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# Directive on Accounting Standards: GC 3430 Restructuring transactions

## Note to reader

This document is part of the Appendix A of the [Directive on Accounting Standards](#).

## A. Primary PSAS reference

PS 3430 Restructuring transactions

## B. Effective date

April 1, 2018

## C. Government of Canada Consolidated Financial Statements

1. PS 3430.07(g) states that “A restructuring transaction is a transfer of an integrated set of assets and/or liabilities, together with related program or operating responsibilities without consideration based primarily on the fair value of the individual assets and liabilities

transferred”. In other words, if consideration is provided, this consideration is not based primarily on the fair value of the assets or liabilities which could suggest a transaction outside the scope of PS 3430.

2. Departments are reminded that this section applies to transfers to other levels of government and should refer to the “Characteristics of Restructuring Transactions” found in PS 3430.08 to PS 3430.19 to determine if transactions qualify under this section. An example of a restructuring transaction would be the sale or transfer of a federal government owned hospital to a provincial government.

## D. Departmental Financial Statements

3. In accordance with PS 1000.46 and PS 1000.47 and notwithstanding PS 3430.23 and PS 3430.48, for departmental financial statement purposes, the increase in net assets or net liabilities resulting from recognition and derecognition of individual assets and liabilities received from all inter-entity transferors and transferred to all inter-entity recipients in a restructuring transaction should be recognized in equity in CFMRS, and are to be included in “Government funding and transfers” on the Statement of Operations and Departmental Net Financial Position, as listed in GC 4500.10f (iv).

## E. Other related references

[GC 4500 Departmental Financial Statements](#)

[Reorganizing departments and interfacing with the Receiver General central systems](#)

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