entities	File:	

Action

Consider issues relating to the application of AASB 124 *Related Party Disclosures* to not-for-profit (NFP) public sector entities.

Background

The scope of AASB 124 does not include NFP public sector entities, and the AASB planned to consider issues connected with the difficulty of determining relevant related parties and determining key management personnel in the NFP public sector.

However, the revised AASB 124 is arguably more amenable than the December 2005 version to application in the NFP public sector as a result of the IASB providing a partial exemption from the disclosure requirements for entities that are related by virtue of being controlled by the same government. The IASB's exemption provides an authoritative basis for dealing with at least some of the problems associated with transactions between government entities that are of little informational value.

At its February 2010 Board Meeting, the Board considered the project plan on related party disclosures by NFP public sector entities and decided that the project should be condensed to one phase. The Board directed staff to develop a paper, on whether AASB 124 *Related Party Disclosures*, including its disclosure requirements on remuneration of key management personnel, should be applied to NFP public sector entities, and that further research should be undertaken to ascertain the nature of related party disclosures currently being made by NFP public sector entities.

Staff have prepared an Issues Paper on whether AASB 124 *Related Party Disclosures*, including its disclosure requirements on remuneration of key management personnel, should be applied to NFP public sector entities (Agenda Paper 5.2) and an Information Paper on current (NFP) public sector entities disclosures required besides AASB 124 in financial reports (Agenda Paper 5.3).

Attachments

Agenda Paper 5.2 Issues Paper *Related Party Disclosures in the Not-for-Profit Public Sector*

Agenda Paper 5.3 Information Paper *Current (NFP) public sector entities disclosures required besides AASB 124 in financial reports*