1A. Flow chart A

Identifying a related party person under AASB 124 *Related Party Disclosures*

This flow chart is to assist preparers with identifying whether a person1 would be considered a related party of the reporting entity.

**KMP:**

**Reporting entity:**

**KMP’s close family member(s):**

*Close family members are defined as those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity. This includes: that person’s children and spouse or domestic partner; children of that person’s spouse or domestic partner’ and dependents of that person or that person’s spouse or domestic partner (AASB 124.9).*

***Note*** *that regard must be given to other known family relationships outside the definition of ‘close family member’ in the event they may be expected to influence, or be influenced by, the KMP’s decisions.*

[[1]](#endnote-1)

Is the person1 a KMP of the reporting entity or of a parent of the reporting entity? (AASB 124.9(a)(iii))

Yes

The **person** is a related party of the reporting entity, as defined by AASB 124.9(a).

Transactions between the **person** and the reporting entity would need to be declared.

Note that typical citizen transactions are not required to be declared (i.e. council rates and parking fines).

Does the person1 have control or joint control over the reporting entity? (AASB 124.9(a)(i))

Does the person have significant influence over the reporting entity? (AASB 124.9(a)(ii))

The person is not a related party of the
reporting entity.

Therefore transactions between the person and the reporting entity are not required to be declared.

No

Yes

Yes

No

No

1. 1 For the purposes of this flow chart, ‘person’ means the KMP or their close family member. [↑](#endnote-ref-1)