Agenda Item 4.2

XRB EXTERNAL REPORTING BOARD Te Kāwai Ārahi Pūrongo Mōwaho NZ ACCOUNTING STANDARDS BOARD	Australian Government Australian Accounting Standards Board

Application of proposed RDR decision-making framework to accounting standards and interpretations

1. This pack is provided for the Board's reference and is for information only.

2. The pack contains the determination of RDR for Tier 2 entities from applying the proposed RDR decision-making framework to the disclosure requirements in Australian Accounting Standards and NZ IFRS.

3. The outcome of that process has been used to prepare Amendments to RDR for Tier 2 Entities.

4. This analysis shows the Australian perspective of what would be kept for Tier 2 entities based on the AASB's approach to applying the proposed RDR decision-making framework. Comments in bubbles explain where the position would be different in New Zealand because of the different approaches taken by the AASB and the NZASB regarding (i) disclosures about accounting policies, (ii) paragraphs which provide guidance of a general nature, and (iii) paragraphs which contain a general cross-reference(s) to another standard.

AASB 1/NZ IFRS 1 *First-time Adoption of Australian Accounting Standards/New Zealand Equivalents to International Financial Reporting Standards*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
Presentation and disclosure 20 This Standard does not provide exemptions from the presentation and disclosure requirements in other Australian Accounting Standards/NZ IFRSs.	**Presentation and disclosure** 20 This Standard does not provide exemptions from the presentation and disclosure requirements in other Australian Accounting Standards/NZ IFRSs.	Paragraph 20 is guidance about the application of AASB 1/NZ IFRS 1. Therefore, paragraph 20 is kept for Tier 2 entities.
Comparative information 21 An entity's first Australian-Accounting-Standards/NZ IFRS financial statements shall include at least three statements of financial position, two statements of profit or loss and other comprehensive income, two separate statements of profit or loss (if presented), two statements of cash flows and two statements of changes in equity and related notes, including comparative information for all statements presented.	**Comparative information** 21 An entity's first Australian-Accounting-Standards/NZ IFRS financial statements shall include at least three statements of financial position, two statements of profit or loss and other comprehensive income, two separate statements of profit or loss (if presented), two statements of cash flows and two statements of changes in equity and related notes, including comparative information for all statements presented.	The proposed RDR framework amends the definition of presentation so that Tier 1 and Tier 2 entities would have the same presentation requirements on the face of the financial statements. However, the costs of preparing a statement of financial position at the beginning of the preceding period are likely to outweigh the benefits. Therefore, paragraph 21 is reduced for Tier 2 entities.
AASB 1 RDR21.1 In respect of entities applying Australian Accounting Standards – Reduced Disclosure Requirements, to comply with AASB 101, an entity's first Australian-Accounting-Standards-Reduced-Disclosure-Requirements financial statements shall include at least two statements of financial position, two statements of profit or loss and other comprehensive income, two separate statements of profit or loss (if presented), two statements of cash flows and two statements of changes in equity and related notes, including comparative information.	**AASB 1** RDR21.1 In respect of entities applying Australian Accounting Standards – Reduced Disclosure Requirements, to comply with AASB 101, an entity's first Australian-Accounting-Standards-Reduced-Disclosure-Requirements financial statements shall include at least two statements of financial position, two statements of profit or loss and other comprehensive income, two separate statements of profit or loss (if presented), two statements of cash flows and two statements of changes in equity and related notes, including comparative information.	Paragraph RDR21.1 is a presentation requirement under the Tier 2 Disclosure Principles because it permits a Tier 2 entity to not present a statement of financial position at the beginning of the comparative period. Presentation requirements are not subjected to analysis. Therefore, paragraph RDR21.1 is kept for Tier 2 entities.

AASB 1/NZ IFRS 1 ***First-time Adoption of Australian Accounting Standards/New Zealand Equivalents to International Financial Reporting Standards***		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
NZ IFRS 1 RDR 21.1 To comply with NZ IAS 1, a Tier 2 entity's first NZ IFRS RDR financial statements shall include at least two statements of financial position, two statements of comprehensive income, two separate income statements (if presented), two statements of cash flows and two statements of changes in equity, and related notes, including comparative information.	**NZ IFRS 1** RDR 21.1 To comply with NZ IAS 1, a Tier 2 entity's first NZ IFRS RDR financial statements shall include at least two statements of financial position, two statements of comprehensive income, two separate income statements (if presented), two statements of cash flows and two statements of changes in equity, and related notes, including comparative information.	Paragraph RDR21.1 is a presentation requirement under the Tier 2 Disclosure Principles because it permits a Tier 2 entity to not present a statement of financial position at the beginning of the comparative period. Presentation requirements are not subjected to analysis. Therefore, paragraph RDR21.1 is kept for Tier 2 entities.
Non-Australian-Accounting-Standards/NZ IFRS comparative information and historical summaries 22 Some entities present historical summaries of selected data for periods before the first period for which they present full comparative information in accordance with Australian Accounting Standards/NZ IFRS. This Standard does not require such summaries to comply with the recognition and measurement requirements of Australian Accounting Standards/NZ IFRS. Furthermore, some entities present comparative information in accordance with previous GAAP as well as the comparative information required by AASB 101/NZ IAS 1. In any financial statements containing historical summaries or comparative information in accordance with previous GAAP, an entity shall: (a) label the previous GAAP information prominently as not being prepared in accordance with Australian Accounting Standards/NZ IFRS; and	**Non-Australian-Accounting-Standards/NZ IFRS comparative information and historical summaries** 22 Some entities present historical summaries of selected data for periods before the first period for which they present full comparative information in accordance with Australian Accounting Standards/NZ IFRS. This Standard does not require such summaries to comply with the recognition and measurement requirements of Australian Accounting Standards/NZ IFRS. Furthermore, some entities present comparative information in accordance with previous GAAP as well as the comparative information required by AASB 101/NZ IAS 1. In any financial statements containing historical summaries or comparative information in accordance with previous GAAP, an entity shall: (a) label the previous GAAP information prominently as not being prepared in accordance with Australian Accounting Standards/NZ IFRS; and	Paragraph 22(a) is not a Key Disclosure Area. However, the presumption that the costs of providing the disclosure exceed the benefits is rebutted because the disclosure (i) requires clear identification of information that is not prepared in accordance with Australian Accounting Standards/NZ IFRS, and (ii) provides useful information about the impact of adopting Australian Accounting Standards/NZ IFRS. Therefore, paragraph 22(a) is kept for Tier 2 entities.

AASB 1/NZ IFRS 1 *First-time Adoption of Australian Accounting Standards/New Zealand Equivalents to International Financial Reporting Standards*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
(b) disclose the nature of the main adjustments that would make it comply with Australian Accounting Standards/NZ IFRS. An entity need not quantify those adjustments.	(b) disclose the nature of the main adjustments that would make it comply with Australian Accounting Standards/NZ IFRS. An entity need not quantify those adjustments.	Paragraph 22(b) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 22(b) is reduced for Tier 2 entities.
Explanation of transition to Australian Accounting Standards/NZ IFRS 23 **An entity shall explain how the transition from previous GAAP to Australian Accounting Standards/NZ IFRS affected its reported financial position, financial performance and cash flows.**	**Explanation of transition to Australian Accounting Standards/NZ IFRS** 23 **An entity shall explain how the transition from previous GAAP to Australian Accounting Standards/NZ IFRS affected its reported financial position, financial performance and cash flows.**	Paragraph 23 is a not a Key Disclosure Area. However, the presumption that the costs of providing the disclosure exceed the benefits is rebutted because this disclosure provides information about the effects of transition from previous GAAP to Australian Accounting Standards/NZ IFRS on the entity's reported financial position, financial performance and cash flows. Therefore, paragraph 23 is kept for Tier 2 entities.
23A An entity that has applied Australian Accounting Standards or IFRSs/NZ IFRS in a previous period, as described in paragraph 4A, shall disclose: (a) the reason it stopped applying Australian Accounting Standards or IFRSs/NZ IFRS; and (b) the reason it is resuming the application of Australian Accounting Standards/NZ IFRS.	23A An entity that has applied Australian Accounting Standards or IFRSs/NZ IFRS in a previous period, as described in paragraph 4A, shall disclose: (a) the reason it stopped applying Australian Accounting Standards or IFRSs/NZ IFRS; and (b) the reason it is resuming the application of Australian Accounting Standards/NZ IFRS.	Paragraph 23A is not relevant for Tier 2 entities reporting in accordance with Australian Accounting Standards – Reduced Disclosure Requirements/NZ IFRS RDR. Paragraph RDR 23A.1 is the equivalent paragraph for Tier 2 entities.t Therefore, paragraph 23A is reduced for Tier 2 entities.
<u>**New Zealand**</u> RDR 23A.1 A Tier 2 entity that has applied NZ IFRS RDR in a previous period, as described in paragraph RDR 5.5, shall disclose: (a) the reason it stopped applying NZ IFRS RDR; and (b) the reason it is resuming the application of NZ IFRS RDR.	<u>**New Zealand**</u> RDR 23A.1 A Tier 2 entity that has applied NZ IFRS RDR in a previous period, as described in paragraph RDR 5.5, shall disclose~~:~~ ~~(a) the reason it stopped applying NZ IFRS RDR; and~~ ~~(b)~~ the reason it is resuming the application of NZ IFRS RDR.	Paragraph RDR23A.1 is not a Key Disclosure Area. However, the presumption that the costs of providing the disclosure exceed the benefits is rebutted because this disclosure relates to the framework under which the entity is reporting. However, relevant and sufficient information is provided by the requirement in paragraph RDR 23A.1(b). Therefore, paragraph RDR 23A.1(a) is deleted.

Comment [MS2/81]: This is addressed in AASB 1053 *Application of Tiers of Australian Accounting Standards*
24 An entity applying paragraph 19B(e) shall disclose~~:~~
~~(a) the reason it stopped applying Tier 2 reporting requirements; and~~
~~(b)~~ the reason it is resuming the application of Tier 2 reporting requirements.
[Paragraph 19B deals with the repeat application of Tier 2 reporting requirements.] Paragraph 24 of AASB 1053 is not a Key Disclosure Area. However, the presumption that the costs of providing the disclosure exceed the benefits is rebutted because this disclosure relates to the framework under which the entity is reporting. However, relevant and sufficient information is provided by the requirement in paragraph 24(b).
Therefore, paragraph 24(a) is deleted.

AASB 1/NZ IFRS 1 *First-time Adoption of Australian Accounting Standards/New Zealand Equivalents to International Financial Reporting Standards*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
23B When an entity, in accordance with paragraph 4A, does not elect to apply AASB 1/NZ IFRS 1, the entity shall explain the reasons for electing to apply Australian Accounting Standards/NZ IFRS as if it had never stopped applying Australian Accounting Standards or IFRSs/NZ IFRS.	23B When an entity, in accordance with paragraph 4A, does not elect to apply AASB 1/NZ IFRS 1, the entity shall explain the reasons for electing to apply Australian Accounting Standards/NZ IFRS as if it had never stopped applying Australian Accounting Standards or IFRSs/NZ IFRS.	Paragraph 23B is not relevant for Tier 2 entities reporting in accordance with Australian Accounting Standards – Reduced Disclosure Requirements/NZ IFRS RDR. Therefore, paragraph 23B is reduced for Tier 2 entities.
~~**New Zealand**~~ ~~RDR 23B.1 When a Tier 2 entity, in accordance with paragraph RDR 5.5, does not elect to apply NZ IFRS 1, the entity shall explain the reasons for electing to apply NZ IFRS RDR as if it had never stopped applying NZ IFRS RDR.~~		Paragraph RDR 23B.1 is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph RDR 23B.1 is deleted..
Reconciliations 24 To comply with paragraph 23, an entity's first Australian-Accounting-Standards/NZ IFRS financial statements shall include: (a) reconciliations of its equity reported in accordance with previous GAAP to its equity in accordance with Australian Accounting Standards/NZ IFRS for both of the following dates: (i) the date of transition to Australian Accounting Standards/NZ IFRS; and (ii) the end of the latest period presented in the entity's most recent annual financial statements in accordance with previous GAAP.	**Reconciliations** 24 To comply with paragraph 23, an entity's first Australian-Accounting-Standards/NZ IFRS financial statements shall include: (a) reconciliations of its equity reported in accordance with previous GAAP to its equity in accordance with Australian Accounting Standards/NZ IFRS for both of the following dates: (i) the date of transition to Australian Accounting Standards/NZ IFRS; and (ii) the end of the latest period presented in the entity's most recent annual financial statements in accordance with previous GAAP.	A reconciliation required under Australian Accounting Standards is not required to be prepared by Tier 2 entities. However, the individual items in that reconciliation are assessed against the RDR decision-making framework to determine which items, if any, Tier 2 entities are required to make. Paragraph 24(a) would be reduced in AASB 1 – the disclosure requirements of paragraph 23 of AASB 1 are sufficient
(b) a reconciliation to its total comprehensive income in accordance	(b) a reconciliation to its total comprehensive income in accordance	Paragraph 24(b) requires a reconciliation. Reconciliations are not required under the Tier 2

Comment [MS2/82]: A reconciliation required under NZ IFRS is not required to be prepared by Tier 2 entities. However, the individual items in that reconciliation are assessed against the RDR decision-making framework to determine which items, if any, Tier 2 entities are required to make. This is kept for NZ IFRS 1 as Paragraph 24(a) is guidance for paragraph 23, which is kept for Tier 2 entities. Therefore, paragraph 24(a) is kept for Tier 2 entities

AASB 1/NZ IFRS 1 ***First-time Adoption of Australian Accounting Standards/New Zealand Equivalents to International Financial Reporting Standards***		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
with Australian Accounting Standards/NZ IFRS for the latest period in the entity's most recent annual financial statements. The starting point for that reconciliation shall be total comprehensive income in accordance with previous GAAP for the same period or, if an entity did not report such a total, profit or loss under previous GAAP.	with Australian Accounting Standards/NZ IFRS for the latest period in the entity's most recent annual financial statements. The starting point for that reconciliation shall be total comprehensive income in accordance with previous GAAP for the same period or, if an entity did not report such a total, profit or loss under previous GAAP.	Disclosure Principles. Therefore, paragraph 24(b) is reduced for Tier 2 entities.
(c) if the entity recognised or reversed any impairment losses for the first time in preparing its opening Australian-Accounting-Standards/NZ IFRS statement of financial position, the disclosures that AASB 136/NZ AS 36 *Impairment of Assets* would have required if the entity had recognised those impairment losses or reversals in the period beginning with the date of transition to Australian Accounting Standards/NZ IFRS.	(c) if the entity recognised or reversed any impairment losses for the first time in preparing its opening Australian-Accounting-Standards/NZ IFRS statement of financial position, the disclosures that AASB 136/NZ IAS 36 *Impairment of Assets* would have required if the entity had recognised those impairment losses or reversals in the period beginning with the date of transition to Australian Accounting Standards/NZ IFRS.	Paragraph 24(c) is a Key Disclosure Area (impairment) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 24(c) is kept for Tier 2 entities.
New Zealand RDR 24.1 A Tier 2 entity's first NZ IFRS RDR financial statements shall include reconciliations of its equity reported in accordance with previous GAAP to its equity in accordance with NZ IFRS RDR for both (i) the date of transition to NZ IFRS RDR , and (ii) the end of the latest period presented in the entity's most recent annual financial statements in accordance with previous GAAP.	**New Zealand** ~~RDR 24.1 A Tier 2 entity's first NZ IFRS RDR financial statements shall include reconciliations of its equity reported in accordance with previous GAAP to its equity in accordance with NZ IFRS RDR for both (i) the date of transition to NZ IFRS RDR , and (ii) the end of the latest period presented in the entity's most recent annual financial statements in accordance with previous GAAP.~~	Paragraph RDR 24.1 requires disclosure of the information that is now required by paragraph 24(a). Therefore, paragraph RDR 24.1 is deleted from NZ IFRS 1.
25 The reconciliations required by paragraph 24(a) and (b) shall give sufficient detail to enable users to understand the material adjustments to	25 The reconciliations required by paragraph 24(a) and (b) shall give sufficient detail to enable users to understand the material adjustments to	Paragraph 25 is guidance about the reconciliation in paragraphs 24(a) and 24(b), which are reduced for

AASB 1/NZ IFRS 1 *First-time Adoption of Australian Accounting Standards/New Zealand Equivalents to International Financial Reporting Standards*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
the statement of financial position and statement of comprehensive income. If an entity presented a statement of cash flows under its previous GAAP, it shall also explain the material adjustments to the statement of cash flows.	the statement of financial position and statement of comprehensive income. If an entity presented a statement of cash flows under its previous GAAP, it shall also explain the material adjustments to the statement of cash flows.	Tier 2 entities. Therefore, paragraph 25 is reduced for Tier 2 entities.
26 If an entity becomes aware of errors made under previous GAAP, the reconciliations required by paragraph 24(a) and (b) shall distinguish the correction of those errors from changes in accounting policies.	26 If an entity becomes aware of errors made under previous GAAP, the reconciliations required by paragraph 24(a) and (b) shall distinguish the correction of those errors from changes in accounting policies.	Paragraph 26 is guidance about the reconciliation in paragraphs 24(a) and 24(b), which are reduced for Tier 2 entities. Therefore, paragraph 26 is reduced for Tier 2 entities.
27 AASB 108/NZ IAS 8 does not apply to the changes in accounting policies an entity makes when it adopts Australian Accounting Standards/NZ IFRS or to changes in those policies until after it presents its first Australian-Accounting-Standards/NZ IFRS financial statements. Therefore, AASB 108/NZ IAS 8's requirements about changes in accounting policies do not apply in an entity's first Australian-Accounting-Standards/NZ IFRS financial statements.	27 AASB 108/NZ IAS 8 does not apply to the changes in accounting policies an entity makes when it adopts Australian Accounting Standards/NZ IFRS or to changes in those policies until after it presents its first Australian-Accounting-Standards/NZ IFRS financial statements. Therefore, AASB 108/NZ IAS 8's requirements about changes in accounting policies do not apply in an entity's first Australian-Accounting-Standards/NZ IFRS financial statements.	Paragraph 27 is not a disclosure requirement – it clarifies the scope of AASB 108/NZ IAS 8 and is therefore not subjected to analysis. Therefore, paragraph 27 is kept for Tier 2 entities.
27A If during the period covered by its first Australian-Accounting-Standards/NZ IFRS financial statements an entity changes its accounting policies or its use of the exemptions contained in this Standard, it shall explain the changes between its first Australian-Accounting-Standards/NZ IFRS interim financial report and its first Australian-Accounting-Standards/NZ IFRS financial statements, in accordance with paragraph 23, and it shall update the reconciliations required by paragraph 24(a) and (b).	27A If during the period covered by its first Australian-Accounting-Standards/NZ IFRS financial statements an entity changes its accounting policies or its use of the exemptions contained in this Standard, it shall explain the changes between its first Australian-Accounting-Standards/NZ IFRS interim financial report and its first Australian-Accounting-Standards/NZ IFRS financial statements, in accordance with paragraph 23, and it shall update the reconciliations required by paragraph 24(a) and (b).	The AASB has decided to rely on the requirement in AASB 101and AASB 108 for disclosures about accounting policies. This would be reduced in AASB 1 – the requirements of paragraph 117 of AASB 101 are sufficient

Comment [VS3]: The NZASB has decided to not rely solely on the requirements in NZ IAS 1 and NZ IAS 8 for disclosures about accounting policies. This would be kept for NZ IFRS 1. Paragraph 27A is a Key Disclosure Area (accounting policy on recognition or measurement) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 27A is kept for Tier 2 entities.

AASB 1/NZ IFRS 1 *First-time Adoption of Australian Accounting Standards/New Zealand Equivalents to International Financial Reporting Standards*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
28 If an entity did not present financial statements for previous periods, its first Australian-Accounting-Standards/NZ IFRS financial statements shall disclose that fact.	28 If an entity did not present financial statements for previous periods, its first Australian-Accounting-Standards/NZ IFRS financial statements shall disclose that fact.	Paragraph 28 is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 28 is reduced for Tier 2 entities.
Designation of financial assets or financial liabilities 29 An entity is permitted to designate a previously recognised financial asset as a financial asset measured at fair value through profit or loss in accordance with paragraph D19A. The entity shall disclose the fair value of financial assets so designated at the date of designation and their classification and carrying amount in the previous financial statements.	**Designation of financial assets or financial liabilities** 29 An entity is permitted to designate a previously recognised financial asset as a financial asset measured at fair value through profit or loss in accordance with paragraph D19A. The entity shall disclose the fair value of financial assets so designated at the date of designation and their classification and carrying amount in the previous financial statements.	Paragraph 29 is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 29 is reduced for Tier 2 entities.
29A An entity is permitted to designate a previously recognised financial liability as a financial liability at fair value through profit or loss in accordance with paragraph D19. The entity shall disclose the fair value of financial liabilities so designated at the date of designation and their classification and carrying amount in the previous financial statements.	29A An entity is permitted to designate a previously recognised financial liability as a financial liability at fair value through profit or loss in accordance with paragraph D19. The entity shall disclose the fair value of financial liabilities so designated at the date of designation and their classification and carrying amount in the previous financial statements.	Paragraph 29A is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 29A is reduced for Tier 2 entities.

AASB 1/NZ IFRS 1 *First-time Adoption of Australian Accounting Standards/New Zealand Equivalents to International Financial Reporting Standards*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
Use of fair value as deemed cost 30 If an entity uses fair value in its opening Australian-Accounting-Standards/NZ IFRS statement of financial position as *deemed cost* for an item of property, plant and equipment, an investment property or an intangible asset (see paragraphs D5 and D7), the entity's first Australian-Accounting-Standards/NZ IFRS financial statements shall disclose, for each line item in the opening Australian-Accounting-Standards/NZ IFRS statement of financial position: (a) the aggregate of those fair values; and (b) the aggregate adjustment to the carrying amounts reported under previous GAAP.	**Use of fair value as deemed cost** 30 If an entity uses fair value in its opening Australian-Accounting-Standards/NZ IFRS statement of financial position as *deemed cost* for an item of property, plant and equipment, an investment property or an intangible asset (see paragraphs D5 and D7), the entity's first Australian-Accounting-Standards/NZ IFRS financial statements shall disclose, for each line item in the opening Australian-Accounting-Standards/NZ IFRS statement of financial position: (a) the aggregate of those fair values; and (b) the aggregate adjustment to the carrying amounts reported under previous GAAP.	Paragraph 30 is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 30 is reduced for Tier 2 entities.
Use of deemed cost for investments in subsidiaries, joint ventures and associates 31 Similarly, if an entity uses a deemed cost in its opening Australian-Accounting-Standards/NZ IFRS statement of financial position for an investment in a subsidiary, joint venture or associate in its separate financial statements (see paragraph D15), the entity's first Australian-Accounting-Standards/NZ IFRS separate financial statements shall disclose: (a) the aggregate deemed cost of those investments for which deemed cost is their previous GAAP carrying amount; (b) the aggregate deemed cost of those investments for which deemed cost is fair value; and (c) the aggregate adjustment to the carrying amounts reported under previous GAAP.	**Use of deemed cost for investments in subsidiaries, joint ventures and associates** 31 Similarly, if an entity uses a deemed cost in its opening Australian-Accounting-Standards/NZ IFRS statement of financial position for an investment in a subsidiary, joint venture or associate in its separate financial statements (see paragraph D15), the entity's first Australian-Accounting-Standards/NZ IFRS separate financial statements shall disclose: (a) the aggregate deemed cost of those investments for which deemed cost is their previous GAAP carrying amount; (b) the aggregate deemed cost of those investments for which deemed cost is fair value; and (c) the aggregate adjustment to the carrying amounts reported under previous GAAP.	Paragraph 31 is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 31 is reduced for Tier 2 entities.

AASB 1/NZ IFRS 1 *First-time Adoption of Australian Accounting Standards/New Zealand Equivalents to International Financial Reporting Standards*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
Use of deemed cost for oil and gas assets 31A If an entity uses the exemption in paragraph D8A(b) for oil and gas assets, it shall disclose that fact and the basis on which carrying amounts determined under previous GAAP were allocated.	**Use of deemed cost for oil and gas assets** 31A If an entity uses the exemption in paragraph 8A(b) for oil and gas assets, it shall disclose that fact and the basis on which carrying amounts determined under previous GAAP were allocated.	Paragraph 31A is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 31A is reduced for Tier 2 entities.
Use of deemed cost for operations subject to rate regulation 31B If an entity uses the exemption in paragraph D8B for operations subject to rate regulation, it shall disclose that fact and the basis on which carrying amounts were determined under previous GAAP.	**Use of deemed cost for operations subject to rate regulation** 31B If an entity uses the exemption in paragraph D8B for operations subject to rate regulation, it shall disclose that fact and the basis on which carrying amounts were determined under previous GAAP.	Paragraph 31B is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 31B is reduced for Tier 2 entities.
Use of deemed cost after severe hyperinflation 31C If an entity elects to measure assets and liabilities at fair value and to use that fair value as the deemed cost in its opening Australian-Accounting-Standards/NZ IFRS statement of financial position because of severe hyperinflation (see paragraphs D26–D30), the entity's first Australian-Accounting-Standards/NZ IFRS financial statements shall disclose an explanation of how, and why, the entity had, and then ceased to have, a functional currency that has both of the following characteristics: (a) a reliable general price index is not available to all entities with transactions and balances in the currency. (b) exchangeability between the currency and a relatively stable foreign currency does not exist.	**Use of deemed cost after severe hyperinflation** 31C If an entity elects to measure assets and liabilities at fair value and to use that fair value as the deemed cost in its opening Australian-Accounting-Standards/NZ IFRS statement of financial position because of severe hyperinflation (see paragraphs D26–D30), the entity's first Australian-Accounting-Standards/NZ IFRS financial statements shall disclose an explanation of how, and why, the entity had, and then ceased to have, a functional currency that has both of the following characteristics: (a) a reliable general price index is not available to all entities with transactions and balances in the currency. (b) exchangeability between the currency and a relatively stable foreign currency does not exist.	Paragraph 31C is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 31C is reduced for Tier 2 entities.

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Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
Interim financial reports 32 To comply with paragraph 23, if an entity presents an interim financial report in accordance with AASB 134/NZ IAS 34 for part of the period covered by its first Australian-Accounting-Standards/NZ IFRS financial statements, the entity shall satisfy the following requirements in addition to the requirements of AASB 134/NZ IAS 34: (a) Each such interim financial report shall, if the entity presented an interim financial report for the comparable interim period of the immediately preceding financial year, include: (i) a reconciliation of its equity in accordance with previous GAAP at the end of that comparable interim period to its equity under Australian Accounting Standards/NZ IFRS at that date; and (ii) a reconciliation to its total comprehensive income in accordance with Australian Accounting Standards/NZ IFRS for that comparable interim period (current and year to date). The starting point for that reconciliation shall be total comprehensive income in accordance with previous GAAP for that period or, if an entity did not report such a total, profit or loss in accordance with previous	**Interim financial reports** 32 To comply with paragraph 23, if an entity presents an interim financial report in accordance with AASB 134/NZ IAS 34 for part of the period covered by its first Australian-Accounting-Standards/NZ IFRS financial statements, the entity shall satisfy the following requirements in addition to the requirements of AASB 134/NZ IAS 34: (a) Each such interim financial report shall, if the entity presented an interim financial report for the comparable interim period of the immediately preceding financial year, include: (i) a reconciliation of its equity in accordance with previous GAAP at the end of that comparable interim period to its equity under Australian Accounting Standards/NZ IFRS at that date; and (ii) a reconciliation to its total comprehensive income in accordance with Australian Accounting Standards/NZ IFRS for that comparable interim period (current and year to date). The starting point for that reconciliation shall be total comprehensive income in accordance with previous GAAP for that period or, if an entity did not report such a total, profit or loss in accordance with previous	Paragraph 32(a) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 32(a) is reduced for Tier 2 entities.

AASB 1/NZ IFRS 1 ***First-time Adoption of Australian Accounting Standards/New Zealand Equivalents to International Financial Reporting Standards***		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
GAAP.	GAAP.	
(b) In addition to the reconciliations required by (a), an entity's first interim financial report in accordance with AASB 134/NZ IAS 34 for part of the period covered by its first Australian-Accounting-Standards/NZ IFRS financial statements shall include the reconciliations described in paragraph 24(a) and (b) (supplemented by the details required by paragraphs 25 and 26) or a cross-reference to another published document that includes these reconciliations.	(b) In addition to the reconciliations required by (a), an entity's first interim financial report in accordance with AASB 134/NZ IAS 34 for part of the period covered by its first Australian-Accounting-Standards/NZ IFRS financial statements shall include the reconciliations described in paragraph 24(a) and (b) (supplemented by the details required by paragraphs 25 and 26) or a cross-reference to another published document that includes these reconciliations.	Paragraph 32(b) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 32(b) is reduced for Tier 2 entities.
(c) If an entity changes its accounting policies or its use of the exemptions contained in this Standard, it shall explain the changes in each such interim financial report in accordance with paragraph 23 and update the reconciliations required by (a) and (b).	(c) If an entity changes its accounting policies or its use of the exemptions contained in this Standard, it shall explain the changes in each such interim financial report in accordance with paragraph 23 and update the reconciliations required by (a) and (b).	Paragraph 32(c) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 32(c) is reduced for Tier 2 entities.
33 AASB 134/NZ IAS 34 requires minimum disclosures, which are based on the assumption that users of the interim financial report also have access to the most recent annual financial statements. However, AASB 134/NZ IAS 34 also requires an entity to disclose 'any events or transactions that are material to an understanding of the current interim period'. Therefore, 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	33 AASB 134/NZ IAS 34 requires minimum disclosures, which are based on the assumption that users of the interim financial report also have access to the most recent annual financial statements. However, AASB 134/NZ IAS 34 also requires an entity to disclose 'any events or transactions that are material to an understanding of the current interim period'. Therefore, 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	Paragraph 33 is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 33 is reduced for Tier 2 entities.

AASB 1/NZ IFRS 1 *First-time Adoption of Australian Accounting Standards/New Zealand Equivalents to International Financial Reporting Standards*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
report shall disclose that information or include a cross-reference to another published document that includes it.	report shall disclose that information or include a cross-reference to another published document that includes it.	

AASB 2/NZ IFRS 2 *Share-based Payment*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
Disclosures **44 An entity shall disclose information that enables users of the financial statements to understand the nature and extent of share-based payment arrangements that existed during the period.**	**Disclosures** **44 An entity shall disclose information that enables users of the financial statements to understand the nature and extent of share-based payment arrangements that existed during the period.**	Paragraph 44 requires disclosures to meet a stated objective. Therefore, paragraph 44 is reduced for Tier 2 entities.
45 To give effect to the principle in paragraph 44, the entity shall disclose at least the following: (a) a description of each type of share-based payment arrangement that existed at any time during the period, including the general terms and conditions of each arrangement, such as vesting requirements, the maximum term of options granted, and the method of settlement (eg whether in cash or equity). An entity with substantially similar types of share-based payment arrangements may aggregate this information, unless separate disclosure of each arrangement is necessary to satisfy the principle in paragraph 44.	45 To give effect to the principle in paragraph 44, the entity shall disclose at least the following: (a) a description of each type of share-based payment arrangement that existed at any time during the period, including the general terms and conditions of each arrangement, such as vesting requirements, the maximum term of options granted, and the method of settlement (eg whether in cash or equity). An entity with substantially similar types of share-based payment arrangements may aggregate this information, unless separate disclosure of each arrangement is necessary to satisfy the principle in paragraph 44.	The reference to paragraph 44 is reduced because paragraph 44 is reduced for Tier 2 entities. Paragraph 45(a) is a Key Disclosure Area (nature of the transaction or event that makes it significant or material) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 45(a) is kept for Tier 2 entities.

AASB 2/NZ IFRS 2 *Share-based Payment*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
(b) the number and weighted average exercise prices of share options for each of the following groups of options: (i) outstanding at the beginning of the period; (ii) granted during the period; (iii) forfeited during the period; (iv) exercised during the period; (v) expired during the period; (vi) outstanding at the end of the period; and (vii) exercisable at the end of the period.	(b) the number and weighted average exercise prices of share options for each of the following groups of options: (i) outstanding at the beginning of the period; (ii) granted during the period; (iii) forfeited during the period; (iv) exercised during the period; (v) expired during the period; (vi) outstanding at the end of the period; and (vii) exercisable at the end of the period.	Paragraph 45(b) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 45(b) is reduced for Tier 2 entities.
(c) for share options exercised during the period, the weighted average share price at the date of exercise. If options were exercised on a regular basis throughout the period, the entity may instead disclose the weighted average share price during the period.	(c) for share options exercised during the period, the weighted average share price at the date of exercise. If options were exercised on a regular basis throughout the period, the entity may instead disclose the weighted average share price during the period.	Paragraph 45(c) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 45(c) is reduced for Tier 2 entities.
(d) for share options outstanding at the end of the period, the range of exercise prices and weighted average remaining contractual life. If the range of exercise prices is wide, the outstanding options shall be divided into ranges that are meaningful for assessing the number and timing of additional shares that may be issued and the cash that may be received	(d) for share options outstanding at the end of the period, the range of exercise prices and weighted average remaining contractual life. If the range of exercise prices is wide, the outstanding options shall be divided into ranges that are meaningful for assessing the number and timing of additional shares that may be issued and the cash that may be received	Paragraph 45(d) is a Key Disclosure Area (assessment of current liquidity and solvency) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 45(d) is kept for Tier 2 entities.

AASB 2/NZ IFRS 2 *Share-based Payment*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
upon exercise of those options.	upon exercise of those options.	
46 An entity shall disclose information that enables users of the financial statements to understand how the fair value of the goods or services received, or the fair value of the equity instruments granted, during the period was determined.	**46 An entity shall disclose information that enables users of the financial statements to understand how the fair value of the goods or services received, or the fair value of the equity instruments granted, during the period was determined.**	Paragraph 46 requires disclosures to meet a stated objective. Therefore, paragraph 46 is reduced for Tier 2 entities.
RDR 46.1 For equity-settled share-based payment arrangements, an entity applying Australian Accounting Standards – Reduced Disclosure Requirements/a Tier 2 entity shall disclose information about how it measured the fair value of goods or services received or the fair value of the equity instruments granted. If a valuation methodology was used, the entity shall disclose the method and its reason for choosing it.	~~**RDR 46.1 For equity-settled share-based payment arrangements, a Tier 2 entity shall disclose information about how it measured the fair value of goods or services received or the fair value of the equity instruments granted. If a valuation methodology was used, the entity shall disclose the method and its reason for choosing it.**~~	The AASB has decided to rely on the requirement in AASB 101and AASB 108 for disclosures about accounting policies. Paragraph RDR 46.1 is deleted in AASB 2. The disclosure requirements of paragraph 117 of AASB 101 are sufficient.
RDR 46.2 For cash-settled share-based payment arrangements, an entity applying Australian Accounting Standards – Reduced Disclosure Requirements/a Tier 2 entity shall disclose information about how the liability was measured.	~~**RDR 46.2 For cash-settled share-based payment arrangements, a Tier 2 entity shall disclose information about how the liability was measured.**~~	The AASB has decided to rely on the requirement in AASB 101and AASB 108 for disclosures about accounting policies. Paragraph RDR 46.2 is deleted in AASB 2. The disclosure requirements of paragraph 117 of AASB 101 are sufficient.
47 If the entity has measured the fair value of goods or services received as consideration for equity instruments of the entity indirectly, by reference to the fair value of the equity instruments granted, to give effect to the principle in paragraph 46, the entity shall	47 If the entity has measured the fair value of goods or services received as consideration for equity instruments of the entity indirectly, by reference to the fair value of the equity instruments granted, to give effect to the principle in paragraph 46, the entity shall	Paragraph 47(a) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 47(a) is reduced for Tier 2 entities.

