
Reporting Significant Transactions with Affiliated Parties of Listed Companies on Stock Exchange

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Abstract

The complexity of related party transactions may lead to subjective interpretations of their reporting requirements. The objective of the paper is to examine the nature of significant transactions with related parties, how they were reported in accordance with legal requirements, and how the reported issues are correlated with the information in the annual financial statements. The study includes a synthesis of the evolution of specific regulations in Romania, as well as a centralization of the information highlighted in current reports published by entities and annual reports for 2017-2019, in order to identify issues to consider in the process reporting and publishing, in the case of companies carrying out such transactions. The sample consists of energy companies listed on the Bucharest Stock Exchange, included in the BET index, in which the state is the majority shareholder. The results of the study showed that reporting requirements have changed over time, both in terms of defining transactions and mandatory reporting ceilings. The analysis found different interpretations of companies on reporting obligations which can lead to difficulties in correlating and comparing data in the context of corporate transparency. The conclusion is that additional factors arise when reporting these types of transactions, which must be taken into account so that there is no impact on their completeness and accuracy, without affecting the auditor's opinion.

Key words: significant transactions; related parties; auditor; reporting; transparency;

JEL Classification: M42, M48, M41, G38

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