

AASB Standard

AASB 2015-8
October 2015

Amendments to Australian Accounting Standards – Effective Date of AASB 15



Australian Government

**Australian Accounting
Standards Board**

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Australian Accounting Standard AASB 2015-8 *Amendments to Australian Accounting Standards – Effective Date of AASB 15* is set out in paragraphs 1 – 20. All the paragraphs have equal authority.

PREFACE

Standards Amended by AASB 2015-8

This Standard makes amendments to the Australian Accounting Standards and Interpretations listed in paragraph 1 of the Standard.

These amendments arise from the issuance of International Financial Reporting Standard *Effective Date of IFRS 15* by the International Accounting Standards Board (IASB) in September 2015.

Main Features of this Standard

Main Requirements

This Standard amends the mandatory effective date (application date) of AASB 15 *Revenue from Contracts with Customers* so that AASB 15 is required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2017.

Therefore, this Standard also defers the consequential amendments that were originally set out in AASB 2014-5 *Amendments to Australian Accounting Standards arising from AASB 15*. This deferral is achieved in a variety of ways because some of the Standards amended by AASB 2014-5 have been superseded by new principal versions issued in 2015 that apply to annual reporting periods beginning on or after 1 January 2017 or 2018.

This Standard amends Interpretation 1052 *Tax Consolidation Accounting* (paragraph 45) to update the cross-references to Standards and to remove the references to dividends and other distributions, so that the wording of this paragraph is appropriate for annual reporting periods beginning on or after 1 January 2018.

AASB 15 is also reformatted to follow the structure of the new principal versions of other Standards by deleting or moving the Aus-numbered 'Application' paragraphs in AASB 15.

Application Date

This Standard applies to annual reporting periods beginning on or after 1 January 2017. Early application is permitted, provided that AASB 15 is also applied.

ACCOUNTING STANDARD AASB 2015-8

The Australian Accounting Standards Board makes Accounting Standard AASB 2015-8 *Amendments to Australian Accounting Standards – Effective Date of AASB 15* under section 334 of the *Corporations Act 2001*.

Dated 22 October 2015

Kris Peach
Chair – AASB

ACCOUNTING STANDARD AASB 2015-8

AMENDMENTS TO AUSTRALIAN ACCOUNTING STANDARDS – EFFECTIVE DATE OF AASB 15

Objective

- 1 The objective of this Standard is to make amendments to:
- (a) AASB 15 *Revenue from Contracts with Customers*;
 - (b) AASB 1 *First-time Adoption of Australian Accounting Standards*;
 - (c) AASB 3 *Business Combinations*;
 - (d) AASB 4 *Insurance Contracts*;
 - (e) AASB 101 *Presentation of Financial Statements*;
 - (f) AASB 102 *Inventories*;
 - (g) AASB 112 *Income Taxes*;
 - (h) AASB 116 *Property, Plant and Equipment*;
 - (i) AASB 134 *Interim Financial Reporting*;
 - (j) AASB 136 *Impairment of Assets*;
 - (k) AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*;
 - (l) AASB 138 *Intangible Assets*;

- (m) AASB 139 *Financial Instruments: Recognition and Measurement*;
- (n) AASB 140 *Investment Property*;
- (o) AASB 1023 *General Insurance Contracts*;
- (p) AASB 1038 *Life Insurance Contracts*;
- (q) AASB 1039 *Concise Financial Reports*;
- (r) AASB 1049 *Whole of Government and General Government Sector Financial Reporting*;
- (s) AASB 1053 *Application of Tiers of Australian Accounting Standards*;
- (t) AASB 1056 *Superannuation Entities*;
- (u) Interpretation 12 *Service Concession Arrangements*;
- (v) Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*;
- (w) Interpretation 132 *Intangible Assets – Website Costs*;
- (x) Interpretation 1031 *Accounting for the Goods and Services Tax (GST)*;
- (y) Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*; and
- (z) Interpretation 1052 *Tax Consolidation Accounting*;

as a consequence of the issuance of International Financial Reporting Standard *Effective Date of IFRS 15* by the International Accounting Standards Board in September 2015.

Application

2 Subject to paragraph 3, this Standard applies to:

- (a) each entity that is required to prepare financial reports in accordance with Part 2M.3 of the Corporations Act and that is a reporting entity;**

- (b) **general purpose financial statements of each other reporting entity; and**
 - (c) **financial statements that are, or are held out to be, general purpose financial statements.**
- 3 **The amendments set out in this Standard apply to entities and financial statements in accordance with the application of the other Standards and Interpretations set out in AASB 1057 *Application of Australian Accounting Standards*.**
 - 4 **This Standard applies to annual reporting periods beginning on or after 1 January 2017.**
 - 5 **This Standard shall be applied when AASB 15 is applied. This Standard may be applied to annual reporting periods beginning before 1 January 2017, provided that AASB 15 is also applied to the same period. When an entity applies this Standard to such an annual reporting period, it shall disclose that fact.**
 - 6 **This Standard uses underlining, striking out and other typographical material to identify some of the amendments to a Standard, in order to make the amendments more understandable. However, the amendments made by this Standard do not include that underlining, striking out or other typographical material.**

Amendments to AASB 15

Deferral of the Effective Date

- 7 Paragraphs Aus4.2 and Aus4.3 are deleted and paragraph C1 is added as follows:
 - C1 An entity shall apply this Standard for annual reporting periods beginning on or after 1 January 2018. Earlier application is permitted. If an entity applies this Standard earlier, it shall disclose that fact.
- 8 Paragraph C7 is amended as follows (new text is underlined and deleted text is struck through):
 - C7 ... Under this transition method, an entity shall apply this Standard retrospectively only to contracts that are not completed contracts at the date of initial application (for example, 1 January ~~2017~~ 2018 for an entity with a 31 December year-end).