Comment [MS2/84]: The NZASB has decided to not rely solely on the requirements in NZ IAS 1 and NZ IAS 8 for disclosures about accounting policies. Paragraph RDR 46.1 is a Key Disclosure Area (accounting policy on recognition or measurement) –the benefits of providing the disclosure exceed the costs.
Therefore, paragraph RDR 46.1 is kept for Tier 2 entities.

Comment [MS2/85]: The NZASB has decided to not rely solely on the requirements in NZ IAS 1 and NZ IAS 8 for disclosures about accounting policies. Paragraph RDR 46.2 is a Key Disclosure Area (accounting policy on recognition or measurement) –the benefits of providing the disclosure exceed the costs.
Therefore, paragraph RDR 46.2 is kept for Tier 2 entities.

AASB 2/NZ IFRS 2 *Share-based Payment*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
disclose at least the following: (a) for share options granted during the period, the weighted average fair value of those options at the measurement date and information on how that fair value was measured, including:	disclose at least the following: (a) for share options granted during the period, the weighted average fair value of those options at the measurement date and information on how that fair value was measured, including:	
(i) the option pricing model used and the inputs to that model, including the weighted average share price, exercise price, expected volatility, option life, expected dividends, the risk-free interest rate and any other inputs to the model, including the method used and the assumptions made to incorporate the effects of expected early exercise;	(i) the option pricing model used and the inputs to that model, including the weighted average share price, exercise price, expected volatility, option life, expected dividends, the risk-free interest rate and any other inputs to the model, including the method used and the assumptions made to incorporate the effects of expected early exercise;	
(ii) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	(ii) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	
(iii) whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	(iii) whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	
(b) for other equity instruments granted during the period (ie other than share	(b) for other equity instruments granted during the period (ie other than share	Paragraph 47(b) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits.

AASB 2/NZ IFRS 2 *Share-based Payment*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
options), the number and weighted average fair value of those equity instruments at the measurement date, and information on how that fair value was measured, including: (i) if fair value was not measured on the basis of an observable market price, how it was determined; (ii) whether and how expected dividends were incorporated into the measurement of fair value; and (iii) whether and how any other features of the equity instruments granted were incorporated into the measurement of fair value.	options), the number and weighted average fair value of those equity instruments at the measurement date, and information on how that fair value was measured, including: (i) if fair value was not measured on the basis of an observable market price, how it was determined; (ii) whether and how expected dividends were incorporated into the measurement of fair value; and (iii) whether and how any other features of the equity instruments granted were incorporated into the measurement of fair value.	Therefore, paragraph 47(b) is reduced for Tier 2 entities.
(c) for share-based payment arrangements that were modified during the period: (i) an explanation of those modifications;	(c) for share-based payment arrangements that were modified during the period: (i) an explanation of those modifications;	Paragraph 47(c)(i) is a Key Disclosure Area (assessment of current liquidity and solvency) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 47(c) is kept for Tier 2 entities.
(ii) the incremental fair value granted (as a result of those modifications); and (iii) information on how the incremental fair value granted was measured, consistently with the requirements set out in (a) and (b) above, where applicable.	(ii) the incremental fair value granted (as a result of those modifications); and (iii) information on how the incremental fair value granted was measured, consistently with the requirements set out in (a) and (b) above, where applicable.	Paragraphs 47(c)(ii) and (iii) are not Key Disclosure Areas – the costs of providing the disclosure exceed the benefits. Therefore paragraph 47(c)(ii) and (iii) are reduced for Tier 2 entities.
48 If the entity has measured directly the fair value	48 If the entity has measured directly the fair value	Paragraph 48 is not a Key Disclosure Area – the costs

AASB 2/NZ IFRS 2 *Share-based Payment*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
of goods or services received during the period, the entity shall disclose how that fair value was determined, eg whether fair value was measured at a market price for those goods or services.	of goods or services received during the period, the entity shall disclose how that fair value was determined, eg whether fair value was measured at a market price for those goods or services.	of providing the disclosure exceed the benefits. Therefore, paragraph 48 is reduced for Tier 2 entities.
49 If the entity has rebutted the presumption in paragraph 13, it shall disclose that fact, and give an explanation of why the presumption was rebutted.	49 If the entity has rebutted the presumption in paragraph 13, it shall disclose that fact, and give an explanation of why the presumption was rebutted.	Paragraph 49 is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 49 is reduced for Tier 2 entities.
50 An entity shall disclose information that enables users of the financial statements to understand the effect of share-based payment transactions on the entity's profit or loss for the period and on its financial position.	**50 An entity shall disclose information that enables users of the financial statements to understand the effect of share-based payment transactions on the entity's profit or loss for the period and on its financial position.**	Paragraph 50 requires disclosures to meet a stated objective. Therefore, paragraph 50 is reduced for Tier 2 entities.
RDR 50.1 An entity applying Australian Accounting Standards – Reduced Disclosure Requirements/a Tier 2 entity shall disclose the following information about the effect of share-based payment transactions on the entity's profit or loss for the period and on its financial position: **(a) the total expense recognised in profit or loss for the period; and** **(b) the total carrying amount at the end of the period of liabilities arising from share-based payment transactions.**	**RDR 50.1 An entity applying Australian Accounting Standards – Reduced Disclosure Requirements/a Tier 2 entity shall disclose the following information about the effect of share-based payment transactions on the entity's profit or loss for the period and on its financial position:** **(a) the total expense recognised in profit or loss for the period; and** **(b) the total carrying amount at the end of the period of liabilities arising from share-based payment transactions.**	
51 To give effect to the principle in paragraph 50, the entity shall disclose at least the following:	51 To give effect to the principle in paragraph 50, the entity shall disclose at least the following:	Although some of paragraph 51(a) is a Key Disclosure Area (nature of the transaction or event that makes it

AASB 2/NZ IFRS 2 *Share-based Payment*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
(a) the total expense recognised for the period arising from share-based payment transactions in which the goods or services received did not qualify for recognition as assets and hence were recognised immediately as an expense, including separate disclosure of that portion of the total expense that arises from transactions accounted for as equity-settled share-based payment transactions;	(a) the total expense recognised for the period arising from share-based payment transactions in which the goods or services received did not qualify for recognition as assets and hence were recognised immediately as an expense, including separate disclosure of that portion of the total expense that arises from transactions accounted for as equity-settled share-based payment transactions;	significant or material), the disclosures under paragraph RDR 50.1 are sufficient. Therefore, paragraph 51(a) is reduced for Tier 2 entities.
(b) for liabilities arising from share-based payment transactions: (i) the total carrying amount at the end of the period; and (ii) the total intrinsic value at the end of the period of liabilities for which the counterparty's right to cash or other assets had vested by the end of the period (eg vested share appreciation rights).	(b) for liabilities arising from share-based payment transactions: (i) the total carrying amount at the end of the period; and (ii) the total intrinsic value at the end of the period of liabilities for which the counterparty's right to cash or other assets had vested by the end of the period (eg vested share appreciation rights).	Although paragraph 51(b) is a Key Disclosure Area (assessment of current liquidity and solvency) – the disclosures under paragraph RDR 50.1 are sufficient. Therefore, paragraph 51(b) is reduced for Tier 2 entities.
52 If the information required to be disclosed by this Standard does not satisfy the principles in paragraphs 44, 46 and 50, the entity shall disclose such additional information as is necessary to satisfy them.	52 If the information required to be disclosed by this Standard does not satisfy the principles in paragraphs 44, 46 and 50, the entity shall disclose such additional information as is necessary to satisfy them.	Paragraph 52 is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 52 is reduced for Tier 2 entities.

AASB 3/NZ IFRS 3 *Business Combinations*

Current RDR (shaded)	Proposed RDR (shaded)	Comments
Disclosures **59 The acquirer shall disclose information that enables users of its financial statements to evaluate the nature and financial effect of a business combination that occurs either:** **(a) during the current reporting period; or** **(b) after the end of the reporting period but before the financial statements are authorised for issue.**	**Disclosures** **59 The acquirer shall disclose information that enables users of its financial statements to evaluate the nature and financial effect of a business combination that occurs either:** **(a) during the current reporting period; or** **(b) after the end of the reporting period but before the financial statements are authorised for issue.**	Paragraph 59 requires disclosures to meet a stated objective. Therefore, paragraph 59 is reduced for Tier 2 entities.
60 To meet the objective in paragraph 59, the acquirer shall disclose the information specified in paragraphs B64–B66.	60 To meet the objective in paragraph 59, the acquirer shall disclose the information specified in paragraphs B64–B66.	Paragraph 60 is guidance about meeting the objective in paragraph 59, which is reduced for Tier 2 entities. Therefore, paragraph 60 is reduced for Tier 2 entities.
61 The acquirer shall disclose information that enables users of its financial statements to evaluate the financial effects of adjustments recognised in the current reporting period that relate to business combinations that occurred in the period or previous reporting periods.	**61 The acquirer shall disclose information that enables users of its financial statements to evaluate the financial effects of adjustments recognised in the current reporting period that relate to business combinations that occurred in the period or previous reporting periods.**	Paragraph 61 requires disclosures to meet a stated objective. Therefore, paragraph 61 is reduced for Tier 2 entities.
62 To meet the objective in paragraph 61, the acquirer shall disclose the information specified in paragraph B67.	62 To meet the objective in paragraph 61, the acquirer shall disclose the information specified in paragraph B67.	Paragraph 62 is guidance about meeting the objective in paragraph 61, which is reduced for Tier 2 entities. Therefore, paragraph 62 is reduced for Tier 2 entities.
63 If the specific disclosures required by this and other NZ IFRSs do not meet the objectives set out in paragraphs 59 and 61, the acquirer shall disclose whatever additional information is necessary to meet those objectives.	63 If the specific disclosures required by this and other NZ IFRSs do not meet the objectives set out in paragraphs 59 and 61, the acquirer shall disclose whatever additional information is necessary to meet those objectives.	Paragraph 63 is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 63 is reduced for Tier 2 entities.
New Zealand	**New Zealand**	

AASB 3/NZ IFRS 3 *Business Combinations*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
RDR 63.1 A Tier 2 entity is required to comply with the disclosures in paragraphs B64–B67 that are not asterisked (*) as RDR concessions.	**RDR 63.1 A Tier 2 entity is required to comply with the disclosures in paragraphs B64–B67 that are not asterisked (*) as RDR concessions.**	
Disclosures (application of paragraphs 59 and 61) B64 To meet the objective in paragraph 59, the acquirer shall disclose the following information for each business combination that occurs during the reporting period: (a) the name and a description of the acquiree. (b) the acquisition date. (c) the percentage of voting equity interests acquired.	**Disclosures (application of paragraphs 59 and 61)** B64 To meet the objective in paragraph 59, the acquirer shall disclose the following information for each business combination that occurs during the reporting period: (a) the name and a description of the acquiree. (b) the acquisition date. (c) the percentage of voting equity interests acquired.	Paragraphs B64(a)–(c) are not a Key Disclosure Area. However, the presumption that the costs of providing the disclosure exceed the benefits is rebutted because the disclosure provides information about the nature of the transaction or event and is not costly to provide. Therefore, paragraphs B64(a)-(c) are kept for Tier 2 entities.
(d) the primary reasons for the business combination and a description of how the acquirer obtained control of the acquiree. (e) a qualitative description of the factors that make up the goodwill recognised, such as expected synergies from combining operations of the acquiree and the acquirer, intangible assets that do not qualify for separate recognition or other factors.	(d) the primary reasons for the business combination and a description of how the acquirer obtained control of the acquiree. (e) a qualitative description of the factors that make up the goodwill recognised, such as expected synergies from combining operations of the acquiree and the acquirer, intangible assets that do not qualify for separate recognition or other factors.	Paragraphs B64(d) and (e) are not Key Disclosure Areas – the costs of providing the disclosure exceed the benefits. Therefore, paragraphs B64(d) and (e) are reduced for Tier 2 entities.

Comment [MS2/86]: NZASB will include a paragraph RDRB64.

AASB 3/NZ IFRS 3 *Business Combinations*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
(f) the acquisition-date fair value of the total consideration transferred and the acquisition-date fair value of each major class of consideration, such as: (i) cash; (ii) other tangible or intangible assets, including a business or subsidiary of the acquirer; (iii) liabilities incurred, for example, a liability for contingent consideration; and (iv) equity interests of the acquirer, including the number of instruments or interests issued or issuable and the method of measuring the fair value of those instruments or interests.	(f) the acquisition-date fair value of the total consideration transferred and the acquisition-date fair value of each major class of consideration, such as: (i) cash; (ii) other tangible or intangible assets, including a business or subsidiary of the acquirer; (iii) liabilities incurred, for example, a liability for contingent consideration; and (iv) equity interests of the acquirer, including the number of instruments or interests issued or issuable and the method of measuring the fair value of those instruments or interests.	The first part of paragraph B64(f) is a Key Disclosure Area (nature of the transaction or event that makes it significant or material) – the benefits of providing the disclosure exceed the costs. However, the presumption that the benefits of providing the disclosure exceed the costs is rebutted for the disaggregation of the acquisition-date fair value of the consideration transferred. Therefore, the first part of paragraph B64(f) is kept for Tier 2 entities and the remainder of paragraph 64(f) is reduced for Tier 2 entities.
(g) for contingent consideration arrangements and indemnification assets: (i) the amount recognised as of the acquisition date; (ii) a description of the arrangement and the basis for determining the amount of the payment; and	(g) for contingent consideration arrangements and indemnification assets: (i) the amount recognised as of the acquisition date; (ii) a description of the arrangement and the basis for determining the amount of the payment; and	Paragraphs B64(g)(i) and (ii) are a Key Disclosure Area (commitments and contingencies) – the benefits of providing the disclosure exceed the costs. Therefore, paragraphs B64(g)(i) and (ii) are kept for Tier 2 entities.
(iii) an estimate of the range of outcomes (undiscounted) or, if a range cannot be estimated, that fact and the reasons why a range cannot be estimated. If the	(iii) an estimate of the range of outcomes (undiscounted) or, if a range cannot be estimated, that fact and the reasons why a range cannot be estimated. If the	Paragraph B64(g)iii) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph B64(g)(iii) is reduced for Tier 2 entities.

AASB 3/NZ IFRS 3 *Business Combinations*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
maximum amount of the payment is unlimited, the acquirer shall disclose that fact.	maximum amount of the payment is unlimited, the acquirer shall disclose that fact.	
(h) for acquired receivables: (i) the fair value of the receivables; (ii) the gross contractual amounts receivable; and (iii) the best estimate at the acquisition date of the contractual cash flows not expected to be collected. The disclosures shall be provided by major class of receivable, such as loans, direct finance leases and any other class of receivables.	(h) for acquired receivables: (i) the fair value of the receivables; (ii) the gross contractual amounts receivable; and (iii) the best estimate at the acquisition date of the contractual cash flows not expected to be collected. The disclosures shall be provided by major class of receivable, such as loans, direct finance leases and any other class of receivables.	Paragraph B64(h) is a not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph B64(h) is reduced for Tier 2 entities.
(i) the amounts recognised as of the acquisition date for each major class of assets acquired and liabilities assumed.	(i) the amounts recognised as of the acquisition date for each major class of assets acquired and liabilities assumed.	Paragraph B64(i) is a Key Disclosure Area (assessment of current liquidity and solvency) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph B64(i) is kept for Tier 2 entities.
(j) for each contingent liability recognised in accordance with paragraph 23, the information required in paragraph 85 of AASB 137/NZ IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. If a contingent liability is not recognised because its fair value cannot be measured reliably, the acquirer shall disclose: (i) the information required by	(j) for each contingent liability recognised in accordance with paragraph 23, the information required in paragraph 85 of AASB 137/NZ IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. If a contingent liability is not recognised because its fair value cannot be measured reliably, the acquirer shall disclose: (i) the information required by	Paragraph B64(j) is a Key Disclosure Area (commitments and contingencies) – the benefits of providing the disclosure exceed the costs. Paragraph 85 of AASB 137/NZ IAS 37 is kept for Tier 2 entities. Therefore, paragraph B64(j) is kept for Tier 2 entities.

AASB 3/NZ IFRS 3 *Business Combinations*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
paragraph 86 of AASB 137/NZ IAS 37; and (ii) the reasons why the liability cannot be measured reliably.	paragraph 86 of AASB 137/NZ IAS 37; and (ii) the reasons why the liability cannot be measured reliably.	
(k) the total amount of goodwill that is expected to be deductible for tax purposes.	(k) the total amount of goodwill that is expected to be deductible for tax purposes.	Paragraph B64(k) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph B64(k) is reduced for Tier 2 entities.
(l) for transactions that are recognised separately from the acquisition of assets and assumption of liabilities in the business combination in accordance with paragraph 51: (i) a description of each transaction; (ii) how the acquirer accounted for each transaction; (iii) the amounts recognised for each transaction and the line item in the financial statements in which each amount is recognised; and (iv) if the transaction is the effective settlement of a pre-existing relationship, the method used to determine the settlement amount.	(l) for transactions that are recognised separately from the acquisition of assets and assumption of liabilities in the business combination in accordance with paragraph 51: (i) a description of each transaction; (ii) how the acquirer accounted for each transaction; (iii) the amounts recognised for each transaction and the line item in the financial statements in which each amount is recognised; and (iv) if the transaction is the effective settlement of a pre-existing relationship, the method used to determine the settlement amount.	Paragraph B64(l) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph B64(l) is reduced for Tier 2 entities.
(m) the disclosure of separately recognised transactions required by (l) shall include the amount of acquisition-related costs and, separately, the amount of those costs recognised as an expense and the	(m) the disclosure of separately recognised transactions required by (l) shall include the amount of acquisition-related costs and, separately, the amount of those costs recognised as an expense and the	Paragraph B64(m) expands on the disclosure required by paragraph B64(l), which is reduced for Tier 2 entities. Therefore, paragraph B64(m) is reduced for Tier 2

AASB 3/NZ IFRS 3 *Business Combinations*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
line item or items in the statement of comprehensive income in which those expenses are recognised. The amount of any issue costs not recognised as an expense and how they were recognised shall also be disclosed.	line item or items in the statement of comprehensive income in which those expenses are recognised. The amount of any issue costs not recognised as an expense and how they were recognised shall also be disclosed.	entities.
(n) in a bargain purchase (see paragraphs 34–36): (i) the amount of any gain recognised in accordance with paragraph 34 and the line item in the statement of comprehensive income in which the gain is recognised; and	(n) in a bargain purchase (see paragraphs 34–36): (i) the amount of any gain recognised in accordance with paragraph 34 and the line item in the statement of comprehensive income in which the gain is recognised; and	The first part of paragraph B64(n)(i) is a Key Disclosure Area (nature of the transaction or event that makes it significant or material) – the benefits of providing the disclosure exceed the costs. Therefore, except for the requirement to disclose the line item in which the gain is recognised, paragraph B64(n)(i) is kept for Tier 2 entities.
(ii) a description of the reasons why the transaction resulted in a gain.	(ii) a description of the reasons why the transaction resulted in a gain.	Paragraph B64(n)(ii) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph B64(n)(ii) is reduced for Tier 2 entities.
(o) for each business combination in which the acquirer holds less than 100 per cent of the equity interests in the acquiree at the acquisition date: (i) the amount of the non-controlling interest in the acquiree recognised at the acquisition date and the measurement basis for that amount; and (ii) for each non-controlling interest in an acquiree measured at fair	(o) for each business combination in which the acquirer holds less than 100 per cent of the equity interests in the acquiree at the acquisition date: (i) the amount of the non-controlling interest in the acquiree recognised at the acquisition date and the measurement basis for that amount; and (ii) for each non-controlling interest in an acquiree measured at fair	Paragraph B64(o) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph B64(o) is reduced for Tier 2 entities.

AASB 3/NZ IFRS 3 *Business Combinations*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
value, the valuation techniques and significant inputs used for measuring that value.	value, the valuation techniques and significant inputs used for measuring that value.	
(p) in a business combination achieved in stages: (i) the acquisition-date fair value of the equity interest in the acquiree held by the acquirer immediately before the acquisition date; and (ii) the amount of any gain or loss recognised as a result of remeasuring to fair value the equity interest in the acquiree held by the acquirer before the business combination (see paragraph 42) and the line item in the statement of comprehensive income in which that gain or loss is recognised.	(p) in a business combination achieved in stages: (i) the acquisition-date fair value of the equity interest in the acquiree held by the acquirer immediately before the acquisition date; and (ii) the amount of any gain or loss recognised as a result of remeasuring to fair value the equity interest in the acquiree held by the acquirer before the business combination (see paragraph 42) and the line item in the statement of comprehensive income in which that gain or loss is recognised.	Paragraph B64(p) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph B64(p) is reduced for Tier 2 entities.
(q) the following information: (i) the amounts of revenue and profit or loss of the acquiree since the acquisition date included in the consolidated statement of comprehensive income for the reporting period; and (ii) the revenue and profit or loss of the combined entity for the current reporting period as though the acquisition date for all business combinations that	(q) the following information: (i) the amounts of revenue and profit or loss of the acquiree since the acquisition date included in the consolidated statement of comprehensive income for the reporting period; and (ii) the revenue and profit or loss of the combined entity for the current reporting period as though the acquisition date for all business combinations that	Paragraph B64(q) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph B64(q)(i) is reduced for Tier 2 entities.

AASB 3/NZ IFRS 3 *Business Combinations*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
occurred during the year had been as of the beginning of the annual reporting period. If disclosure of any of the information required by this subparagraph is impracticable, the acquirer shall disclose that fact and explain why the disclosure is impracticable. This Standard/NZ IFRS uses the term 'impracticable' with the same meaning as in AASB 108/NZ IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.	occurred during the year had been as of the beginning of the annual reporting period. If disclosure of any of the information required by this subparagraph is impracticable, the acquirer shall disclose that fact and explain why the disclosure is impracticable. This Standard/NZ IFRS uses the term 'impracticable' with the same meaning as in AASB 108/NZ IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.	
B65 For individually immaterial business combinations occurring during the reporting period that are material collectively, the acquirer shall disclose in aggregate the information required by paragraph B64(e)–(q).	B65 For individually immaterial business combinations occurring during the reporting period that are material collectively, the acquirer shall disclose in aggregate the information required by paragraph B64(e)–(q).	Paragraph B65 is reduced and replaced by paragraph RDR B65.1 to specify the disclosures required to be provided by Tier 2 entities.
RDR B65.1 For individually immaterial business combinations occurring during the reporting period that are material collectively ,an acquirer applying Australian Accounting Standards – Reduced Disclosure Requirements/a Tier 2 acquirer shall disclose in aggregate the information required by paragraphs B64(f), B64(g), B64(i), B64(n)(i), B64(o)(i) and B64(p) and the first sentence of paragraph B64(j).	RDR B65.1 For individually immaterial business combinations occurring during the reporting period that are material collectively, a Tier 2 acquirer shall disclose in aggregate the information required by paragraphsB64(g)(i) and (ii), B64(i), B64(j).	Paragraph RDR B65.1 is amended to refer to the paragraphs kept for Tier 2 entities.
B66 If the acquisition date of a business combination is after the end of the reporting	B66 If the acquisition date of a business combination is after the end of the reporting	Paragraph B66 is a Key Disclosure Area (subsequent events) – the benefits of providing the disclosure

Comment [MS2/87]: The NZAB paragraph RDRB65.1 will also refer to paragraph RDRB64.1.

AASB 3/NZ IFRS 3 *Business Combinations*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
period but before the financial statements are authorised for issue, the acquirer shall disclose the information required by paragraph B64 unless the initial accounting for the business combination is incomplete at the time the financial statements are authorised for issue. In that situation, the acquirer shall describe which disclosures could not be made and the reasons why they cannot be made.	period but before the financial statements are authorised for issue, the acquirer shall disclose the information required by paragraph B64 unless the initial accounting for the business combination is incomplete at the time the financial statements are authorised for issue. In that situation, the acquirer shall describe which disclosures could not be made and the reasons why they cannot be made.	exceed the costs. However, the disclosure requirements of AASB 110/NZ IAS 10 are sufficient. Therefore, paragraph B66 is reduced for Tier 2 entities.
B67 To meet the objective in paragraph 61, the acquirer shall disclose the following information for each material business combination or in the aggregate for individually immaterial business combinations that are material collectively: (a) if the initial accounting for a business combination is incomplete (see paragraph 45) for particular assets, liabilities, non-controlling interests or items of consideration and the amounts recognised in the financial statements for the business combination thus have been determined only provisionally: (i) the reasons why the initial accounting for the business combination is incomplete; (ii) the assets, liabilities, equity interests or items of consideration for which the initial accounting is incomplete; and (iii) the nature and amount of any	B67 To meet the objective in paragraph 61, the acquirer shall disclose the following information for each material business combination or in the aggregate for individually immaterial business combinations that are material collectively: (a) if the initial accounting for a business combination is incomplete (see paragraph 45) for particular assets, liabilities, non-controlling interests or items of consideration and the amounts recognised in the financial statements for the business combination thus have been determined only provisionally: (i) the reasons why the initial accounting for the business combination is incomplete; (ii) the assets, liabilities, equity interests or items of consideration for which the initial accounting is incomplete; and (iii) the nature and amount of any measurement period adjustments	Paragraph B67(a) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph B67(a) is reduced for Tier 2 entities.

AASB 3/NZ IFRS 3 *Business Combinations*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
measurement period adjustments recognised during the reporting period in accordance with paragraph 49.	recognised during the reporting period in accordance with paragraph 49.	
(b) 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: (i) any changes in the recognised amounts, including any differences arising upon settlement; (ii) any changes in the range of outcomes (undiscounted) and the reasons for those changes; and (iii) the valuation techniques and key model inputs used to measure contingent consideration.	(b) 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: (i) any changes in the recognised amounts, including any differences arising upon settlement; (ii) any changes in the range of outcomes (undiscounted) and the reasons for those changes; and (iii) the valuation techniques and key model inputs used to measure contingent consideration.	Paragraph B67(b) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph B67(b) is reduced for Tier 2 entities.
(c) for contingent liabilities recognised in a business combination, the acquirer shall disclose the information required by paragraphs 84 and 85 of AASB 137/NZ IAS 37 for each class of provision.	(c) for contingent liabilities recognised in a business combination, the acquirer shall disclose the information required by paragraphs 84 and 85 of AASB 137/NZ IAS 37 for each class of provision.	Paragraph B67(c) is a key disclosure (assessment of current liquidity and solvency) – the benefits of providing the disclosure exceed the costs. However, paragraphs 84 of AASB 137/NZ IAS 37 is reduced for Tier 2 entities. Therefore, paragraph B67(c) is kept for Tier 2 entities except for the reference to paragraph 84 of AASB 137/NZ IAS 37.
(d) a reconciliation of the carrying amount	(d) a reconciliation of the carrying amount	Paragraph B67(d) requires a reconciliation.

AASB 3/NZ IFRS 3 *Business Combinations*

Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
of goodwill at the beginning and end of the reporting period showing separately: (i) the gross amount and accumulated impairment losses at the beginning of the reporting period. (ii) additional goodwill recognised during the reporting period, except goodwill included in a disposal group that, on acquisition, meets the criteria to be classified as held for sale in accordance with AASB 5/NZ IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations.* (iii) adjustments resulting from the subsequent recognition of deferred tax assets during the reporting period in accordance with paragraph 67. (iv) goodwill included in a disposal group classified as held for sale in accordance with AASB 5/NZ IFRS 5 and goodwill derecognised during the reporting period without having previously been included in a disposal group classified as held for sale.	of goodwill at the beginning and end of the reporting period showing separately: (i) the gross amount and accumulated impairment losses at the beginning of the reporting period. (ii) additional goodwill recognised during the reporting period, except goodwill included in a disposal group that, on acquisition, meets the criteria to be classified as held for sale in accordance with AASB 5/NZ IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations.* (iii) adjustments resulting from the subsequent recognition of deferred tax assets during the reporting period in accordance with paragraph 67. (iv) goodwill included in a disposal group classified as held for sale in accordance with AASB 5/NZ IFRS 5 and goodwill derecognised during the reporting period without having previously been included in a disposal group classified as held for sale.	Reconciliations are not required under the Tier 2 Disclosure Principles. Paragraph B67(d)(i)–(iv) are not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraphs B67(d)(i)–(iv) are reduced for Tier 2 entities.

AASB 3/NZ IFRS 3 *Business Combinations*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
(v) impairment losses recognised during the reporting period in accordance with AASB 136/NZ IAS 36. (NZ IAS 36 requires disclosure of information about the recoverable amount and impairment of goodwill in addition to this requirement.)	(v) impairment losses recognised during the reporting period in accordance with AASB 136/NZ IAS 36. (NZ IAS 36 requires disclosure of information about the recoverable amount and impairment of goodwill in addition to this requirement.)	Where the cross-referencing is of a general nature this is reduced in Australian Accounting Standards for Tier 2 entities.This would be reduced in AASB 3.
(vi) net exchange rate differences arising during the reporting period in accordance with AASB 121/NZ IAS 21 *The Effects of Changes in Foreign Exchange Rates*. (vii) any other changes in the carrying amount during the reporting period. (viii) the gross amount and accumulated impairment losses at the end of the reporting period.	(vi) net exchange rate differences arising during the reporting period in accordance with AASB 121/NZ IAS 21 *The Effects of Changes in Foreign Exchange Rates*. (vii) any other changes in the carrying amount during the reporting period. (viii) the gross amount and accumulated impairment losses at the end of the reporting period.	Paragraphs 67(d)(vi)–(viii) are not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraphs B67(d)(vi)-(viii) are reduced for Tier 2 entities.
(e) the amount and an explanation of any gain or loss recognised in the current reporting period that both: (i) relates to the identifiable assets acquired or liabilities assumed in a business combination that was effected in the current or previous reporting period; and (ii) is of such a size, nature or	(e) the amount and an explanation of any gain or loss recognised in the current reporting period that both: (i) relates to the identifiable assets acquired or liabilities assumed in a business combination that was effected in the current or previous reporting period; and (ii) is of such a size, nature or	Paragraph B67(e) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph B67(e) is reduced for Tier 2 entities.

Comment [VS8]: Where cross-referencing is of a general nature, this is kept in NZIFRSs for Tier 2 entities. This would be kept of NZ IFRS 3. Paragraph B67(d)(v) is a Key Disclosure Area (impairment), which refers to AASB 136/NZ IAS 36 for the relevant disclosures.
Therefore, paragraph 67(d)(v) is kept for Tier 2 entities.

AASB 3/NZ IFRS 3 ***Business Combinations***		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
incidence that disclosure is relevant to understanding the combined entity's financial statements.	incidence that disclosure is relevant to understanding the combined entity's financial statements.	
~~RDR B67.1 An entity applying Australian Accounting Standards – Reduced Disclosure Requirements/A Tier 2 entity is not required to disclose the reconciliation specified in paragraph 57(d) for prior periods.~~		Paragraph RDR B67.1 is deleted. The paragraph is no longer needed because Tier 2 entities are not required to prepare reconciliations.

AASB 5/NZ IFRS 5 ***Non-current Assets Held for Sale and Discontinued Operations***		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
Presentation and disclosure **30 An entity shall present and disclose information that enables users of the financial statements to evaluate the financial effects of discontinued operations and disposals of non-current assets (or disposal groups).**	**Presentation and disclosure** **30 An entity shall present and disclose information that enables users of the financial statements to evaluate the financial effects of discontinued operations and disposals of non-current assets (or disposal groups).**	Paragraph 30 requires presentation and disclosures to meet a stated objective. Therefore, the paragraph 30 reference to disclose is reduced for Tier 2 entities. Presentation requirements are not subjected to analysis. Therefore the reference in paragraph 30 to present is kept for Tier 2 entities.
Presenting discontinued operations 31 A *component* of an entity comprises operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the entity. In other words, a component of an entity will have been a cash-generating unit or a group of cash-	**Presenting discontinued operations** 31 A *component* of an entity comprises operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the entity. In other words, a component of an entity will have been a cash-generating unit or a group of cash-	Paragraph 31 is guidance that explains what comprises a component of an entity. Therefore, paragraph 31 is kept for Tier 2 entities.

