

CPA Canada handbook – accounting, part II highlight summary no. II.32 September 2023 (revised February 2024)

(Note: Any changes to previously issued standards are identified in the effective date guidance in each affected standard.)

Section 3840, Related Party Transactions

This Section has been amended to:

- clarify the application of Section 1582 to business combinations under common control accounted for in accordance with paragraph 3840.44(a); and
- provide an option in paragraph 3840.44(b) to retrospectively restate prior periods when carrying amounts are used to account for a combination or to prospectively account for these transactions.

These amendments are effective for fiscal years beginning on or after January 1, 2025. Earlier application is permitted.

Section 3856, Financial Instruments

This Section has been amended to clarify the initial measurement of financial instruments acquired or liabilities assumed when a business is transferred between two enterprises under common control.

These amendments are effective for fiscal years beginning on or after January 1, 2025. Earlier application is permitted.

Archived Pronouncements

To give Handbook readers continued access to superseded Sections and paragraphs in other Sections, the Archived Pronouncements set out the wording of those Sections and paragraphs. The archived material will be withdrawn from the Handbook when it is no longer effective.

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