Australian Government
Australian Accounting Standards Board

Staff Paper

Project:	**Subsidiaries without public accountability**	**Meeting:**	M184
Topic:	**Considerations of proposals in ED 314 *Subsidiaries without public accountability: Disclosures* and comparison to AASB 1060**	**Agenda Item:**	4.1
		Date:	25 October 2021
Contact(s):	Helena Simkova hsimkova@aasb.gov.au	**Project Priority:**	Medium
		Decision-Making:	Decide on submitting comments to IASB
		Project Status:	Develop Board response to IASB ED

Objective of this paper

The objective of this agenda item is to

- provide the Board with an **overview** of IASB ED/2021/7 *Subsidiaries without public accountability: Disclosures*;
- provide a **comparison** of the ED and AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities;*
- **decide** whether to comment to IASB and, if so, the direction of the comment letter; and
- **decide** whether staff should undertake further outreach to understand the effect of the draft Standard on Australian entities if adopted.

Attachment

Agenda Paper 4.2	IASB ED/2021/7 Subsidiaries without public accountability: Disclosures [supporting documents folder]
Agenda Paper 4.3	IASB ED/ 2021/7 Subsidiaries without public accountability: Disclosures Basis for conclusions [supporting documents folder]

Background and reasons for bringing this paper to Board

1 In July 2021, the IASB published IASB ED/2021/7 *Subsidiaries without public accountability: Disclosures*, which is open for comment by 31 January 2022. IASB ED/2021/7 proposes a new IFRS Standard that would permit eligible subsidiaries to apply IFRS Standards with a reduced set of disclosure requirements. These subsidiaries report to their parent company for consolidation purposes applying IFRS Standards. Electing to apply the proposed Standard would enable them also to use IFRS Standards when preparing their own financial statements but with reduced disclosures. The proposals would save subsidiaries time and money by:

- eliminating the need to maintain an additional set of accounting records for reporting purposes—if the subsidiary currently does not apply IFRS Standards in its own financial statements; and
- reducing the disclosures required to comply with IFRS Standards.

2 AASB ED 314, corresponding to IASB ED/2021/7, was issued in September 2021 and is open for comment by 1 November 2021.

3 Entities complying with the draft Standard can claim IFRS compliance.

4 In Australia, all entities without public accountability that are required to prepare general purpose financial statements are permitted to apply AASB 1060, regardless of whether they are reporting to a parent entity .

5 The IASB used the following principles when developing the draft Standard:

Is there a recognition or measurement difference between IFRS Standards and the *IFRS for SMEs* Standard?	
Yes	**No**
Use and tailor the disclosure requirements in IFRS Standards	Use the disclosure requirements in the *IFRS for SMEs* Standard
Apply to the disclosure requirements in IFRS Standards the principles used to develop the disclosure requirements in the *IFRS for SMEs* Standard (slide 13)	Minor updates to: ▪ align terms and language with IFRS Standards ▪ update paragraph cross-references
In limited cases, the Board made exceptions to this approach	

6 Whilst ED/2021/7 was developed using similar principles as those used for AASB 1060, some differences exist. A detailed summary of those differences is provided in Appendix A.

7 Although the focus of this agenda item is to provide the Board with an overview of the main differences between proposals in IASB ED/2021/7 and AASB 1060 and decide on the comment letter, this paper also provides areas for consideration in respect of future potential adoption of the draft Standard.

8 To date, staff have not received any comment letters. High-level feedback (considered below) was provided to staff by two audit firms.

Summary of main differences between ED/2021/7 and AASB 1060

9 The main differences between the standards relate to scope, approach to disclosures versus presentation issues, and the extent of disclosures.

Scope

10 The draft Standard applies to subsidiaries that do not have public accountability and have an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Standards. The IASB decided not to increase the scope of the ED to also include SMEs because these entities do not have the same resources available as subsidiaries of parent entities that already apply full IFRS Standards. The IFRS for SMEs Standard was developed based on user needs and on cost-benefit considerations and considering the resources available to SMEs. While an SME could elect to apply full IFRS for

various reasons, the IASB notes that this is different from a subsidiary that has to apply full IFRS recognition and measurement requirements for consolidation purposes (para. BC16 of the ED).

<u>Disclosures versus presentation issues</u>

11 Whilst AASB 1060 incorporated disclosure requirements, including the presentation and classification requirements of AASB 101 *Presentation of Financial Statements* and AASB 107 *Statement of Cash Flows*, the draft Standard covers disclosures that are required in the notes to financial statements and requires stakeholders to refer back to full IFRS Standards for classification or presentation purposes or guidance. An entity applying the draft Standard would apply the proposed disclosure requirements instead of the disclosure requirements in other IFRS Standards that are listed in Appendix A of the draft Standard. If a disclosure requirement in an IFRS Standard is not listed in Appendix A of the draft Standard, it remains applicable to an entity applying the draft Standard. The disclosure requirements that remain applicable are generally stated in a footnote to the subheading of the IFRS Standard to which they relate. The staff noted that when AASB 1060 was developed, we received positive feedback from our stakeholders on the fact that AASB 1060 is a standalone standard, that can be applied as a quasi-disclosure checklist and does not require the users to refer back to other standards, except for additional guidance.

<u>Extent of disclosures</u>

12 Unlike AASB 1060, the ED does not address any disclosure requirements specific for the not-for-profit (NFP) sector.

13 Whilst AASB 1060 and the draft Standard are both based on IFRS for SMEs, and similar principles were used to develop these standards, the draft Standard includes more comprehensive disclosure requirements mainly in the following areas:

Areas where additional disclosure requirements come from	**Reasons for adding the disclosures into the draft Standard**
• disclosure of financial instruments (IFRS 7); • fair value measurement (IFRS 13); • revenue from contracts with customers (IFRS 15); • leases (IFRS 16); • presentation of financial statements (IAS 1);	The IASB proposed to include these disclosures, which are not required by IFRS for SMEs, to reflect recent improvements to disclosure requirements in IFRS Standards. The IASB took the view that users of subsidiaries' financial statements could also benefit from the improved disclosure requirements and that their inclusion is supported by the principles used to develop the disclosure requirements in the IFRS for SMEs Standard (para. BC51 of the draft Standard).

• business combinations (IFRS 3); • disclosure of interest in other entities (IFRS 12); • statement of cash flow (IAS 7 – cash and cash equivalents); • financial instruments presentation (IAS 32 – offsetting); • reconciliation of Foreign Currency Translation Reserve (IAS 21); • impairment of assets (IAS 36); • government grants (IAS 41); • accounting policies (IAS 8); • first time adoption of IFRS in the interim reports (IFRS 1); • regulatory deferral accounts (IFRS 14); • disclosures in interim financial reports (IAS 34).	The reasons for adding these disclosure requirements in addition to the disclosures required by IFRS for SMEs have not been explained in the BCs.

Consideration for the comment letter and its possible directions

14 To date, AASB staff have received limited feedback from stakeholders. One stakeholder (audit firm) indicated that if the draft Standard replaced AASB 1060, the significant amount of additional disclosures would represent a burden for the preparers. In addition, as the draft Standard applies to subsidiaries only, the entities that are not subsidiaries would have to prepare Tier 1 full disclosure GPFS.

15 Another stakeholder (audit firm) commented that it is important to align AASB 1060 to the final IASB Standard resulting from the ED/2021/7, so that entities applying AASB 1060 may claim compliance with IFRS Standards. Compliance with IFRS Standards would enhance the acceptability of Simplified Disclosure financial statements in the global context and might lower costs of capital for entities applying AASB 1060.