AASB 5/NZ IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
generating units while being held for use.	generating units while being held for use.	
32 A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and (a) represents a separate major line of business or geographical area of operations, (b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or (c) is a subsidiary acquired exclusively with a view to resale.	32 A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and (a) represents a separate major line of business or geographical area of operations, (b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or (c) is a subsidiary acquired exclusively with a view to resale.	Paragraph 32 is the definition of a discontinued operation. Therefore, paragraph 32 is kept for Tier 2.
33 An entity shall disclose: (a) a single amount in the statement of comprehensive income comprising the total of: (i) the post-tax profit or loss of discontinued operations; and (ii) the post-tax gain or loss recognised on the measurement to fair value less costs to sell or on the disposal of the assets or disposal group(s) constituting the discontinued operation.	33 An entity shall disclose: (a) a single amount in the statement of comprehensive income comprising the total of: (i) the post-tax profit or loss of discontinued operations; and (ii) the post-tax gain or loss recognised on the measurement to fair value less costs to sell or on the disposal of the assets or disposal group(s) constituting the discontinued operation.	Paragraph 33(a) is a presentation requirement under the Tier 2 Disclosure Principles because the disclosure is required on the face of the statement of profit or loss and other comprehensive income (see paragraph 82(ea) of AASB 101/NZ IAS 1). Presentation requirements are not subjected to analysis. Therefore, paragraph 33(a) is kept for Tier 2 entities.
(b) an analysis of the single amount in (a) into: (i) the revenue, expenses and pre-tax profit or loss of discontinued	(b) an analysis of the single amount in (a) into: (i) the revenue, expenses and pre-tax profit or loss of discontinued	Paragraph 33(b) requires an analysis/reconciliation of the amount in paragraph 33(a). Reconciliations are not required under the Tier 2 Disclosure Principles. Therefore, paragraph 33(b) is reduced for Tier 2

AASB 5/NZ IFRS 5 ***Non-current Assets Held for Sale and Discontinued Operations***		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
operations; (ii) the related income tax expense as required by paragraph 81(h) of AASB 112/NZ IAS 12; (iii) the gain or loss recognised on the measurement to fair value less costs to sell or on the disposal of the assets or disposal group(s) constituting the discontinued operation; and (iv) the related income tax expense as required by paragraph 81(h) of AASB 112/NZ IAS 12. The analysis may be presented in the notes or in the statement of comprehensive income. If it is presented in the statement of comprehensive income it shall be presented in a section identified as relating to discontinued operations, ie separately from continuing operations. The analysis is not required for disposal groups that are newly acquired subsidiaries that meet the criteria to be classified as held for sale on acquisition (see paragraph 11).	operations; (ii) the related income tax expense as required by paragraph 81(h) of AASB 112/NZ IAS 12; (iii) the gain or loss recognised on the measurement to fair value less costs to sell or on the disposal of the assets or disposal group(s) constituting the discontinued operation; and (iv) the related income tax expense as required by paragraph 81(h) of AASB 112/NZ IAS 12. The analysis may be presented in the notes or in the statement of comprehensive income. If it is presented in the statement of comprehensive income it shall be presented in a section identified as relating to discontinued operations, ie separately from continuing operations. The analysis is not required for disposal groups that are newly acquired subsidiaries that meet the criteria to be classified as held for sale on acquisition (see paragraph 11).	entities.
(c) the net cash flows attributable to the operating, investing and financing activities of discontinued operations. These disclosures may be presented either in the notes or in the financial statements	(c) the net cash flows attributable to the operating, investing and financing activities of discontinued operations. These disclosures may be presented either in the notes or in the financial statements	Paragraph 33(c) is a Key Disclosure Area (assessment of current liquidity and solvency) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 33(c) is kept for Tier 2 entities.

AASB 5/NZ IFRS 5 ***Non-current Assets Held for Sale and Discontinued Operations***		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
(d) the amount of income from continuing operations and from discontinued operations attributable to owners of the parent. These disclosures may be presented either in the notes or in the statement of comprehensive income.	(d) the amount of income from continuing operations and from discontinued operations attributable to owners of the parent. These disclosures may be presented either in the notes or in the statement of comprehensive income.	Paragraph 33(d) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 33(d) is reduced for Tier 2 entities.
33A If an entity presents the items of profit or loss in a separate statement as described in paragraph 10A of AASB 101/NZ IAS 1 (as amended in 2011), a section identified as relating to discontinued operations is presented in that statement.	33A If an entity presents the items of profit or loss in a separate statement as described in paragraph 10A of AASB 101/NZ IAS 1 (as amended in 2011), a section identified as relating to discontinued operations is presented in that statement.	Paragraph 33A is a presentation requirement under the Tier 2 Disclosure Principles because the disclosure is required on the face of the statement of profit or loss and other comprehensive income. Presentation requirements are not subjected to analysis. Therefore, paragraph 33A is kept for Tier 2 entities.
34 An entity shall re-present the disclosures in paragraph 33 for prior periods presented in the financial statements so that the disclosures relate to all operations that have been discontinued by the end of the reporting period for the latest period presented.	34 An entity shall re-present the disclosures in paragraph 33 for prior periods presented in the financial statements so that the disclosures relate to all operations that have been discontinued by the end of the reporting period for the latest period presented.	Paragraph 34 is a presentation requirement that relates to paragraph 33, which is kept for Tier 2 entities. Therefore, paragraph 34 is kept for Tier 2 entities.
35 Adjustments in the current period to amounts previously presented in discontinued operations that are directly related to the disposal of a discontinued operation in a prior period shall be classified separately in discontinued operations. The nature and amount of such adjustments shall be disclosed. Examples of circumstances in which these adjustments may arise include the following: (a) the resolution of uncertainties that arise from the terms of the disposal transaction, such as the resolution of	35 Adjustments in the current period to amounts previously presented in discontinued operations that are directly related to the disposal of a discontinued operation in a prior period shall be classified separately in discontinued operations. The nature and amount of such adjustments shall be disclosed. Examples of circumstances in which these adjustments may arise include the following: (a) the resolution of uncertainties that arise from the terms of the disposal transaction, such as the resolution of	The first sentence of paragraph 35 is a presentation requirement. Presentation requirements are not subjected to analysis. Therefore, the first sentence of paragraph 35 is kept for Tier 2 entities. The remainder of paragraph 35 is not Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, the remainder of paragraph 35 is reduced for Tier 2 entities.

AASB 5/NZ IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
purchase price adjustments and indemnification issues with the purchaser. (b) the resolution of uncertainties that arise from and are directly related to the operations of the component before its disposal, such as environmental and product warranty obligations retained by the seller. (c) the settlement of employee benefit plan obligations, provided that the settlement is directly related to the disposal transaction.	purchase price adjustments and indemnification issues with the purchaser. (b) the resolution of uncertainties that arise from and are directly related to the operations of the component before its disposal, such as environmental and product warranty obligations retained by the seller. (c) the settlement of employee benefit plan obligations, provided that the settlement is directly related to the disposal transaction.	
36 If an entity ceases to classify a component of an entity as held for sale, the results of operations of the component previously presented in discontinued operations in accordance with paragraphs 33–35 shall be reclassified and included in income from continuing operations for all periods presented. The amounts for prior periods shall be described as having been re-presented.	36 If an entity ceases to classify a component of an entity as held for sale, the results of operations of the component previously presented in discontinued operations in accordance with paragraphs 33–35 shall be reclassified and included in income from continuing operations for all periods presented. The amounts for prior periods shall be described as having been re-presented.	Paragraph 36 is a presentation requirement under the Tier 2 Disclosure Principles. Presentation requirements are not subjected to analysis. Therefore, paragraph 36 is kept for Tier 2 entities.
36A An entity that is committed to a sale plan involving loss of control of a subsidiary shall disclose the information required in paragraphs 33–36 when the subsidiary is a disposal group that meets the definition of a discontinued operation in accordance with paragraph 32.	36A An entity that is committed to a sale plan involving loss of control of a subsidiary shall disclose the information required in paragraphs 33–36 when the subsidiary is a disposal group that meets the definition of a discontinued operation in accordance with paragraph 32.	Paragraph 36A relates to the disclosures in paragraphs 33–36 that are kept under the Tier 2 Disclosure Principles. Therefore, paragraph 36A is kept for Tier 2 entities.
Gains or losses relating to continuing	**Gains or losses relating to continuing**	

AASB 5/NZ IFRS 5 ***Non-current Assets Held for Sale and Discontinued Operations***		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
operations 37 Any gain or loss on the remeasurement of a non-current asset (or disposal group) classified as held for sale that does not meet the definition of a discontinued operation shall be included in profit or loss from continuing operations.	**operations** 37 Any gain or loss on the remeasurement of a non-current asset (or disposal group) classified as held for sale that does not meet the definition of a discontinued operation shall be included in profit or loss from continuing operations.	Paragraph 37 is a presentation requirement under the Tier 2 Disclosure Principles. Presentation requirements are not subjected to analysis. Therefore, paragraph 37 is kept for Tier 2 entities.
Presentation of a non-current asset or disposal group classified as held for sale 38 An entity shall present a non-current asset classified as held for sale and the assets of a disposal group classified as held for sale separately from other assets in the statement of financial position. The liabilities of a disposal group classified as held for sale shall be presented separately from other liabilities in the statement of financial position. Those assets and liabilities shall not be offset and presented as a single amount. The major classes of assets and liabilities classified as held for sale shall be separately disclosed either in the statement of financial position or in the notes, except as permitted by paragraph 39. An entity shall present separately any cumulative income or expense recognised in other comprehensive income relating to a non-current asset (or disposal group) classified as held for sale.	**Presentation of a non-current asset or disposal group classified as held for sale** 38 An entity shall present a non-current asset classified as held for sale and the assets of a disposal group classified as held for sale separately from other assets in the statement of financial position. The liabilities of a disposal group classified as held for sale shall be presented separately from other liabilities in the statement of financial position. Those assets and liabilities shall not be offset and presented as a single amount. The major classes of assets and liabilities classified as held for sale shall be separately disclosed either in the statement of financial position or in the notes, except as permitted by paragraph 39. An entity shall present separately any cumulative income or expense recognised in other comprehensive income relating to a non-current asset (or disposal group) classified as held for sale.	Paragraph 38 is a presentation requirement under the Tier 2 Disclosure Principles. Presentation requirements are not subjected to analysis. Therefore, paragraph 38 is kept for Tier 2 entities.

AASB 5/NZ IFRS 5 ***Non-current Assets Held for Sale and Discontinued Operations***		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
39 If the disposal group is a newly acquired subsidiary that meets the criteria to be classified as held for sale on acquisition (see paragraph 1), disclosure of the major classes of assets and liabilities is not required.	39 If the disposal group is a newly acquired subsidiary that meets the criteria to be classified as held for sale on acquisition (see paragraph 1), disclosure of the major classes of assets and liabilities is not required.	Paragraph 39 specifies a disclosure that is not required. Therefore, paragraph 39 is kept for Tier 2 entities.
40 An entity shall not reclassify or re-present amounts presented for non-current assets or for the assets and liabilities of disposal groups classified as held for sale in the statements of financial position for prior periods to reflect the classification in the statement of financial position for the latest period presented.	40 An entity shall not reclassify or re-present amounts presented for non-current assets or for the assets and liabilities of disposal groups classified as held for sale in the statements of financial position for prior periods to reflect the classification in the statement of financial position for the latest period presented.	Paragraph 40 is a presentation requirement under the Tier 2 Disclosure Principles. Presentation requirements are not subjected to analysis. Therefore, paragraph 40 is kept for Tier 2 entities.
Additional disclosures 41 An entity shall disclose the following information in the notes in the period in which a non-current asset (or disposal group) has been either classified as held for sale or sold: (a) a description of the non-current asset (or disposal group);	**Additional disclosures** 41 An entity shall disclose the following information in the notes in the period in which a non-current asset (or disposal group) has been either classified as held for sale or sold: (a) a description of the non-current asset (or disposal group);	Paragraph 41(a) is a Key Disclosure Area (assessment of current liquidity and solvency) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 41(a) is kept for Tier 2 entities.
(b) a description of the facts and circumstances of the sale, or leading to the expected disposal, and the expected manner and timing of that disposal;	(b) a description of the facts and circumstances of the sale, or leading to the expected disposal, and the expected manner and timing of that disposal;	Paragraph 41(b) is a Key Disclosure Area (assessment of current liquidity and solvency) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 41(b) is kept for Tier 2 entities.

AASB 5/NZ IFRS 5 ***Non-current Assets Held for Sale and Discontinued Operations***		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
(a) the gain or loss recognised in accordance with paragraphs 20–22 and, if not separately presented in the statement of comprehensive income, the caption in the statement of comprehensive income that includes that gain or loss;	(c) the gain or loss recognised in accordance with paragraphs 20–22 and, if not separately presented in the statement of comprehensive income, the caption in the statement of comprehensive income that includes that gain or loss;	Paragraph 41(c) is a Key Disclosure Area (impairment) – the benefits of providing the disclosure exceed the costs. Non-current assets (or disposal groups) classified as held for sale in accordance with AASB 5/NZ IFRS 5 are scoped out of AASB 136/NZ IAS 36 so reliance cannot be placed on the requirements of AASB 136/NZ IAS 36 for this disclosure. Therefore, paragraph 41(c) is kept for Tier 2 entities.
(d) if applicable, the segment in which the non-current asset (or disposal group) is presented in accordance with AASB 8/NZ IFRS 8 *Operating Segments*.	(d) if applicable, the segment in which the non-current asset (or disposal group) is presented in accordance with AASB 8/NZ IFRS 8 *Operating Segments*.	AASB 8/NZ IFRS 8 requirements do not apply to Tier 2 entities Therefore, paragraph 41(d) is reduced for Tier 2 entities.
42 If either paragraph 26 or paragraph 29 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.	42 If either paragraph 26 or paragraph 29 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.	Paragraph 42 is a Key Disclosure Area (assessment of current liquidity and solvency) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 42 is kept for Tier 2 entities.

AASB 6/NZ IFRS 6 *Exploration for and Evaluation of Mineral Resources*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
Disclosure **23 An entity shall disclose information that identifies and explains the amounts recognised in its financial statements arising from the exploration for and evaluation of mineral resources.**	**Disclosure** **23 An entity shall disclose information that identifies and explains the amounts recognised in its financial statements arising from the exploration for and evaluation of mineral resources.**	Paragraph 23 requires disclosures to meet a stated objective. Therefore, paragraph 23 is reduced for Tier 2 entities.
24 To comply with paragraph 23, an entity shall disclose: (a) its accounting policies for exploration and evaluation expenditures including the recognition of exploration and evaluation assets.	24 To comply with paragraph 23, an entity shall disclose: (a) its accounting policies for exploration and evaluation expenditures including the recognition of exploration and evaluation assets.	The reference to paragraph 23 in the lead-in in paragraph 24 is reduced because paragraph 23 is reduced for Tier 2 entities. The AASB has decided to rely on the requirements in AASB 101 and AASB 108 for disclosure about accounting policies. This would be reduced in AASB 6 - the disclosure requirement in paragraph 117 of AASB 101 is sufficient.
(b) the amounts of assets, liabilities, income and expense and operating and investing cash flows arising from the exploration for and evaluation of mineral resources.	(b) the amounts of assets, liabilities, income and expense and operating and investing cash flows arising from the exploration for and evaluation of mineral resources.	Paragraph 24(b) is a Key Disclosure Area (assessment of current liquidity and solvency) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 24(b) is kept for Tier 2 entities.
Aus24.1 In addition to the disclosure required by paragraph 24(b), an entity that recognises exploration and evaluation assets for any of its areas of interest shall, in disclosing the amounts of those assets, provide an explanation that recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial	Aus24.1 In addition to the disclosure required by paragraph 24(b), an entity that recognises exploration and evaluation assets for any of its areas of interest shall, in disclosing the amounts of those assets, provide an explanation that recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial	Paragraph Aus24.1 is guidance of a general nature. Therefore, paragraph Aus24.1 is reduced for Tier 2 entities.

Comment [VS9]: The NZASB has decided to not rely solely on the requirements in NZ IAS 1 and NZ IAS 8 for disclosures about accounting policies. This would be kept in NZ IFRS 6. Paragraph 24(a) is a Key Disclosure Area (accounting policy on recognition or measurement) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 24(a) is kept for Tier 2 entities.

AASB 6/NZ IFRS 6 *Exploration for and Evaluation of Mineral Resources*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
exploitation, or alternatively, sale of the respective areas of interest.	exploitation, or alternatively, sale of the respective areas of interest.	
25 An entity shall treat exploration and evaluation assets as a separate class of assets and make the disclosures required by either AASB 116/NZ IAS 16 or AASB 138/NZ IAS 38 consistent with how the assets are classified.	25 An entity shall treat exploration and evaluation assets as a separate class of assets and make the disclosures required by either AASB 116/NZ IAS 16 or AASB 138/NZ IAS 38 consistent with how the assets are classified.	Paragraph 25 contains a requirement to treat exploration and evaluation assets as a class of assets, which is presentation. Presentation requirements are not subjected to analysis. Where the cross-referencing is of a general nature this is reduced in Australian Accounting Standards for Tier 2 entities..Regarding the cross references, this would be reduced in AASB 6 – cross-referencing of a general nature

Comment [VS10]: Where cross-referencing is of a general nature, this is kept in NZIFRSs for Tier 2 entities. This would be kept in NZ IFRS 6. Paragraph 25 contains a requirement to treat exploration and evaluation assets as a class of assets, which is presentation. Presentation requirements are not subjected to analysis. Therefore, paragraph 25 is kept for Tier 2 entities.

AASB 7/NZ IFRS 7 *Financial Instruments: Disclosures*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**

AASB 7/NZ IFRS 7 *Financial Instruments: Disclosures*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
Classes of financial instruments and level of disclosure 6 When this Standard requires disclosures by class of financial instrument, an entity shall group financial instruments into classes that are appropriate to the nature of the information disclosed and that take into account the characteristics of those financial instruments. An entity shall provide sufficient information to permit reconciliation to the line items presented in the statement of financial position.	**Classes of financial instruments and level of disclosure** 6 When this Standard requires disclosures by class of financial instrument, an entity shall group financial instruments into classes that are appropriate to the nature of the information disclosed and that take into account the characteristics of those financial instruments. An entity shall provide sufficient information to permit reconciliation to the line items presented in the statement of financial position.	Paragraph 6 requires the disclosure of sufficient information to permit a reconciliation of the amounts disclosed to permit reconciliation to the line items presented in the statement of financial position. Tier 2 entities are not required to provide reconciliations. Therefore, paragraph 6 is reduced for Tier 2 entities.
Significance of financial instruments for financial position and performance **7 An entity shall disclose information that enables users of its financial statements to evaluate the significance of financial instruments for its financial position and performance.**	**Significance of financial instruments for financial position and performance** **7 An entity shall disclose information that enables users of its financial statements to evaluate the significance of financial instruments for its financial position and performance.**	Paragraph 7 requires disclosures to meet a stated objective. Therefore, paragraph 7 is reduced for Tier 2 entities.
Statement of financial position **Categories of financial assets and financial liabilities** 8 The carrying amounts of each of the following categories, as defined in AASB 9/NZ IFRS 9, shall be disclosed either in the statement of financial position or in the notes: (a) financial assets measured at fair value through profit or loss, showing separately (i) those designated as such upon initial recognition or subsequently in accordance with paragraphs 6.7.1 of AASB 9/NZ IFRS 9 and (ii) those mandatorily measured at fair value through profit or loss in accordance	**Statement of financial position** **Categories of financial assets and financial liabilities** 8 The carrying amounts of each of the following categories, as defined in AASB 9/NZ IFRS 9, shall be disclosed either in the statement of financial position or in the notes: (a) financial assets measured at fair value through profit or loss, showing separately (i) those designated as such upon initial recognition or subsequently in accordance with paragraphs 6.7.1 of AASB 9/NZ IFRS 9 and (ii) those mandatorily measured at fair value through profit or loss in accordance	Paragraph 8 is a Key Disclosure Area (current liquidity and solvency and the nature of the transaction or event that makes it significant). The benefits of providing the disclosure exceed the costs except for the requirement for disaggregation. Therefore, paragraph 8, except for the shaded words, is kept for Tier 2 entities.

AASB 7/NZ IFRS 7 *Financial Instruments: Disclosures*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
with AASB 9/NZ IFRS 9. (b)–(d) [deleted by IASB] (e) financial liabilities at fair value through profit or loss, showing separately (i) those designated as such upon initial recognition or subsequently in accordance with paragraphs 6.7.1 of AASB 9/NZ IFRS 9 and (ii) those that meet the definition of held for trading in AASB 9/NZ IFRS 9. (f) financial assets measured at amortised cost. (g) financial liabilities measured at amortised cost. (h) financial assets measured at fair value through other comprehensive income, showing separately (i) financial assets that are measured at fair value through other comprehensive income in accordance with paragraph 4.1.2A of AASB 9/NZ IFRS 9; and (ii) investments in equity instruments designated as such upon initial recognition in accordance with paragraph 5.7.5 of AASB 9/NZ IFRS 9.	with AASB 9/NZ IFRS 9. (b)–(d) [deleted by IASB] (e) financial liabilities at fair value through profit or loss, showing separately (i) those designated as such upon initial recognition or subsequently in accordance with paragraphs 6.7.1 of AASB 9/NZ IFRS 9 and (ii) those that meet the definition of held for trading in AASB 9/NZ IFRS 9. (f) financial assets measured at amortised cost. (g) financial liabilities measured at amortised cost. (h) financial assets measured at fair value through other comprehensive income, showing separately (i) financial assets that are measured at fair value through other comprehensive income in accordance with paragraph 4.1.2A of AASB 9/NZ IFRS 9; and (ii) investments in equity instruments designated as such upon initial recognition in accordance with paragraph 5.7.5 of AASB 9/NZ IFRS 9.	
Financial assets or financial liabilities at fair value through profit or loss 9 If the entity has designated as measured at fair value through profit or loss a financial asset (or group of financial assets) that would otherwise be measured at fair value through other comprehensive income or amortised cost, it shall disclose: (a) the maximum exposure to *credit risk* (see paragraph 36(a)) of the financial asset (or	**Financial assets or financial liabilities at fair value through profit or loss** 9 If the entity has designated as measured at fair value through profit or loss a financial asset (or group of financial assets) that would otherwise be measured at fair value through other comprehensive income or amortised cost, it shall disclose: (a) the maximum exposure to *credit risk* (see paragraph 36(a)) of the financial asset (or	Paragraphs 9(a) and (b) are not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraphs 9(a) and (b) are reduced for Tier 2 entities.

AASB 7/NZ IFRS 7 *Financial Instruments: Disclosures*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
group of financial assets) at the end of the reporting period. (b) the amount by which any related credit derivatives or similar instruments mitigate that maximum exposure to credit risk (see paragraph 36(b)).	group of financial assets) at the end of the reporting period. (b) the amount by which any related credit derivatives or similar instruments mitigate that maximum exposure to credit risk (see paragraph 36(b)).	
(c) the amount of change, during the period and cumulatively, in the fair value of the financial asset (or group of financial assets) that is attributable to changes in the credit risk of the financial asset determined either: (i) as the amount of change in its fair value that is not attributable to changes in market conditions that give rise to *market risk*; or (ii) using an alternative method the entity believes more faithfully represents the amount of change in its fair value that is attributable to changes in the credit risk of the asset. Changes in market conditions that give rise to market risk include changes in an observed (benchmark) interest rate, commodity price, foreign exchange rate or index of prices or rates.	(c) the amount of change, during the period and cumulatively, in the fair value of the financial asset (or group of financial assets) that is attributable to changes in the credit risk of the financial asset determined either: (i) as the amount of change in its fair value that is not attributable to changes in market conditions that give rise to *market risk*; or (ii) using an alternative method the entity believes more faithfully represents the amount of change in its fair value that is attributable to changes in the credit risk of the asset. Changes in market conditions that give rise to market risk include changes in an observed (benchmark) interest rate, commodity price, foreign exchange rate or index of prices or rates.	Paragraph 9(c) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 9(c) is reduced for Tier 2 entities.
(d) the amount of the change in the fair value of any related credit derivatives or similar instruments that has occurred during the period and cumulatively since the loan or receivable was designated.	(d) the amount of the change in the fair value of any related credit derivatives or similar instruments that has occurred during the period and cumulatively since the loan or receivable was designated.	Paragraph 9(d) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 9(d) is reduced for Tier 2 entities.

AASB 7/NZ IFRS 7 *Financial Instruments: Disclosures*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
10 If the entity has designated a financial liability as at fair value through profit or loss in accordance with paragraph 4.2.2 of AASB 9/NZ IFRS 9 and is required to present the effects of changes in that liability's credit risk in other comprehensive income, 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 AASB 9/NZ IFRS 9 for guidance on determining the effects of changes in a liability's credit risk).	10 If the entity has designated a financial liability as at fair value through profit or loss in accordance with paragraph 4.2.2 of AASB 9/NZ IFRS 9 and is required to present the effects of changes in that liability's credit risk in other comprehensive income, 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 AASB 9/NZ IFRS 9 for guidance on determining the effects of changes in a liability's credit risk).	Paragraph 10(a) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 10(a) is reduced for Tier 2 entities.
(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.	(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.	Paragraph 10(b) is a Key Disclosure Area (commitments and contingencies) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 10(b) is kept for Tier 2 entities.
(c) any transfers of the cumulative gain or loss within equity during the period including the reason for such transfers. (d) if a liability is derecognised during the period, the amount (if any) presented in other comprehensive income that was realised at derecognition.	(c) any transfers of the cumulative gain or loss within equity during the period including the reason for such transfers. (d) if a liability is derecognised during the period, the amount (if any) presented in other comprehensive income that was realised at derecognition.	Paragraphs 10(c) and 10(d) are not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraphs 10c) and 10(d) are reduced for Tier 2 entities.
10A If an entity has designated a financial liability as at fair value through profit or loss in accordance with paragraph 4.2.2 of AASB 9/NZ IFRS 9 and is required to present all changes in the fair value of that liability (including the effects of changes in the	10A If an entity has designated a financial liability as at fair value through profit or loss in accordance with paragraph 4.2.2 of AASB 9/NZ IFRS 9 and is required to present all changes in the fair value of that liability (including the effects of changes in the	Paragraph 10A(a) is not a Key Disclosure Area – the costs of providing the disclosure exceed

AASB 7/NZ IFRS 7 *Financial Instruments: Disclosures*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
credit risk of the liability) in profit or loss (see paragraphs 5.7.7 and 5.7.8 of AASB 9/NZ 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 AASB 9/NZ IFRS 9 for guidance on determining the effects of changes in a liability's credit risk); and	credit risk of the liability) in profit or loss (see paragraphs 5.7.7 and 5.7.8 of AASB 9/NZ 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 AASB 9/NZ IFRS 9 for guidance on determining the effects of changes in a liability's credit risk); and	the benefits. Therefore, paragraph 10A(a) is reduced for Tier 2 entities.
(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.	(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.	Paragraph 10A(b) is a Key Disclosure Area (commitments and contingencies) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 10A(b) is kept for Tier 2 entities.
11 The entity shall also disclose: (a) a detailed description of the methods used to comply with the requirements in paragraphs 9(c), 10(a) and 10A(a) and paragraph 5.7.7(a) of AASB 9/NZ IFRS 9, inlcuding an explanation of why the method is appropriate.	11 The entity shall also disclose: (a) a detailed description of the methods used to comply with the requirements in paragraphs 9(c), 10(a) and 10A(a) and paragraph 5.7.7(a) of AASB 9/NZ IFRS 9, inlcuding an explanation of why the method is appropriate.	Paragraph 11(a) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 11(a) is reduced for Tier 2 entities.
(b) if the entity believes that the disclosure it has given, either in the statement of financial position or in the notes, to comply with the requirements in paragraph 9(c), 10(a) or 10A(a) or paragraph 5.7.7(a) of AAB 9/NZ IFRS 9 does not faithfully represent the change in the fair value of the financial asset or financial liability	(b) if the entity believes that the disclosure it has given, either in the statement of financial position or in the notes, to comply with the requirements in paragraph 9(c), 10(a) or 10A(a) or paragraph 5.7.7(a) of AAB 9/NZ IFRS 9 does not faithfully represent the change in the fair value of the financial asset or financial liability	Paragraph 11(b) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 11(b) is reduced for Tier 2 entities.

AASB 7/NZ IFRS 7 *Financial Instruments: Disclosures*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
attributable to changes in its credit risk, the reasons for reaching this conclusion and the factors it believes are relevant.	attributable to changes in its credit risk, the reasons for reaching this conclusion and the factors it believes are relevant.	
(c) a detailed description of the methodology or methodologies used to determine whether presenting the effects of changes in a liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss (see paragraphs 5.7.7 and 5.7.8 or AASB 9/NZ IFRS 9). If an entity is required to present the effects of changes in a liability's credit risk in profit or loss (see paragraph 5.7.8 of AASB 9/NZ IFRS 9), the disclosure must include a detailed description of the economic relationship described in paragraph B5.7.6 of AASB 9/NZ IFRS 9.	(c) a detailed description of the methodology or methodologies used to determine whether presenting the effects of changes in a liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss (see paragraphs 5.7.7 and 5.7.8 or AASB 9/NZ IFRS 9). If an entity is required to present the effects of changes in a liability's credit risk in profit or loss (see paragraph 5.7.8 of AASB 9/NZ IFRS 9), the disclosure must include a detailed description of the economic relationship described in paragraph B5.7.6 of AASB 9/NZ IFRS 9.	Paragraph 11(c) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 11(c) is reduced for Tier 2 entities.
Investments in equity instruments designated at fair value through other comprehensive income 11A If an entity has designated investments in equity instruments to be measured at fair value through other comprehensive income, as permitted by paragraph 5.7.5 of AASB 9/NZ IFRS 9, it shall disclose: (a) which investments in equity instruments have been designated to be measured at fair value through other comprehensive income. (b) the reasons for using this presentation alternative.	**Investments in equity instruments designated at fair value through other comprehensive income** 11A If an entity has designated investments in equity instruments to be measured at fair value through other comprehensive income, as permitted by paragraph 5.7.5 of AASB 9/NZ IFRS 9, it shall disclose: (a) which investments in equity instruments have been designated to be measured at fair value through other comprehensive income. (b) the reasons for using this presentation alternative.	Paragraphs 11A(a) and (b) are not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraphs 11A(a) and (b) are reduced for Tier 2 entities.
(c) the fair value of each such investment at the	(c) the fair value of each such investment at the	Paragraph 11A(c) is a Key Disclosure Area

AASB 7/NZ IFRS 7 *Financial Instruments: Disclosures*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
end of the reporting period.	end of the reporting period.	(current liquidity and solvency). However, the presumption that the benefits of providing the disclosure exceed the costs is rebutted because this information is included in the carrying amount of financial instruments disclosed in accordance with paragraph 8, which is kept for Tier 2 entities. Therefore, paragraph 11A(c) is reduced for Tier 2 entities.
(d) dividends recognised during the period, showing separately those related to investments derecognised during the reporting period and those related to investments held at the end of the reporting period.	(d) dividends recognised during the period, showing separately those related to investments derecognised during the reporting period and those related to investments held at the end of the reporting period.	Paragraph 11A(d) is a Key Disclosure Area (nature of the transaction or event that makes it significant). However, the presumption that the benefits of providing the disclosure exceed the costs is rebutted because dividends would be separately disclosed if they are material to the entity. Therefore, paragraph 11A(d) is reduced for Tier 2 entities.
(e) any transfers of the cumulative gain or loss within equity during the period including the reason for such transfers.	(e) any transfers of the cumulative gain or loss within equity during the period including the reason for such transfers.	Paragraph 11A(e)is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 11A(e) is reduced for Tier 2 entities.

AASB 7/NZ IFRS 7 *Financial Instruments: Disclosures*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
11B If an entity derecognised investments in equity instruments measured at fair value through other comprehensive income during the reporting period, it shall disclose: (a) the reasons for disposing of the investments. (b) the fair value of the investments at the date of derecognition. (c) the cumulative gain or loss on disposal.	11B If an entity derecognised investments in equity instruments measured at fair value through other comprehensive income during the reporting period, it shall disclose: (a) the reasons for disposing of the investments. (b) the fair value of the investments at the date of derecognition. (c) the cumulative gain or loss on disposal.	Paragraph 11B is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 11B is reduced for Tier 2 entities.
Reclassification 12–12A [Deleted by IASB]	**Reclassification** 12–12A [Deleted by IASB]	
12B 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 AASB 9/NZ 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. (c) the amount reclassified into and out of each category.	12B 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 AASB 9/NZ 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. (c) the amount reclassified into and out of each category.	Paragraph 12B is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 12B is reduced for Tier 2 entities.
12C 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	12C 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	Paragraph 12C(a) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 12C(a) is reduced for Tier 2 entities.

AASB 7/NZ IFRS 7 *Financial Instruments: Disclosures*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
AASB /NZ IFRS 9: (a) the effective interest rate determined on the date of reclassification; and	AASB /NZ IFRS 9: (a) the effective interest rate determined on the date of reclassification; and	
(b) the interest revenue recognised.	(b) the interest revenue recognised.	Paragraph 12C(b) is a Key Disclosure Area (the nature of the transaction or event that makes it significant). However, the presumption that the benefits of providing the disclosure exceed the costs is rebutted because paragraph 82(a) of AASB 101/NZ IAS 1 requires disclosure of interest revenue calculated using the effective interest method. Therefore, paragraph 12C(b) is reduced for Tier 2 entities.
12D If, since its last annual reporting date, an entity has reclassified financial assets out of the fair value through other comprehensive income category so that they are measured at amortised cost or 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 it shall disclose: (a) the fair value of the financial assets at the end of the reporting period; and (b) the fair value gain or loss that would have been recognised in profit or loss or other comprehensive income during the reporting period if the financial assets had not been reclassified.	12D If, since its last annual reporting date, an entity has reclassified financial assets out of the fair value through other comprehensive income category so that they are measured at amortised cost or 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 it shall disclose: (a) the fair value of the financial assets at the end of the reporting period; and (b) the fair value gain or loss that would have been recognised in profit or loss or other comprehensive income during the reporting period if the financial assets had not been reclassified.	Paragraph 12D is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 12D is reduced for Tier 2 entities.
13 [Deleted by IASB]	13 [Deleted by IASB]	

AASB 7/NZ IFRS 7 *Financial Instruments: Disclosures*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
Offsetting financial assets and financial liabilities 13A The disclosures in paragraphs 13B–13E supplement the other disclosure requirements of this Standard/NZ IFRS and are required for all recognised financial instruments that are set off in accordance with paragraph 42 of AASB 132/NZ IAS 32. These disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with paragraph 42 of AASB 132/NZ IAS 32.	**Offsetting financial assets and financial liabilities** 13A The disclosures in paragraphs 13B–13E supplement the other disclosure requirements of this Standard/NZ IFRS and are required for all recognised financial instruments that are set off in accordance with paragraph 42 of AASB 132/NZ IAS 32. These disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with paragraph 42 of AASB 132/NZ IAS 32.	Paragraph 13A identifies the financial instruments that are subject to the disclosure requirements in paragraphs 13B–13E, which are all reduced for Tier 2 entities. Therefore, paragraph 13A is reduced for Tier 2 entities.
13B An entity shall disclose information to enable users of its financial statements to evaluate the effect or potential effect of netting arrangements on the entity's financial position. This includes the effect or potential effect of rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities that are within the scope of paragraph 13A.	13B An entity shall disclose information to enable users of its financial statements to evaluate the effect or potential effect of netting arrangements on the entity's financial position. This includes the effect or potential effect of rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities that are within the scope of paragraph 13A.	Paragraph 13B is a disclosure objective/principles for disclosures about netting arrangements within the scope of paragraph 13A. However, the specific disclosures to meet this objective are all reduced for Tier 2 entities. Therefore paragraph 13B is reduced for Tier 2 entities.
13C To meet the objective in paragraph 13B, an entity shall disclose, at the end of the reporting period, the following quantitative information separately for recognised financial assets and recognised financial liabilities that are within the scope of paragraph 13A: (a) the gross amounts of those recognised financial assets and recognised financial liabilities; (b) the amounts that are set off in accordance	13C To meet the objective in paragraph 13B, an entity shall disclose, at the end of the reporting period, the following quantitative information separately for recognised financial assets and recognised financial liabilities that are within the scope of paragraph 13A: (a) the gross amounts of those recognised financial assets and recognised financial liabilities; (b) the amounts that are set off in accordance	Paragraph 13C is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 13C is reduced for Tier 2 entities.