Reformatting AASB 15

- 9 Paragraph Aus4.1 and the preceding heading ‘Application’ are deleted. (The application of AASB 15 to entities and financial statements is set out in AASB 1057 *Application of Australian Accounting Standards*.)
- 10 Paragraph Aus4.4 is renumbered as paragraph AusC10.1.
- 11 Paragraphs Aus4.5 and Aus4.6 and the preceding heading ‘Reduced disclosure requirements’ are deleted and Appendix E added as follows:

Appendix E

Australian reduced disclosure requirements

This appendix is an integral part of AASB 15 and has the same authority as the other parts of AASB 15.

AusE1 The following do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements:

- (a) paragraphs 115, 116(b), 116(c), 117, 118, 120–122, 124(b), 126, 127(a); and
- (b) in paragraph 128(a), the text “, by main category of asset (for example, costs to obtain contracts with customers, pre-contract costs and setup costs)”.

Entities applying Australian Accounting Standards – Reduced Disclosure Requirements may elect to comply with some or all of these excluded requirements.

AusE2 The requirements that do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements are also identified in this Standard by shading of the relevant text.

- 12 Paragraph Aus4.7 is renumbered as paragraph Aus129.1, the heading ‘Commencement’ before paragraph Aus4.7 is deleted, and the heading ‘Commencement of the legislative instrument’ is added before paragraph Aus129.1.

Deferral of Certain New Principal Versions

- 13 For the principal versions of AASB pronouncements issued in 2015 that otherwise apply to annual periods beginning on or after 1 January 2017, the effective date is deferred to 1 January 2018 by amending all references to '1 January 2017' in the following paragraphs to '1 January 2018':

<i>Pronouncement</i>	<i>Paragraph</i>
AASB 116	81
AASB 134	46
AASB 138	Aus130.1
AASB 140	85
Interpretation 132	Aus10.2

Reversal of Certain Consequential Amendments

- 14 For some of the AASB pronouncements amended by AASB 2014-5 *Amendments to Australian Accounting Standards arising from AASB 15*, principal versions have been issued in 2015 that apply to annual periods beginning on or after 1 January 2018. Accordingly, the consequential amendments originally set out in the following paragraphs of AASB 2014-5 are no longer required to apply to annual reporting periods beginning on or after 1 January 2017 but before 1 January 2018, and therefore the amendments are reversed for those periods for the previous versions of the following pronouncements:

<i>Pronouncement</i>	<i>Paragraphs in AASB 2014-5</i>
AASB 1	15–16
AASB 3	17
AASB 4	18–19

<i>Pronouncement</i>	<i>Paragraphs in AASB 2014-5</i>
AASB 101	26
AASB 102	27
AASB 112	28
AASB 132	30–31
AASB 136	34
AASB 137	35–36
AASB 139	38–39
Interpretation 12	49–61
Interpretation 127	62–65

- 15 The consequential amendments to paragraph 22 of AASB 1049 originally set out in paragraph 46 of AASB 2014-5 are reversed from AASB 1049. The wording of paragraph 22 of AASB 1049 that applies to annual reporting periods beginning on or after 1 January 2018 was set out in *AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)*, paragraph 57.
- 16 The consequential amendments to Interpretation 1052 originally set out in paragraphs 72–73 of AASB 2014-5 are reversed from Interpretation 1052 as identified in AASB 1048 *Interpretation of Standards*.
- 17 For annual reporting periods beginning on or after 1 January 2018, paragraph 45 in Interpretation 1052 is amended to read as follows and the references are amended as follows:
- 45 When the tax consolidation adjustments required by this Interpretation result in the recognition of a distribution to an entity, that entity accounts for the distribution in accordance with the requirements of AASB 127 *Separate Financial Statements* and AASB 9 *Financial Instruments*.

References – the reference to AASB 118 *Revenue* is deleted and a reference to AASB 9 *Financial Instruments* is added.

Deferral of Certain Consequential Amendments

- 18 For the following pronouncements, the effective date of the consequential amendments originally set out in the following paragraphs of AASB 2014-5 is deferred to annual reporting periods beginning on or after 1 January 2018:

<i>Pronouncement</i>	<i>Paragraphs in AASB 2014-5</i>
AASB 1023	41–42
AASB 1038	43–44
AASB 1039	45
AASB 1053	47
AASB 1056	48
Interpretation 1031	68–69
Interpretation 1038	70–71

Extended Early Application of the Consequential Amendments

- 19 The consequential amendments originally set out in AASB 2014-5 – except for the amendments to AASB 9 *Financial Instruments* (December 2009) and AASB 9 (December 2010) – could be applied early to annual reporting periods beginning before 1 January 2017. Those consequential amendments may now be applied to annual reporting periods beginning before 1 January 2018.

Commencement of the Legislative Instrument

- 20 For legal purposes, this legislative instrument commences on 31 December 2016.