

## ANNEX II

### **Alternative version of the definition of “affiliated entity”**

In this Instrument, a person or company (the first party) is an affiliated entity of another person or company (the second party) if any of the following apply:

- (a) the first party and the second party are consolidated in consolidated financial statements prepared in accordance with
  - (i) IFRS, or
  - (ii) generally accepted accounting principles in the United States of America;
- (b) all of the following apply:
  - (i) neither the first party's nor the second party's financial statements, nor the financial statements of another person or company, were prepared in accordance with the principles or standards specified in subparagraphs (a)(i) or (ii);
  - (ii) the first party and the second party would have been, at the relevant time, required to be consolidated in consolidated financial statements prepared by the first party, the second party or the other person or company, if the consolidated financial statements were prepared in accordance with the principles or standards specified in subparagraphs (a)(i) or (ii);
- (c) both parties are prudentially regulated entities that are supervised on a consolidated basis.