AASB 7/NZ IFRS 7 *Financial Instruments: Disclosures*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
with the criteria in paragraph 42 of AASB 132/NZ IAS 32 when determining the net amounts presented in the statement of financial position; (c) the net amounts presented in the statement of financial position; (d) the amounts subject to an enforceable master netting arrangement or similar agreement that are not otherwise included in paragraph 13C(b), including: (i) amounts related to recognised financial instruments that do not meet some or all of the offsetting criteria in paragraph 42 of AASB 132/N IAS 32; and (ii) amounts related to financial collateral (including cash collateral); and (e) the net amount after deducting the amounts in (d) from the amounts in (c) above. The information required by this paragraph shall be presented in a tabular format, separately for financial assets and financial liabilities, unless another format is more appropriate.	with the criteria in paragraph 42 of AASB 132/NZ IAS 32 when determining the net amounts presented in the statement of financial position; (c) the net amounts presented in the statement of financial position; (d) the amounts subject to an enforceable master netting arrangement or similar agreement that are not otherwise included in paragraph 13C(b), including: (i) amounts related to recognised financial instruments that do not meet some or all of the offsetting criteria in paragraph 42 of AASB 132/N IAS 32; and (ii) amounts related to financial collateral (including cash collateral); and (e) the net amount after deducting the amounts in (d) from the amounts in (c) above. The information required by this paragraph shall be presented in a tabular format, separately for financial assets and financial liabilities, unless another format is more appropriate.	
13D The total amount disclosed in accordance with paragraph 13C(d) for an instrument shall be limited to the amount in paragraph 13C(c) for that instrument.	13D The total amount disclosed in accordance with paragraph 13C(d) for an instrument shall be limited to the amount in paragraph 13C(c) for that instrument.	Paragraph 13D is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 13D is reduced for Tier 2 entities.
13E An entity shall include a description in the disclosures of the rights of set-off associated with	13E An entity shall include a description in the disclosures of the rights of set-off associated with	Paragraph 13E is not a Key Disclosure Area – the costs of providing the disclosure exceed the

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the entity's recognised financial assets and recognised financial liabilities subject to enforceable master netting arrangements and similar agreements that are disclosed in accordance with paragraph 13C(d), including the nature of those rights.	the entity's recognised financial assets and recognised financial liabilities subject to enforceable master netting arrangements and similar agreements that are disclosed in accordance with paragraph 13C(d), including the nature of those rights.	benefits. Therefore, paragraph 13E is reduced for Tier 2 entities.
13F If the information required by paragraphs 13B–13E is disclosed in more than one note to the financial statements, an entity shall cross-refer between those notes.	13F If the information required by paragraphs 13B–13E is disclosed in more than one note to the financial statements, an entity shall cross-refer between those notes.	Paragraph 13F is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 13F is reduced for Tier 2 entities.
Collateral 14 An entity shall disclose: (a) the carrying amount of financial assets it has pledged as collateral for liabilities or contingent liabilities, including amounts that have been reclassified in accordance with paragraph 3.2.23(a) of AASB 9/NZ IFRS 9; and (b) the terms and conditions relating to its pledge.	**Collateral** 14 An entity shall disclose: (a) the carrying amount of financial assets it has pledged as collateral for liabilities or contingent liabilities, including amounts that have been reclassified in accordance with paragraph 3.2.23(a) of AASB 9/NZ IFRS 9; and (b) the terms and conditions relating to its pledge.	Paragraph 14 is a Key Disclosure Area (current liquidity and solvency and commitments and contingencies) – the benefits of providing the disclosure exceed the costs, except for the shaded words in paragraph 14(a). Therefore, paragraph 14, except for the shaded words, is kept for Tier 2 entities.

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Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
15 When an entity holds collateral (of financial or non-financial assets) and is permitted to sell or repledge the collateral in the absence of default by the owner of the collateral, it shall disclose: (a) the fair value of the collateral held; (b) the fair value of any such collateral sold or repledged, and whether the entity has an obligation to return it; and (c) the terms and conditions associated with its use of the collateral.	15 When an entity holds collateral (of financial or non-financial assets) and is permitted to sell or repledge the collateral in the absence of default by the owner of the collateral, it shall disclose: (a) the fair value of the collateral held; (b) the fair value of any such collateral sold or repledged, and whether the entity has an obligation to return it; and (c) the terms and conditions associated with its use of the collateral.	Paragraph 15 is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore paragraph 15 is reduced for Tier 2 entities.
Allowance account for credit losses 16 [Deleted by IASB]	**Allowance account for credit losses** 16 [Deleted by IASB]	
16A The carrying amount of financial assets measured at fair value through other comprehensive income in accordance with paragraph 4.1.2A of AASB 9/NZ 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.	16A The carrying amount of financial assets measured at fair value through other comprehensive income in accordance with paragraph 4.1.2A of AASB 9/NZ 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.	Paragraph 16A is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 16A is reduced for Tier 2 entities.

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Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
Compound financial instruments with multiple embedded derivatives 17 If an entity has issued an instrument that contains both a liability and an equity component (see paragraph 28 of AASB 132/NZ IAS 32) and the instrument has multiple embedded derivatives whose values are interdependent (such as a callable convertible debt instrument), it shall disclose the existence of those features.	**Compound financial instruments with multiple embedded derivatives** 17 If an entity has issued an instrument that contains both a liability and an equity component (see paragraph 28 of AASB 132/NZ IAS 32) and the instrument has multiple embedded derivatives whose values are interdependent (such as a callable convertible debt instrument), it shall disclose the existence of those features.	Paragraph 17 is a Key Disclosure Area (current liquidity and solvency) – the benefits of providing the disclosure exceed the costs. Therefore paragraph 17 is kept for Tier 2 entities.
Defaults and breaches 18 For *loans payable* recognised at the end of the reporting period, an entity shall disclose: (a) details of any defaults during the period of principal, interest, sinking fund, or redemption terms of those loans payable;	**Defaults and breaches** 18 For *loans payable* recognised at the end of the reporting period, an entity shall disclose: (a) details of any defaults during the period of principal, interest, sinking fund, or redemption terms of those loans payable;	Paragraph 18(a) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore paragraph 18(a) is reduced for Tier 2 entities.
(b) the carrying amount of the loans payable in default at the end of the reporting period; and **(c) whether the default was remedied, or the terms of the loans payable were renegotiated, before the financial statements were authorised for issue.**	(b) the carrying amount of the loans payable in default at the end of the reporting period; and (c) whether the default was remedied, or the terms of the loans payable were renegotiated, before the financial statements were authorised for issue.	Paragraphs 18(b) and (c) are a Key Disclosure Area (current liquidity and solvency) – the benefits of providing the disclosure exceed the costs. Therefore paragraphs 18(b) and (c) are kept for Tier 2 entities.
RDR 18.1 For *loans payable* recognised at the end of the reporting period for which there is a breach of terms or default of principal or interest, sinking fund, or redemption terms that has not been remedied by the end of the reporting period, an entity applying Australian Accounting Standards – Reduced Disclosure Requirements/a Tier 2 entity shall disclose the following:	~~RDR 18.1 For *loans payable* recognised at the end of the reporting period for which there is a breach of terms or default of principal or interest, sinking fund, or redemption terms that has not been remedied by the end of the reporting period, an entity applying Australian Accounting Standards – Reduced Disclosure Requirements/a Tier 2 entity shall disclose the following:~~	Paragraph RDR 18.1 is no longer needed because paragraphs 18(b) and (c) are kept for Tier 2 entities.

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(a) details of the breach or default; (b) the carrying amount of the related loans payable at the end of the period; and (c) whether the breach or default was remedied, or the terms of the loans payable were negotiated, before the financial statements were authorised for issue.	~~(a) details of the breach or default;~~ ~~(b) the carrying amount of the related loans payable at the end of the period; and~~ ~~(c) whether the breach or default was remedied, or the terms of the loans payable were negotiated, before the financial statements were authorised for issue.~~	
19 If, during the period, there were breaches of loan agreement terms other than those described in paragraph 18, an entity shall disclose the same information as required by paragraph 18 if those breaches permitted the lender to demand accelerated repayment (unless the breaches were remedied, or the terms of the loan were renegotiated, on or before the end of the reporting period).	19 If, during the period, there were breaches of loan agreement terms other than those described in paragraph 18, an entity shall disclose the same information as required by paragraph 18 if those breaches permitted the lender to demand accelerated repayment (unless the breaches were remedied, or the terms of the loan were renegotiated, on or before the end of the reporting period).	Paragraph 19 is a Key Disclosure Area (current liquidity and solvency) – the benefits of providing the disclosure exceed the costs. Therefore paragraph 19 is kept for Tier 2 entities.
Statement of comprehensive income **Items of income, expense, gains or losses** 20 An entity shall disclose the following items of income, expense, gains or losses either in the statement of comprehensive income or in the notes: (a) net gains or net losses on: (i) financial assets or financial liabilities measured at fair value through profit or loss, showing separately those on financial assets or financial liabilities designated as such upon initial recognition or subsequently in accordance with paragraph 6.7.1 of AASB 9/NZ IFRS 9, and those on financial assets or financial liabilities	**Statement of comprehensive income** **Items of income, expense, gains or losses** 20 An entity shall disclose the following items of income, expense, gains or losses either in the statement of comprehensive income or in the notes: (a) net gains or net losses on: (i) financial assets or financial liabilities measured at fair value through profit or loss, showing separately those on financial assets or financial liabilities designated as such upon initial recognition or subsequently in accordance with paragraph 6.7.1 of AASB 9/NZ IFRS 9, and those on financial assets or financial liabilities	Paragraph 20(a) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 20(a) is reduced for Tier 2 entities.

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that are mandatorily measured at fair value through profit or loss in accordance with AASB 9/NZ IFRS 9 (eg financial liabilities that meet the definition of held for trading in AASB 9/NZ IFRS 9). For financial liabilities designated as at fair value through profit or loss, an entity shall show separately the amount of gain or loss recognised in other comprehensive income and the amount recognised in profit or loss. (ii)–(iv) [deleted by IASB] (v) financial liabilities measured at amortised cost. (vi) financial assets measured at amortised cost. (vii) investments in equity instruments designated at fair value through other comprehensive income in accordance with paragraph 5.7.5 of AASB 9/NZ IFRS 9. (viii) financial assets measured at fair value through other comprehensive income in accordance with paragraph 4.1.2A of AASB 9/NZ IFRS 9, showing separately the amount of gain or loss recognised in other comprehensive income during the period and the amount reclassified upon derecognition from accumulated other comprehensive income to profit or	that are mandatorily measured at fair value through profit or loss in accordance with AASB 9/NZ IFRS 9 (eg financial liabilities that meet the definition of held for trading in AASB 9/NZ IFRS 9). For financial liabilities designated as at fair value through profit or loss, an entity shall show separately the amount of gain or loss recognised in other comprehensive income and the amount recognised in profit or loss. (ii)–(iv) [deleted by IASB] (v) financial liabilities measured at amortised cost. (vi) financial assets measured at amortised cost. (vii) investments in equity instruments designated at fair value through other comprehensive income in accordance with paragraph 5.7.5 of AASB 9/NZ IFRS 9. (viii) financial assets measured at fair value through other comprehensive income in accordance with paragraph 4.1.2A of AASB 9/NZ IFRS 9, showing separately the amount of gain or loss recognised in other comprehensive income during the period and the amount reclassified upon derecognition from accumulated other comprehensive income to profit or	

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Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
loss for the period.	loss for the period.	
(b) total interest revenue and total interest expense (calculated using the effective interest method) for financial assets that are measured at amortised cost or that are measured at fair value through other comprehensive income in accordance with paragraph 4.1.2A of AASB 9/NZ IFRS 9 (showing these amounts separately); or financial liabilities that are not measured at fair value through profit or loss.	(b) total interest revenue and total interest expense (calculated using the effective interest method) for financial assets that are measured at amortised cost or that are measured at fair value through other comprehensive income in accordance with paragraph 4.1.2A of AASB 9/NZ IFRS 9 (showing these amounts separately); or financial liabilities that are not measured at fair value through profit or loss.	Paragraph 20(b) requires disclosure of total interest revenue and total interest expense calculated using the effective interest method. Paragraph 82 of AASB 101/NZ IAS 1 requires the presentation of line items in profit or loss for interest revenue calculated using the effective interest method and finance costs Therefore, paragraph 20(b) is reduced for Tier 2 entities.
(c) 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 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. (d)–(e) [deleted by IASB]	(c) 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 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. (d)–(e) [deleted by IASB]	Paragraph 20(c) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 20(c) is reduced for Tier 2 entities.
RDR 20.1 A Tier 2 entity shall disclose, either in the statement of comprehensive income or in the notes, net gains or losses on financial assets or financial liabilities measured at fair value through profit or loss. For financial liabilities designated as at fair value through profit or loss, an entity shall show separately the amount of gain or loss recognised in	~~RDR 20.1 A Tier 2 entity shall disclose, either in the statement of comprehensive income or in the notes, net gains or losses on financial assets or financial liabilities measured at fair value through profit or loss. For financial liabilities designated as at fair value through profit or loss, an entity shall show separately the amount of gain or loss recognised in~~	Paragraph RDR 20.1 is deleted because it is no longer needed. All of paragraph 20 is now reduced for Tier 2 entities.

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Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
other comprehensive income and the amount recognised in profit or loss.	~~other comprehensive income and the amount recognised in profit or loss.~~	
20A An entity shall disclose an analysis of the gain or loss recognised in the statement of comprehensive income arising from the derecognition of financial assets measured at amortised cost, showing separately gains and losses arising from derecognition of those financial assets. This disclosure shall include the reasons for derecognising those financial assets.	20A An entity shall disclose an analysis of the gain or loss recognised in the statement of comprehensive income arising from the derecognition of financial assets measured at amortised cost, showing separately gains and losses arising from derecognition of those financial assets. This disclosure shall include the reasons for derecognising those financial assets.	Paragraph 82(aa) of AASB 101/NZ IAS 1 requires the presentation of a line item in profit or loss for gains and losses arising from the derecognition of financial assets measured at amortised cost. This disclosure provides more analysis of the AASB 101/NZ IAS 1 line item, so is similar to a reconciliation. Therefore, paragraph 20A is reduced for Tier 2 entities.
Other disclosures **Accounting policies** 21 In accordance with paragraph 117 of AASB 101/NZ IAS 1 *Presentation of Financial Statements* (as revised in 2007), an entity discloses its significant accounting policies comprising the measurement basis (or bases) used in preparing the financial statements and the other accounting policies used that are relevant to an understanding of the financial statements.	**Other disclosures** **Accounting policies** 21 In accordance with paragraph 117 of AASB 101/NZ IAS 1 *Presentation of Financial Statements* (as revised in 2007), an entity discloses its significant accounting policies comprising the measurement basis (or bases) used in preparing the financial statements and the other accounting policies used that are relevant to an understanding of the financial statements.	The AASB has decided to rely on the requirement in AASB 101and AASB 108 for disclosures about accounting policies. This would be reduced in AASB 7 – the requirements of paragraph 117 or AASB 101 are sufficient
Hedge accounting 21A An entity shall apply the disclosure requirements in paragraphs 21B–24F for those risk exposures that an entity hedges and for which it elects to apply hedge accounting. Hedge accounting disclosures shall provide information about: (a) an entity's risk management strategy and how it is applied to manage risk;	**Hedge accounting** 21A An entity shall apply the disclosure requirements in paragraphs 21B–24F for those risk exposures that an entity hedges and for which it elects to apply hedge accounting. Hedge accounting disclosures shall provide information about: (a) an entity's risk management strategy and how it is applied to manage risk;	Paragraph 21A requires disclosures to meet a stated objective. Therefore, paragraph 21A is reduced for Tier 2 entities.

Comment [VS11]: The NZASB has decided to not rely solely on the requirements in NZ IAS 1 and NZ IAS 8 for disclosures about accounting policies. This would be kept in NZ IFRS 7. Paragraph 21 is a Key Disclosure Area (accounting policy on recognition or measurement) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 21 is kept for Tier 2 entities.

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Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
(b) how the entity's hedging activities may affect the amount, timing and uncertainty of its future cash flows; and (c) the effect that hedge accounting has had on the entity's statement of financial position, statement of comprehensive income and statement of changes in equity.	(b) how the entity's hedging activities may affect the amount, timing and uncertainty of its future cash flows; and (c) the effect that hedge accounting has had on the entity's statement of financial position, statement of comprehensive income and statement of changes in equity.	
(d)	(c) the effect that hedge accounting has had on the entity's statement of financial position, statement of comprehensive income and statement of changes in equity.	Paragraphs 21A(c) is a disclosure objective/principles for paragraphs 24A–24F, most of which are reduced for Tier 2 entities. Therefore, paragraph 21A(c) is reduced for Tier 2 entities.
21B An entity shall present the required disclosures in a single note or separate section in its financial statements. However, an entity need not duplicate information that is already presented elsewhere, provided that the information is 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. Without the information incorporated by cross-reference, the financial statements are incomplete.	21B An entity shall present the required disclosures in a single note or separate section in its financial statements. However, an entity need not duplicate information that is already presented elsewhere, provided that the information is 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. Without the information incorporated by cross-reference, the financial statements are incomplete.	In general, guidance for disclosures that are required to be provided by Tier 2 entities is kept. The AASB has decided to reduce some of the guidance for disclosures that would otherwise be kept for Tier 2 entities, in particular where the guidance is considered to be unnecessary for Tier 2 entities in meeting the related disclosure requirement.Paragraph 21B is reduced in AASB 7.
21C When paragraphs 22A–24F require the entity to separate by risk category the information disclosed, the entity shall determine each risk category on the basis of the risk exposures an entity decides to hedge and for which hedge accounting is applied. An entity shall determine risk categories consistently for all	21C When paragraphs 22A–24F require the entity to separate by risk category the information disclosed, the entity shall determine each risk category on the basis of the risk exposures an entity decides to hedge and for which hedge accounting is applied. An entity shall determine risk categories consistently for all	Paragraph 21C is guidance about determining risk categories. Therefore, paragraph 21C is kept for Tier 2 entities.

Comment [VS12]: In general, guidance for disclosures that are required to be provided by Tier 2 entities is kept. The NZASB has decided to keep all of the guidance that relates to disclosures that Tier 2 entities are required to provide. This would be kept in NZ IFRS 7. Paragraph 21B is guidance for providing disclosures about hedging in one note.
Therefore, paragraph 21B is kept for Tier 2 entities.

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Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
hedge accounting disclosures.	hedge accounting disclosures.	
21D To meet the objectives in paragraph 21A, an entity shall (except as otherwise specified below) determine how much detail to disclose, how much emphasis to place on different aspects of the disclosure requirements, the appropriate level of aggregation or disaggregation, and whether users of financial statements need additional explanations to evaluate the quantitative information disclosed. However, an entity shall use the same level of aggregation or disaggregation it uses for disclosure requirements of related information in this Standard/NZ IFRS and AASB 13/NZ IFRS 13 *Fair Value Measurement*.	21D To meet the objectives in paragraph 21A, an entity shall (except as otherwise specified below) determine how much detail to disclose, how much emphasis to place on different aspects of the disclosure requirements, the appropriate level of aggregation or disaggregation, and whether users of financial statements need additional explanations to evaluate the quantitative information disclosed. However, an entity shall use the same level of aggregation or disaggregation it uses for disclosure requirements of related information in this Standard/NZ IFRS and AASB 13/NZ IFRS 13 *Fair Value Measurement*.	In general, guidance for disclosures that are required to be provided by Tier 2 entities is kept. The AASB has decided to reduce some of the guidance for disclosures that would otherwise be kept for Tier 2 entities, in particular where the guidance is considered to be unnecessary for Tier 2 entities in meeting the related disclosure requirement. Paragraph 21D is reduced in AASB 7.
The risk management strategy 22 [Deleted by IASB]	*The risk management strategy* 22 [Deleted by IASB]	
22A An entity shall explain its risk management strategy for each risk category of risk exposures that it decides to hedge and for which hedge accounting is applied. This explanation should enable users of financial statements to evaluate (for example): (a) how each risk arises. (b) how the entity manages each risk; this includes whether the entity hedges an item in its entirety for all risks or hedges a risk component (or components) of an item and why. (c) the extent of risk exposures that the entity manages.	22A An entity shall explain its risk management strategy for each risk category of risk exposures that it decides to hedge and for which hedge accounting is applied. This explanation should enable users of financial statements to evaluate (for example): (a) how each risk arises. (b) how the entity manages each risk; this includes whether the entity hedges an item in its entirety for all risks or hedges a risk component (or components) of an item and why. (c) the extent of risk exposures that the entity manages.	The first sentence of paragraph 22A is a Key Disclosure Area (associated risks specific to a transaction or event) – the benefits of providing the disclosure exceed the costs. The remainder of paragraph 22A is guidance of a general nature to enable users to evaluate those risks and how the entity manages each risk. Therefore, the first sentence of paragraph 22A is kept for Tier 2 entities and subparagraphs (a)–(c) are reduced for Tier 2 entities.

Comment [VS13]: In general, guidance for disclosures that are required to be provided by Tier 2 entities is kept. The NZASB has decided to keep all of the guidance that relates to disclosures that Tier 2 entities are required to provide. This would be kept in NZ IFRS 7. Paragraph 21D is guidance about the level of aggregation and disaggregation of disclosures, which are to be on the same basis as AASB 13/NZ IFRS 13. Therefore paragraph 21D is kept for Tier 2 entities, except for the reference to paragraph 21A, which is reduced for Tier 2 entities.

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Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
22B To meet the requirements in paragraph 22A, the information should include (but is not limited to) a description of: (a) the hedging instruments that are used (and how they are used) to hedge risk exposures; (b) how the entity determines the economic relationship between the hedged item and the hedging instrument for the purpose of assessing hedge effectiveness; and (c) how the entity establishes the hedge ratio and what the sources of hedge ineffectiveness are.	22B To meet the requirements in paragraph 22A, the information should include (but is not limited to) a description of: (a) the hedging instruments that are used (and how they are used) to hedge risk exposures; (b) how the entity determines the economic relationship between the hedged item and the hedging instrument for the purpose of assessing hedge effectiveness; and (c) how the entity establishes the hedge ratio and what the sources of hedge ineffectiveness are.	Paragraph 22B is a Key Disclosure Area (associated risks specific to a transaction or event) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 22B is kept for Tier 2 entities.
22C When an entity designates a specific risk component as a hedged item (see paragraph 6.3.7 of AASB 9/NZ IFRS 9) it shall provide, in addition to the disclosures required by paragraphs 22A and 22B, qualitative or quantitative information about: (a) 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); and (b) how the risk component relates to the item in its entirety (for example, the designated risk component historically covered on average 80 per cent of the changes in fair value of the item as a whole).	22C When an entity designates a specific risk component as a hedged item (see paragraph 6.3.7 of AASB 9/NZ IFRS 9) it shall provide, in addition to the disclosures required by paragraphs 22A and 22B, qualitative or quantitative information about: (a) 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); and (b) how the risk component relates to the item in its entirety (for example, the designated risk component historically covered on average 80 per cent of the changes in fair value of the item as a whole).	Paragraph 22C is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 22C is reduced for Tier 2 entities.
The amount, timing and uncertainty of future cash flows 23 [Deleted by IASB]	*The amount, timing and uncertainty of future cash flows* 23 [Deleted by IASB]	

AASB 7/NZ IFRS 7 *Financial Instruments: Disclosures*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
23A Unless exempted by paragraph 23C, an entity shall disclose by risk category quantitative information to allow users of its financial statements to evaluate the terms and conditions of hedging instruments and how they affect the amount, timing and uncertainty of future cash flows of the entity.	23A Unless exempted by paragraph 23C, an entity shall disclose by risk category quantitative information to allow users of its financial statements to evaluate the terms and conditions of hedging instruments and how they affect the amount, timing and uncertainty of future cash flows of the entity.	Paragraph 23A is a Key Disclosure Area (associated risks specific to a transaction or event, and current liquidity and solvency for cash flow hedges) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 23A is kept for Tier 2 entities.
23B To meet the requirement in paragraph 23A, an entity shall provide a breakdown that discloses: (a) a profile of the timing of the nominal amount of the hedging instrument; and (b) if applicable, the average price or rate (for example strike or forward prices etc) of the hedging instrument.	23B To meet the requirement in paragraph 23A, an entity shall provide a breakdown that discloses: (a) a profile of the timing of the nominal amount of the hedging instrument; and (b) if applicable, the average price or rate (for example strike or forward prices etc) of the hedging instrument.	Paragraph 23B is guidance for paragraph 23A, which is kept for Tier 2 entities. Therefore, paragraph 23B is kept for Tier 2 entities.
23C In situations in which an entity frequently resets (ie discontinues and restarts) hedging relationships because both the hedging instrument and the hedged item frequently change (ie the entity uses a dynamic process in which both the exposure and the hedging instruments used to manage that exposure do not remain the same for long—such as in the example in paragraph B6.5.24(b) of AASB 9/NZ IFRS 9) the entity: (a) is exempt from providing the disclosures required by paragraphs 23A and 23B.	23C In situations in which an entity frequently resets (ie discontinues and restarts) hedging relationships because both the hedging instrument and the hedged item frequently change (ie the entity uses a dynamic process in which both the exposure and the hedging instruments used to manage that exposure do not remain the same for long—such as in the example in paragraph B6.5.24(b) of AASB 9/NZ IFRS 9) the entity: (a) is exempt from providing the disclosures required by paragraphs 23A and 23B.	Paragraph 23C(a) gives an exemption from providing the disclosures required by paragraphs 23A and 23B, both of which are kept for Tier 2 entities. Therefore, paragraph 23C(a) is kept for Tier 2 entities.
(b) shall disclose: (i) information about what the ultimate risk management strategy is in relation to those hedging	(b) shall disclose: (i) information about what the ultimate risk management strategy is in relation to those hedging	Paragraph 23C(b) is a Key Disclosure Area (associated risks specific to a transaction or event) – the benefits of providing the disclosure exceed the costs.

AASB 7/NZ IFRS 7 *Financial Instruments: Disclosures*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
relationships; (ii) a description of how it reflects its risk management strategy by using hedge accounting and designating those particular hedging relationships; and (iii) an indication of how frequently the hedging relationships are discontinued and restarted as part of the entity's process in relation to those hedging relationships.	relationships; (ii) a description of how it reflects its risk management strategy by using hedge accounting and designating those particular hedging relationships; and (iii) an indication of how frequently the hedging relationships are discontinued and restarted as part of the entity's process in relation to those hedging relationships.	Therefore, paragraph 23C(b) is kept for Tier 2 entities.
23D An entity shall disclose by risk category a description of the sources of hedge ineffectiveness that are expected to affect the hedging relationship during its term.	23D An entity shall disclose by risk category a description of the sources of hedge ineffectiveness that are expected to affect the hedging relationship during its term.	Paragraph 23D is a Key Disclosure Area (associated risks specific to a transaction or event) – the benefits of providing the disclosure exceed the costs. However, the disclosure is adequately covered by paragraph 22B(c), which is kept for Tier 2 entities. Therefore, paragraph23D is reduced for Tier 2 entities.
23E If other sources of hedge ineffectiveness emerge in a hedging relationship, an entity shall disclose those sources by risk category and explain the resulting hedge ineffectiveness.	23E If other sources of hedge ineffectiveness emerge in a hedging relationship, an entity shall disclose those sources by risk category and explain the resulting hedge ineffectiveness.	Paragraph 23E is not a Key Disclosure Area– the costs of providing the disclosure exceed the benefits. Therefore, paragraph23E is reduced for Tier 2 entities.
23F For cash flow hedges, an entity shall disclose a description of any forecast transaction for which hedge accounting had been used in the previous period, but which is no longer expected to occur.	23F For cash flow hedges, an entity shall disclose a description of any forecast transaction for which hedge accounting had been used in the previous period, but which is no longer expected to occur.	Paragraph 23F is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 23F is reduced for Tier 2 entities.

AASB 7/NZ IFRS 7 *Financial Instruments: Disclosures*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
The effects of hedge accounting on financial position and performance 24 [Deleted by IASB]	*The effects of hedge accounting on financial position and performance* 24 [Deleted by IASB]	
24A An entity shall disclose, in a tabular format, 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);	24A An entity shall disclose, in a tabular format, 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);	Paragraph 24A(a) is a key Disclosure Area(current liquidity and solvency) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 24A(a) is kept for Tier 2 entities.
(b) the line item in the statement of financial position that includes the hedging instrument; (c) the change in fair value of the hedging instrument used as the basis for recognising hedge ineffectiveness for the period; and	(b) the line item in the statement of financial position that includes the hedging instrument; (c) the change in fair value of the hedging instrument used as the basis for recognising hedge ineffectiveness for the period; and	Paragraph 24A(b) and (c) are not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore paragraphs 24A(b) and (c) are reduced for Tier 2 entities.
(d) the nominal amounts (including quantities such as tonnes or cubic metres) of the hedging instruments.	(d) the nominal amounts (including quantities such as tonnes or cubic metres) of the hedging instruments.	Paragraph 24A(d) is a Key Disclosure Area (nature of the transaction or event that makes it significant or material) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph24A(d) is kept for Tier 2 entities.
24B An entity shall disclose, in a tabular format, the following amounts related to hedged items separately by risk category for the types of hedges as follows: (a) for fair value hedges:	24B An entity shall disclose, in a tabular format, the following amounts related to hedged items separately by risk category for the types of hedges as follows: (a) for fair value hedges:	Paragraph 24B(a) is not a Key Disclosure Area

AASB 7/NZ IFRS 7 *Financial Instruments: Disclosures*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
(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) the accumulated amount of fair value hedge adjustments remaining in the statement of financial position for any hedged items that have ceased to be adjusted for hedging gains and losses in accordance with paragraph 6.5.10 of AASB 9/NZ IFRS 9.	(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) the accumulated amount of fair value hedge adjustments remaining in the statement of financial position for any hedged items that have ceased to be adjusted for hedging gains and losses in accordance with paragraph 6.5.10 of AASB 9/NZ IFRS 9.	– the costs of providing the disclosure exceed the benefits. Therefore paragraph 24B(a) is reduced for Tier 2 entities.
(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 (ie for cash flow hedges the change in value used to determine the recognised	(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 (ie for cash flow hedges the change in value used to determine the recognised	Paragraph 24B(b) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore paragraph 24B(b) is reduced for Tier 2 entities.

AASB 7/NZ IFRS 7 *Financial Instruments: Disclosures*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
hedge ineffectiveness in accordance with paragraph 6.5.11(c) of AASB 9/NZ IFRS 9); (ii) the balances in the cash flow hedge reserve and the foreign currency translation reserve for continuing hedges that are accounted for in accordance with paragraphs 6.5.11 and 6.5.13(a) of AASB 9/NZ IFRS 9; and (iii) the balances remaining in the cash flow hedge reserve and the foreign currency translation reserve from any hedging relationships for which hedge accounting is no longer applied.	hedge ineffectiveness in accordance with paragraph 6.5.11(c) of AASB 9/NZ IFRS 9); (ii) the balances in the cash flow hedge reserve and the foreign currency translation reserve for continuing hedges that are accounted for in accordance with paragraphs 6.5.11 and 6.5.13(a) of AASB 9/NZ IFRS 9; and (iii) the balances remaining in the cash flow hedge reserve and the foreign currency translation reserve from any hedging relationships for which hedge accounting is no longer applied.	
RDR 24B.1 A Tier 2 entity is not required to make the disclosures required by paragraph 24B in a tabular format.	~~RDR 24B.1 A Tier 2 entity is not required to make the disclosures required by paragraph 24B in a tabular format.~~	Paragraph RDR 24B.1 is deleted because it is no longer needed. All of paragraph 24B is now reduced for Tier 2 entities.
24C An entity shall disclose, in a tabular format, the following amounts separately by risk category for the types of hedges as follows: (a) for fair value hedges: (i) hedge ineffectiveness—ie 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	24C An entity shall disclose, in a tabular format, the following amounts separately by risk category for the types of hedges as follows: (a) for fair value hedges: (i) hedge ineffectiveness—ie 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	Paragraph 24C(a) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore paragraph 24C(a) is reduced for Tier 2 entities.

AASB 7/NZ IFRS 7 *Financial Instruments: Disclosures*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
accordance with paragraph 5.7.5 of AASB 9/NZ IFRS 9); and (ii) the line item in the statement of comprehensive income that includes the recognised hedge ineffectiveness.	accordance with paragraph 5.7.5 of AASB 9/NZ IFRS 9); and (ii) the line item in the statement of comprehensive income that includes the recognised hedge ineffectiveness.	
(b) for cash flow hedges and hedges of a net investment in a foreign operation: (i) hedging gains or losses of the reporting period that were recognised in other comprehensive income; (ii) hedge ineffectiveness recognised in profit or loss; (iii) the line item in the statement of comprehensive income that includes the recognised hedge ineffectiveness; (iv) the amount reclassified from the cash flow hedge reserve or the foreign currency translation reserve into profit or loss as a reclassification adjustment (see AASB 101/NZ 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); (v) the line item in the statement of comprehensive income that includes the reclassification adjustment (see	(b) for cash flow hedges and hedges of a net investment in a foreign operation: (i) hedging gains or losses of the reporting period that were recognised in other comprehensive income; (ii) hedge ineffectiveness recognised in profit or loss; (iii) the line item in the statement of comprehensive income that includes the recognised hedge ineffectiveness; (iv) the amount reclassified from the cash flow hedge reserve or the foreign currency translation reserve into profit or loss as a reclassification adjustment (see AASB 101/NZ 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); (v) the line item in the statement of comprehensive income that includes the reclassification adjustment (see	Paragraph 24C(b) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore paragraph 24C(b) is reduced for Tier 2 entities.