16 If the Board decided to comment on the IASB proposal, staff recommend that the submission include the following comments:

(a) increase the scope to apply to all entities without public accountability so it could be used by all Australian Tier 2 entities in the future. The comment letter could support alternative view of one IASB member who suggested that all entities without public accountability should be eligible to apply the draft Standard, because the Board developed the proposed disclosure requirements following an approach relevant for all entities without public accountability, and hence without taking into account any characteristics of a subsidiary;

(b) further reduce the disclosure requirements, to help ensure the resulting final Standard is better aligned to AASB 1060 and less burdensome for entities if they adopt it. The AASB could encourage the IASB to revisit the disclosures added to the draft Standard where these are not justified by differences in the recognition and measurement requirements. Disclosures should only be added if the IASB similarly intends to add these disclosures to the SMEs Standard. If disclosures are considered necessary for subsidiaries that are SMEs and are supported by the principles used in developing the SMEs disclosures, then they should be equally relevant for other SMEs. This approach was used when AASB 1060 was developed. However, staff acknowledge that the AASB project team already presented the draft disclosures and main principles of AASB 1060 to IASB staff at the ASAF December 2019 meeting; and

APPENDIX A

Summary of disclosures required by ED/2021/7 that are not required by AASB 1060

IFRS	Additional disclosure in the draft ED not included in AASB 1060 (in red)
IFRS 1	27 If, during the period covered by its first IFRS financial statements, an entity presents interim financial statements applying IFRS Standards and, before publishing its first IFRS financial statements, it changes its accounting policies or use of the exemptions in IFRS 1, the entity shall: (a) explain the changes between its first IFRS interim financial report and its first IFRS financial statements (as required by paragraph 23); and (b) update the reconciliations required by paragraph 25(b)–(c).
	Interim financial reports 29 To comply with paragraph 23, if an entity presents an interim financial report by applying IAS 34 Interim Financial Reporting for part of the period covered by its first IFRS financial statements, the entity shall satisfy the requirements in IAS 345 and shall: (a) include in each such interim financial report, if the entity presented an interim financial report for the comparable interim period of the immediately preceding financial year: (i) a reconciliation of the entity's equity in accordance with the entity's previous GAAP at the end of that comparable interim period to the entity's equity applying IFRS Standards at that date; and (ii) a reconciliation of total comprehensive income determined in accordance with the entity's previous GAAP or, if the entity did not report such a total, profit or loss under previous GAAP, for that comparable interim period (current and year to date) to the entity's total comprehensive income determined by applying IFRS Standards for the same period; (b) include in its first interim financial report prepared by applying IAS 34 for part of the period covered by its first IFRS financial statements either: (i) the reconciliations described in paragraph 25(b)–(c), (ii) supplemented by the information required by paragraph 26; or (iii) a cross-reference to another published document that includes these reconciliations; and (c) explain any changes to its accounting policies or its use of the exemptions in IFRS 1 in each such interim financial report, as required by paragraph 23, and update the reconciliations required by (a)–(b).

IFRS	Additional disclosure in the draft ED not included in AASB 1060 (in red)
	30 If a first-time adopter did not, in its most recent annual financial statements in accordance with previous GAAP, disclose information material to an understanding of the current interim period, its interim financial report shall disclose that information or include a cross-reference to another published document that includes it. AASB Staff comment: AASB 1060 did not include interim reporting disclosure requirements as Tier 2 entities were not expected to prepare interim reports.
IFRS 3	36 For each ***business combination*** during the reporting period, the ***acquirer*** shall disclose: (f) for contingent consideration arrangements and indemnification assets: (i) the amount recognised as of the acquisition date; and (ii) a description of the arrangement and the basis for determining the amount of the payment; (i) for each business combination in which the acquirer holds less than 100% of the equity interests in the acquiree at the acquisition date and (ii) for each non-controlling interest in an acquiree measured at fair value, the valuation technique(s) and significant inputs used to measure that value. 38 For each reporting period after the acquisition date until the entity collects, sells or otherwise loses the right to a contingent consideration asset, or until the entity settles a contingent consideration liability or the liability is cancelled or expires, the entity shall disclose for each material business combination and in aggregate for individually immaterial business combinations that are material collectively: (a) any changes in the recognised amounts, including any differences arising upon settlement; and (b) the valuation techniques and key model inputs used to measure contingent consideration.
IFRS 5	**IFRS 5 Non-current Assets Held for Sale and Discontinued Operations** 40. If either paragraph 26 or paragraph 29 of IFRS 5 applies, an entity shall disclose, in the period of the decision to change the plan to sell the non-current asset (or disposal group), a description of the facts and circumstances leading to the decision and the effect of the decision on the results of operations for the period and any prior periods presented.
IFRS 6	**IFRS 6 *Exploration for and Evaluation of Mineral Resources*** 41. An entity shall treat ***exploration and evaluation assets*** as a separate class of assets and make the disclosures required by either paragraphs 148–150 of this [draft] Standard (IAS 16 *Property, Plant and Equipment*) or paragraphs 201–204 of this [draft] Standard (IAS 38 *Intangible Assets*), consistent with how the assets are classified. AASB staff comment: AASB 1060 did not include similar disclosure requirements as they were not included in IFRS for SMEs

IFRS	Additional disclosure in the draft ED not included in AASB 1060 (in red)
IFRS 7	**Financial liabilities at fair value through profit or loss** 45 If an entity has designated a financial liability as at fair value through profit or loss in accordance with paragraph 4.2.2 of IFRS 9 and is required to present the effects of changes in that liability's credit risk in other comprehensive income (see paragraph 5.7.7 of IFRS 9), it shall disclose: (a) the amount of change, cumulatively, in the fair value of the financial liability that is attributable to changes in the credit risk of that liability (see paragraphs B5.7.13–B5.7.20 of IFRS 9 for guidance on determining the effects of changes in a liability's credit risk); and (b) the difference between the financial liability's carrying amount and the amount the entity would be contractually required to pay at maturity to the holder of the obligation.
	46 If an entity has designated a financial liability as at fair value through profit or loss in accordance with paragraph 4.2.2 of IFRS 9 and is required to present all changes in the fair value of that liability (including the effects of changes in the credit risk of the liability) in profit or loss (see paragraphs 5.7.7 and 5.7.8 of IFRS 9), it shall disclose: (a) the amount of change, during the period and cumulatively, in the fair value of the financial liability that is attributable to changes in the credit risk of that liability (see paragraphs B5.7.13–B5.7.20 of IFRS 9 for guidance on determining the effects of changes in a liability's credit risk); and (b) the difference between the financial liability's carrying amount and the amount the entity would be contractually required to pay at maturity to the holder of the obligation.
	Reclassification 47 An entity shall disclose if, in the current or previous reporting periods, it has reclassified any financial assets in accordance with paragraph 4.4.1 of IFRS 9. For each such event, an entity shall disclose: (a) the date of reclassification; (b) a detailed explanation of the change in business model and a qualitative description of its effect on the entity's financial statements; and (c) the amount reclassified into and out of each category. 48 For each reporting period following reclassification until derecognition, an entity shall disclose for assets reclassified out of the 'fair value through profit or loss' category so that they are measured at amortised cost or fair value through other comprehensive income in accordance with paragraph 4.4.1 of IFRS 9: (a) the effective interest rate determined on the date of reclassification; and (b) the interest revenue recognised.

