Subsidiaries, Section 1591

Consolidated financial statements

.32 *When an enterprise does not own, directly or indirectly through subsidiaries, an equity interest that gives the enterprise control of the subsidiary, the enterprise shall disclose:*

- *(a) the basis for the determination that a parent-subsidiary relationship exists;*
- *(b) the name of the subsidiary; and*
- *(c) the percentage ownership (if any).*

.33 *When an enterprise owns, directly or indirectly through subsidiaries, an equity interest carrying the right to elect the majority of the members of the board of directors of an investee that is not a subsidiary, the enterprise shall disclose:*

- *(a) the basis for the determination that a parent-subsidiary relationship does not exist;*
- *(b) the name of the investee; and*
- *(c) the percentage ownership.*

.34 *An enterprise shall provide a listing and description of significant subsidiaries including their names and the proportion of ownership interests held in each subsidiary.*

.35 *An enterprise shall disclose significant restrictions on access to the assets of subsidiaries, including such matters as:*

- *(a) limits on access to the consolidated enterprise's assets by its owners or the enterprise, such as pledges of assets of the subsidiary as collateral for the liabilities of the subsidiary; and*
- *(b) limits on recourse by the creditors or owners of a subsidiary against the enterprise itself.*

Non-consolidated financial statements

.36 *An enterprise that prepares non-consolidated financial statements shall disclose the basis used to account for its subsidiaries controlled through voting interests, potential voting interests, or a combination thereof.*

.37 *An enterprise that elects to account for its subsidiaries controlled through voting interests, potential voting interests, or a combination thereof, using the equity method shall disclose the fair value of its interest in a subsidiary when it is quoted in an active market.*

.38 *An enterprise that prepares non-consolidated financial statements shall provide a listing and description of significant subsidiaries controlled through voting interests, potential voting interests, or a combination thereof, including their names, carrying values and the proportion of ownership interests held in each subsidiary.*

.38A *When a subsidiary is acquired during the current reporting period and an enterprise prepares non-consolidated financial statements, the enterprise shall also provide the disclosures required by BUSINESS COMBINATIONS, paragraphs* 1582.61-*.62,* 1582.63 *and* 1582.65.

.38B *When the equity method is used to account for a subsidiary and the fiscal periods of an enterprise and the subsidiary are not coterminous, events relating to, or transactions of, the subsidiary that have occurred during the intervening period and significantly affect the financial position or results of operations of the enterprise shall be disclosed. This disclosure is not necessary if these events or transactions are recorded in the financial statements.*

.38C *An enterprise choosing the cost or equity method to account for a subsidiary shall disclose:*

- *(a) the carrying amount of an impaired interest in the subsidiary and the amount of any related allowance for impairment; and*
- *(b) the amount of any impairment loss or reversal of a previously recognized impairment loss that is included in net income.*

.38D *If the acquisition date is after the end of the reporting period but before the financial statements are completed, the enterprise shall disclose the information required by BUSINESS COMBINATIONS, paragraphs* 1582.62 *and 1582.63, unless the initial accounting for the subsidiary is incomplete at the time the financial statements are completed. In that situation, the enterprise shall describe which disclosures could not be made and the reasons why they cannot be made.*

.38E *If the initial accounting for a subsidiary is incomplete and the amount recognized in the financial statements for the interest in the subsidiary has been determined using provisional amounts, an enterprise shall disclose the reasons why the initial accounting for the business combination is incomplete and what is subject to change.*

.38F *For the reporting period after the acquisition date, an enterprise shall disclose the nature and amount of any measurement period adjustments recognized in accordance with paragraph* 1591.26B*(d) and the reasons for those adjustments.*