AASB 7/NZ IFRS 7 *Financial Instruments: Disclosures*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
AASB 101/NZ IAS 1); and (vi) for hedges of net positions, the hedging gains or losses recognised in a separate line item in the statement of comprehensive income (see paragraph 6.6.4 of AASB 9/NZ IFRS 9).	AASB 101/NZ IAS 1); and (vi) for hedges of net positions, the hedging gains or losses recognised in a separate line item in the statement of comprehensive income (see paragraph 6.6.4 of AASB 9/NZ IFRS 9).	
RDR 24C.1 A Tier 2 entity is not required to make the disclosures required by paragraph 24C in a tabular format. RDR 24C.2 A Tier 2 entity is required to disclose only the amount reclassified from the cash flow hedge reserve or the foreign currency translation reserve into profit or loss as a reclassification adjustment in accordance with paragraph 24C(b)(iv).	RDR 24C.1 ~~A Tier 2 entity is not required to make the disclosures required by paragraph 24C in a tabular format.~~ RDR 24C.2 ~~A Tier 2 entity is required to disclose only the amount reclassified from the cash flow hedge reserve or the foreign currency translation reserve into profit or loss as a reclassification adjustment in accordance with paragraph 24C(b)(iv).~~	Paragraphs RDR 24C.1 and RDR 24C.2 are deleted because they are no longer needed. All of paragraph 24C is now reduced for Tier 2 entities.
24D When the volume of hedging relationships to which the exemption in paragraph 23C applies is unrepresentative of normal volumes during the period (ie the volume at the reporting date does not reflect the volumes during the period) an entity shall disclose that fact and the reason it believes the volumes are unrepresentative.	24D When the volume of hedging relationships to which the exemption in paragraph 23C applies is unrepresentative of normal volumes during the period (ie the volume at the reporting date does not reflect the volumes during the period) an entity shall disclose that fact and the reason it believes the volumes are unrepresentative.	Paragraph 24D is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore paragraph 24D is reduced for Tier 2 entities.
24E An entity shall provide a reconciliation of each component of equity and an analysis of other comprehensive income in accordance with AASB 101/NZ IAS 1 that, taken together: (a) differentiates, at a minimum, between the amounts that relate to the disclosures in paragraph 24C(b)(i) and (b)(iv) as well as the	24E An entity shall provide a reconciliation of each component of equity and an analysis of other comprehensive income in accordance with AASB 101/NZ IAS 1 that, taken together: (a) differentiates, at a minimum, between the amounts that relate to the disclosures in paragraph 24C(b)(i) and (b)(iv) as well as the	Paragraph 24E requires a reconciliation. Reconciliations are not kept under the Tier 2 Disclosure Principles. Therefore, paragraph 24E is reduced for Tier 2 entities.

AASB 7/NZ IFRS 7 *Financial Instruments: Disclosures*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
amounts accounted for in accordance with paragraph 6.5.11(d)(i) and (d)(iii) of AASB 9/NZ IFRS 9; (b) differentiates between the amounts associated with the time value of options that hedge transaction related hedged items and the amounts associated with the time value of options that hedge time-period related hedged items when an entity accounts for the time value of an option in accordance with paragraph 6.5.15 of AASB 9/NZ IFRS 9; and (c) differentiates between the amounts associated with forward elements of forward contracts and the foreign currency basis spreads of financial instruments that hedge transaction related hedged items, and the amounts associated with forward elements of forward contracts and the foreign currency basis spreads of financial instruments that hedge time-period related hedged items when an entity accounts for those amounts in accordance with paragraph 6.5.16 of AASB 9/NZ IFRS 9.	amounts accounted for in accordance with paragraph 6.5.11(d)(i) and (d)(iii) of AASB 9/NZ IFRS 9; (b) differentiates between the amounts associated with the time value of options that hedge transaction related hedged items and the amounts associated with the time value of options that hedge time-period related hedged items when an entity accounts for the time value of an option in accordance with paragraph 6.5.15 of AASB 9/NZ IFRS 9; and (c) differentiates between the amounts associated with forward elements of forward contracts and the foreign currency basis spreads of financial instruments that hedge transaction related hedged items, and the amounts associated with forward elements of forward contracts and the foreign currency basis spreads of financial instruments that hedge time-period related hedged items when an entity accounts for those amounts in accordance with paragraph 6.5.16 of AASB 9/NZ IFRS 9.	
24F An entity shall disclose the information required in paragraph 24E separately by risk category. This disaggregation by risk may be provided in the notes to the financial statements.	24F An entity shall disclose the information required in paragraph 24E separately by risk category. This disaggregation by risk may be provided in the notes to the financial statements.	Paragraph 24F is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore paragraph 24F is reduced for Tier 2 entities.
Option to designate a credit exposure as measured at fair value through profit or loss 24G If an entity designated a financial instrument, or a	*Option to designate a credit exposure as measured at fair value through profit or loss* 24G If an entity designated a financial instrument, or a	

AASB 7/NZ IFRS 7 ***Financial Instruments: Disclosures***		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
proportion of it, as measured at fair value through profit or loss because it uses a credit derivative to manage the credit risk of that financial instrument it shall disclose: (a) for credit derivatives that have been used to manage the credit risk of financial instruments designated as measured at fair value through profit or loss in accordance with paragraph 6.7.1 of AASB 9/NZ IFRS 9, a reconciliation of each of the nominal amount and the fair value at the beginning and at the end of the period;	proportion of it, as measured at fair value through profit or loss because it uses a credit derivative to manage the credit risk of that financial instrument it shall disclose: (a) for credit derivatives that have been used to manage the credit risk of financial instruments designated as measured at fair value through profit or loss in accordance with paragraph 6.7.1 of AASB 9/NZ IFRS 9, a reconciliation of each of the nominal amount and the fair value at the beginning and at the end of the period;	Paragraph 24G(a) requires a reconciliation. Reconciliations are not required under the Tier 2 Disclosure Principles. Therefore, paragraph 24G is reduced for Tier 2 entities.
(b) the gain or loss recognised in profit or loss on designation of a financial instrument, or a proportion of it, as measured at fair value through profit or loss in accordance with paragraph 6.7.1 of AASB 9/NZ IFRS 9; and	(b) the gain or loss recognised in profit or loss on designation of a financial instrument, or a proportion of it, as measured at fair value through profit or loss in accordance with paragraph 6.7.1 of AASB 9/NZ IFRS 9; and	Paragraph 24G(b) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore paragraph 24G(b) is reduced for Tier 2 entities.
(c) on discontinuation of measuring a financial instrument, or a proportion of it, at fair value through profit or loss, that financial instrument's fair value that has become the new carrying amount in accordance with paragraph 6.7.4 of AASB 9/NZ IFRS 9 and the related nominal or principal amount (except for providing comparative information in accordance with AASB 101/NZ IAS 1, an entity does not need to continue this disclosure in subsequent periods).	(c) on discontinuation of measuring a financial instrument, or a proportion of it, at fair value through profit or loss, that financial instrument's fair value that has become the new carrying amount in accordance with paragraph 6.7.4 of AASB 9/NZ IFRS 9 and the related nominal or principal amount (except for providing comparative information in accordance with AASB 101/NZ IAS 1, an entity does not need to continue this disclosure in subsequent periods).	Paragraph 24G(c) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore paragraph 24G(c) is reduced for Tier 2 entities.
Fair value	**Fair value**	

AASB 7/NZ IFRS 7 *Financial Instruments: Disclosures*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
25 Except as set out in paragraph 29, for each class of financial assets and financial liabilities (see paragraph 6), an entity shall disclose the fair value of that class of assets and liabilities in a way that permits it to be compared with its carrying amount.	25 Except as set out in paragraph 29, for each class of financial assets and financial liabilities (see paragraph 6), an entity shall disclose the fair value of that class of assets and liabilities in a way that permits it to be compared with its carrying amount.	Paragraph 25 is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore paragraph 25 is reduced for Tier 2 entities.
26 In disclosing fair values, an entity shall group financial assets and financial liabilities into classes, but shall offset them only to the extent that their carrying amounts are offset in the statement of financial position.	26 In disclosing fair values, an entity shall group financial assets and financial liabilities into classes, but shall offset them only to the extent that their carrying amounts are offset in the statement of financial position.	Paragraph 26 is guidance for paragraph 25, which is reduced for Tier 2 entities. Therefore, paragraph 26 is reduced for Tier 2 entities.
27–27B [Deleted by IASB]	27–27B [Deleted by IASB]	
28 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 (ie a Level 1 input) nor based on a valuation technique that uses only data from observable markets (see paragraph B5.1.2A of AASB 9/NZ 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 AASB 9/NZ IFRS 9).	28 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 (ie a Level 1 input) nor based on a valuation technique that uses only data from observable markets (see paragraph B5.1.2A of AASB 9/NZ 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 AASB 9/NZ IFRS 9).	The AASB has decided to rely on the requirement in AASB 101and AASB 108 for disclosures about accounting policies. This would be reduced in AASB 7 – the requirements of paragraph 117 if AASB 101 are sufficient

Comment [VS14]: The NZASB has decided to not rely solely on the requirements in NZ IAS 1 and NZ IAS 8 for disclosures about accounting policies. This would be kept in NZ IFRS 7 including the opening paragraph. Paragraph 28(a) is a Key Disclosure Area (accounting policy on recognition or measurement) – the benefits of providing the disclosure exceed the costs.
Therefore, paragraph 28(a) is kept for Tier 2 entities.

AASB 7/NZ IFRS 7 ***Financial Instruments: Disclosures***		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
(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. (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.	(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. (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.	Paragraphs 28(b) and (c) are not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraphs 28(b) and (c) are reduced for Tier 2 entities.
29 Disclosures of fair value are not required: (a) when the carrying amount is a reasonable approximation of fair value, for example, for financial instruments such as short-term trade receivables and payables;	29 Disclosures of fair value are not required: (a) when the carrying amount is a reasonable approximation of fair value, for example, for financial instruments such as short-term trade receivables and payables;	Paragraph 29(a) is guidance for when disclosures about fair value are not required. Therefore, paragraph 29(a) is kept for Tier 2 entities.
(b) [deleted by IASB] (c) for a contract containing a discretionary participation feature (as described in AASB 4/NZ IFRS 4) if the fair value of that feature cannot be measured reliably.	(b) [deleted by IASB] (c) for a contract containing a discretionary participation feature (as described in AASB 4/NZ IFRS 4) if the fair value of that feature cannot be measured reliably.	Paragraph 29(c) refers to AASB 4/NZ IFRS 4, which is not relevant for Tier 2 entities. Therefore, paragraph 29(c) is reduced for Tier 2 entities.
30 In the case described in paragraph 29(c), an entity shall disclose information to help users of the financial statements make their own judgements about the extent of possible differences between the carrying amount of those contracts and their fair value, including: (a) the fact that fair value information has not been disclosed for these instruments because their fair value cannot be measured reliably; (b) a description of the financial instruments, their carrying amount, and an explanation of	30 In the case described in paragraph 29(c), an entity shall disclose information to help users of the financial statements make their own judgements about the extent of possible differences between the carrying amount of those contracts and their fair value, including: (a) the fact that fair value information has not been disclosed for these instruments because their fair value cannot be measured reliably; (b) a description of the financial instruments, their carrying amount, and an explanation of	Paragraph 30 contains disclosure requirements regarding paragraph 29(c), which is reduced for Tier 2 entities. Therefore, paragraph 30 is reduced for Tier 2 entities.

AASB 7/NZ IFRS 7 *Financial Instruments: Disclosures*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
why fair value cannot be measured reliably; (c) information about the market for the instruments; (d) information about whether and how the entity intends to dispose of the financial instruments; and (e) if financial instruments whose fair value previously could not be reliably measured are derecognised, that fact, their carrying amount at the time of derecognition, and the amount of gain or loss recognised.	why fair value cannot be measured reliably; (c) information about the market for the instruments; (d) information about whether and how the entity intends to dispose of the financial instruments; and (e) if financial instruments whose fair value previously could not be reliably measured are derecognised, that fact, their carrying amount at the time of derecognition, and the amount of gain or loss recognised.	
Nature and extent of risks arising from financial instruments **31 An entity shall disclose information that enables users of its financial statements to evaluate the nature and extent of risks arising from financial instruments to which the entity is exposed at the end of the reporting period.**	**Nature and extent of risks arising from financial instruments** **31 An entity shall disclose information that enables users of its financial statements to evaluate the nature and extent of risks arising from financial instruments to which the entity is exposed at the end of the reporting period.**	Paragraph 31 requires disclosures to meet a stated objective. Therefore, paragraph 31 is reduced for Tier 2 entities.
32 The disclosures required by paragraphs 33–42 focus on the risks that arise from financial instruments and how they have been managed. These risks typically include, but are not limited to, credit risk, *liquidity risk* and market risk.	32 The disclosures required by paragraphs 33–42 focus on the risks that arise from financial instruments and how they have been managed. These risks typically include, but are not limited to, credit risk, *liquidity risk* and market risk.	Paragraph 32 is guidance for paragraphs 33–42, most of which are reduced for Tier 2 entities. Therefore, paragraph 32 is reduced for Tier 2 entities.
32A Providing qualitative disclosures in the context of quantitative disclosures enables users to link related disclosures and hence form an overall picture of the nature and extent of risks arising from financial instruments. The interaction between qualitative and quantitative disclosures contributes to disclosure of	32A Providing qualitative disclosures in the context of quantitative disclosures enables users to link related disclosures and hence form an overall picture of the nature and extent of risks arising from financial instruments. The interaction between qualitative and quantitative disclosures contributes to disclosure of	Paragraph 32A is guidance about linking qualitative and quantitative disclosures about an entity's exposure to risks. Therefore, paragraph 32A is kept for Tier 2 entities.

AASB 7/NZ IFRS 7 *Financial Instruments: Disclosures*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
information in a way that better enables users to evaluate an entity's exposure to risks.	information in a way that better enables users to evaluate an entity's exposure to risks.	
Qualitative disclosures 33 For each type of risk arising from financial instruments, an entity shall disclose: (a) the exposures to risk and how they arise; (b) its objectives, policies and processes for managing the risk and the methods used to measure the risk; and	**Qualitative disclosures** 33 For each type of risk arising from financial instruments, an entity shall disclose: (a) the exposures to risk and how they arise; (b) its objectives, policies and processes for managing the risk and the methods used to measure the risk; and	Paragraphs 33(a) and (b) are a Key Disclosure Area (associated risks specific to a transaction or event) – the benefits of providing the disclosure exceed the costs. Therefore, paragraphs 33(a) and (b) are kept for Tier 2 entities.
(c) any changes in (a) or (b) from the previous period.	(c) any changes in (a) or (b) from the previous period.	Paragraph 33(c) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 33(c) is reduced for Tier 2 entities.
Quantitative disclosures 34 For each type of risk arising from financial instruments, an entity shall disclose: (a) summary quantitative data about its exposure to that risk at the end of the reporting period. This disclosure shall be based on the information provided internally to key management personnel of the entity (as defined in AASB 124/NZ IAS 24 *Related Party Disclosures*), for example the entity's board of directors or chief executive officer. (b) the disclosures required by paragraphs 35A–42, to the extent not provided in accordance with (a).	**Quantitative disclosures** 34 For each type of risk arising from financial instruments, an entity shall disclose: (a) summary quantitative data about its exposure to that risk at the end of the reporting period. This disclosure shall be based on the information provided internally to key management personnel of the entity (as defined in AASB 124/NZ IAS 24 *Related Party Disclosures*), for example the entity's board of directors or chief executive officer. (b) the disclosures required by paragraphs 35A–42, to the extent not provided in accordance with (a).	Paragraph 34 is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 34 is reduced for Tier 2 entities.

AASB 7/NZ IFRS 7 *Financial Instruments: Disclosures*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
(c) concentrations of risk if not apparent from the disclosures made in accordance with (a) and (b).	(c) concentrations of risk if not apparent from the disclosures made in accordance with (a) and (b).	
35 If the quantitative data disclosed as at the end of the reporting period are unrepresentative of an entity's exposure to risk during the period, an entity shall provide further information that is representative.	35 If the quantitative data disclosed as at the end of the reporting period are unrepresentative of an entity's exposure to risk during the period, an entity shall provide further information that is representative.	Paragraph 35 is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 35 is reduced for Tier 2 entities.
Credit risk *Scope and objectives* 35A An entity shall apply the disclosure requirements in paragraphs 35F–35N to financial instruments to which the impairment requirements in AASB 9/NZ IFRS 9 are applied. However: (a) for trade receivables, contract assets and lease receivables, paragraph 35J(a) applies to those trade receivables, contract assets or lease receivables on which lifetime expected credit losses are recognised in accordance with paragraph 5.5.15 of AASB 9/NZ IFRS 9, if those financial assets are modified while more than 30 days past due; and **(b)** paragraph 35K(b) does not apply to lease receivables. and	**Credit risk** *Scope and objectives* 35A An entity shall apply the disclosure requirements in paragraphs 35F–35N to financial instruments to which the impairment requirements in AASB 9/NZ IFRS 9 are applied. However: (a) for trade receivables, contract assets and lease receivables, paragraph 35J(a) applies to those trade receivables, contract assets or lease receivables on which lifetime expected credit losses are recognised in accordance with paragraph 5.5.15 of AASB 9/NZ IFRS 9, if those financial assets are modified while more than 30 days past due; and (b) paragraph 35K(b) does not apply to lease receivables.	Paragraph 35A is a Key Disclosure Area (impairment) – the benefits of providing the disclosure exceed the costs. However, paragraphs 35A(a) and 35A(b) refer to paragraphs 35J(a) and 35K9B) respectively, both of which are reduced for Tier 2 entities. Therefore, paragraphs 35A(a) and (b) are reduced for Tier 2 entities.
35B The credit risk disclosures made in accordance with paragraphs 35F–35N shall enable users of financial statements to understand the effect of credit risk on the amount, timing and uncertainty of future cash flows. To achieve this objective, credit risk	35B The credit risk disclosures made in accordance with paragraphs 35F–35N shall enable users of financial statements to understand the effect of credit risk on the amount, timing and uncertainty of future cash flows. To achieve this objective, credit risk	Paragraph 35B is guidance for paragraphs 35B–35N, most of which are reduced for Tier 2 entities, most of which are reduced for Tier 2 entities. Therefore, paragraph 35B is reduced for Tier 2

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disclosures shall provide: (a) information about an entity's credit risk management practices and how they relate to the recognition and measurement of expected credit losses, including the methods, assumptions and information used to measure expected credit losses; (b) quantitative and qualitative information that allows users of financial statements to evaluate the amounts in the financial statements arising from expected credit losses, including changes in the amount of expected credit losses and the reasons for those changes; and (c) information about an entity's credit risk exposure (ie the credit risk inherent in an entity's financial assets and commitments to extend credit) including significant credit risk concentrations.	disclosures shall provide: (a) information about an entity's credit risk management practices and how they relate to the recognition and measurement of expected credit losses, including the methods, assumptions and information used to measure expected credit losses; (b) quantitative and qualitative information that allows users of financial statements to evaluate the amounts in the financial statements arising from expected credit losses, including changes in the amount of expected credit losses and the reasons for those changes; and (c) information about an entity's credit risk exposure (ie the credit risk inherent in an entity's financial assets and commitments to extend credit) including significant credit risk concentrations.	entities.
35C An entity need not duplicate information that is already presented elsewhere, provided that the information is incorporated by cross-reference from the financial statements to other statements, 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. Without the information incorporated by cross-reference, the financial statements are incomplete.	35C An entity need not duplicate information that is already presented elsewhere, provided that the information is incorporated by cross-reference from the financial statements to other statements, 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. Without the information incorporated by cross-reference, the financial statements are incomplete.	Paragraph 35C is guidance about information that is presented elsewhere and incorporated by cross-reference. Therefore, paragraph 35C is kept for Tier 2 entities.
35D To meet the objectives in paragraph 35B, an entity shall (except as otherwise specified) consider how	35D To meet the objectives in paragraph 35B, an entity shall (except as otherwise specified) consider how	Paragraph 35D is guidance for paragraph 35B, which is reduced for Tier 2 entities.

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much detail to disclose, how much emphasis to place on different aspects of the disclosure requirements, the appropriate level of aggregation or disaggregation, and whether users of financial statements need additional explanations to evaluate the quantitative information disclosed.	much detail to disclose, how much emphasis to place on different aspects of the disclosure requirements, the appropriate level of aggregation or disaggregation, and whether users of financial statements need additional explanations to evaluate the quantitative information disclosed.	Therefore, paragraph 35D is reduced for Tier 2 entities.
35E If the disclosures provided in accordance with paragraphs 35F–35N are insufficient to meet the objectives in paragraph 35B, an entity shall disclose additional information that is necessary to meet those objectives.	35E If the disclosures provided in accordance with paragraphs 35F–35N are insufficient to meet the objectives in paragraph 35B, an entity shall disclose additional information that is necessary to meet those objectives.	Paragraph 35E is guidance for paragraphs 35F–35N, most of which are reduced for Tier 2 entities. Therefore, paragraph 35E is reduced for Tier 2 entities.
The credit risk management practices 35F 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 shall disclose information that enables users of financial statements to understand and evaluate: (a) how an 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 AASB 9/NZ IFRS 9, including the classes of financial instruments to which it applies; and (ii) the presumption in paragraph 5.5.11 of AASB 9/NZ IFRS 9, that there have	*The credit risk management practices* 35F 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 shall disclose information that enables users of financial statements to understand and evaluate: (a) how an 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 AASB 9/NZ IFRS 9, including the classes of financial instruments to which it applies; and (ii) the presumption in paragraph 5.5.11 of AASB 9/NZ IFRS 9, that there	Paragraph 35F(a) is a Key Disclosure Area (impairment) – the benefits of providing the disclosure exceed the costs, except for subparagraphs (i) and (ii). Therefore paragraph 35F(a), except for subparagraphs (i) and (ii) is kept for Tier 2 entities.

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been significant increases in credit risk since initial recognition when financial assets are more than 30 days past due, has been rebutted;	have been significant increases in credit risk since initial recognition when financial assets are more than 30 days past due, has been rebutted;	
(b) an entity's definitions of default, including the reasons for selecting those definitions;	(b) an entity's definitions of default, including the reasons for selecting those definitions;	Paragraph 35F(b) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 35F(b) is reduced for Tier 2 entities.
(c) how the instruments were grouped if expected credit losses were measured on a collective basis; (d) how an entity determined that financial assets are credit-impaired financial assets; (e) an entity's write-off policy, including the indicators that there is no reasonable expectation of recovery and information about the policy for financial assets that are written-off but are still subject to enforcement activity; and	(c) how the instruments were grouped if expected credit losses were measured on a collective basis; (d) how an entity determined that financial assets are credit-impaired financial assets; (e) an entity's write-off policy, including the indicators that there is no reasonable expectation of recovery and information about the policy for financial assets that are written-off but are still subject to enforcement activity; and	Paragraphs 35F(c)–(e) are a Key Disclosure Area (impairment) – the benefits of providing the disclosures exceed the costs. Therefore, paragraphs 35F(c)–(e) are kept for Tier 2 entities.
(f) how the requirements in paragraph 5.5.12 of AASB 9/NZ IFRS 9 for the modification of contractual cash flows of financial assets have been applied, including how an entity: (i) determines whether the credit risk on a financial asset that has been modified while the loss allowance was measured at an amount equal to lifetime expected credit losses, has improved to the extent that the loss	(f) how the requirements in paragraph 5.5.12 of AASB 9/NZ IFRS 9 for the modification of contractual cash flows of financial assets have been applied, including how an entity: (i) determines whether the credit risk on a financial asset that has been modified while the loss allowance was measured at an amount equal to lifetime expected credit losses, has improved to the extent that the loss	Paragraph 35F(f) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 35F(f) is reduced for Tier 2 entities.

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allowance reverts to being measured at an amount equal to 12-month expected credit losses in accordance with paragraph 5.5.5 of AASB 9/NZ IFRS 9; and (ii) monitors the extent to which the loss allowance on financial assets meeting the criteria in (i) is subsequently remeasured at an amount equal to lifetime expected credit losses in accordance with paragraph 5.5.3 of AASB 9/NZ IFRS 9.	allowance reverts to being measured at an amount equal to 12-month expected credit losses in accordance with paragraph 5.5.5 of AASB 9/NZ IFRS 9; and (ii) monitors the extent to which the loss allowance on financial assets meeting the criteria in (i) is subsequently remeasured at an amount equal to lifetime expected credit losses in accordance with paragraph 5.5.3 of AASB 9/NZ IFRS 9.	
35G An entity shall explain the inputs, assumptions and estimation techniques used to apply the requirements in Section 5.5 of AASB 9/NZ 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 (c) changes in the estimation techniques or	35G An entity shall explain the inputs, assumptions and estimation techniques used to apply the requirements in Section 5.5 of AASB 9/NZ 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 (c) changes in the estimation techniques or	Paragraph 35G is a Key Disclosure Area (significant estimates and judgements specific to a transaction or event). However, the presumption that the benefits of providing the disclosure exceed the costs is rebutted for paragraphs 35G(a) and (b) because the level of detail is unlikely to be readily available for a Tier 2 entity. Therefore, paragraph 35G and 35G(c) are kept for Tier 2 entities, and paragraphs 35G(a) and (b) are reduced for Tier 2 entities..

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significant assumptions made during the reporting period and the reasons for those changes.	significant assumptions made during the reporting period and the reasons for those changes.	
Quantitative and qualitative information about amounts arising from expected credit losses 35H 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;	*Quantitative and qualitative information about amounts arising from expected credit losses* 35H 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;	Paragraph 35H requires a reconciliation of the changes in the loss allowance. Reconciliations are not required under the Tier 2 Disclosure Principles. Although this disclosure is Key Disclosure Area (impairment), paragraph 82(ba) of AASB 101/NZ IAS 1 requires a line item in P&L for impairment losses determined in accordance with Section 5.5 of AASB 9/NZ IFRS 9. Therefore paragraph 35H is reduced for Tier 2 entities.
(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;	(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	(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 AASB 9/NZ IFRS 9.	(iii) trade receivables, contract assets or lease receivables for which the loss allowances are measured in accordance with paragraph 5.5.15 of AASB 9/NZ IFRS 9.	

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(c) financial assets that are purchased or originated credit-impaired. In addition to the reconciliation, an entity shall disclose the total amount of undiscounted expected credit losses at initial recognition on financial assets initially recognised during the reporting period.	(c) financial assets that are purchased or originated credit-impaired. In addition to the reconciliation, an entity shall disclose the total amount of undiscounted expected credit losses at initial recognition on financial assets initially recognised during the reporting period.	
35I To enable users of financial statements to understand the changes in the loss allowance disclosed in accordance with paragraph 35H, 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 35H(a)–(c) 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 AASB 9/NZ IFRS 9; (c) changes because of financial instruments that were derecognised (including those that were written-off) during the reporting period; and	35I To enable users of financial statements to understand the changes in the loss allowance disclosed in accordance with paragraph 35H, 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 35H(a)–(c) 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 AASB 9/NZ IFRS 9; (c) changes because of financial instruments that were derecognised (including those that were written-off) during the reporting period; and	Paragraph 35I is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 35I is reduced for Tier 2 entities.

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(d) changes arising from whether the loss allowance is measured at an amount equal to 12-month or lifetime expected credit losses.	(d) changes arising from whether the loss allowance is measured at an amount equal to 12-month or lifetime expected credit losses.	
35J To enable users of financial statements to understand the nature and effect of modifications of contractual cash flows on financial assets that have not resulted in derecognition and the effect of such modifications on the measurement of expected credit losses, an entity shall disclose: (a) the amortised cost before the modification and the net modification gain or loss recognised for financial assets for which the contractual cash flows have been modified during the reporting period while they had a loss allowance measured at an amount equal to lifetime expected credit losses; and (b) the gross carrying amount at the end of the reporting period of financial assets that have been modified since initial recognition at a time when the loss allowance was measured at an amount equal to lifetime expected credit losses and for which the loss allowance has changed during the reporting period to an amount equal to 12-month expected credit losses.	35J To enable users of financial statements to understand the nature and effect of modifications of contractual cash flows on financial assets that have not resulted in derecognition and the effect of such modifications on the measurement of expected credit losses, an entity shall disclose: (a) the amortised cost before the modification and the net modification gain or loss recognised for financial assets for which the contractual cash flows have been modified during the reporting period while they had a loss allowance measured at an amount equal to lifetime expected credit losses; and (b) the gross carrying amount at the end of the reporting period of financial assets that have been modified since initial recognition at a time when the loss allowance was measured at an amount equal to lifetime expected credit losses and for which the loss allowance has changed during the reporting period to an amount equal to 12-month expected credit losses.	Paragraph 35J is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 35J is reduced for Tier 2 entities.
35K To enable users of financial statements to understand the effect of collateral and other credit enhancements on the amounts arising from expected credit losses, an entity shall disclose by class of financial instrument: (a) the amount that best represents its maximum	35K To enable users of financial statements to understand the effect of collateral and other credit enhancements on the amounts arising from expected credit losses, an entity shall disclose by class of financial instrument: (a) the amount that best represents its maximum	Paragraph 35K is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 35KJ is reduced for Tier 2 entities.

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exposure to credit risk at the end of the reporting period without taking account of any collateral held or other credit enhancements (eg netting agreements that do not qualify for offset in accordance with AASB 132/NZ IAS 32). (b) a narrative description of collateral held as security and other credit enhancements, including: (i) a description of the nature and quality of the collateral held; (ii) an explanation of any significant changes in the quality of that collateral or credit enhancements as a result of deterioration or changes in the collateral policies of the entity during the reporting period; and (iii) information about financial instruments for which an entity has not recognised a loss allowance because of the collateral. (c) quantitative information about the collateral held as security and other credit enhancements (for example, quantification of the extent to which collateral and other credit enhancements mitigate credit risk) for financial assets that are credit-impaired at the reporting date	exposure to credit risk at the end of the reporting period without taking account of any collateral held or other credit enhancements (eg netting agreements that do not qualify for offset in accordance with AASB 132/NZ IAS 32). (b) a narrative description of collateral held as security and other credit enhancements, including: (i) a description of the nature and quality of the collateral held; (ii) an explanation of any significant changes in the quality of that collateral or credit enhancements as a result of deterioration or changes in the collateral policies of the entity during the reporting period; and (iii) information about financial instruments for which an entity has not recognised a loss allowance because of the collateral. (c) quantitative information about the collateral held as security and other credit enhancements (for example, quantification of the extent to which collateral and other credit enhancements mitigate credit risk) for financial assets that are credit-impaired at the reporting date	
35L An entity shall disclose the contractual amount outstanding on financial assets that were written off during the reporting period and are still subject to	35L An entity shall disclose the contractual amount outstanding on financial assets that were written off during the reporting period and are still subject to	Paragraph 35L is a Key Disclosure Area (current liquidity and solvency) – the benefits of providing the disclosure exceed the costs.

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enforcement activity.	enforcement activity.	Therefore, paragraph 35L is kept for Tier 2 entities.
Credit risk exposure 35M 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. This information shall be provided 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 AASB 9/NZ IFRS 9. (c) that are purchased or originated credit-	*Credit risk exposure* 35M 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. This information shall be provided 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 AASB 9/NZ IFRS 9. (c) that are purchased or originated credit-	Paragraph 35 M is a Key Disclosure Area (associated risks specific to a transaction or event). However, the presumption that the benefits of providing the disclosure exceed the costs is rebutted because the disclosure requirements about credit risk and financial assets are sufficient. Therefore, paragraph 35M is reduced for Tier 2 entities.

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impaired financial assets.	impaired financial assets.	
35N For trade receivables, contract assets and lease receivables to which an entity applies paragraph 5.5.15 of AASB 9/NZ IFRS 9, the information provided in accordance with paragraph 35M may be based on a provision matrix (see paragraph B5.5.35 of AASB 9/NZ IFRS 9).	35N For trade receivables, contract assets and lease receivables to which an entity applies paragraph 5.5.15 of AASB 9/NZ IFRS 9, the information provided in accordance with paragraph 35M may be based on a provision matrix (see paragraph B5.5.35 of AASB 9/NZ IFRS 9).	Paragraph 35N is guidance for paragraph 35M, which is reduced for Tier 2 entities. Therefore, paragraph 35N is reduced for Tier 2 entities.
36 For all financial instruments within the scope of this Standard/NZ IFRS, but to which the impairment requirements in AASB 9/NZ IFRS 9 are not applied, an entity shall disclose by class of financial instrument: (a) the amount that best represents its maximum exposure to credit risk at the end of the reporting period without taking account of any collateral held or other credit enhancements (eg netting agreements that do not quality for offset in accordance with AASB 132/NZ IAS 32); this disclosure is not required for financial instruments whose carrying amount best represents the maximum exposure to credit risk. (b) a description of collateral held as security and other credit enhancements, and their financial effect (eg quantification of the extent to which collateral and other credit enhancements mitigate credit risk) in respect of the amount that best represents the maximum exposure to credit risk (whether disclosed in accordance with (a) or represented by the carrying amount of a	36 For all financial instruments within the scope of this Standard/NZ IFRS, but to which the impairment requirements in AASB 9/NZ IFRS 9 are not applied, an entity shall disclose by class of financial instrument: (a) the amount that best represents its maximum exposure to credit risk at the end of the reporting period without taking account of any collateral held or other credit enhancements (eg netting agreements that do not quality for offset in accordance with AASB 132/NZ IAS 32); this disclosure is not required for financial instruments whose carrying amount best represents the maximum exposure to credit risk. (b) a description of collateral held as security and other credit enhancements, and their financial effect (eg quantification of the extent to which collateral and other credit enhancements mitigate credit risk) in respect of the amount that best represents the maximum exposure to credit risk (whether disclosed in accordance with (a) or represented by the carrying amount of a	Paragraph 36 is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 36 is reduced for Tier 2 entities.

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Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
financial instrument).	financial instrument).	
(c)–(d) [deleted by IASB]	(c)–(d) [deleted by IASB]	
37 [Deleted by IASB]	37 [Deleted by IASB]	
Collateral and other credit enhancements obtained 38 When an entity obtains financial or non-financial assets during the period by taking possession of collateral it holds as security or calling on other credit enhancements (eg guarantees), and such assets meet the recognition criteria in other Standards/NZ IFRSs, an entity shall disclose for such assets held at the reporting date: (a) the nature and carrying amount of the assets; and (b) when the assets are not readily convertible into cash, its policies for disposing of such assets or for using them in its operations.	*Collateral and other credit enhancements obtained* 38 When an entity obtains financial or non-financial assets during the period by taking possession of collateral it holds as security or calling on other credit enhancements (eg guarantees), and such assets meet the recognition criteria in other Standards/NZ IFRSs, an entity shall disclose for such assets held at the reporting date: (a) the nature and carrying amount of the assets; and (b) when the assets are not readily convertible into cash, its policies for disposing of such assets or for using them in its operations.	Paragraph 38 is a Key Disclosure Area (current liquidity and solvency) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 38 is kept for Tier 2 entities.
Liquidity risk 39 An entity shall disclose: (a) a maturity analysis for non-derivative financial liabilities (including issued financial guarantee contracts) that shows the remaining contractual maturities. (b) a maturity analysis for derivative financial liabilities. The maturity analysis shall include the remaining contractual maturities for those derivative financial liabilities for which contractual maturities are essential for an understanding of the timing of the cash flows	**Liquidity risk** 39 An entity shall disclose: (a) a maturity analysis for non-derivative financial liabilities (including issued financial guarantee contracts) that shows the remaining contractual maturities. (b) a maturity analysis for derivative financial liabilities. The maturity analysis shall include the remaining contractual maturities for those derivative financial liabilities for which contractual maturities are essential for an understanding of the timing of the cash flows	Paragraph 39 is a Key Disclosure Area (current liquidity and solvency). However, the presumption that the benefits of providing the disclosure exceed the costs is rebutted because this is likely to be costly for a Tier 2 entity to provide. Therefore, paragraph 39 is reduced for Tier 2 entities.