IFRS	Additional disclosure in the draft ED not included in AASB 1060 (in red)
	Allowance account for credit losses 49The carrying amount of financial assets measured at fair value through other comprehensive income in accordance with paragraph 4.1.2A of IFRS 9 is not reduced by a loss allowance, and an entity shall not present the loss allowance separately in the statement of financial position as a reduction of the carrying amount of the financial asset. However, an entity shall disclose the loss allowance in the notes to the financial statements. **Compound financial instruments with multiple embedded derivatives** 50 If an entity has issued an instrument that contains both a liability and an equity component (see paragraph 28 of IAS 32 Financial Instruments: Presentation) and the instrument has multiple embedded derivatives whose values are interdependent (such as a callable convertible debt instrument), the entity shall disclose the existence of those features.
	54(d) fee income and expense (other than amounts included in determining the effective interest rate) arising from: (i) financial assets and financial liabilities that are not measured at fair value through profit or loss; and (ii)trust and other fiduciary activities that result in the holding or investing of assets on behalf of individuals, trusts, retirement benefit plans, and other institutions.
	Hedge Accounting 56 An entity shall disclose separately for each risk category of risk exposures that it decides to hedge and for which hedge accounting is applied: (a) a description of the hedging instruments, including the nominal amounts (such as tonnes or cubic metres), and how they are used to hedge risk exposures; (b) the nature of the risks being hedged, including a description of the hedged item; (c) how the entity determines the economic relationship between the hedged item and the hedging instrument for the purpose of assessing hedge effectiveness; and (d) when an entity designates a specific risk component as a hedged item (see paragraph 6.3.7 of IFRS 9), it shall provide information about how the entity determined the risk component that is designated as the hedged item (including a description of the nature of the relationship between the risk component and the item as a whole). 57 An entity shall disclose, in a table, the following amounts related to items designated as hedging instruments separately by risk category for each type of hedge (fair value hedge, cash flow hedge or hedge of a net investment in a foreign operation): (a) the carrying amount of the hedging instruments (financial assets separately from financial liabilities); (b)the line item in the statement of financial position that includes the hedging instrument; and (c)the change in fair value of the hedging instrument used as the basis for recognising hedge ineffectiveness for the period.
	58 An entity shall disclose, in a table, the following amounts separately by risk category for the types of hedges as follows:

IFRS	Additional disclosure in the draft ED not included in AASB 1060 (in red)
	(a) for fair value hedges: (i) the carrying amount of the hedged item recognised in the statement of financial position (presenting assets separately from liabilities); (ii) the accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item recognised in the statement of financial position (presenting assets separately from liabilities); (iii) the line item in the statement of financial position that includes the hedged item; (iv) the change in value of the hedged item used as the basis for recognising hedge ineffectiveness for the period; and (v) hedge ineffectiveness—that is, the difference between the hedging gains or losses of the hedging instrument and the hedged item—recognised in profit or loss (or other comprehensive income for hedges of an equity instrument for which an entity has elected to present changes in fair value in other comprehensive income in accordance with paragraph 5.7.5 of IFRS 9). (b) for cash flow hedges and hedges of a net investment in a foreign operation: (i) the change in value of the hedged item used as the basis for recognising hedge ineffectiveness for the period (that is, for cash flow hedges the change in value used to determine the recognised hedge ineffectiveness in accordance with paragraph 6.5.11(c) of IFRS 9); (ii) hedge ineffectiveness recognised in profit or loss; (iii) the amount reclassified from the cash flow hedge reserve or the foreign currency translation reserve into profit or loss as a reclassification adjustment (see IAS 1), differentiating between amounts for which hedge accounting had previously been used, but for which the hedged future cash flows are no longer expected to occur, and amounts that have been transferred because the hedged item has affected profit or loss; and (iv) hedging gains or losses of the reporting period that were recognised in other comprehensive income.
	Uncertainty arising from interest rate benchmark reform 59 For hedging relationships to which an entity applies the exceptions set out in paragraphs 6.8.4–6.8.12 of IFRS 9 or paragraphs 102D–102N of IAS 39 Financial Instruments: Recognition and Measurement, an entity shall disclose: (a) the significant interest rate benchmarks to which the entity's hedging relationships are exposed; (b) the extent of the risk exposure the entity manages that is directly affected by the interest rate benchmark reform; (c) how the entity is managing the process to transition to alternative benchmark rates; (d) a description of significant assumptions or judgements the entity made in applying these paragraphs (for example, assumptions or judgements about when the uncertainty arising from interest rate benchmark reform is no longer present with respect to the timing and the amount of the interest rate benchmark-based cash flows); and (e) the nominal amount of the hedging instruments in those hedging relationships. **Additional disclosure related to interest rate benchmark reform** 60 An entity shall disclose a description of changes to its risk management strategy (see paragraph 55) if the changes resulted from risks to which the entity is exposed arising from financial instruments because of the transition to alternative benchmark rates.

IFRS	Additional disclosure in the draft ED not included in AASB 1060 (in red)
	Fair value 61 In some cases, an entity does not recognise a gain or loss on initial recognition of a financial asset or financial liability because the fair value is neither evidenced by a quoted price in an active market for an identical asset or liability (a Level 1 input), nor based on a valuation technique that uses data only from observable markets (see paragraph B5.1.2A of IFRS 9). In such cases, the entity shall disclose by class of financial asset or financial liability: (a) its accounting policy for recognising in profit or loss the difference between the fair value at initial recognition and the transaction price to reflect a change in factors (including time) that market participants would take into account when pricing the asset or liability (see paragraph B5.1.2A(b) of IFRS 9); (b) the aggregate difference yet to be recognised in profit or loss at the beginning and end of the period and a reconciliation of changes in the balance of this difference; and **(c)** why the entity concluded that the transaction price was not the best evidence of fair value, including a description of the evidence that supports the fair value.
	The credit risk management practices 62 An entity shall explain its credit risk management practices and how they relate to the recognition and measurement of expected credit losses. To meet this objective, an entity that has not applied the simplified approach in paragraphs 5.5.15–5.5.16 of IFRS 9 shall disclose information that enables users of financial statements to understand and evaluate: (a)how the entity determined whether the credit risk of financial instruments has increased significantly since initial recognition, including, if and how: (i)financial instruments are considered to have low credit risk in accordance with paragraph 5.5.10 of IFRS 9, including the classes of financial instruments to which it applies; (ii)the presumption in paragraph 5.5.11 of IFRS 9, that there have been significant increases in credit risk since initial recognition when financial assets are more than 30 days past due, has been rebutted; and (b)an entity's definitions of default, including the reasons for selecting those definitions. 63 An entity shall explain the inputs, assumptions and estimation techniques used to apply the requirements in Section 5.5 of IFRS 9. For this purpose an entity shall disclose: (a)the basis of inputs and assumptions and the estimation techniques used to: (i)measure the 12-month and lifetime expected credit losses; (ii)determine whether the credit risk of financial instruments has increased significantly since initial recognition; and (iii)determine whether a financial asset is A credit-impaired financial asset; (b) how forward-looking information has been incorporated into the determination of expected credit losses, including the use of macroeconomic information; and

