

## SECTION PS 3420

### inter-entity transactions

---

#### SUPPLEMENT

This supplement sets out the previous wording of paragraphs that have been amended as a consequence of the 2022-2023 annual improvements.

- .09 If inter-entity transactions involve the transfer of assets or liabilities, both entities would recognize the transactions. The provider would remove the assets or liabilities from its financial statements and any difference between the net proceeds received, if any, and the carrying amounts transferred would be accounted for as a revenue or expense in the statement of operations. The recipient would recognize assets or liabilities in its financial statements when the items satisfy the definition and recognition criteria for an asset and liability in Chapters 8 and 9 of the Conceptual Framework. [Former paragraph PS 3420.09, amended by the Conceptual Framework, retained in Archived Pronouncements.]

#### SUPPLEMENT

This supplement sets out the previous wording of paragraphs that have been amended as a consequence of approving the new CONCEPTUAL FRAMEWORK FOR FINANCIAL REPORTING.

- .09 If inter-entity transactions involve the transfer of assets or liabilities, both entities would recognize the transactions. The provider would remove the assets or liabilities from its financial statements and any difference between the net proceeds received, if any, and the carrying amounts transferred would be accounted for as a revenue or expense in the statement of operations. The recipient would recognize assets or liabilities in its financial statements when the items satisfy the definition and recognition criteria for an asset and liability in FINANCIAL STATEMENT CONCEPTS, Section PS 1000.

---

[Terms and Conditions and Privacy Policy](#)

[Help desk: Mon-Fri, 9am-5pm ET](#) [1-866-256-6842](#) [Contact Us](#) [Quick Reference Guide](#)

© 2001-2025, Knotia Canada Limited Partnership All rights reserved.