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(see paragraph B11B).	(see paragraph B11B).	
(c) a description of how it manages the liquidity risk inherent in (a) and (b).	(c) a description of how it manages the liquidity risk inherent in (a) and (b).	Paragraph 39(c) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 39(c) is reduced for Tier 2 entities.
Market risk *Sensitivity analysis* 40 Unless an entity complies with paragraph 41, it shall disclose: (a) a sensitivity analysis for each type of market risk to which the entity is exposed at the end of the reporting period, showing how profit or loss and equity would have been affected by changes in the relevant risk variable that were reasonably possible at that date; (b) the methods and assumptions used in preparing the sensitivity analysis; and (c) changes from the previous period in the methods and assumptions used, and the reasons for such changes.	**Market risk** *Sensitivity analysis* 40 Unless an entity complies with paragraph 41, it shall disclose: (a) a sensitivity analysis for each type of market risk to which the entity is exposed at the end of the reporting period, showing how profit or loss and equity would have been affected by changes in the relevant risk variable that were reasonably possible at that date; (b) the methods and assumptions used in preparing the sensitivity analysis; and (c) changes from the previous period in the methods and assumptions used, and the reasons for such changes.	Paragraph 40 is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 40 is reduced for Tier 2 entities.
41 If an entity prepares a sensitivity analysis, such as value-at-risk, that reflects interdependencies between risk variables (eg interest rates and exchange rates) and uses it to manage financial risks, it may use that sensitivity analysis in place of the analysis specified in paragraph 40. The entity shall also disclose: (a) an explanation of the method used in	41 If an entity prepares a sensitivity analysis, such as value-at-risk, that reflects interdependencies between risk variables (eg interest rates and exchange rates) and uses it to manage financial risks, it may use that sensitivity analysis in place of the analysis specified in paragraph 40. The entity shall also disclose: (a) an explanation of the method used in	Paragraph 41 is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 41 is reduced for Tier 2 entities.

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preparing such a sensitivity analysis, and of the main parameters and assumptions underlying the data provided; and (b) an explanation of the objective of the method used and of limitations that may result in the information not fully reflecting the fair value of the assets and liabilities involved.	preparing such a sensitivity analysis, and of the main parameters and assumptions underlying the data provided; and (b) an explanation of the objective of the method used and of limitations that may result in the information not fully reflecting the fair value of the assets and liabilities involved.	
Other market risk disclosures 42 When the sensitivity analyses disclosed in accordance with paragraph 40 or 41 are unrepresentative of a risk inherent in a financial instrument (for example because the year-end exposure does not reflect the exposure during the year), the entity shall disclose that fact and the reason it believes the sensitivity analyses are unrepresentative.	*Other market risk disclosures* 42 When the sensitivity analyses disclosed in accordance with paragraph 40 or 41 are unrepresentative of a risk inherent in a financial instrument (for example because the year-end exposure does not reflect the exposure during the year), the entity shall disclose that fact and the reason it believes the sensitivity analyses are unrepresentative.	Paragraph 42 is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 42J is reduced for Tier 2 entities.
Transfers of financial assets 42A The disclosure requirements in paragraphs 42B–42H relating to transfers of financial assets supplement the other disclosure requirements of this Standard/NZ IFRS. An entity shall present the disclosures required by paragraphs 42B–42H in a single note in its financial statements. An entity shall provide the required disclosures for all transferred financial assets that are not derecognised and for any continuing involvement in a transferred asset, existing at the reporting date, irrespective of when the related transfer transaction occurred. For the purposes of applying the disclosure requirements in those paragraphs, an entity transfers all or a part of a financial asset (the transferred financial asset) if, and	**Transfers of financial assets** 42A The disclosure requirements in paragraphs 42B–42H relating to transfers of financial assets supplement the other disclosure requirements of this Standard/NZ IFRS. An entity shall present the disclosures required by paragraphs 42B–42H in a single note in its financial statements. An entity shall provide the required disclosures for all transferred financial assets that are not derecognised and for any continuing involvement in a transferred asset, existing at the reporting date, irrespective of when the related transfer transaction occurred. For the purposes of applying the disclosure requirements in those paragraphs, an entity transfers all or a part of a financial asset (the transferred financial asset) if, and	Paragraph 42A is guidance for paragraphs 42B–42H, all of which are reduced for Tier 2 entities. Therefore, paragraph 42A is reduced for Tier 2 entities.

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only if, it either: (a) transfers the contractual rights to receive the cash flows of that financial asset; or (b) retains the contractual rights to receive the cash flows of that financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement.	only if, it either: (a) transfers the contractual rights to receive the cash flows of that financial asset; or (b) retains the contractual rights to receive the cash flows of that financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement.	
42B An entity shall disclose information that enables users of its financial statements: (a) to understand the relationship between transferred financial assets that are not derecognised in their entirety and the associated liabilities; and (b) to evaluate the nature of, and risks associated with, the entity's continuing involvement in derecognised financial assets.	42B An entity shall disclose information that enables users of its financial statements: (a) to understand the relationship between transferred financial assets that are not derecognised in their entirety and the associated liabilities; and (b) to evaluate the nature of, and risks associated with, the entity's continuing involvement in derecognised financial assets.	Paragraph 42B requires general disclosures about transferred financial assets, but all of the specific disclosures about transferred financial assets are reduced for Tier 2 entities. Therefore, paragraph 42B is reduced for Tier 2 entities.
42C For the purposes of applying the disclosure requirements in paragraphs 42E–42H, an entity has continuing involvement in a transferred financial asset if, as part of the transfer, the entity retains any of the contractual rights or obligations inherent in the transferred financial asset or obtains any new contractual rights or obligations relating to the transferred financial asset. For the purposes of applying the disclosure requirements in paragraphs 42E–42H, the following do not constitute continuing involvement: (a) normal representations and warranties relating to fraudulent transfer and concepts of reasonableness, good faith and fair dealings	42C For the purposes of applying the disclosure requirements in paragraphs 42E–42H, an entity has continuing involvement in a transferred financial asset if, as part of the transfer, the entity retains any of the contractual rights or obligations inherent in the transferred financial asset or obtains any new contractual rights or obligations relating to the transferred financial asset. For the purposes of applying the disclosure requirements in paragraphs 42E–42H, the following do not constitute continuing involvement: (a) normal representations and warranties relating to fraudulent transfer and concepts of reasonableness, good faith and fair dealings	Paragraph 42C is guidance for paragraphs 42E–42H, all of which are reduced for Tier 2 entities. Therefore, paragraph 42C is reduced for Tier 2 entities.

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that could invalidate a transfer as a result of legal action; (b) forward, option and other contracts to reacquire the transferred financial asset for which the contract price (or exercise price) is the fair value of the transferred financial asset; or (c) an arrangement whereby an entity retains the contractual rights to receive the cash flows of a financial asset but assumes a contractual obligation to pay the cash flows to one or more entities and the conditions in paragraph 3.2.5(a)–(c) of AASB 9/NZ IFRS 9 are met.	that could invalidate a transfer as a result of legal action; (b) forward, option and other contracts to reacquire the transferred financial asset for which the contract price (or exercise price) is the fair value of the transferred financial asset; or (c) an arrangement whereby an entity retains the contractual rights to receive the cash flows of a financial asset but assumes a contractual obligation to pay the cash flows to one or more entities and the conditions in paragraph 3.2.5(a)–(c) of AASB 9/NZ IFRS 9 are met.	
Transferred financial assets that are not derecognised in their entirety 42D An entity may have transferred financial assets in such a way that part or all of the transferred financial assets do not qualify for derecognition. To meet the objectives set out in paragraph 42B(a), the entity shall disclose at each reporting date for each class of transferred financial assets that are not derecognised in their entirety: (a) the nature of the transferred assets. (b) the nature of the risks and rewards of ownership to which the entity is exposed. (c) a description of the nature of the relationship between the transferred assets and the associated liabilities, including restrictions arising from the transfer on the reporting entity's use of the transferred assets.	**Transferred financial assets that are not derecognised in their entirety** 42D An entity may have transferred financial assets in such a way that part or all of the transferred financial assets do not qualify for derecognition. To meet the objectives set out in paragraph 42B(a), the entity shall disclose at each reporting date for each class of transferred financial assets that are not derecognised in their entirety: (a) the nature of the transferred assets. (b) the nature of the risks and rewards of ownership to which the entity is exposed. (c) a description of the nature of the relationship between the transferred assets and the associated liabilities, including restrictions arising from the transfer on the reporting entity's use of the transferred assets.	Paragraph 42D is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 42D is reduced for Tier 2 entities.

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(d) when the counterparty (counterparties) to the associated liabilities has (have) recourse only to the transferred assets, a schedule that sets out the fair value of the transferred assets, the fair value of the associated liabilities and the net position (the difference between the fair value of the transferred assets and the associated liabilities). (e) when the entity continues to recognise all of the transferred assets, the carrying amounts of the transferred assets and the associated liabilities. (f) when the entity continues to recognise the assets to the extent of its continuing involvement (see paragraphs 3.2.6(c)(ii) and 3.2.16 of AASB 9/NZ IFRS 9), the total carrying amount of the original assets before the transfer, the carrying amount of the assets that the entity continues to recognise, and the carrying amount of the associated liabilities	(d) when the counterparty (counterparties) to the associated liabilities has (have) recourse only to the transferred assets, a schedule that sets out the fair value of the transferred assets, the fair value of the associated liabilities and the net position (the difference between the fair value of the transferred assets and the associated liabilities). (e) when the entity continues to recognise all of the transferred assets, the carrying amounts of the transferred assets and the associated liabilities. (f) when the entity continues to recognise the assets to the extent of its continuing involvement (see paragraphs 3.2.6(c)(ii) and 3.2.16 of AASB 9/NZ IFRS 9), the total carrying amount of the original assets before the transfer, the carrying amount of the assets that the entity continues to recognise, and the carrying amount of the associated liabilities.	
RDR 42D.1 When a Tier 2 entity continues to recognise the assets to the extent of its continuing involvement (see paragraphs 3.2.6(c)(ii) and 3.2.16 of NZ IFRS 9), the entity is required to disclose the carrying amount of the assets that the entity continues to recognise, and the carrying amount of the associated liabilities in accordance with paragraph 42D(f).	RDR 42D.1 ~~When a Tier 2 entity continues to recognise the assets to the extent of its continuing involvement (see paragraphs 3.2.6(c)(ii) and 3.2.16 of NZ IFRS 9), the entity is required to disclose the carrying amount of the assets that the entity continues to recognise, and the carrying amount of the associated liabilities in accordance with paragraph 42D(f).~~	Paragraphs RDR 42D.1 is deleted because it is no longer needed. All of paragraph 42D is now reduced for Tier 2 entities.
Transferred financial assets that are derecognised in their entirety 42E To meet the objectives set out in paragraph 42B(b),	**Transferred financial assets that are derecognised in their entirety** 42E To meet the objectives set out in paragraph 42B(b),	

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when an entity derecognises transferred financial assets in their entirety (see paragraph 3.2.6(a) and (c)(i) of AASB 9/NZ IFRS 9) but has continuing involvement in them, the entity shall disclose, as a minimum, for each type of continuing involvement at each reporting date: (a) the carrying amount of the assets and liabilities that are recognised in the entity's statement of financial position and represent the entity's continuing involvement in the derecognised financial assets, and the line items in which the carrying amount of those assets and liabilities are recognised. (b) the fair value of the assets and liabilities that represent the entity's continuing involvement in the derecognised financial assets. (c) the amount that best represents the entity's maximum exposure to loss from its continuing involvement in the derecognised financial assets, and information showing how the maximum exposure to loss is determined (d) the undiscounted cash outflows that would or may be required to repurchase derecognised financial assets (eg the strike price in an option agreement) or other amounts payable to the transferee in respect of the transferred assets. If the cash outflow is variable then the amount disclosed should be based on the conditions that exist at each reporting date. (e) a maturity analysis of the undiscounted cash outflows that would or may be required to repurchase the derecognised financial assets	when an entity derecognises transferred financial assets in their entirety (see paragraph 3.2.6(a) and (c)(i) of AASB 9/NZ IFRS 9) but has continuing involvement in them, the entity shall disclose, as a minimum, for each type of continuing involvement at each reporting date: (a) the carrying amount of the assets and liabilities that are recognised in the entity's statement of financial position and represent the entity's continuing involvement in the derecognised financial assets, and the line items in which the carrying amount of those assets and liabilities are recognised. (b) the fair value of the assets and liabilities that represent the entity's continuing involvement in the derecognised financial assets. (c) the amount that best represents the entity's maximum exposure to loss from its continuing involvement in the derecognised financial assets, and information showing how the maximum exposure to loss is determined. (d) the undiscounted cash outflows that would or may be required to repurchase derecognised financial assets (eg the strike price in an option agreement) or other amounts payable to the transferee in respect of the transferred assets. If the cash outflow is variable then the amount disclosed should be based on the conditions that exist at each reporting date. (e) a maturity analysis of the undiscounted cash outflows that would or may be required to repurchase the derecognised financial assets	Paragraph 42E is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 42E is reduced for Tier 2 entities.

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or other amounts payable to the transferee in respect of the transferred assets, showing the remaining contractual maturities of the entity's continuing involvement. (f) qualitative information that explains and supports the quantitative disclosures required in (a)–(e).	or other amounts payable to the transferee in respect of the transferred assets, showing the remaining contractual maturities of the entity's continuing involvement. (f) qualitative information that explains and supports the quantitative disclosures required in (a)–(e).	
42F An entity may aggregate the information required by paragraph 42E in respect of a particular asset if the entity has more than one type of continuing involvement in that derecognised financial asset, and report it under one type of continuing involvement.	42F An entity may aggregate the information required by paragraph 42E in respect of a particular asset if the entity has more than one type of continuing involvement in that derecognised financial asset, and report it under one type of continuing involvement.	Paragraph 42F is guidance for paragraph 42E, which is reduced for Tier 2 entities. Therefore, paragraph 42F is reduced for Tier 2 entities.
42G In addition, an entity shall disclose for each type of continuing involvement: (a) the gain or loss recognised at the date of transfer of the assets. (b) income and expenses recognised, both in the reporting period and cumulatively, from the entity's continuing involvement in the derecognised financial assets (eg fair value changes in derivative instruments). (c) if the total amount of proceeds from transfer activity (that qualifies for derecognition) in a reporting period is not evenly distributed throughout the reporting period (eg if a substantial proportion of the total amount of transfer activity takes place in the closing days of a reporting period): (i) when the greatest transfer activity took place within that reporting period (eg	42G In addition, an entity shall disclose for each type of continuing involvement: (a) the gain or loss recognised at the date of transfer of the assets. (b) income and expenses recognised, both in the reporting period and cumulatively, from the entity's continuing involvement in the derecognised financial assets (eg fair value changes in derivative instruments). (c) if the total amount of proceeds from transfer activity (that qualifies for derecognition) in a reporting period is not evenly distributed throughout the reporting period (eg if a substantial proportion of the total amount of transfer activity takes place in the closing days of a reporting period): (i) when the greatest transfer activity took place within that reporting period (eg	Paragraph 42G is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 42G is reduced for Tier 2 entities.

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the last five days before the end of the reporting period), (ii) the amount (eg related gains or losses) recognised from transfer activity in that part of the reporting period, and (iii) the total amount of proceeds from transfer activity in that part of the reporting period. An entity shall provide this information for each period for which a statement of comprehensive income is presented.	the last five days before the end of the reporting period), (ii) the amount (eg related gains or losses) recognised from transfer activity in that part of the reporting period, and (iii) the total amount of proceeds from transfer activity in that part of the reporting period. An entity shall provide this information for each period for which a statement of comprehensive income is presented.	
Supplementary information 42H An entity shall disclose any additional information that it considers necessary to meet the disclosure objectives in paragraph 42B.	**Supplementary information** 42H An entity shall disclose any additional information that it considers necessary to meet the disclosure objectives in paragraph 42B.	Paragraph 42H is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 42H is reduced for Tier 2 entities.
Initial application of IFRS 9 42I In the reporting period that includes the date of initial application of AASB 9/NZ IFRS 9, the entity shall disclose the following information for each class of financial assets and financial liabilities as at the date of initial application: (a) the original measurement category and carrying amount determined in accordance with AASB 139/NZ IAS 39 or in accordance with a previous version of AASB 9/NZ IFRS 9 (if the entity's chosen approach to applying AASB 9/NZ IFRS 9 involves more than one date of initial application for different requirements);	**Initial application of IFRS 9** 42I In the reporting period that includes the date of initial application of AASB 9/NZ IFRS 9, the entity shall disclose the following information for each class of financial assets and financial liabilities as at the date of initial application: (a) the original measurement category and carrying amount determined in accordance with AASB 139/NZ IAS 39 or in accordance with a previous version of AASB 9/NZ IFRS 9 (if the entity's chosen approach to applying AASB 9/NZ IFRS 9 involves more than one date of initial application for different requirements);	Paragraph 42I(a) is a Key Disclosure Area (current liquidity and solvency, and the nature of the transaction or event that makes it significant or material) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 42I(a) is kept for Tier 2 entities.

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(b) the new measurement category and carrying amount determined in accordance with AASB 9/NZ IFRS 9;	(b) the new measurement category and carrying amount determined in accordance with AASB 9/NZ IFRS 9;	Paragraph 42I(b) is a Key Disclosure Area (current liquidity and solvency,) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 42I(b) is kept for Tier 2 entities.
(c) the amount of any financial assets and financial liabilities in the statement of financial position that were previously designated as measured at fair value through profit or loss but are no longer so designated, distinguishing between those that AASB 9/NZ IFRS 9 requires an entity to reclassify and those that an entity elects to reclassify at the date of initial application. In accordance with paragraph 7.2.2 of AASB 9/NZ IFRS 9, depending on the entity's chosen approach to applying AASB 9/NZ IFRS 9, the transition can involve more than one date of initial application. Therefore this paragraph may result in disclosure on more than one date of initial application. An entity shall present these quantitative disclosures in a table unless another format is more appropriate.	(c) the amount of any financial assets and financial liabilities in the statement of financial position that were previously designated as measured at fair value through profit or loss but are no longer so designated, distinguishing between those that AASB 9/NZ IFRS 9 requires an entity to reclassify and those that an entity elects to reclassify at the date of initial application. In accordance with paragraph 7.2.2 of AASB 9/NZ IFRS 9, depending on the entity's chosen approach to applying AASB 9/NZ IFRS 9, the transition can involve more than one date of initial application. Therefore this paragraph may result in disclosure on more than one date of initial application. An entity shall present these quantitative disclosures in a table unless another format is more appropriate.	Paragraph 42I(c) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 42I(c) is reduced for Tier 2 entities.
42J In the reporting period that includes the date of initial application of AASB 9/NZ IFRS 9, an entity shall disclose qualitative information to enable users to understand: (a) how it applied the classification requirements in AASB 9/NZ IFRS 9 to those financial assets whose classification has changed as a	42J In the reporting period that includes the date of initial application of AASB 9/NZ IFRS 9, an entity shall disclose qualitative information to enable users to understand: (a) how it applied the classification requirements in AASB 9/NZ IFRS 9 to those financial assets whose classification has changed as a	Paragraph 42J is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 42J is reduced for Tier 2 entities.

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result of applying AASB 9/NZ IFRS 9. (b) the reasons for any designation or de-designation of financial assets or financial liabilities as measured at fair value through profit or loss at the date of initial application. In accordance with paragraph 7.2.2 of AASB 9/NZ IFRS 9, depending on the entity's chosen approach to applying AASB 9/NZ IFRS 9, the transition can involve more than one date of initial application. Therefore this paragraph may result in disclosure on more than one date of initial application.	result of applying AASB 9/NZ IFRS 9. (b) the reasons for any designation or de-designation of financial assets or financial liabilities as measured at fair value through profit or loss at the date of initial application. In accordance with paragraph 7.2.2 of AASB 9/NZ IFRS 9, depending on the entity's chosen approach to applying AASB 9/NZ IFRS 9, the transition can involve more than one date of initial application. Therefore this paragraph may result in disclosure on more than one date of initial application.	
42K In the reporting period that an entity first applies the classification and measurement requirements for financial assets in AASB 9/NZ IFRS 9 (ie when the entity transitions from AASB 139/NZ IAS 39 to AASB 9/NZ IFRS 9 for financial assets), it shall present the disclosures set out in paragraphs 42L–42O of this Standard/NZ IFRS as required by paragraph 7.2.15 of AASB 9/NZ IFRS 9.	42K In the reporting period that an entity first applies the classification and measurement requirements for financial assets in AASB 9/NZ IFRS 9 (ie when the entity transitions from AASB 139/NZ IAS 39 to AASB 9/NZ IFRS 9 for financial assets), it shall present the disclosures set out in paragraphs 42L–42O of this Standard/NZ IFRS as required by paragraph 7.2.15 of AASB 9/NZ IFRS 9.	Paragraph 42K is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 42K is reduced for Tier 2 entities.
42L When required by paragraph 42K, an entity shall disclose the changes in the classifications of financial assets and financial liabilities as at the date of initial application of AASB 9/NZ IFRS 9, showing separately: (a) the changes in the carrying amounts on the basis of their measurement categories in accordance with AASB 139/NZ IAS 39 (ie not resulting from a change in measurement attribute on transition to AASB 9/NZ IFRS 9); and	42L When required by paragraph 42K, an entity shall disclose the changes in the classifications of financial assets and financial liabilities as at the date of initial application of AASB 9/NZ IFRS 9, showing separately: (a) the changes in the carrying amounts on the basis of their measurement categories in accordance with AASB 139/NZ IAS 39 (ie not resulting from a change in measurement attribute on transition to AASB 9/NZ IFRS 9); and	Paragraph 42L is guidance for paragraph 42K, which is reduced for Tier 2 entities. Therefore, paragraph 42L is reduced for Tier 2 entities.

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(b) the changes in the carrying amounts arising from a change in measurement attribute on transition to AASB 9/NZ IFRS 9. The disclosures in this paragraph need not be made after the annual reporting period in which the entity initially applies the classification and measurement requirements for financial assets in AASB 9/NZ IFRS 9.	(b) the changes in the carrying amounts arising from a change in measurement attribute on transition to AASB 9/NZ IFRS 9. The disclosures in this paragraph need not be made after the annual reporting period in which the entity initially applies the classification and measurement requirements for financial assets in AASB 9/NZ IFRS 9.	
42M When required by paragraph 42K, an entity shall disclose the following for financial assets and financial liabilities that have been reclassified so that they are measured at amortised cost and, in the case of financial assets, that have been reclassified out of fair value through profit or loss so that they are measured at fair value through other comprehensive income, as a result of the transition to AASB 9/NZ IFRS 9: (a) the fair value of the financial assets or financial liabilities at the end of the reporting period; and (b) the fair value gain or loss that would have been recognised in profit or loss or other comprehensive income during the reporting period if the financial assets or financial liabilities had not been reclassified. The disclosures in this paragraph need not be made after the annual reporting period in which the entity initially applies the classification and measurement requirements for financial assets in AASB 9/NZ IFRS 9.	42M When required by paragraph 42K, an entity shall disclose the following for financial assets and financial liabilities that have been reclassified so that they are measured at amortised cost and, in the case of financial assets, that have been reclassified out of fair value through profit or loss so that they are measured at fair value through other comprehensive income, as a result of the transition to AASB 9/NZ IFRS 9: (a) the fair value of the financial assets or financial liabilities at the end of the reporting period; and (b) the fair value gain or loss that would have been recognised in profit or loss or other comprehensive income during the reporting period if the financial assets or financial liabilities had not been reclassified. The disclosures in this paragraph need not be made after the annual reporting period in which the entity initially applies the classification and measurement requirements for financial assets in AASB 9/NZ IFRS 9.	Paragraph 42M is guidance for paragraph 42K, which is reduced for Tier 2 entities. Therefore, paragraph 42M is reduced for Tier 2 entities.
42N When required by paragraph 42K, an entity shall	42N When required by paragraph 42K, an entity shall	Paragraph 42N is guidance for paragraph 42K,

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disclose the following for financial assets and financial liabilities that have been reclassified out of the fair value through profit or loss category as a result of the transition to AASB 9/NZ IFRS 9: (a) the effective interest rate determined on the date of initial application; and (b) the interest revenue or expense recognised. If an entity treats the fair value of a financial asset or a financial liability as the new gross carrying amount at the date of initial application (see paragraph 7.2.11 of AASB 9/NZ IFRS 9), the disclosures in this paragraph shall be made for each reporting period until derecognition. Otherwise, the disclosures in this paragraph need not be made after the annual reporting period in which the entity initially applies the classification and measurement requirements for financial assets in AASB 9/NZ IFRS 9.	disclose the following for financial assets and financial liabilities that have been reclassified out of the fair value through profit or loss category as a result of the transition to AASB 9/NZ IFRS 9: (a) the effective interest rate determined on the date of initial application; and (b) the interest revenue or expense recognised. If an entity treats the fair value of a financial asset or a financial liability as the new gross carrying amount at the date of initial application (see paragraph 7.2.11 of AASB 9/NZ IFRS 9), the disclosures in this paragraph shall be made for each reporting period until derecognition. Otherwise, the disclosures in this paragraph need not be made after the annual reporting period in which the entity initially applies the classification and measurement requirements for financial assets in AASB 9/NZ IFRS 9.	which is reduced for Tier 2 entities. Therefore, paragraph 42N is reduced for Tier 2 entities.
42O When an entity presents the disclosures set out in paragraphs 42K–42N, those disclosures, and the disclosures in paragraph 25 of this Standard/NZ IFRS, must permit reconciliation between: (a) the measurement categories presented in accordance with AASB 139/NZ IAS 39 and NZ IFRS 9; and (b) the class of financial instrument as at the date of initial application.	42O When an entity presents the disclosures set out in paragraphs 42K–42N, those disclosures, and the disclosures in paragraph 25 of this Standard/NZ IFRS, must permit reconciliation between: (a) the measurement categories presented in accordance with AASB 139/NZ IAS 39 and NZ IFRS 9; and (b) the class of financial instrument as at the date of initial application.	Paragraph 42O requires a reconciliation. Reconciliations are not required under the Tier 2 Disclosure Principles. Therefore, paragraph 42O is reduced for Tier 2 entities.
42P On the date of initial application of Section 5.5 of AASB 9/NZ IFRS 9, an entity is required to disclose	42P On the date of initial application of Section 5.5 of AASB 9/NZ IFRS 9, an entity is required to disclose	Paragraph 42P requires a reconciliation. Reconciliations are not required under the Tier 2

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information that would permit the reconciliation of the ending impairment allowances in accordance with AASB 139/NZ IAS 39 and the provisions in accordance with AASB 137/NZ IAS 37 to the opening loss allowances determined in accordance with AASB 9/NZ IFRS 9. For financial assets, this disclosure shall be provided by the related financial assets' measurement categories in accordance with AASB 139/NZ IAS 39 and AASB 9/NZ IFRS 9, and shall show separately the effect of the changes in the measurement category on the loss allowance at that date.	information that would permit the reconciliation of the ending impairment allowances in accordance with AASB 139/NZ IAS 39 and the provisions in accordance with AASB 137/NZ IAS 37 to the opening loss allowances determined in accordance with AASB 9/NZ IFRS 9. For financial assets, this disclosure shall be provided by the related financial assets' measurement categories in accordance with AASB 139/NZ IAS 39 and AASB 9/NZ IFRS 9, and shall show separately the effect of the changes in the measurement category on the loss allowance at that date.	Disclosure Principles. Therefore, paragraph 42PO is reduced for Tier 2 entities.
42Q In the reporting period that includes the date of initial application of AASB 9/NZ IFRS 9, an entity is not required to disclose the line item amounts that would have been reported in accordance with the classification and measurement requirements (which includes the requirements related to amortised cost measurement of financial assets and impairment in Sections 5.4 and 5.5 of AASB 9/NZ IFRS 9) of: (a) AASB 9/NZ IFRS 9 for prior periods; and (b) AASB 139/NZ IAS 39 for the current period.	42Q In the reporting period that includes the date of initial application of AASB 9/NZ IFRS 9, an entity is not required to disclose the line item amounts that would have been reported in accordance with the classification and measurement requirements (which includes the requirements related to amortised cost measurement of financial assets and impairment in Sections 5.4 and 5.5 of AASB 9/NZ IFRS 9) of: (a) AASB 9/NZ IFRS 9 for prior periods; and (b) AASB 139/NZ IAS 39 for the current period.	Paragraph 42Q is guidance about what an entity is **not required to disclose** Therefore, paragraph 42Q is kept for Tier 2 entities.
42R In accordance with paragraph 7.2.4 of AASB 9/NZ IFRS 9, if it is impracticable (as defined in AASB 108/NZ IAS 8) at the date of initial application of AASB 9/NZ IFRS 9 for an entity to assess a modified time value of money element in accordance with paragraphs B4.1.9B–B4.1.9D of AASB 9/NZ IFRS 9 based on the facts and circumstances that existed at the initial recognition of the financial asset, an entity shall assess the	42R In accordance with paragraph 7.2.4 of AASB 9/NZ IFRS 9, if it is impracticable (as defined in AASB 108/NZ IAS 8) at the date of initial application of AASB 9/NZ IFRS 9 for an entity to assess a modified time value of money element in accordance with paragraphs B4.1.9B–B4.1.9D of AASB 9/NZ IFRS 9 based on the facts and circumstances that existed at the initial recognition of the financial asset, an entity shall assess the	Paragraph 42R is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 42R is reduced for Tier 2 entities.

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contractual cash flow characteristics of that financial asset based on the facts and circumstances that existed at the initial recognition of the financial asset without taking into account the requirements related to the modification of the time value of money element in paragraph B4.1.9B–B4.1.9D of AASB 9/NZ IFRS 9. An entity shall disclose the carrying amount at the reporting date of the financial assets whose contractual cash flow characteristics have been assessed based on the facts and circumstances that existed at the initial recognition of the financial asset without taking into account the requirements related to the modification of the time value of money element in paragraphs B4.1.9B–B4.1.9D of AASB 9/NZ IFRS 9 until those financial assets are derecognized.	contractual cash flow characteristics of that financial asset based on the facts and circumstances that existed at the initial recognition of the financial asset without taking into account the requirements related to the modification of the time value of money element in paragraphs B4.1.9B–B4.1.9D of AASB 9/NZ IFRS 9. An entity shall disclose the carrying amount at the reporting date of the financial assets whose contractual cash flow characteristics have been assessed based on the facts and circumstances that existed at the initial recognition of the financial asset without taking into account the requirements related to the modification of the time value of money element in paragraphs B4.1.9B–B4.1.9D of AASB 9/NZ IFRS 9 until those financial assets are derecognized.	
42S In accordance with paragraph 7.2.5 of AASB 9/NZ IFRS 9, if it is impracticable (as defined in AASB 108/NZ IAS 8) at the date of initial application for an entity to assess whether the fair value of a prepayment feature was insignificant in accordance with paragraphs B4.1.12(c) of AASB 9/NZ IFRS 9 based on the facts and circumstances that existed at the initial recognition of the financial asset, an entity shall assess the contractual cash flow characteristics of that financial asset based on the facts and circumstances that existed at the initial recognition of the financial asset without taking into account the exception for prepayment features in paragraph B4.1.12 of AASB 9/NZ IFRS 9. An entity shall disclose the carrying amount at the reporting date of the financial assets whose contractual cash flow characteristics	42S In accordance with paragraph 7.2.5 of AASB 9/NZ IFRS 9, if it is impracticable (as defined in AASB 108/NZ IAS 8) at the date of initial application for an entity to assess whether the fair value of a prepayment feature was insignificant in accordance with paragraphs B4.1.12(c) of AASB 9/NZ IFRS 9 based on the facts and circumstances that existed at the initial recognition of the financial asset, an entity shall assess the contractual cash flow characteristics of that financial asset based on the facts and circumstances that existed at the initial recognition of the financial asset without taking into account the exception for prepayment features in paragraph B4.1.12 of AASB 9/NZ IFRS 9. An entity shall disclose the carrying amount at the reporting date of the financial assets whose contractual cash flow characteristics	Paragraph 42S is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 42S is reduced for Tier 2 entities.

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have been assessed based on the facts and circumstances that existed at the initial recognition of the financial asset without taking into account the exception for prepayment features in paragraph B4.1.12 of AASB 9/NZ IFRS 9 until those financial assets are derecognised.	have been assessed based on the facts and circumstances that existed at the initial recognition of the financial asset without taking into account the exception for prepayment features in paragraph B4.1.12 of AASB 9/NZ IFRS 9 until those financial assets are derecognised.	
Appendix B (integral part of the Standard)	**Appendix B (integral part of the Standard)**	
Classes of financial instruments and level of disclosure (paragraph 6) B1 Paragraph 6 requires an entity to group financial instruments into classes that are appropriate to the nature of the information disclosed and that take into account the characteristics of those financial instruments. The classes described in paragraph 6 are determined by the entity and are, thus, distinct from the categories of financial instruments specified in AASB 9/NZ IFRS IFRS 9 (which determine how financial instruments are measured and where changes in fair value are recognised).	**Classes of financial instruments and level of disclosure (paragraph 6)** B1 Paragraph 6 requires an entity to group financial instruments into classes that are appropriate to the nature of the information disclosed and that take into account the characteristics of those financial instruments. The classes described in paragraph 6 are determined by the entity and are, thus, distinct from the categories of financial instruments specified in AASB 9/NZ IFRS IFRS 9 (which determine how financial instruments are measured and where changes in fair value are recognised).	Paragraph B1 is guidance for paragraph 6, which is reduced for Tier 2 entities. Therefore, paragraph B1 is reduced for Tier 2 entities.
B2 In determining classes of financial instrument, an entity shall, at a minimum: (a) distinguish instruments measured at amortised cost from those measured at fair value. (b) treat as a separate class or classes those financial instruments outside the scope of this Standard/NZ IFRS.	B2 In determining classes of financial instrument, an entity shall, at a minimum: (a) distinguish instruments measured at amortised cost from those measured at fair value. (b) treat as a separate class or classes those financial instruments outside the scope of this Standard/NZ IFRS.	Paragraph B2 is guidance for paragraph 6, which is reduced for Tier 2 entities. Therefore, paragraph B2 is reduced for Tier 2 entities.
B3 An entity decides, in the light of its circumstances, how much detail it provides to satisfy the	B3 An entity decides, in the light of its circumstances, how much detail it provides to satisfy the	Paragraph B3 is guidance for paragraph 6,

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requirements of this IFRS, how much emphasis it places on different aspects of the requirements and how it aggregates information to display the overall picture without combining information with different characteristics. It is necessary to strike a balance between overburdening financial statements with excessive detail that may not assist users of financial statements and obscuring important information as a result of too much aggregation. For example, an entity shall not obscure important information by including it among a large amount of insignificant detail. Similarly, an entity shall not disclose information that is so aggregated that it obscures important differences between individual transactions or associated risks.	requirements of this IFRS, how much emphasis it places on different aspects of the requirements and how it aggregates information to display the overall picture without combining information with different characteristics. It is necessary to strike a balance between overburdening financial statements with excessive detail that may not assist users of financial statements and obscuring important information as a result of too much aggregation. For example, an entity shall not obscure important information by including it among a large amount of insignificant detail. Similarly, an entity shall not disclose information that is so aggregated that it obscures important differences between individual transactions or associated risks.	which is reduced for Tier 2 entities. Therefore, paragraph B3 is reduced for Tier 2 entities.
Other disclosure – accounting policies (paragraph 21) B5 Paragraph 21 requires disclosure of the measurement basis (or bases) used in preparing the financial statements and the other accounting policies used that are relevant to an understanding of the financial statements. For financial instruments, such disclosure may include: (a) for financial liabilities designated as at fair value through profit or loss: (i) the nature of the financial liabilities the entity has designated as at fair value through profit or loss; (ii) the criteria for so designating such financial liabilities on initial recognition; and	**Other disclosure – accounting policies (paragraph 21)** B5 Paragraph 21 requires disclosure of the measurement basis (or bases) used in preparing the financial statements and the other accounting policies used that are relevant to an understanding of the financial statements. For financial instruments, such disclosure may include: (a) for financial liabilities designated as at fair value through profit or loss: (i) the nature of the financial liabilities the entity has designated as at fair value through profit or loss; (ii) the criteria for so designating such financial liabilities on initial recognition; and	The AASB has decided to rely on the requirement in AASB 101and AASB 108 for disclosures about accounting policies. This would be reduced in AASB 7 because paragraph 21 requires disclosures about accounting policies.