IFRS	Additional disclosure in the draft ED not included in AASB 1060 (in red)
	(c) changes in the estimation techniques or significant assumptions made during the reporting period and the reasons for those changes. **Quantitative and qualitative information about amounts arising from expected credit losses** 64 To explain the changes in the loss allowance and the reasons for those changes, an entity shall provide, by class of financial instrument, a reconciliation from the opening balance to the closing balance of the loss allowance, in a table, showing separately the changes during the period for: (a) the loss allowance measured at an amount equal to 12-month expected credit losses. (b) the loss allowance measured at an amount equal to lifetime expected credit losses for: (i) financial instruments for which credit risk has increased significantly since initial recognition but that are not credit impaired financial assets; (ii) financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired); and (iii) trade receivables, contract assets or lease receivables for which the loss allowances are measured in accordance with paragraph 5.5.15 of IFRS 9. (c) financial assets that are purchased or originated credit-impaired. An entity shall also disclose the total amount of undiscounted expected credit losses at initial recognition on financial assets initially recognised during the reporting period
	Changes in the loss allowance 65 For loan commitments and financial guarantee contracts, the loss allowance is recognised as a provision. An entity should disclose information about the changes in the loss allowance for financial assets separately from those for loan commitments and financial guarantee contracts. However, if a financial instrument includes both a loan (financial asset) and an undrawn commitment (loan commitment) component and the entity cannot separately identify the expected credit losses on the loan commitment component from those on the financial asset component, the expected credit losses on the loan commitment should be recognised together with the loss allowance for the financial asset. To the extent that the combined expected credit losses exceed the gross carrying amount of the financial asset, the expected credit losses should be recognised as a provision. 66 To enable users of financial statements to understand the changes in the loss allowance disclosed in accordance with paragraph 64 of this [draft] Standard, an entity shall provide an explanation of how significant changes in the gross carrying amount of financial instruments during the period contributed to changes in the loss allowance. The information shall be provided separately for financial instruments that represent the loss allowance as listed in paragraph 64(a)–(c) of this [draft] Standard and shall include relevant qualitative and quantitative information. Examples of changes in the gross carrying amount of financial instruments that contributed to the changes in the loss allowance may include: (a) changes because of financial instruments originated or acquired during the reporting period; (b) the modification of contractual cash flows on financial assets that do not result in a derecognition of those financial assets in accordance with IFRS 9; (c) changes because of financial instruments that were derecognised (including those that were written-off) during the reporting period; and (d) changes arising from whether the loss allowance is measured at an amount equal to 12-month or lifetime expected credit losses.

IFRS	Additional disclosure in the draft ED not included in AASB 1060 (in red)
	Credit risk exposure 67 To enable users of financial statements to assess an entity's credit risk exposure and understand its significant credit risk concentrations, an entity shall disclose, by credit risk rating grades, the gross carrying amount of financial assets and the exposure to credit risk on loan commitments and financial guarantee contracts. An entity shall provide this information separately for financial instruments: (a)for which the loss allowance is measured at an amount equal to 12-month expected credit losses; (b)for which the loss allowance is measured at an amount equal to lifetime expected credit losses and that are: (i)financial instruments for which credit risk has increased significantly since initial recognition, but that are not credit impaired financial assets; (ii) financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired); and (iii) trade receivables, contract assets or lease receivables for which the loss allowances are Measured in accordance with paragraph 5.5.15 of IFRS 9; and (c) that are purchased or originated credit-impaired financial assets.
IFRS 12	**Consequences of losing control of a subsidiary during the reporting period** 70 An entity shall disclose the gain or loss, if any, calculated in accordance with paragraph 25 of IFRS 10 Consolidated Financial Statements, and: (a)the portion of that gain or loss attributable to measuring any investment retained in the former subsidiary at its fair value at the date when control is lost; and (b)the line items in profit or loss in which the gain or loss is recognised (if not presented separately).
	Investment entity status 71 When a parent determines that it is an ***investment entity*** in accordance with paragraph 27 of IFRS 10 and it does not have one or more of the typical characteristics of an investment entity (see paragraph 28 of IFRS 10), it shall disclose its reasons for concluding that it is nevertheless an investment entity. 72 When an entity becomes, or ceases to be, an investment entity, it shall disclose the change of investment entity status and the reasons for the change. In addition, an entity that becomes an investment entity shall disclose the effect of the change of status on the financial statements for the period presented, including: (a) the total fair value, as of the date of change of status, of the subsidiaries that cease to be consolidated; (b) the total gain or loss, if any, calculated in accordance with paragraph B101 of IFRS 10; and (c) the line item(s) in profit or loss in which the gain or loss is recognized (if not presented separately).
	Interests in unconsolidated subsidiaries (investment entities) 73 An investment entity that, in accordance with IFRS 10, is required to apply the exception to consolidation and instead account for its investment in a subsidiary at fair value through profit or loss shall disclose that fact. 74 An investment entity shall disclose the nature and extent of any significant restrictions (for example, resulting from borrowing arrangements or regulatory requirements) on the ability of an unconsolidated subsidiary to transfer funds to the investment entity in the form of cash dividends or to repay loans.

IFRS	Additional disclosure in the draft ED not included in AASB 1060 (in red)
	Interests in joint ventures and associates 75 An investment entity need not provide the disclosures required by paragraph 76 of this [draft] Standard. 76 For investments in joint ventures and, separately, for investments in associates, an entity shall disclose: (a) whether investments in joint ventures and investments in associates are measured using the ***equity method*** or at fair value; (b) the carrying amount of investments in joint ventures and investments in associates, showing separately investments measured using the equity method and investments measured at fair value; and (c) the fair value of its investment in a joint venture or associate, if a market price for the investment is quoted and the entity accounts for the joint venture or associate using the equity method.
IFRS 13	79 An entity shall disclose for each class of assets and liabilities measured at fair value (including measurements based on fair value within the scope of IFRS 13) in the statement of financial position after initial recognition: (a) the carrying amounts at the end of the reporting period; (b) the level of the fair value hierarchy within which the fair value measurements are categorised in their entirety (Level 1, 2 or 3); and (c) a description of the valuation technique(s) it used for recurring and non-recurring fair value measurements categorised within Level 2 and Level 3 of the fair value hierarchy, and the inputs used in the fair value measurement. 80 For recurring fair value measurements categorised within Level 3 of the fair value hierarchy, an entity shall disclose: (a) total gains or losses for the period recognised in profit or loss, and the line items in profit or loss in which those gains or losses are recognised; and (b) total gains or losses for the period recognised in other comprehensive income, and the line items in other comprehensive income in which those gains or losses are recognised. 81 A class of assets and liabilities will often require greater disaggregation than the line items presented in the statement of financial position. However, an entity shall provide sufficient information to permit reconciliation to the line items presented in the statement of financial position. An entity shall determine appropriate classes of assets and liabilities on the basis of: (a) the nature, characteristics and risks of the asset or liability; and (b) the level of the fair value hierarchy within which the fair value measurement is categorised. 82 If an entity makes an accounting policy decision to use the exception in paragraph 48 of IFRS 13 (financial assets and financial liabilities with offsetting positions in market risks or counterparty credit risk), it shall disclose that fact.

