



Project:	Amendments to Standards – AASB 9, 10, 128, 1048	Meeting	AASB December 2017 (M161)
Topic:	Deferral of amendments to AASB 10 and AASB 128 and editorial corrections	Agenda Item:	4.1.0
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		Decision-Making:	Low
		Project Status:	Ballot Draft of Standard

Introduction and objective of this paper

- 1 The objective of this paper is to obtain the Board’s approval to make AASB 2017-X *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*.

Attachments

Agenda Paper 4.1.1 Ballot Draft of Amending Standard AASB 2017-X

Summary of staff recommendations

- 2 Staff recommend the Board approves AASB 2017-X to again defer the effective date of amendments made to AASB 10 *Consolidated Financial Statements* and AASB 128 *Investments in Associates and Joint Ventures* and to make editorial corrections.

Background

- 3 In October 2017¹, the Board agreed that, due to the IASB’s continuing indefinite deferral of the effective date of the narrow-scope amendments made in AASB 2014-10 *Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*, it would issue an amending Standard to defer the mandatory application date of those amendments from annual reporting periods beginning on or after 1 January 2018 to annual reporting periods beginning on or after 1 January 2022.

1 [Link to Agenda Paper 4.1 from October 2017 AASB meeting](#)

- 4 The Board also agreed at the same time to include additional unrelated editorial corrections that are needed for other Standards for annual reporting periods beginning on or after 1 January 2018.
- 5 Staff have prepared the Ballot Draft of AASB 2017-X, which reflects the above Board decisions and is attached as agenda paper 4.1.1.

Editorial Corrections

- 6 The editorial corrections included in AASB 2017-X comprise both IASB corrections and AASB domestic corrections. The IASB corrections are drawn from IASB correction lists dated September 2015 to November 2017. New principal versions of IFRS Standards had been issued by the AASB in July and August 2015, incorporating IASB corrections to that time.
- 7 The AASB domestic corrections are generally straightforward corrections. However, the amendment to paragraph Aus136.1 of AASB 101 *Presentation of Financial Statements* reflects an error in specifying in the 2015 new principal version of AASB 101 the limitation on the application of the capital management disclosures set out in paragraphs 134-136 of the previous version of AASB 101.
- 8 In that previous version, paragraph Aus1.6 limited the application of paragraphs 134-136 to “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” – but only in respect of entities required to prepare financial reports in accordance with Part 2M.3 of the Corporations Act (ie this limitation was not applicable to other preparers of general purpose financial statements). However, in the 2015 new principal version, the same limitation was wrongly made for all entities required to apply AASB 101 under AASB 1057 *Application of Australian Accounting Standards*, meaning that the general purpose financial statements of entities not required to prepare financial reports in accordance with Part 2M.3 of the Corporations Act were no longer required to apply paragraphs 134-136 – contrary to the position under the previous version of AASB 101. The amendment proposed in 2017-X corrects this error.
- 9 The proviso in paragraph Aus1.7 of the previous version that NFP entities do not need to comply with the capital management disclosure requirements in paragraphs 134-136 did make it through the 2015 new principal version.

Staff recommendation

- 10 Staff recommend the Board approves the Ballot Draft of AASB 2017-X for issuing before 31 December 2017 and applicable to annual periods beginning on or after 1 January 2018.

Question to the Board

- Q1 Do Board members approve the making of an amending Standard on the basis of the Ballot Draft of AASB 2017-X?