Comment [VS15]: The NZASB has decided to not rely solely on the requirements in NZ IAS 1 and NZ IAS 8 for disclosures about accounting policies. This would be kept in NZ IFRS 7. Paragraph B5 is guidance for paragraph 21, which is kept for Tier 2
Therefore, paragraph B5 is kept for Tier 2 entities.

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(iii) how the entity has satisfied the conditions in paragraph 4.2.2 of AASB 9/NZ IFRS 9 for such designation. (aa) for financial assets designated as measured at fair value through profit or loss: (i) the nature of the financial assets the entity has designated as measured at fair value through profit or loss; and (ii) how the entity has satisfied the criteria in paragraph 4.1.5 of AASB 9/NZ IFRS 9 for such designation. (b) [deleted by IASB] (c) whether regular way purchases and sales of financial assets are accounted for at trade date or at settlement date (see paragraph 3.1.2 of AASB 9/NZ IFRS 9). (d) [deleted by IASB] (e) how net gains or net losses on each category of financial instrument are determined (see paragraph 20(a)), for example, whether the net gains or net losses on items at fair value through profit or loss include interest or dividend income. (f) [deleted by IASB] (g) [deleted by IASB] Paragraph 122 of AASB 101/NZ IAS 1 (as revised in 2007) also requires entities to disclose, along with its significant accounting policies or other notes, the judgements, apart from those involving estimations,	(iii) how the entity has satisfied the conditions in paragraph 4.2.2 of AASB 9/NZ IFRS 9 for such designation. (aa) for financial assets designated as measured at fair value through profit or loss: (i) the nature of the financial assets the entity has designated as measured at fair value through profit or loss; and (ii) how the entity has satisfied the criteria in paragraph 4.1.5 of AASB 9/NZ IFRS 9 for such designation. (b) [deleted by IASB] (c) whether regular way purchases and sales of financial assets are accounted for at trade date or at settlement date (see paragraph 3.1.2 of AASB 9/NZ IFRS 9). (d) [deleted by IASB] (e) how net gains or net losses on each category of financial instrument are determined (see paragraph 20(a)), for example, whether the net gains or net losses on items at fair value through profit or loss include interest or dividend income. (f) [deleted by IASB] (g) [deleted by IASB] Paragraph 122 of AASB 101/NZ IAS 1 (as revised in 2007) also requires entities to disclose, along with its significant accounting policies or other notes, the judgements, apart from those involving estimations,	

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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.	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.	
Nature and extent of risks arising from financial instruments (paragraphs 31–42) B6 The disclosures required by paragraphs 31–42 shall be either given in the financial statements 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. Without the information incorporated by cross-reference, the financial statements are incomplete.	**Nature and extent of risks arising from financial instruments (paragraphs 31–42)** B6 The disclosures required by paragraphs 31–42 shall be either given in the financial statements 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. Without the information incorporated by cross-reference, the financial statements are incomplete.	Paragraph B6 is guidance about the location of the disclosures required by paragraphs 31–41, some of which are kept for Tier 2 entities. Therefore, paragraph B6 is kept for Tier 2 entities.
Quantitative disclosures (paragraph 34) B7 Paragraph 34(a) requires disclosures of summary quantitative data about an entity's exposure to risks based on the information provided internally to key management personnel of the entity. When an entity uses several methods to manage a risk exposure, the entity shall disclose information using the method or methods that provide the most relevant and reliable information. AASB 108/NZ IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* discusses relevance and reliability.	**Quantitative disclosures (paragraph 34)** B7 Paragraph 34(a) requires disclosures of summary quantitative data about an entity's exposure to risks based on the information provided internally to key management personnel of the entity. When an entity uses several methods to manage a risk exposure, the entity shall disclose information using the method or methods that provide the most relevant and reliable information. AASB 108/NZ IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* discusses relevance and reliability.	Paragraph B7 is guidance for paragraph 34(a), which is reduced for Tier 2 entities. Therefore, paragraph B7 is reduced for Tier 2 entities.
B8 Paragraph 34(c) requires disclosures about concentrations of risk. Concentrations of risk arise from financial instruments that have similar	B8 Paragraph 34(c) requires disclosures about concentrations of risk. Concentrations of risk arise from financial instruments that have similar	Paragraph B8 is guidance for paragraph 34(c), which is reduced for Tier 2 entities. Therefore, paragraph B8 is reduced for Tier 2

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characteristics and are affected similarly by changes in economic or other conditions. The identification of concentrations of risk requires judgement taking into account the circumstances of the entity. Disclosure of concentrations of risk shall include: (a) a description of how management determines concentrations; (b) a description of the shared characteristic that identifies each concentration (eg counterparty, geographical area, currency or market); and (c) the amount of the risk exposure associated with all financial instruments sharing that characteristic.	characteristics and are affected similarly by changes in economic or other conditions. The identification of concentrations of risk requires judgement taking into account the circumstances of the entity. Disclosure of concentrations of risk shall include: (a) a description of how management determines concentrations; (b) a description of the shared characteristic that identifies each concentration (eg counterparty, geographical area, currency or market); and (c) the amount of the risk exposure associated with all financial instruments sharing that characteristic.	entities.
Credit risk management practices (paragraphs 5F–35G) B8A Paragraph 35F(b) requires the disclosure of information about how an entity has defined default for different financial instruments and the reasons for selecting those definitions. In accordance with paragraph 5.5.9 of AASB 9/NZ IFRS 9, the determination of whether lifetime expected credit losses should be recognised is based on the increase in the risk of a default occurring since initial recognition. Information about an entity's definitions of default that will assist users of financial statements in understanding how an entity has applied the expected credit loss requirements in AASB 9/NZ IFRS 9 may include: (a) the qualitative and quantitative factors considered in defining default;	**Credit risk management practices (paragraphs 35F–35G)** B8A Paragraph 35F(b) requires the disclosure of information about how an entity has defined default for different financial instruments and the reasons for selecting those definitions. In accordance with paragraph 5.5.9 of AASB 9/NZ IFRS 9, the determination of whether lifetime expected credit losses should be recognised is based on the increase in the risk of a default occurring since initial recognition. Information about an entity's definitions of default that will assist users of financial statements in understanding how an entity has applied the expected credit loss requirements in AASB 9/NZ IFRS 9 may include: (a) the qualitative and quantitative factors considered in defining default;	Paragraph B8A is guidance for paragraph 35F(b), which is reduced for Tier 2 entities. Therefore, paragraph B8A is reduced for Tier 2 entities.

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(b) whether different definitions have been applied to different types of financial instruments; and (c) assumptions about the cure rate (ie the number of financial assets that return to a performing status) after a default occurred on the financial asset.	(b) whether different definitions have been applied to different types of financial instruments; and (c) assumptions about the cure rate (ie the number of financial assets that return to a performing status) after a default occurred on the financial asset.	
B8B To assist users of financial statements in evaluating an entity's restructuring and modification policies, paragraph 35F(f)(i) requires the disclosure of information about how an entity monitors the extent to which the loss allowance on financial assets previously disclosed in accordance with paragraph 35F(f)(ii) are subsequently measured at an amount equal to lifetime expected credit losses in accordance with paragraph 5.5.3 of AASB 9/NZ IFRS 9. Quantitative information that will assist users in understanding the subsequent increase in credit risk of modified financial assets may include information about modified financial assets meeting the criteria in paragraph 35F(f)(i) for which the loss allowance has reverted to being measured at an amount equal to lifetime expected credit losses (ie a deterioration rate).	B8B To assist users of financial statements in evaluating an entity's restructuring and modification policies, paragraph 35F(f)(i) requires the disclosure of information about how an entity monitors the extent to which the loss allowance on financial assets previously disclosed in accordance with paragraph 35F(f)(ii) are subsequently measured at an amount equal to lifetime expected credit losses in accordance with paragraph 5.5.3 of AASB 9/NZ IFRS 9. Quantitative information that will assist users in understanding the subsequent increase in credit risk of modified financial assets may include information about modified financial assets meeting the criteria in paragraph 35F(f)(i) for which the loss allowance has reverted to being measured at an amount equal to lifetime expected credit losses (ie a deterioration rate).	Paragraph B8B is guidance for paragraphs 35(f)(i) and 35(f)(ii), which are reduced for Tier 2 Therefore, paragraph B8B is reduced for Tier 2 entities.
B8C Paragraph 35G(a) requires the disclosure of information about the basis of inputs and assumptions and the estimation techniques used to apply the impairment requirements in AASB 9/NZ IFRS 9. An entity's assumptions and inputs used to measure expected credit losses or determine the extent of increases in credit risk since	B8C Paragraph 35G(a) requires the disclosure of information about the basis of inputs and assumptions and the estimation techniques used to apply the impairment requirements in AASB 9/NZ IFRS 9. An entity's assumptions and inputs used to measure expected credit losses or determine the extent of increases in credit risk since	Paragraph B8C is guidance for paragraph 35G(a), which is kept for Tier 2 entities. Therefore, paragraph B8C is kept for Tier 2 entities.

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initial recognition may include information obtained from internal historical information or rating reports and assumptions about the expected life of financial instruments and the timing of the sale of collateral.	initial recognition may include information obtained from internal historical information or rating reports and assumptions about the expected life of financial instruments and the timing of the sale of collateral.	
Changes in the loss allowance (paragraph 35H) B8D In accordance with paragraph 35H, an entity is required to explain the reasons for the changes in the loss allowance during the period. In addition to the reconciliation from the opening balance to the closing balance of the loss allowance, it may be necessary to provide a narrative explanation of the changes. This narrative explanation may include an analysis of the reasons for changes in the loss allowance during the period, including: (a) the portfolio composition; (b) the volume of financial instruments purchased or originated; and (c) the severity of the expected credit losses.	**Changes in the loss allowance (paragraph 35H)** B8D In accordance with paragraph 35H, an entity is required to explain the reasons for the changes in the loss allowance during the period. In addition to the reconciliation from the opening balance to the closing balance of the loss allowance, it may be necessary to provide a narrative explanation of the changes. This narrative explanation may include an analysis of the reasons for changes in the loss allowance during the period, including: (a) the portfolio composition; (b) the volume of financial instruments purchased or originated; and (c) the severity of the expected credit losses.	Paragraph B8D is guidance for paragraph 35H, which is reduced for Tier 2 entities. Therefore, paragraph B8D is reduced for Tier 2 entities.
B8E 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 (ie financial asset) and an undrawn commitment (ie 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	B8E 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 (ie financial asset) and an undrawn commitment (ie 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	Paragraph B8E is guidance for paragraph 35H, which is reduced for Tier 2 entities. Therefore, paragraph B8E is reduced for Tier 2 entities.

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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.	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.	
Collateral (paragraph 35K) B8F Paragraph 35K requires the disclosure of information that will enable users of financial statements to understand the effect of collateral and other credit enhancements on the amount of expected credit losses. An entity is neither required to disclose information about the fair value of collateral and other credit enhancements nor is it required to quantify the exact value of the collateral that was included in the calculation of expected credit losses (ie the loss given default).	**Collateral (paragraph 35K)** B8F Paragraph 35K requires the disclosure of information that will enable users of financial statements to understand the effect of collateral and other credit enhancements on the amount of expected credit losses. An entity is neither required to disclose information about the fair value of collateral and other credit enhancements nor is it required to quantify the exact value of the collateral that was included in the calculation of expected credit losses (ie the loss given default).	Paragraph B8F is guidance for paragraph 35K, which is reduced for Tier 2 entities. Therefore, paragraph B8F is reduced for Tier 2 entities.
B8G A narrative description of collateral and its effect on amounts of expected credit losses might include information about: (a) the main types of collateral held as security and other credit enhancements (examples of the latter being guarantees, credit derivatives and netting agreements that do not qualify for offset in accordance with AASB 132/NZ IAS 32); (b) the volume of collateral held and other credit enhancements and its significance in terms of the loss allowance; (c) the policies and processes for valuing and managing collateral and other credit	B8G A narrative description of collateral and its effect on amounts of expected credit losses might include information about: (a) the main types of collateral held as security and other credit enhancements (examples of the latter being guarantees, credit derivatives and netting agreements that do not qualify for offset in accordance with AASB 132/NZ IAS 32); (b) the volume of collateral held and other credit enhancements and its significance in terms of the loss allowance; (c) the policies and processes for valuing and managing collateral and other credit	Paragraph B8G is guidance about collateral in paragraph 35K, which is reduced for Tier 2 entities. Therefore, paragraph B8G is reduced for Tier 2 entities.

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enhancements; (d) the main types of counterparties to collateral and other credit enhancements and their creditworthiness; and (e) information about risk concentrations within the collateral and other credit enhancements.	enhancements; (d) the main types of counterparties to collateral and other credit enhancements and their creditworthiness; and (e) information about risk concentrations within the collateral and other credit enhancements.	
Credit risk exposure (paragraphs 35M–35N) B8H Paragraph 35M requires the disclosure of information about an entity's credit risk exposure and significant concentrations of credit risk at the reporting date. A concentration of credit risk exists when a number of counterparties are located in a geographical region or are engaged in similar activities and have similar economic characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. An entity should provide information that enables users of financial statements to understand whether there are groups or portfolios of financial instruments with particular features that could affect a large portion of that group of financial instruments such as concentration to particular risks. This could include, for example, loan-to-value groupings, geographical, industry or issuer-type concentrations.	**Credit risk exposure (paragraphs 35M–35N)** B8H Paragraph 35M requires the disclosure of information about an entity's credit risk exposure and significant concentrations of credit risk at the reporting date. A concentration of credit risk exists when a number of counterparties are located in a geographical region or are engaged in similar activities and have similar economic characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. An entity should provide information that enables users of financial statements to understand whether there are groups or portfolios of financial instruments with particular features that could affect a large portion of that group of financial instruments such as concentration to particular risks. This could include, for example, loan-to-value groupings, geographical, industry or issuer-type concentrations.	Paragraph B8H is guidance for paragraph 35M, which is reduced for Tier 2 entities. Therefore, paragraph B8H is reduced for Tier 2 entities.
B8I The number of credit risk rating grades used to disclose the information in accordance with paragraph 35M shall be consistent with the number that the entity reports to key management personnel for credit risk management purposes. If past due information is the only borrower-specific	B8I The number of credit risk rating grades used to disclose the information in accordance with paragraph 35M shall be consistent with the number that the entity reports to key management personnel for credit risk management purposes. If past due information is the only borrower-specific	Paragraph B8I is guidance for paragraph 35M, which is reduced for Tier 2 entities. Therefore, paragraph B8I is reduced for Tier 2 entities.

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information available and an entity uses past due information to assess whether credit risk has increased significantly since initial recognition in accordance with paragraph 5.5.11 of AASB 9/NZ IFRS 9, an entity shall provide an analysis by past due status for those financial assets.	information available and an entity uses past due information to assess whether credit risk has increased significantly since initial recognition in accordance with paragraph 5.5.11 of AASB 9/NZ IFRS 9, an entity shall provide an analysis by past due status for those financial assets.	
B8J When an entity has measured expected credit losses on a collective basis, the entity may not be able to allocate the gross carrying amount of individual financial assets or the exposure to credit risk on loan commitments and financial guarantee contracts to the credit risk rating grades for which lifetime expected credit losses are recognised. In that case, an entity should apply the requirement in paragraph 35M to those financial instruments that can be directly allocated to a credit risk rating grade and disclose separately the gross carrying amount of financial instruments for which lifetime expected credit losses have been measured on a collective basis.	B8J When an entity has measured expected credit losses on a collective basis, the entity may not be able to allocate the gross carrying amount of individual financial assets or the exposure to credit risk on loan commitments and financial guarantee contracts to the credit risk rating grades for which lifetime expected credit losses are recognised. In that case, an entity should apply the requirement in paragraph 35M to those financial instruments that can be directly allocated to a credit risk rating grade and disclose separately the gross carrying amount of financial instruments for which lifetime expected credit losses have been measured on a collective basis.	Paragraph B8J is guidance for paragraph 35M, which is reduced for Tier 2 entities. Therefore, paragraph B8J is reduced for Tier 2 entities.
Maximum credit risk exposure (paragraph 36(a)) B9 Paragraphs 35K(a) and 36(a) require disclosure of the amount that best represents the entity's maximum exposure to credit risk. For a financial asset, this is typically the gross carrying amount, net of: (a) any amounts offset in accordance with AASB 132/NZ IAS 32; and (b) any loss allowance recognised in accordance with AASB 9/NZ IFRS 9.	**Maximum credit risk exposure (paragraph 36(a))** B9 Paragraphs 35K(a) and 36(a) require disclosure of the amount that best represents the entity's maximum exposure to credit risk. For a financial asset, this is typically the gross carrying amount, net of: (a) any amounts offset in accordance with AASB 132/NZ IAS 32; and (b) any loss allowance recognised in accordance with AASB 9/NZ IFRS 9.	Paragraph B9 is guidance for paragraphs 35K(a) and 36(a), both of which are reduced for Tier 2 Therefore, paragraph B9 is reduced for Tier 2 entities.

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B10 Activities that give rise to credit risk and the associated maximum exposure to credit risk include, but are not limited to: (a) granting loans to customers and placing deposits with other entities. In these cases, the maximum exposure to credit risk is the carrying amount of the related financial assets. (b) entering into derivative contracts, eg foreign exchange contracts, interest rate swaps and credit derivatives. When the resulting asset is measured at fair value, the maximum exposure to credit risk at the end of the reporting period will equal the carrying amount. (c) granting financial guarantees. In this case, the maximum exposure to credit risk is the maximum amount the entity could have to pay if the guarantee is called on, which may be significantly greater than the amount recognised as a liability. (d) making a loan commitment that is irrevocable over the life of the facility or is revocable only in response to a material adverse change. If the issuer cannot settle the loan commitment net in cash or another financial instrument, the maximum credit exposure is the full amount of the commitment. This is because it is uncertain whether the amount of any undrawn portion may be drawn upon in the future. This may be significantly greater than the amount recognised as a liability.	B10 Activities that give rise to credit risk and the associated maximum exposure to credit risk include, but are not limited to: (a) granting loans to customers and placing deposits with other entities. In these cases, the maximum exposure to credit risk is the carrying amount of the related financial assets. (b) entering into derivative contracts, eg foreign exchange contracts, interest rate swaps and credit derivatives. When the resulting asset is measured at fair value, the maximum exposure to credit risk at the end of the reporting period will equal the carrying amount. (c) granting financial guarantees. In this case, the maximum exposure to credit risk is the maximum amount the entity could have to pay if the guarantee is called on, which may be significantly greater than the amount recognised as a liability. (d) making a loan commitment that is irrevocable over the life of the facility or is revocable only in response to a material adverse change. If the issuer cannot settle the loan commitment net in cash or another financial instrument, the maximum credit exposure is the full amount of the commitment. This is because it is uncertain whether the amount of any undrawn portion may be drawn upon in the future. This may be significantly greater than the amount recognised as a liability.	Paragraph B10 is guidance for paragraph 36(a), which is reduced for Tier 2 Therefore, paragraph B10 is reduced for Tier 2 entities.

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Quantitative liquidity risk disclosures (paragraphs 34(a) and 39(a) and (b)) B10A In accordance with paragraph 34(a) an entity discloses summary quantitative data about its exposure to liquidity risk on the basis of the information provided internally to key management personnel. An entity shall explain how those data are determined. If the outflows of cash (or another financial asset) included in those data could either: (a) occur significantly earlier than indicated in the data, or (b) be for significantly different amounts from those indicated in the data (eg for a derivative that is included in the data on a net settlement basis but for which the counterparty has the option to require gross settlement), the entity shall state that fact and provide quantitative information that enables users of its financial statements to evaluate the extent of this risk unless that information is included in the contractual maturity analyses required by paragraph 39(a) or (b).	**Quantitative liquidity risk disclosures (paragraphs 34(a) and 39(a) and (b))** B10A In accordance with paragraph 34(a) an entity discloses summary quantitative data about its exposure to liquidity risk on the basis of the information provided internally to key management personnel. An entity shall explain how those data are determined. If the outflows of cash (or another financial asset) included in those data could either: (a) occur significantly earlier than indicated in the data, or (b) be for significantly different amounts from those indicated in the data (eg for a derivative that is included in the data on a net settlement basis but for which the counterparty has the option to require gross settlement), the entity shall state that fact and provide quantitative information that enables users of its financial statements to evaluate the extent of this risk unless that information is included in the contractual maturity analyses required by paragraph 39(a) or (b).	Paragraph B10A is guidance for paragraph 34(a), which is reduced for Tier 2 Therefore, paragraph B10A is reduced for Tier 2 entities.
B11 In preparing the maturity analyses required by paragraph 39(a) and (b), an entity uses its judgement to determine an appropriate number of time bands. For example, an entity might determine that the following time bands are appropriate: (a) not later than one month; (b) later than one month and not later than three months; (c) later than three months and not later than one	B11 In preparing the maturity analyses required by paragraph 39(a) and (b), an entity uses its judgement to determine an appropriate number of time bands. For example, an entity might determine that the following time bands are appropriate: (a) not later than one month; (b) later than one month and not later than three months; (c) later than three months and not later than one	Paragraph B11 is guidance for paragraphs 39(a) and 39(b), both of which are kept for Tier 2 entities. Therefore, paragraph B11 is kept for Tier 2 entities.

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year; and (d) later than one year and not later than five years.	year; and (d) later than one year and not later than five years.	
B11A In complying with paragraph 39(a) and (b), an entity shall not separate an embedded derivative from a hybrid (combined) financial instrument. For such an instrument, an entity shall apply paragraph 39(a).	B11A In complying with paragraph 39(a) and (b), an entity shall not separate an embedded derivative from a hybrid (combined) financial instrument. For such an instrument, an entity shall apply paragraph 39(a).	Paragraph B11A is guidance for paragraphs 39(a) and 39(b), both of which are reduced for Tier 2 entities. Therefore, paragraph B11A is reduced for Tier 2 entities.
B11B Paragraph 39(b) requires an entity to disclose a quantitative maturity analysis for derivative financial liabilities that shows remaining contractual maturities if the contractual maturities are essential for an understanding of the timing of the cash flows. For example, this would be the case for: (a) an interest rate swap with a remaining maturity of five years in a cash flow hedge of a variable rate financial asset or liability. (b) all loan commitments.	B11B Paragraph 39(b) requires an entity to disclose a quantitative maturity analysis for derivative financial liabilities that shows remaining contractual maturities if the contractual maturities are essential for an understanding of the timing of the cash flows. For example, this would be the case for: (a) an interest rate swap with a remaining maturity of five years in a cash flow hedge of a variable rate financial asset or liability. (b) all loan commitments.	Paragraph B11B is guidance for paragraph 39(b), which is reduced for Tier 2 entities. Therefore, paragraph B11B is reduced for Tier 2 entities.
B11C Paragraph 39(a) and (b) requires an entity to disclose maturity analyses for financial liabilities that show the remaining contractual maturities for some financial liabilities. In this disclosure: (a) when a counterparty has a choice of when an amount is paid, the liability is allocated to the earliest period in which the entity can be required to pay. For example, financial liabilities that an entity can be required to repay on demand (eg demand deposits) are included in the earliest time band.	B11C Paragraph 39(a) and (b) requires an entity to disclose maturity analyses for financial liabilities that show the remaining contractual maturities for some financial liabilities. In this disclosure: (a) when a counterparty has a choice of when an amount is paid, the liability is allocated to the earliest period in which the entity can be required to pay. For example, financial liabilities that an entity can be required to repay on demand (eg demand deposits) are included in the earliest time band.	Paragraph B11C is guidance for paragraphs 39(a) and 39(b), both of which are reduced for Tier 2 entities. Therefore, paragraph B11C is reduced for Tier 2 entities.

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(b) when an entity is committed to make amounts available in instalments, each instalment is allocated to the earliest period in which the entity can be required to pay. For example, an undrawn loan commitment is included in the time band containing the earliest date it can be drawn down. (c) for issued financial guarantee contracts the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called.	(b) when an entity is committed to make amounts available in instalments, each instalment is allocated to the earliest period in which the entity can be required to pay. For example, an undrawn loan commitment is included in the time band containing the earliest date it can be drawn down. (c) for issued financial guarantee contracts the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called.	
B11D The contractual amounts disclosed in the maturity analyses as required by paragraph 39(a) and (b) are the contractual undiscounted cash flows, for example: (a) gross finance lease obligations (before deducting finance charges); (b) prices specified in forward agreements to purchase financial assets for cash; (c) net amounts for pay-floating/receive-fixed interest rate swaps for which net cash flows are exchanged; (d) contractual amounts to be exchanged in a derivative financial instrument (eg a currency swap) for which gross cash flows are exchanged; and (e) gross loan commitments. Such undiscounted cash flows differ from the amount included in the statement of financial position because the amount in that statement is based on discounted cash flows. When the amount	B11D The contractual amounts disclosed in the maturity analyses as required by paragraph 39(a) and (b) are the contractual undiscounted cash flows, for example: (a) gross finance lease obligations (before deducting finance charges); (b) prices specified in forward agreements to purchase financial assets for cash; (c) net amounts for pay-floating/receive-fixed interest rate swaps for which net cash flows are exchanged; (d) contractual amounts to be exchanged in a derivative financial instrument (eg a currency swap) for which gross cash flows are exchanged; and (e) gross loan commitments. Such undiscounted cash flows differ from the amount included in the statement of financial position because the amount in that statement is based on discounted cash flows. When the amount	Paragraph B11D is guidance for paragraphs 39(a) and 39(b), both of which are reduced for Tier 2 entities. Therefore, paragraph B11D is reduced for Tier 2 entities.

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payable is not fixed, the amount disclosed is determined by reference to the conditions existing at the end of the reporting period. For example, when the amount payable varies with changes in an index, the amount disclosed may be based on the level of the index at the end of the period.	payable is not fixed, the amount disclosed is determined by reference to the conditions existing at the end of the reporting period. For example, when the amount payable varies with changes in an index, the amount disclosed may be based on the level of the index at the end of the period.	
B11E Paragraph 39(c) requires an entity to describe how it manages the liquidity risk inherent in the items disclosed in the quantitative disclosures required in paragraph 9(a) and (b). An entity shall disclose a maturity analysis of financial assets it holds for managing liquidity risk (eg financial assets that are readily saleable or expected to generate cash inflows to meet cash outflows on financial liabilities), if that information is necessary to enable users of its financial statements to evaluate the nature and extent of liquidity risk.	B11E Paragraph 39(c) requires an entity to describe how it manages the liquidity risk inherent in the items disclosed in the quantitative disclosures required in paragraph 39(a) and (b). An entity shall disclose a maturity analysis of financial assets it holds for managing liquidity risk (eg financial assets that are readily saleable or expected to generate cash inflows to meet cash outflows on financial liabilities), if that information is necessary to enable users of its financial statements to evaluate the nature and extent of liquidity risk.	Paragraph B11E is guidance for paragraph 39(c), which is reduced for Tier 2 Therefore, paragraph B11E is reduced for Tier 2 entities.
B11F Other factors that an entity might consider in providing the disclosure required in paragraph 39(c) include, but are not limited to, whether the entity: (a) has committed borrowing facilities (eg commercial paper facilities) or other lines of credit (eg stand-by credit facilities) that it can access to meet liquidity needs; (b) holds deposits at central banks to meet liquidity needs; (c) has very diverse funding sources; (d) has significant concentrations of liquidity risk in either its assets or its funding sources; (e) has internal control processes and	B11F Other factors that an entity might consider in providing the disclosure required in paragraph 39(c) include, but are not limited to, whether the entity: (a) has committed borrowing facilities (eg commercial paper facilities) or other lines of credit (eg stand-by credit facilities) that it can access to meet liquidity needs; (b) holds deposits at central banks to meet liquidity needs; (c) has very diverse funding sources; (d) has significant concentrations of liquidity risk in either its assets or its funding sources; (e) has internal control processes and	Paragraph B11F is guidance for paragraph 39(c), which is reduced for Tier 2 Therefore, paragraph B11F is reduced for Tier 2 entities.

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contingency plans for managing liquidity risk; (f) has instruments that include accelerated repayment terms (eg on the downgrade of the entity's credit rating); (g) has instruments that could require the posting of collateral (eg margin calls for derivatives); (h) has instruments that allow the entity to choose whether it settles its financial liabilities by delivering cash (or another financial asset) or by delivering its own shares; or (i) has instruments that are subject to master netting agreements.	contingency plans for managing liquidity risk; (f) has instruments that include accelerated repayment terms (eg on the downgrade of the entity's credit rating); (g) has instruments that could require the posting of collateral (eg margin calls for derivatives); (h) has instruments that allow the entity to choose whether it settles its financial liabilities by delivering cash (or another financial asset) or by delivering its own shares; or (i) has instruments that are subject to master netting agreements.	
B12–B16 [Deleted by IASB]	B12–B16 [Deleted by IASB]	
Market risk – sensitivity analysis (paragraphs 40 and 41) B17 Paragraph 40(a) requires a sensitivity analysis for each type of market risk to which the entity is exposed. In accordance with paragraph B3, an entity decides how it aggregates information to display the overall picture without combining information with different characteristics about exposures to risks from significantly different economic environments. For example: (a) an entity that trades financial instruments might disclose this information separately for financial instruments held for trading and those not held for trading. (b) an entity would not aggregate its exposure to	**Market risk – sensitivity analysis (paragraphs 40 and 41)** B17 Paragraph 40(a) requires a sensitivity analysis for each type of market risk to which the entity is exposed. In accordance with paragraph B3, an entity decides how it aggregates information to display the overall picture without combining information with different characteristics about exposures to risks from significantly different economic environments. For example: (a) an entity that trades financial instruments might disclose this information separately for financial instruments held for trading and those not held for trading. (b) an entity would not aggregate its exposure to	Paragraph B17 is guidance for paragraph 40(a), which is reduced for Tier 2 entities. Therefore, paragraph B17 is reduced for Tier 2 entities.

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market risks from areas of hyperinflation with its exposure to the same market risks from areas of very low inflation. If an entity has exposure to only one type of market risk in only one economic environment, it would not show disaggregated information.	market risks from areas of hyperinflation with its exposure to the same market risks from areas of very low inflation. If an entity has exposure to only one type of market risk in only one economic environment, it would not show disaggregated information.	
B18 Paragraph 40(a) requires the sensitivity analysis to show the effect on profit or loss and equity of reasonably possible changes in the relevant risk variable (eg prevailing market interest rates, currency rates, equity prices or commodity prices). For this purpose: (a) entities are not required to determine what the profit or loss for the period would have been if relevant risk variables had been different. Instead, entities disclose the effect on profit or loss and equity at the end of the reporting period assuming that a reasonably possible change in the relevant risk variable had occurred at the end of the reporting period and had been applied to the risk exposures in existence at that date. For example, if an entity has a floating rate liability at the end of the year, the entity would disclose the effect on profit or loss (ie interest expense) for the current year if interest rates had varied by reasonably possible amounts. (b) entities are not required to disclose the effect on profit or loss and equity for each change within a range of reasonably possible changes of the relevant risk variable. Disclosure of the effects of the changes at the limits of the	B18 Paragraph 40(a) requires the sensitivity analysis to show the effect on profit or loss and equity of reasonably possible changes in the relevant risk variable (eg prevailing market interest rates, currency rates, equity prices or commodity prices). For this purpose: (a) entities are not required to determine what the profit or loss for the period would have been if relevant risk variables had been different. Instead, entities disclose the effect on profit or loss and equity at the end of the reporting period assuming that a reasonably possible change in the relevant risk variable had occurred at the end of the reporting period and had been applied to the risk exposures in existence at that date. For example, if an entity has a floating rate liability at the end of the year, the entity would disclose the effect on profit or loss (ie interest expense) for the current year if interest rates had varied by reasonably possible amounts. (b) entities are not required to disclose the effect on profit or loss and equity for each change within a range of reasonably possible changes of the relevant risk variable. Disclosure of the effects of the changes at the limits of the	Paragraph B18 is guidance for paragraph 40(a), which is reduced for Tier 2 entities. Therefore, paragraph B18 is reduced for Tier 2 entities.