IFRS	Additional disclosure in the draft ED not included in AASB 1060 (in red)
	83 An entity shall present the quantitative disclosures required by paragraphs 79–82 of this [draft] Standard in a table unless another format is more appropriate. AASB staff comment: AASB 1060 includes disclosures about FV, however, they are located within individual sections, e.g. section for financial instruments.
IFRS 14	84 To help a user of the financial statements assess the nature of, and the risks associated with, the entity's rate-regulated activities, an entity shall disclose for each type of rate-regulated activity: (a) a brief description of the nature and extent of the rate-regulated activity and the nature of the regulatory rate-setting process. (b) the identity of the rate regulator. If the rate regulator is a related party (as defined in IAS 24 Related Party Disclosures), the entity shall disclose that fact, together with an explanation of how the regulator is related. 85 The disclosures required by paragraph 84 shall be given in the financial statements either directly in the notes or incorporated by cross-reference from the financial statements to some other statement, such as a management commentary or risk report, that is available to users of the financial statements on the same terms as the financial statements and at the same time. If the information is not included in the financial statements directly or incorporated by cross-reference, the financial statements are incomplete. 86 An entity shall disclose the basis on which regulatory deferral account balances are recognised and derecognised, and how they are measured initially and subsequently, including how regulatory deferral account balances are assessed for recoverability and how any impairment loss is allocated. 87 For each type of rate-regulated activity, an entity shall disclose, for each class of regulatory deferral account balance, a reconciliation of the carrying amount at the beginning and the end of the period, in a table unless another format is more appropriate. The entity shall apply judgement in deciding the level of detail necessary (see paragraphs 28–29 of IFRS 14), but the following components would usually be relevant: (a) the amounts that have been recognised in the current period in the statement of financial position as regulatory deferral account balances; (b) the amounts that have been recognised in the statement(s) of profit or loss and other comprehensive income relating to balances that have been recovered (sometimes described as amortised) or reversed in the current period; and (c) other amounts, separately identified, that affected the regulatory deferral account balances, such as impairments, items acquired or assumed in a business combination, items disposed of, or the effects of changes in foreign exchange rates or discount rates. 88 When an entity concludes that a regulatory deferral account balance is no longer fully recoverable or reversible, it shall disclose that fact, the reason why it is not recoverable or reversible and the amount by which the regulatory deferral account balance has been reduced. AASB staff comment: AASB 1060 did not include disclosure requirements relevant to regulatory deferral accounts as Australian Tier 2 entities were not expected to provide goods or services that are subject to rate regulation.

IFRS	Additional disclosure in the draft ED not included in AASB 1060 (in red)
IFRS 15	**General disclosures about revenue from contracts with customers** 89 An entity shall disclose the revenue it recognised from contracts with customers disaggregated into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. Categories that might be appropriate include: (a) type of good or service (for example, major product lines); (b) geographical region (for example, country or region); (c) market or type of customer (for example, government and nongovernment customers); (d) type of contract (for example, fixed-price and time-and-materials contracts); (e) contract duration (for example, short-term and long-term contracts); (f) timing of transfer of goods or services (for example, revenue from goods or services transferred to customers at a point in time and revenue from goods or services transferred over time); and (g) sales channels (for example, goods sold directly to consumers and goods sold through intermediaries). 90 If an entity applies IFRS 8 Operating Segments, the entity shall disclose sufficient information to enable users of financial statements to understand the relationship between the disclosure of disaggregated revenue (as required by paragraph 89) and revenue information that is disclosed for each reportable segment. AASB staff comment: AASB 1060 did not include similar disclosure requirement relating to operating segments as Tier 2 entities were not expected to apply IFRS 8. **Contracts with customers** 91 Unless the amounts are presented separately in the statement of comprehensive income by applying other IFRS Standards, an entity shall disclose the amount of impairment losses recognised (by applying IFRS 9) for the reporting period on any receivables or contract assets arising from an entity's contracts with customers, which the entity shall disclose separately from impairment losses from other contracts for the reporting period.
	Contract balances 92 An entity shall disclose: (a) the opening and closing balances of receivables, contract assets and contract liabilities from contracts with customers, if not otherwise separately presented or disclosed; (b) revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period; and (c) revenue recognised in the reporting period from performance obligations satisfied or partially satisfied in previous periods (for example, changes in transaction price).

IFRS	Additional disclosure in the draft ED not included in AASB 1060 (in red)
	93 An entity shall explain the significant changes in the contract asset and the contract liability balances during the reporting period.
	Transaction price allocated to the remaining performance obligations 96 An entity shall provide a quantitative or qualitative explanation of the significance of unsatisfied performance obligations and when they are expected to be satisfied. As a practical expedient, an entity need not disclose this information for a performance obligation if either of the following conditions is met: (a) the performance obligation is part of a contract that has an original expected duration of one year or less; or (b) the entity recognises revenue from the satisfaction of the performance obligation in accordance with paragraph B16 of IFRS 15. **Determining the transaction price—variable consideration** 97 An entity shall disclose information about the methods, inputs and assumptions used for assessing whether an estimate of variable consideration is constrained
	Practical expedients 99 If an entity elects to use the practical expedient in either paragraph 63 of IFRS 15 (existence of a significant financing component) or paragraph 94 of IFRS 15 (incremental costs of obtaining a contract), the entity shall disclose that fact.
IFRS 16	100. Except for leases it accounts for applying paragraph 6 of IFRS 16 (short-term leases or leases for which the underlying asset is of low value), a lessee shall disclose: (a) for right-of-use assets, by class of underlying asset: (i) the carrying amount at the end of the reporting period; (ii) the depreciation charge; and (iii) additions; (b) interest expense on lease liabilities; (c) lease liabilities at the end of the reporting period;
	102 If a lessee measures right-of-use assets at revalued amounts applying IAS 16,the lessee shall disclose the information required by paragraph 150 of this [draft] Standard for those right-of-use assets.
	103 A lessee shall disclose for short-term leases and, separately, for other leases for which the underlying asset is of low value, the lease payments recognised as an expense for the reporting period when the entity has applied paragraph 6 of IFRS 16. The expense disclosed for short-term leases need not include that for leases with a lease term of one month or less.
	105 If a lessee applies the practical expedient in paragraph 46A of IFRS 16, the lessee shall disclose:

IFRS	Additional disclosure in the draft ED not included in AASB 1060 (in red)
	(a) that it has applied the practical expedient to all rent concessions that meet the conditions in paragraph 46B of IFRS 16 or, if not applied to all such rent concessions, information about the nature of the contracts to which it has applied the practical expedient (see paragraph 2 of IFRS 16); and (b) the amount recognised in profit or loss for the reporting period to reflect changes in lease payments that arise from rent concessions to which the lessee has applied the practical expedient in paragraph 46A of IFRS 16.
IAS 1	111 When an entity departs from a requirement in an IFRS Standard in accordance with paragraph 19 of IAS 1, it shall disclose: (a) that management has concluded that the financial statements present fairly the entity's financial position, financial performance and cash flows; (b) that it has complied with applicable IFRS Standards, except that it has departed from a particular requirement to achieve a fair presentation; (c) the title of the IFRS Standard from which the entity has departed, the nature of the departure, including the treatment that the IFRS Standard would require, the reason why that treatment would be so misleading in the circumstances that it would conflict with the objective of financial statements set out in the Conceptual Framework for Financial Reporting (Conceptual Framework), and the treatment adopted; and (d) for each period presented, the financial effect of the departure on each item in the financial statements that would have been reported in complying with the requirement. 112 When an entity has departed from a requirement in an IFRS Standard in a prior period, and that departure affects the amounts recognised in the financial statements for the current period, it shall make the disclosures set out in paragraph 111(c)–(d) of this [draft] Standard. AASB staff comment: AASB 1060 requires compliance with R&M principles of other standards instead.
	Comparative information Change in accounting policy, retrospective restatement or reclassification 114 When an entity is required to present an additional statement of financial position in accordance with paragraph 40A of IAS 1, it must disclose the information required by paragraphs 115–116 and 134–140 of this [draft] Standard. However, it need not present the related notes to the opening statement of financial position as at the beginning of the preceding period. AASB staff comment: AASB 1060 does not require Tier 2 entities to prepare third statement of financial position. It is unclear why IASB decided
	116 When it is impracticable to reclassify comparative amounts, an entity shall disclose: (a) the reason for not reclassifying the amounts; and (b) the nature of the adjustments that would have been made if the amounts had been reclassified.
	Information about judgements

IFRS	Additional disclosure in the draft ED not included in AASB 1060 (in red)
	124 An entity shall disclose, along with its material accounting policies or other notes, the judgements, apart from those involving estimations (see paragraph 125), that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements. Examples of judgements that an entity may be required to disclose include those determining: (a) when recognising revenue from contracts with customers: the transaction price, the amounts allocated to performance obligations, and the timing of satisfaction of performance obligations; (b) appropriate classes of assets and liabilities for which disclosures about fair value measurements should be provided; (c) that the entity has control of another entity; (d) that the entity has joint control of an arrangement or significant influence over another entity; (e) the type of joint arrangement (that is, a joint operation or joint venture) when the arrangement has been structured through a separate vehicle; and (f) that the entity is an investment entity.
	Disclosure of dividends 126 Where an entity has more than one class of shares, it shall disclose dividends paid (in aggregate or per share) separately for ordinary shares and other shares.
IAS 7	**Changes in liabilities arising from financing activities** 130 An entity shall disclose a reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the statement of cash flows as cash flows from financing activities. The reconciliation shall include: (a) changes from financing cash flows; (b) changes arising from obtaining or losing control of subsidiaries or other businesses; (c) the effect of changes in foreign exchange rates; (d) changes in fair values; and (e) other changes.
	132 In view of the variety of cash management practices and banking arrangements around the world and in order to comply with IAS 1, an entity shall disclose the policy which it adopts in determining the composition of cash and cash equivalents.
IAS 8	134 When initial application of an IFRS Standard has an effect on the current period or any prior period, would have such an effect except that it is impracticable to determine the amount of the adjustment, or might have an effect on future periods, an entity shall disclose: (a) the title of the IFRS Standard; (b) when applicable, that the change in accounting policy is made in accordance with its transitional provisions;

IFRS	Additional disclosure in the draft ED not included in AASB 1060 (in red)
	(c) the nature of the change in accounting policy; (d) when applicable, a description of the transitional provisions; (e) when applicable, the transitional provisions that might have an effect on future periods; (f) for the current period and each prior period presented, to the extent practicable, the amount of the adjustment: (i) for each financial statement line item affected; and (ii) if an entity has applied IAS 33 Earnings per Share, for basic and diluted earnings per share; (g) the amount of the adjustment relating to periods before those presented, to the extent practicable; and (h) if retrospective application required by paragraph 19(a) or (b) of IAS 8 is impracticable for a particular prior period, or for periods before those presented, the circumstances that led to the existence of that condition and a description of how and from when the change in accounting policy has been applied. Financial statements for subsequent periods need not repeat these disclosures.
	136 When an entity has not applied a new IFRS Standard that has been issued but is not yet effective, the entity shall disclose: (a) this fact; and (b) known or reasonably estimable information relevant to assessing the possible impact that applying the new IFRS Standard will have on the entity's financial statements in the period of initial application. 137 In complying with paragraph 136, an entity considers disclosing: (a) the title of the new IFRS Standard; (b) the nature of the impending change or changes in accounting policy; (c) the date by which application of the IFRS Standard is required; (d) the date as at which it plans to apply the IFRS Standard initially; and (e) either: (i) a discussion of the impact that initial application of the IFRS Standard is expected to have on the entity's financial statements; or (ii) if that impact is not known or reasonably estimable, a statement to that effect.
	139 If the amount of the effect in future periods is not disclosed because estimating it is impracticable, an entity shall disclose that fact.
	Disclosure of prior period errors 140 In applying paragraph 42 of IAS 8, an entity shall disclose the following: (a) the nature of the prior period error; (b) for each prior period presented, to the extent practicable, the amount of the correction: (i) for each financial statement line item affected; and

IFRS	Additional disclosure in the draft ED not included in AASB 1060 (in red)
	(ii) if an entity has applied IAS 33, for basic and diluted earnings per share; (c) the amount of the correction at the beginning of the earliest prior period presented; and (d) if retrospective restatement is impracticable for a particular prior period, the circumstances that led to the existence of that condition and a description of how and from when the error has been corrected.
IAS 16	150 If items of property, plant and equipment are stated at revalued amounts, an entity shall disclose: (a) the effective date of the revaluation; (b) whether an independent valuer was involved; (c) for each revalued class of property, plant and equipment, the carrying amount that would have been recognised had the assets been carried under the cost model; and (d) the revaluation surplus, indicating the change for the period and any restrictions on the distribution of the balance to shareholders AASB staff comment: AASB 1060 does not include the disclosure requirement in c) as the Board considered the costs would outweigh the benefits
IAS 19	152 Except for any multi-employer defined benefit plans that are accounted for as defined contribution plans by applying paragraph 34 of IAS 19, for which the disclosures in paragraph 151 apply, an entity shall disclose the following about defined benefit plans: (a) a general description of the type of plan, including funding policy; (b) a reconciliation of opening and closing balances of the present value of the defined benefit obligation showing separately: (i) current service cost; (ii) interest expense; (iii) remeasurements of the present value of the defined benefit obligation; (iv) past service costs; (v) benefits paid; and (vi) all other changes; (c) a reconciliation of the opening and closing balances of the plan assets and of the opening and closing balances of any reimbursement right recognised as an asset, showing separately: (i) contributions; (ii) benefits paid; (iii) the actual return on plan assets; and (iv) other changes in plan assets; (d) for each major class of plan assets, which shall include, but is not limited to, equity instruments, debt instruments, property, and all other assets, the percentage or amount that each major class of plan assets constitutes of the fair value of the total plan assets at the reporting date; (e) the amounts included in the fair value of plan assets for:

IFRS	Additional disclosure in the draft ED not included in AASB 1060 (in red)
	(i) each class of the entity's own financial instruments; and (ii) any property occupied by, or other assets used by, the entity; and (f) the principal actuarial assumptions used, including: (i) the discount rates; (ii) the expected rates of salary increases; (iii) medical cost trend rates; and (iv) any other material actuarial assumptions used. AASB staff comment: AASB 1060 also includes requirement for disclosure of the expected rates of return on any plan assets for the periods presented in the financial statements.
	155 If an entity participates in a defined benefit plan that shares risks between entities under common control, it shall disclose: (a) the contractual agreement or stated policy for charging the net defined benefit cost or the fact that there is no such policy; (b) the policy for determining the contribution to be paid by the entity; (c) if the entity accounts for an allocation of the net defined benefit cost as noted in paragraph 41 of IAS 19, all the information about the plan as a whole required by paragraph 152; and (d) if the entity accounts for the contribution payable for the period as noted in paragraph 41 of IAS 19, the information about the plan as a whole required by paragraph 152(a), (d), (e) and (f). AASB staff comment: AASB 1060 include additional disclosure requirements for subsidiary that recognises and measures employee benefit expense on the basis of a contractual agreement or stated policy for charging the net defined benefit cost or based on their contributions payable.
	Contingent liabilities arising from post-employment benefit obligations 157 When required by paragraphs 197–200 of this [draft] Standard, an entity discloses information about contingent liabilities arising from post-employment benefit obligations. Disclosures about other long-term employee benefits 158 For each category of other long-term employee benefits that an entity provides to its employees, the entity shall disclose the nature of the benefit, the amount of its obligation and the extent of funding at the reporting date. AASB staff comment: AASB 1060 did not include the requirement in paragraph 158 above as this is a disclosure requirement from IFRS for SMEs which was removed from IFRS Standards.
IAS 21	161 An entity shall disclose: (a) the amount of exchange differences recognised in profit or loss during the period, except for those arising on financial instruments measured at fair value through profit or loss in accordance with IFRS 9; and

IFRS	Additional disclosure in the draft ED not included in AASB 1060 (in red)
	(b) net exchange differences recognised in other comprehensive income and accumulated in a separate component of equity, and a reconciliation of the amount of such exchange differences at the beginning and end of the period.
IAS 23	164 An entity shall disclose: (a) the amount of borrowing costs capitalised during the period; and (b) the capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation.
IAS 27	175 When a parent (other than a parent that is an investment entity to which paragraph 176 applies), or an investor in an associate, or a joint venturer that has joint control of a joint venture prepares separate financial statements, those separate financial statements need not include the disclosures required by paragraphs 176–180, and shall disclose: (a) that the statements are separate financial statements; (b) a description of the methods used to account for the investments in subsidiaries, joint ventures and associates; and (c) either: (i) the financial statements prepared by applying IFRS 10, IFRS 11 Joint Arrangements or IAS 28 Investments in Associates and Joint Ventures to which they relate; or (ii) if the entity has elected not to prepare consolidated financial statements, applying paragraph 4(a) of IFRS 10, that the exemption from consolidation has been used; and the name and principal place of business (and country of incorporation, if different) of the entity whose consolidated financial statements that comply with IFRS Standards have been produced for public use. 176 When an investment entity that is a parent prepares, by applying paragraph 8A of IAS 27, separate financial statements as its only financial statements, it shall disclose that fact. The investment entity shall also present the disclosures relating to investment entities required by paragraphs 177– **Investment entity status** 177 When a parent determines that it is an investment entity in accordance with paragraph 27 of IFRS 10 and it does not have one or more of the typical characteristics of an investment entity (see paragraph 28 of IFRS 10), it shall disclose its reasons for concluding that it is nevertheless an investment entity. 178 When an entity becomes, or ceases to be, an investment entity, it shall disclose the change of investment entity status and the reasons for the change. In addition, an entity that becomes an investment entity shall disclose the effect of the change of status on the financial statements for the period presented, including: (a) the total fair value, as of the date of change of status, of the subsidiaries that cease to be consolidated; (b) the total gain or loss, if any, calculated in accordance with paragraph B101 of IFRS 10; and (c) the line item(s) in profit or loss in which the gain or loss is recognised (if not presented separately). **Interests in unconsolidated subsidiaries (investment entities)**

IFRS	Additional disclosure in the draft ED not included in AASB 1060 (in red)
	179 An investment entity that, in accordance with IFRS 10, is required to apply the exception to consolidation and instead account for its investment in a subsidiary at fair value through profit or loss shall disclose that fact. 180 An investment entity shall disclose the nature and extent of any significant restrictions (for example, resulting from borrowing arrangements or regulatory requirements) on the ability of an unconsolidated subsidiary to transfer funds to the investment entity in the form of cash dividends or to repay loans.
IAS 32	182 An entity shall disclose, at the end of the reporting period, separately the gross amounts of those recognised financial assets and recognised financial liabilities that are offset in accordance with paragraph 42 of IAS 32. 183 Financial instruments disclosed when applying paragraph 182 may be subject to different measurement requirements (for example, a payable related to a repurchase agreement may be measured at amortised cost, whereas a derivative will be measured at fair value). An entity shall include instruments at their recognised amounts and describe any resulting measurement differences in the related disclosures.
IAS 34	**Significant events and transactions** 176 An entity shall include in its interim financial report an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the entity since the end of the last annual reporting period. Information disclosed in relation to those events and transactions shall update the relevant information presented in the most recent annual financial report. 177 The following is a non-exhaustive list of events and transactions for which disclosures would be required if they were significant: (a) the write-down of inventories to net realisable value and the reversal of such a write-down; (b) recognition of a loss from the impairment of financial assets, property, plant and equipment, intangible assets, assets arising from contracts with customers, or other assets, and the reversal of such an impairment loss; (c) the reversal of any provisions for the costs of restructuring; (d) acquisitions and disposals of items of property, plant and equipment; (e) commitments for the purchase of property, plant and equipment; (f) litigation settlements; (g) corrections of prior period errors; (h) changes in the business or economic circumstances that affect the fair value of the entity's financial assets and financial liabilities, whether those assets or liabilities are recognised at fair value or amortised cost; (i) any loan default or breach of a loan agreement that has not been remedied on or before the end of the reporting period; (j) related party transactions; (k) transfers between levels of the fair value hierarchy used in measuring the fair value of financial instruments; (l) changes in the classification of financial assets as a result of a change in the purpose or use of those assets; and

IFRS	Additional disclosure in the draft ED not included in AASB 1060 (in red)
	(m) changes in contingent liabilities or contingent assets. 186 This [draft] Standard provides guidance regarding disclosure requirements for many of the items listed in paragraph 185. When an event or transaction is significant to an understanding of the changes in an entity's financial position or performance since the last annual reporting period, its interim financial report should provide an explanation of and an update to the relevant information included in the financial statements of the last annual reporting period. **Other disclosures** 187 In addition to disclosing significant events and transactions in accordance with paragraphs 184–186, an entity shall include the following information in the notes to its interim financial statements or elsewhere in the interim financial report. The following disclosures shall be given either in the interim financial statements or incorporated by cross-reference from the interim financial statements to some other statement (such as management commentary or risk report) that is available to users of the financial statements on the same terms as the interim financial statements and at the same time. If users of the financial statements do not have access to the information incorporated by cross-reference on the same terms and at the same time, the interim financial report is incomplete. The information shall normally be reported on a financial year-to-date basis and comprises: (a) a statement that the same accounting policies and methods of computation are followed in the interim financial statements as compared with the most recent annual financial statements or, if those policies or methods have been changed, a description of the nature and effect of the change. (b) explanatory comments about the seasonality or cyclicality of interim operations. (c) the nature and amount of items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence. (d) the nature and amount of changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years. (e) issues, repurchases and repayments of debt and equity securities. (f) dividends paid (aggregate or per share) separately for ordinary shares and other shares, when an entity has more than one class of shares. (g) the basis for preparing and presenting information about segments, if the entity chooses to disclose information about segments. If the entity chooses to disclose information about segments that does not comply with IFRS 8, it shall not describe the information as segment information. (h) events after the interim period that have not been reflected in the financial statements for the interim period. (i) the effect of changes in the composition of the entity during the interim period, including business combinations, obtaining or losing control of subsidiaries and long-term investments, restructurings, and discontinued operations. In the case of business combinations, the entity shall disclose the information about business combinations required by this [draft] Standard for entities applying IFRS 3 (see paragraphs 36–38 of this [draft] Standard). (j) for financial instruments, the disclosures about fair value required by paragraphs 61, 79 and 82–83. (k) for entities becoming, or ceasing to be, investment entities, as defined in IFRS 10, the disclosures required by paragraph 72.

IFRS	Additional disclosure in the draft ED not included in AASB 1060 (in red)
	(l) the disaggregation of revenue from contracts with customers required by paragraphs 89 and 90 of this [draft] Standard. **Disclosure of compliance with IFRS Standards** 188 An entity applying this [draft] Standard and preparing an interim financial report in compliance with IAS 34 shall disclose these facts, in the same note. An entity shall not describe an interim financial report as complying with IFRS Standards unless it complies with all the requirements in IFRS Standards. For an entity that has elected to apply this [draft] Standard, the entity shall not describe an interim financial report as complying with IFRS Standards unless it complies with the recognition, measurement and presentation requirements in IFRS Standards and at least the selected explanatory notes (see paragraph 7 of IAS 34) set out in paragraphs 184–188 of this [draft] Standard. **Disclosure in annual financial statements** 189 If an estimate of an amount reported in an interim period is changed significantly during the final interim period of the financial year but a separate financial report is not published for that final interim period, the nature and amount of that change in estimate shall be disclosed in a note to the annual financial statements for that financial year. AASB Staff comment: AASB 1060 did not include interim reporting disclosure requirements as Tier 2 entities were not expected to prepare interim reports.
IAS 36	192 If, applying paragraph 84 of IAS 36, any portion of the goodwill acquired in a business combination during the period has not been allocated to a cash-generating unit (group of units) at the end of the reporting period, the amount of the unallocated goodwill shall be disclosed together with the reasons why that amount remains unallocated. **Estimates used to measure recoverable amounts of cash-generating units containing goodwill or intangible assets with indefinite useful lives** 193 An entity shall disclose the information required by (a)–(e) for each cash-generating unit (group of units) for which the carrying amount of goodwill or intangible assets with indefinite useful lives allocated to that unit (group of units) is significant in comparison with the entity's total carrying amount of goodwill or intangible assets with indefinite useful lives: (a) the carrying amount of goodwill allocated to the unit (group of units). (b) the carrying amount of intangible assets with indefinite useful lives allocated to the unit (group of units). (c) the basis on which the unit's (group of units') recoverable amount has been determined (that is, value in use or fair value less costs of disposal). (d) if the unit's (group of units') recoverable amount is based on value in use, each key assumption on which management has based its cash flow projections for the period covered by the most recent budgets or forecasts. Key assumptions are those to which the unit's (group of units') recoverable amount is most sensitive. (e) if the unit's (group of units') recoverable amount is based on fair value less costs of disposal, the valuation technique(s) used to measure fair value less costs of disposal. An entity is not required to provide the disclosures required by paragraphs 79–83 of this [draft] Standard. If fair value less costs of disposal is not measured using a quoted price for an identical unit (group of units), an entity shall disclose:

IFRS	Additional disclosure in the draft ED not included in AASB 1060 (in red)
	(i) each key assumption on which management has based its determination of fair value less costs of disposal. Key assumptions are those to which the unit's (group of units') recoverable amount is most sensitive. (ii) the level of the fair value hierarchy (see IFRS 13) within which the fair value measurement is categorised in its entirety (without giving regard to the observability of costs of disposal). 194 If some or all of the carrying amount of goodwill or intangible assets with indefinite useful lives is allocated across multiple cash-generating units (groups of units), and the amount so allocated to each unit (group of units) is not significant in comparison with the entity's total carrying amount of goodwill or intangible assets with indefinite useful lives, that fact shall be disclosed, together with the aggregate carrying amount of goodwill or intangible assets with indefinite useful lives allocated to those units (groups of units). If the recoverable amounts of any of those units (groups of units) are based on the same key assumption(s) and the aggregate carrying amount of goodwill or intangible assets with indefinite useful lives allocated to them is significant in comparison with the entity's total carrying amount of goodwill or intangible assets with indefinite useful lives, an entity shall disclose that fact, together with: (a) the aggregate carrying amount of goodwill allocated to those units (groups of units); (b) the aggregate carrying amount of intangible assets with indefinite useful lives allocated to those units (groups of units); and (c) a description of the key assumption(s). 195 The most recent detailed calculation made in a preceding period of the recoverable amount of a cash-generating unit (group of units) may, in accordance with paragraph 24 or 99 of IAS 36, be carried forward and used in the impairment test for that unit (group of units) in the current period provided specified criteria are met. When this is the case, the information for that unit (group of units) that is incorporated into the disclosures required by paragraphs 193–194 relates to the carried forward calculation of recoverable amount.
IAS 38	202 An entity shall also disclose: (a) for an intangible asset assessed as having an indefinite useful life, the carrying amount of that asset and the reasons supporting the assessment of an indefinite useful life, including the factors that played a significant role in determining that the asset has an indefinite useful life; (b) a description, the carrying amount and remaining amortisation period of any individual intangible asset that is material to the entity's financial statements; (c) for intangible assets acquired by way of a government grant and initially recognised at fair value (see paragraph 44 of IAS 38): (i) the fair value initially recognised for these assets; (ii) their carrying amounts; and (iii) whether they are measured after recognition under the cost model or the revaluation model. (d) the existence and carrying amounts of intangible assets to which the entity has restricted title or that are pledged as security for liabilities; and

IFRS	Additional disclosure in the draft ED not included in AASB 1060 (in red)
	(e) the amount of contractual commitments for the acquisition of intangible assets. 203 If intangible assets are accounted for at revalued amounts, an entity shall disclose: (a) by class of intangible assets: (i) the effective date of the revaluation; (ii) the carrying amount of revalued intangible assets; (iii) the carrying amount that would have been recognised had the revalued class of intangible assets been measured after recognition using the cost model in paragraph 74 of IAS 38; and (b) the amount of the revaluation surplus that relates to intangible assets at the beginning and end of the period, indicating the changes during the period and any restrictions on the distribution of the balance to shareholders. AASB staff comment: AASB 1060 does not include the disclosure requirement in a) iii) as the Board considered the costs would outweigh the benefits.
IAS 40	206 An entity shall disclose: (a) whether it applies the fair value model or the cost model; (b) the cumulative change in fair value recognised in profit or loss on a sale of investment property from a pool of assets in which the cost model is used into a pool in which the fair value model is used (see paragraph 32C of IAS 40); (c) the existence and amounts of restrictions on the realisability of investment property or the remittance of income and proceeds of disposal; and (d) contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.
	208 In the exceptional cases referred to in paragraph 53 of IAS 40, when an entity measures investment property using the cost model in IAS 16 or applying IFRS 16, the reconciliation required by paragraph 207 shall disclose amounts relating to that investment property separately from amounts relating to other investment property. An entity shall also disclose: (a) a description of the investment property; and (b) an explanation of why fair value cannot be measured reliably.
	Cost Model 209 For all investment property accounted for applying the cost model in paragraph 56 of IAS 40, an entity shall disclose: (d). a reconciliation, which need not be presented for prior periods, of the carrying amount at the beginning and end of the reporting period showing separately: (vi) transfers to and from inventories and owner-occupied property;
IAS 41	Biological assets measured at fair value less costs to sell

IFRS	Additional disclosure in the draft ED not included in AASB 1060 (in red)
	210 With respect to an entity's biological assets measured at fair value less costs to sell, the entity shall disclose: (a) a description of each group of biological assets. (b) a reconciliation of changes in the carrying amount of biological assets between the beginning and the end of the current reporting period. The reconciliation need not be presented for prior periods. The reconciliation shall include: (iii) decreases attributable to sales and biological assets classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with IFRS 5;
	Government grants 212 For government grants within the scope of IAS 41, an entity shall disclose: (a) the nature and amounts of government grants recognised in the financial statements; and (b) unfulfilled conditions and other contingencies attaching to government grants that have not been recognised in profit or loss.