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Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
reasonably possible range would be sufficient.	reasonably possible range would be sufficient.	
B19 In determining what a reasonably possible change in the relevant risk variable is, an entity should consider: (a) the economic environments in which it operates. A reasonably possible change should not include remote or 'worst case' scenarios or 'stress tests'. Moreover, if the rate of change in the underlying risk variable is stable, the entity need not alter the chosen reasonably possible change in the risk variable. For example, assume that interest rates are 5 per cent and an entity determines that a fluctuation in interest rates of ±50 basis points is reasonably possible. It would disclose the effect on profit or loss and equity if interest rates were to change to 4.5 per cent or 5.5 per cent. In the next period, interest rates have increased to 5.5 per cent. The entity continues to believe that interest rates may fluctuate by ±50 basis points (ie that the rate of change in interest rates is stable). The entity would disclose the effect on profit or loss and equity if interest rates were to change to 5 per cent or 6 per cent. The entity would not be required to revise its assessment that interest rates might reasonably fluctuate by ±50 basis points, unless there is evidence that interest rates have become significantly more volatile. (b) the time frame over which it is making the	B19 In determining what a reasonably possible change in the relevant risk variable is, an entity should consider: (a) the economic environments in which it operates. A reasonably possible change should not include remote or 'worst case' scenarios or 'stress tests'. Moreover, if the rate of change in the underlying risk variable is stable, the entity need not alter the chosen reasonably possible change in the risk variable. For example, assume that interest rates are 5 per cent and an entity determines that a fluctuation in interest rates of ±50 basis points is reasonably possible. It would disclose the effect on profit or loss and equity if interest rates were to change to 4.5 per cent or 5.5 per cent. In the next period, interest rates have increased to 5.5 per cent. The entity continues to believe that interest rates may fluctuate by ±50 basis points (ie that the rate of change in interest rates is stable). The entity would disclose the effect on profit or loss and equity if interest rates were to change to 5 per cent or 6 per cent. The entity would not be required to revise its assessment that interest rates might reasonably fluctuate by ±50 basis points, unless there is evidence that interest rates have become significantly more volatile. (b) the time frame over which it is making the	Paragraph B19 is guidance for paragraphs 40 and 41, both of which are reduced for Tier 2 entities. Therefore, paragraph B19 is reduced for Tier 2 entities.

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assessment. The sensitivity analysis shall show the effects of changes that are considered to be reasonably possible over the period until the entity will next present these disclosures, which is usually its next annual reporting period.	assessment. The sensitivity analysis shall show the effects of changes that are considered to be reasonably possible over the period until the entity will next present these disclosures, which is usually its next annual reporting period.	
B20 Paragraph 41 permits an entity to use a sensitivity analysis that reflects interdependencies between risk variables, such as a value-at-risk methodology, if it uses this analysis to manage its exposure to financial risks. This applies even if such a methodology measures only the potential for loss and does not measure the potential for gain. Such an entity might comply with paragraph 41(a) by disclosing the type of value-at-risk model used (eg whether the model relies on Monte Carlo simulations), an explanation about how the model works and the main assumptions (eg the holding period and confidence level). Entities might also disclose the historical observation period and weightings applied to observations within that period, an explanation of how options are dealt with in the calculations, and which volatilities and correlations (or, alternatively, Monte Carlo probability distribution simulations) are used.	B20 Paragraph 41 permits an entity to use a sensitivity analysis that reflects interdependencies between risk variables, such as a value-at-risk methodology, if it uses this analysis to manage its exposure to financial risks. This applies even if such a methodology measures only the potential for loss and does not measure the potential for gain. Such an entity might comply with paragraph 41(a) by disclosing the type of value-at-risk model used (eg whether the model relies on Monte Carlo simulations), an explanation about how the model works and the main assumptions (eg the holding period and confidence level). Entities might also disclose the historical observation period and weightings applied to observations within that period, an explanation of how options are dealt with in the calculations, and which volatilities and correlations (or, alternatively, Monte Carlo probability distribution simulations) are used.	Paragraph B20 is guidance for paragraph 41, which is reduced for Tier 2 entities. Therefore, paragraph B20 is reduced for Tier 2 entities.
B21 An entity shall provide sensitivity analyses for the whole of its business, but may provide different types of sensitivity analysis for different classes of financial instruments.	B21 An entity shall provide sensitivity analyses for the whole of its business, but may provide different types of sensitivity analysis for different classes of financial instruments.	Paragraph B21 is guidance for paragraphs 40 and 41, which are both reduced for Tier 2 entities. Therefore, paragraph B21 is reduced for Tier 2 entities.

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Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
Interest rate risk B22 *Interest rate risk* arises on interest-bearing financial instruments recognised in the statement of financial position (eg debt instruments acquired or issued) and on some financial instruments not recognised in the statement of financial position (eg some loan commitments).	**Interest rate risk** B22 *Interest rate risk* arises on interest-bearing financial instruments recognised in the statement of financial position (eg debt instruments acquired or issued) and on some financial instruments not recognised in the statement of financial position (eg some loan commitments).	Paragraph B22 is a definition in Appendix A of AASB 7/NZ IFRS 7. Therefore, paragraph B22 is kept for Tier 2 entities.
Currency risk B23 *Currency risk* (or foreign exchange risk) arises on financial instruments that are denominated in a foreign currency, ie in a currency other than the functional currency in which they are measured. For the purpose of this Standard/NZ IFRS, currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency.	**Currency risk** B23 *Currency risk* (or foreign exchange risk) arises on financial instruments that are denominated in a foreign currency, ie in a currency other than the functional currency in which they are measured. For the purpose of this Standard/NZ IFRS, currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency.	Paragraph B23 is a definition in Appendix A of AASB 7/NZ IFRS 7. Therefore, paragraph B23 is kept for Tier 2 entities.
B24 A sensitivity analysis is disclosed for each currency to which an entity has significant exposure.	B24 A sensitivity analysis is disclosed for each currency to which an entity has significant exposure.	Paragraph B24 is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph B24 is reduced for Tier 2 entities.

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Other price risk B25 *Other price risk* arises on financial instruments because of changes in, for example, commodity prices or equity prices. To comply with paragraph 40, an entity might disclose the effect of a decrease in a specified stock market index, commodity price, or other risk variable. For example, if an entity gives residual value guarantees that are financial instruments, the entity discloses an increase or decrease in the value of the assets to which the guarantee applies.	**Other price risk** B25 *Other price risk* arises on financial instruments because of changes in, for example, commodity prices or equity prices. To comply with paragraph 40, an entity might disclose the effect of a decrease in a specified stock market index, commodity price, or other risk variable. For example, if an entity gives residual value guarantees that are financial instruments, the entity discloses an increase or decrease in the value of the assets to which the guarantee applies.	Paragraph B25 is a definition in Appendix A of AASB 7/NZ IFRS 7. However, paragraph 40 is reduced for Tier 2 entities. Therefore, paragraph B25 is reduced for Tier 2 entities.
B26 Two examples of financial instruments that give rise to equity price risk are (a) a holding of equities in another entity and (b) an investment in a trust that in turn holds investments in equity instruments. Other examples include forward contracts and options to buy or sell specified quantities of an equity instrument and swaps that are indexed to equity prices. The fair values of such financial instruments are affected by changes in the market price of the underlying equity instruments.	B26 Two examples of financial instruments that give rise to equity price risk are (a) a holding of equities in another entity and (b) an investment in a trust that in turn holds investments in equity instruments. Other examples include forward contracts and options to buy or sell specified quantities of an equity instrument and swaps that are indexed to equity prices. The fair values of such financial instruments are affected by changes in the market price of the underlying equity instruments.	Paragraph B26 is guidance about financial instruments that give rise to equity price risk as defined in paragraph B25, which is reduced for Tier 2 entities. Therefore, paragraph B26 is reduced for Tier 2 entities.
B27 In accordance with paragraph 40(a), the sensitivity of profit or loss (that arises, for example, from instruments measured at fair value through profit or loss) is disclosed separately from the sensitivity of other comprehensive income (that arises, for example, from investments in equity instruments whose changes in fair value are presented in other comprehensive income).	B27 In accordance with paragraph 40(a), the sensitivity of profit or loss (that arises, for example, from instruments measured at fair value through profit or loss) is disclosed separately from the sensitivity of other comprehensive income (that arises, for example, from investments in equity instruments whose changes in fair value are presented in other comprehensive income).	Paragraph B27 is guidance for paragraph 40(a), which is reduced for Tier 2 entities. Therefore, paragraph B27 is reduced for Tier 2 entities.
B28 Financial instruments that an entity classifies as	B28 Financial instruments that an entity classifies as	Paragraph B28 is guidance for paragraph 40(a),

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equity instruments are not remeasured. Neither profit or loss nor equity will be affected by the equity price risk of those instruments. Accordingly, no sensitivity analysis is required.	equity instruments are not remeasured. Neither profit or loss nor equity will be affected by the equity price risk of those instruments. Accordingly, no sensitivity analysis is required.	which is reduced for Tier 2 entities. Therefore, paragraph B28 is reduced for Tier 2 entities.
Derecognition (paragraphs 42C–42H) **Continuing involvement (paragraph 42C)** B29 The assessment of continuing involvement in a transferred financial asset for the purposes of the disclosure requirements in paragraphs 42E–42H is made at the level of the reporting entity. For example, if a subsidiary transfers to an unrelated third party a financial asset in which the parent of the subsidiary has continuing involvement, the subsidiary does not include the parent's involvement in the assessment of whether it has continuing involvement in the transferred asset in its separate or individual financial statements (ie when the subsidiary is the reporting entity). However, a parent would include its continuing involvement (or that of another member of the group) in a financial asset transferred by its subsidiary in determining whether it has continuing involvement in the transferred asset in its consolidated financial statements (ie when the reporting entity is the group).	**Derecognition (paragraphs 42C–42H)** **Continuing involvement (paragraph 42C)** B29 The assessment of continuing involvement in a transferred financial asset for the purposes of the disclosure requirements in paragraphs 42E–42H is made at the level of the reporting entity. For example, if a subsidiary transfers to an unrelated third party a financial asset in which the parent of the subsidiary has continuing involvement, the subsidiary does not include the parent's involvement in the assessment of whether it has continuing involvement in the transferred asset in its separate or individual financial statements (ie when the subsidiary is the reporting entity). However, a parent would include its continuing involvement (or that of another member of the group) in a financial asset transferred by its subsidiary in determining whether it has continuing involvement in the transferred asset in its consolidated financial statements (ie when the reporting entity is the group).	Paragraph B29 is guidance for paragraph 42C, which is reduced for Tier 2 entities. Therefore, paragraph B29 is reduced for Tier 2 entities.
B30 An entity does not have a continuing involvement in a transferred financial asset if, as part of the transfer, it neither retains any of the contractual rights or obligations inherent in the transferred financial asset nor acquires any new contractual rights or obligations relating to the transferred financial asset. An entity does not have continuing involvement in a	B30 An entity does not have a continuing involvement in a transferred financial asset if, as part of the transfer, it neither retains any of the contractual rights or obligations inherent in the transferred financial asset nor acquires any new contractual rights or obligations relating to the transferred financial asset. An entity does not have continuing involvement in a	Paragraph B30 is guidance for paragraph 42C, which is reduced for Tier 2 entities. Therefore, paragraph B30 is reduced for Tier 2 entities.

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transferred financial asset if it has neither an interest in the future performance of the transferred financial asset nor a responsibility under any circumstances to make payments in respect of the transferred financial asset in the future. The term 'payment' in this context does not include cash flows of the transferred financial asset that an entity collects and is required to remit to the transferee.	transferred financial asset if it has neither an interest in the future performance of the transferred financial asset nor a responsibility under any circumstances to make payments in respect of the transferred financial asset in the future. The term 'payment' in this context does not include cash flows of the transferred financial asset that an entity collects and is required to remit to the transferee.	
B30A When an entity transfers a financial asset, the entity may retain the right to service that financial asset for a fee that is included in, for example, a servicing contract. The entity assesses the servicing contract in accordance with the guidance in paragraphs 42C and B30 to decide whether the entity has continuing involvement as a result of the servicing contract for the purposes of the disclosure requirements. For example, a servicer will have continuing involvement in the transferred financial asset for the purposes of the disclosure requirements if the servicing fee is dependent on the amount or timing of the cash flows collected from the transferred financial asset. Similarly, a servicer has continuing involvement for the purposes of the disclosure requirements if a fixed fee would not be paid in full because of non-performance of the transferred financial asset. In these examples, the servicer has an interest in the future performance of the transferred financial asset. This assessment is independent of whether the fee to be received is expected to compensate the entity adequately for performing the servicing.	B30A When an entity transfers a financial asset, the entity may retain the right to service that financial asset for a fee that is included in, for example, a servicing contract. The entity assesses the servicing contract in accordance with the guidance in paragraphs 42C and B30 to decide whether the entity has continuing involvement as a result of the servicing contract for the purposes of the disclosure requirements. For example, a servicer will have continuing involvement in the transferred financial asset for the purposes of the disclosure requirements if the servicing fee is dependent on the amount or timing of the cash flows collected from the transferred financial asset. Similarly, a servicer has continuing involvement for the purposes of the disclosure requirements if a fixed fee would not be paid in full because of non-performance of the transferred financial asset. In these examples, the servicer has an interest in the future performance of the transferred financial asset. This assessment is independent of whether the fee to be received is expected to compensate the entity adequately for performing the servicing.	Paragraph B30A is guidance for paragraph 42C, which is reduced for Tier 2 entities. Therefore, paragraph B30A is reduced for Tier 2 entities.
B31 Continuing involvement in a transferred financial	B31 Continuing involvement in a transferred financial	Paragraph B31 is guidance for paragraph 42C,

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asset may result from contractual provisions in the transfer agreement or in a separate agreement with the transferee or a third party entered into in connection with the transfer.	asset may result from contractual provisions in the transfer agreement or in a separate agreement with the transferee or a third party entered into in connection with the transfer.	which is reduced for Tier 2 entities. Therefore, paragraph B31 is reduced for Tier 2 entities.
Transferred financial assets that are not derecognised in their entirety (paragraph 42D) B32 Paragraph 42D requires disclosures when part or all of the transferred financial assets do not qualify for derecognition. Those disclosures are required at each reporting date at which the entity continues to recognise the transferred financial assets, regardless of when the transfers occurred.	**Transferred financial assets that are not derecognised in their entirety (paragraph 42D)** B32 Paragraph 42D requires disclosures when part or all of the transferred financial assets do not qualify for derecognition. Those disclosures are required at each reporting date at which the entity continues to recognise the transferred financial assets, regardless of when the transfers occurred.	Paragraph B32 is guidance for paragraph 42D, which is reduced for Tier 2 entities. Therefore, paragraph B32 is reduced for Tier 2 entities.
Types of continuing involvement (paragraphs 42E–42H) B33 Paragraphs 42E–42H require qualitative and quantitative disclosures for each type of continuing involvement in derecognised financial assets. An entity shall aggregate its continuing involvement into types that are representative of the entity's exposure to risks. For example, an entity may aggregate its continuing involvement by type of financial instrument (eg guarantees or call options) or by type of transfer (eg factoring of receivables, securitisations and securities lending).	**Types of continuing involvement (paragraphs 42E–42H)** B33 Paragraphs 42E–42H require qualitative and quantitative disclosures for each type of continuing involvement in derecognised financial assets. An entity shall aggregate its continuing involvement into types that are representative of the entity's exposure to risks. For example, an entity may aggregate its continuing involvement by type of financial instrument (eg guarantees or call options) or by type of transfer (eg factoring of receivables, securitisations and securities lending).	Paragraph B33 is guidance for paragraphs 42E–42H, all of which are reduced for Tier 2 entities. Therefore, paragraph B33 is reduced for Tier 2 entities.
Maturity analysis for undiscounted cash outflows to repurchase transferred assets (paragraph 42E(e)) B34 Paragraph 42E(e) requires an entity to disclose a maturity analysis of the undiscounted cash outflows to repurchase derecognised financial assets or other	**Maturity analysis for undiscounted cash outflows to repurchase transferred assets (paragraph 42E(e))** B34 Paragraph 42E(e) requires an entity to disclose a maturity analysis of the undiscounted cash outflows to repurchase derecognised financial assets or other	Paragraph B34 is guidance for paragraph 42E(e), which is reduced for Tier 2

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Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
amounts payable to the transferee in respect of the derecognised financial assets, showing the remaining contractual maturities of the entity's continuing involvement. This analysis distinguishes cash flows that are required to be paid (eg forward contracts), cash flows that the entity may be required to pay (eg written put options) and cash flows that the entity might choose to pay (eg purchased call options).	amounts payable to the transferee in respect of the derecognised financial assets, showing the remaining contractual maturities of the entity's continuing involvement. This analysis distinguishes cash flows that are required to be paid (eg forward contracts), cash flows that the entity may be required to pay (eg written put options) and cash flows that the entity might choose to pay (eg purchased call options).	entities. Therefore, paragraph B34 is reduced for Tier 2 entities.
B35 An entity shall use its judgement to determine an appropriate number of time bands in preparing the maturity analysis required by paragraph 42E(e). For example, an entity might determine that the following maturity time bands are appropriate: (a) not later than one month; (b) later than one month and not later than three months; (c) later than three months and not later than six months; (d) later than six months and not later than one year; (e) later than one year and not later than three years; (f) later than three years and not later than five years; and (g) more than five years.	B35 An entity shall use its judgement to determine an appropriate number of time bands in preparing the maturity analysis required by paragraph 42E(e). For example, an entity might determine that the following maturity time bands are appropriate: (a) not later than one month; (b) later than one month and not later than three months; (c) later than three months and not later than six months; (d) later than six months and not later than one year; (e) later than one year and not later than three years; (f) later than three years and not later than five years; and (g) more than five years.	Paragraph B35 is guidance for paragraph 42E(e), which is reduced for Tier 2 entities. Therefore, paragraph B35 is reduced for Tier 2 entities.
B36 If there is a range of possible maturities, the cash flows are included on the basis of the earliest date on which the entity can be required or is permitted to pay.	B36 If there is a range of possible maturities, the cash flows are included on the basis of the earliest date on which the entity can be required or is permitted to pay.	Paragraph B36 is guidance for paragraph 42E(e), which is reduced for Tier 2 entities. Therefore, paragraph B36 is reduced for Tier 2

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Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
		entities.
Qualitative information (paragraph 42E(f)) B37 The qualitative information required by paragraph 42E(f) includes a description of the derecognised financial assets and the nature and purpose of the continuing involvement retained after transferring those assets. It also includes a description of the risks to which an entity is exposed, including: (a) a description of how the entity manages the risk inherent in its continuing involvement in the derecognised financial assets. (b) whether the entity is required to bear losses before other parties, and the ranking and amounts of losses borne by parties whose interests rank lower than the entity's interest in the asset (ie its continuing involvement in the asset). (c) a description of any triggers associated with obligations to provide financial support or to repurchase a transferred financial asset.	**Qualitative information (paragraph 42E(f))** B37 The qualitative information required by paragraph 42E(f) includes a description of the derecognised financial assets and the nature and purpose of the continuing involvement retained after transferring those assets. It also includes a description of the risks to which an entity is exposed, including: (a) a description of how the entity manages the risk inherent in its continuing involvement in the derecognised financial assets. (b) whether the entity is required to bear losses before other parties, and the ranking and amounts of losses borne by parties whose interests rank lower than the entity's interest in the asset (ie its continuing involvement in the asset). (c) a description of any triggers associated with obligations to provide financial support or to repurchase a transferred financial asset.	Paragraph B37 is guidance for paragraph 42E(f), which is reduced for Tier 2 entities. Therefore, paragraph B37 is reduced for Tier 2 entities.
Gain or loss on derecognition (paragraph 42G(a)) B38 Paragraph 42G(a) requires an entity to disclose the gain or loss on derecognition relating to financial assets in which the entity has continuing involvement. The entity shall disclose if a gain or loss on derecognition arose because the fair values of the components of the previously recognised asset (ie the interest in the asset derecognised and the interest retained by the entity) were different from	**Gain or loss on derecognition (paragraph 42G(a))** B38 Paragraph 42G(a) requires an entity to disclose the gain or loss on derecognition relating to financial assets in which the entity has continuing involvement. The entity shall disclose if a gain or loss on derecognition arose because the fair values of the components of the previously recognised asset (ie the interest in the asset derecognised and the interest retained by the entity) were different from	Paragraph B38 is guidance for paragraph 42G(a), which is reduced for Tier 2 entities. Therefore, paragraph B38 is reduced for Tier 2 entities.

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Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
the fair value of the previously recognised asset as a whole. In that situation, the entity shall also disclose whether the fair value measurements included significant inputs that were not based on observable market data, as described in paragraph 27A.	the fair value of the previously recognised asset as a whole. In that situation, the entity shall also disclose whether the fair value measurements included significant inputs that were not based on observable market data, as described in paragraph 27A.	
Supplementary information (paragraph 42H) B39 The disclosures required in paragraphs 42D–42G may not be sufficient to meet the disclosure objectives in paragraph 42B. If this is the case, the entity shall disclose whatever additional information is necessary to meet the disclosure objectives. The entity shall decide, in the light of its circumstances, how much additional information it needs to provide to satisfy the information needs of users and how much emphasis it places on different aspects of the additional information. It is necessary to strike a balance between burdening financial statements with excessive detail that may not assist users of financial statements and obscuring information as a result of too much aggregation.	**Supplementary information (paragraph 42H)** B39 The disclosures required in paragraphs 42D–42G may not be sufficient to meet the disclosure objectives in paragraph 42B. If this is the case, the entity shall disclose whatever additional information is necessary to meet the disclosure objectives. The entity shall decide, in the light of its circumstances, how much additional information it needs to provide to satisfy the information needs of users and how much emphasis it places on different aspects of the additional information. It is necessary to strike a balance between burdening financial statements with excessive detail that may not assist users of financial statements and obscuring information as a result of too much aggregation.	Paragraph B39 is guidance for paragraph 42H, which is reduced for Tier 2 entities. Therefore, paragraph B39 is reduced for Tier 2 entities.
Offsetting financial assets and financial liabilities (paragraphs 13A–13F) *Scope (paragraph 13A)* B40 The disclosures in paragraphs 13B–13E are required for all recognised financial instruments that are set off in accordance with paragraph 42 of AASB 132/NZ IAS 32. In addition, financial instruments are within the scope of the disclosure requirements in paragraphs 13B–13E if they are subject to an enforceable master netting arrangement or similar agreement that covers similar financial	**Offsetting financial assets and financial liabilities (paragraphs 13A–13F)** *Scope (paragraph 13A)* B40 The disclosures in paragraphs 13B–13E are required for all recognised financial instruments that are set off in accordance with paragraph 42 of AASB 132/NZ IAS 32. In addition, financial instruments are within the scope of the disclosure requirements in paragraphs 13B–13E if they are subject to an enforceable master netting arrangement or similar agreement that covers similar financial	Paragraph B40 is guidance for paragraphs 13B–13E, all of which are reduced for Tier 2 entities. Therefore, paragraph B40 is reduced for Tier 2 entities.

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Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
instruments and transactions, irrespective of whether the financial instruments are set off in accordance with paragraph 42 of AASB 132/NZ IAS 32.	instruments and transactions, irrespective of whether the financial instruments are set off in accordance with paragraph 42 of AASB 132/NZ IAS 32.	
B41 The similar agreements referred to in paragraphs 13A and B40 include derivative clearing agreements, global master repurchase agreements, global master securities lending agreements, and any related rights to financial collateral. The similar financial instruments and transactions referred to in paragraph B40 include derivatives, sale and repurchase agreements, reverse sale and repurchase agreements, securities borrowing, and securities lending agreements. Examples of financial instruments that are not within the scope of paragraph 13A are loans and customer deposits at the same institution (unless they are set off in the statement of financial position), and financial instruments that are subject only to a collateral agreement.	B41 The similar agreements referred to in paragraphs 13A and B40 include derivative clearing agreements, global master repurchase agreements, global master securities lending agreements, and any related rights to financial collateral. The similar financial instruments and transactions referred to in paragraph B40 include derivatives, sale and repurchase agreements, reverse sale and repurchase agreements, securities borrowing, and securities lending agreements. Examples of financial instruments that are not within the scope of paragraph 13A are loans and customer deposits at the same institution (unless they are set off in the statement of financial position), and financial instruments that are subject only to a collateral agreement.	Paragraph B41 is guidance for paragraphs 13A and B40, both of which are reduced for Tier 2 entities. Therefore, paragraph B41 is reduced for Tier 2 entities.
Disclosure of quantitative information for recognised financial assets and recognised financial liabilities within the scope of paragraph 13A (paragraph 13C) B42 Financial instruments disclosed in accordance with paragraph 13C may be subject to different measurement requirements (for example, a payable related to a repurchase agreement may be measured at amortised cost, while 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	**Disclosure of quantitative information for recognised financial assets and recognised financial liabilities within the scope of paragraph 13A (paragraph 13C)** B42 Financial instruments disclosed in accordance with paragraph 13C may be subject to different measurement requirements (for example, a payable related to a repurchase agreement may be measured at amortised cost, while 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	Paragraph B42 is guidance for paragraph 13C, which is reduced for Tier 2 entities. Therefore, paragraph B42 is reduced for Tier 2 entities.

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Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
disclosures.	disclosures.	
Disclosure of the gross amounts of recognised financial assets and recognised financial liabilities within the scope of paragraph 13A (paragraph 13C(a)) B43 The amounts required by paragraph 13C(a) relate to recognised financial instruments that are set off in accordance with paragraph 42 of AASB 132/NZ IAS 32. The amounts required by paragraph 13C(a) also relate to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement irrespective of whether they meet the offsetting criteria. However, the disclosures required by paragraph 13C(a) do not relate to any amounts recognised as a result of collateral agreements that do not meet the offsetting criteria in paragraph 42 of AASB 132/NZ IAS 32. Instead, such amounts are required to be disclosed in accordance with paragraph 13C(d).	**Disclosure of the gross amounts of recognised financial assets and recognised financial liabilities within the scope of paragraph 13A (paragraph 13C(a))** B43 The amounts required by paragraph 13C(a) relate to recognised financial instruments that are set off in accordance with paragraph 42 of AASB 132/NZ IAS 32. The amounts required by paragraph 13C(a) also relate to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement irrespective of whether they meet the offsetting criteria. However, the disclosures required by paragraph 13C(a) do not relate to any amounts recognised as a result of collateral agreements that do not meet the offsetting criteria in paragraph 42 of AASB 132/NZ IAS 32. Instead, such amounts are required to be disclosed in accordance with paragraph 13C(d).	Paragraph B43 is guidance for paragraph 13C(a), which is reduced for Tier 2 entities. Therefore, paragraph B43 is reduced for Tier 2 entities.
Disclosure of the amounts that are set off in accordance with the criteria in paragraph 42 of AASB 132/NZ IAS 32 (paragraph 13C(b)) B44 Paragraph 13C(b) requires that entities disclose the amounts set off in accordance with paragraph 42 of AASB 132/NZ IAS 32 when determining the net amounts presented in the statement of financial position. The amounts of both the recognised financial assets and the recognised financial liabilities that are subject to set-off under the same arrangement will be disclosed in both the financial	**Disclosure of the amounts that are set off in accordance with the criteria in paragraph 42 of AASB 132/NZ IAS 32 (paragraph 13C(b))** B44 Paragraph 13C(b) requires that entities disclose the amounts set off in accordance with paragraph 42 of AASB 132/NZ IAS 32 when determining the net amounts presented in the statement of financial position. The amounts of both the recognised financial assets and the recognised financial liabilities that are subject to set-off under the same arrangement will be disclosed in both the financial	Paragraph B44 is guidance for paragraph 13C(b), which is reduced for Tier 2 entities. Therefore, paragraph B44 is reduced for Tier 2 entities.

AASB 7/NZ IFRS 7 *Financial Instruments: Disclosures*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
asset and financial liability disclosures. However, the amounts disclosed (in, for example, a table) are limited to the amounts that are subject to set-off. For example, an entity may have a recognised derivative asset and a recognised derivative liability that meet the offsetting criteria in paragraph 42 of AASB 132/NZ IAS 32. If the gross amount of the derivative asset is larger than the gross amount of the derivative liability, the financial asset disclosure table will include the entire amount of the derivative asset (in accordance with paragraph 13C(a)) and the entire amount of the derivative liability (in accordance with paragraph 13C(b)). However, while the financial liability disclosure table will include the entire amount of the derivative liability (in accordance with paragraph 13C(a)), it will only include the amount of the derivative asset (in accordance with paragraph 13C(b)) that is equal to the amount of the derivative liability.	asset and financial liability disclosures. However, the amounts disclosed (in, for example, a table) are limited to the amounts that are subject to set-off. For example, an entity may have a recognised derivative asset and a recognised derivative liability that meet the offsetting criteria in paragraph 42 of AASB 132/NZ IAS 32. If the gross amount of the derivative asset is larger than the gross amount of the derivative liability, the financial asset disclosure table will include the entire amount of the derivative asset (in accordance with paragraph 3C(a)) and the entire amount of the derivative liability (in accordance with paragraph 13C(b)). However, while the financial liability disclosure table will include the entire amount of the derivative liability (in accordance with paragraph 13C(a)), it will only include the amount of the derivative asset (in accordance with paragraph 13C(b)) that is equal to the amount of the derivative liability.	
Disclosure of the net amounts presented in the statement of financial position (paragraph 13C(c)) B45 If an entity has instruments that meet the scope of these disclosures (as specified in paragraph 13A), but that do not meet the offsetting criteria in paragraph 42 of AASB 132/NZ IAS 32, the amounts required to be disclosed by paragraph 3C(c) would equal the amounts required to be disclosed by paragraph 13C(a).	**Disclosure of the net amounts presented in the statement of financial position (paragraph 13C(c))** B45 If an entity has instruments that meet the scope of these disclosures (as specified in paragraph 13A), but that do not meet the offsetting criteria in paragraph 42 of AASB 132/NZ IAS 32, the amounts required to be disclosed by paragraph 13C(c) would equal the amounts required to be disclosed by paragraph 13C(a).	Paragraph B45 is guidance for paragraph 13C(c), which is reduced for Tier 2 entities. Therefore, paragraph B45 is reduced for Tier 2 entities.
B46 The amounts required to be disclosed by paragraph 13C(c) must be reconciled to the	B46 The amounts required to be disclosed by paragraph 13C(c) must be reconciled to the	Paragraph B46 requires items to be reconciled. Reconciliations are not required under the Tier 2

AASB 7/NZ IFRS 7 *Financial Instruments: Disclosures*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
individual line item amounts presented in the statement of financial position. For example, if an entity determines that the aggregation or disaggregation of individual financial statement line item amounts provides more relevant information, it must reconcile the aggregated or disaggregated amounts disclosed in paragraph 13C(c) back to the individual line item amounts presented in the statement of financial position.	individual line item amounts presented in the statement of financial position. For example, if an entity determines that the aggregation or disaggregation of individual financial statement line item amounts provides more relevant information, it must reconcile the aggregated or disaggregated amounts disclosed in paragraph 13C(c) back to the individual line item amounts presented in the statement of financial position.	disclosure Principles. Therefore, paragraph B46 is reduced for Tier 2 entities.
Disclosure of the amounts subject to an enforceable master netting arrangement or similar agreement that are not otherwise included in paragraph 13C(b) (paragraph 13C(d)) B47 Paragraph 13C(d) requires that entities disclose amounts that are subject to an enforceable master netting arrangement or similar agreement that are not otherwise included in paragraph 13C(b). Paragraph 13C(d)(i) refers to amounts related to recognised financial instruments that do not meet some or all of the offsetting criteria in paragraph 42 of AASB 132/NZ IAS 32 (for example, current rights of set-off that do not meet the criterion in paragraph 42(b) of AASB 132/NZ IAS 32, or conditional rights of set-off that are enforceable and exercisable only in the event of default, or only in the event of insolvency or bankruptcy of any of the counterparties).	**Disclosure of the amounts subject to an enforceable master netting arrangement or similar agreement that are not otherwise included in paragraph 13C(b) (paragraph 13C(d))** B47 Paragraph 13C(d) requires that entities disclose amounts that are subject to an enforceable master netting arrangement or similar agreement that are not otherwise included in paragraph 13C(b). Paragraph 13C(d)(i) refers to amounts related to recognised financial instruments that do not meet some or all of the offsetting criteria in paragraph 42 of AASB 132/NZ IAS 32 (for example, current rights of set-off that do not meet the criterion in paragraph 42(b) of AASB 132/NZ IAS 32, or conditional rights of set-off that are enforceable and exercisable only in the event of default, or only in the event of insolvency or bankruptcy of any of the counterparties).	Paragraph B47 is guidance for paragraph 13C(d), which is reduced for Tier 2 entities. Therefore, paragraph B47 is reduced for Tier 2 entities.

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Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
B48 Paragraph 13C(d)(ii) refers to amounts related to financial collateral, including cash collateral, both received and pledged. An entity shall disclose the fair value of those financial instruments that have been pledged or received as collateral. The amounts disclosed in accordance with paragraph 13C(d)(ii) should relate to the actual collateral received or pledged and not to any resulting payables or receivables recognised to return or receive back such collateral.	B48 Paragraph 13C(d)(ii) refers to amounts related to financial collateral, including cash collateral, both received and pledged. An entity shall disclose the fair value of those financial instruments that have been pledged or received as collateral. The amounts disclosed in accordance with paragraph 13C(d)(ii) should relate to the actual collateral received or pledged and not to any resulting payables or receivables recognised to return or receive back such collateral.	Paragraph B48 is guidance for paragraph 13C(d)(ii), which is reduced for Tier 2 entities. Therefore, paragraph B48 is reduced for Tier 2 entities.
Limits on the amounts disclosed in paragraph 13C(d) (paragraph 13D) B49 When disclosing amounts in accordance with paragraph 13C(d), an entity must take into account the effects of over-collateralisation by financial instrument. To do so, the entity must first deduct the amounts disclosed in accordance with paragraph 13C(d)(i) from the amount disclosed in accordance with paragraph 13C(c). The entity shall then limit the amounts disclosed in accordance with paragraph 13C(d)(ii) to the remaining amount in paragraph 13C(c) for the related financial instrument. However, if rights to collateral can be enforced across financial instruments, such rights can be included in the disclosure provided in accordance with paragraph 13D.	**Limits on the amounts disclosed in paragraph 13C(d) (paragraph 13D)** B49 When disclosing amounts in accordance with paragraph 13C(d), an entity must take into account the effects of over-collateralisation by financial instrument. To do so, the entity must first deduct the amounts disclosed in accordance with paragraph 13C(d)(i) from the amount disclosed in accordance with paragraph 13C(c). The entity shall then limit the amounts disclosed in accordance with paragraph 13C(d)(ii) to the remaining amount in paragraph 13C(c) for the related financial instrument. However, if rights to collateral can be enforced across financial instruments, such rights can be included in the disclosure provided in accordance with paragraph 13D.	Paragraph B49 is guidance for paragraph 13D, which is reduced for Tier 2 entities. Therefore, paragraph B49 is reduced for Tier 2 entities.
Description of the rights of set-off subject to enforceable master netting arrangements and similar agreements (paragraph 13E) B50 An entity shall describe the types of rights of set-off and similar arrangements disclosed in accordance	**Description of the rights of set-off subject to enforceable master netting arrangements and similar agreements (paragraph 13E)** B50 An entity shall describe the types of rights of set-off and similar arrangements disclosed in accordance	Paragraph B50 is guidance for paragraph 13E,

AASB 7/NZ IFRS 7 *Financial Instruments: Disclosures*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
with paragraph 13C(d), including the nature of those rights. For example, an entity shall describe its conditional rights. For instruments subject to rights of set-off that are not contingent on a future event but that do not meet the remaining criteria in paragraph 42 of AASB 132/NZ IAS 32, the entity shall describe the reason(s) why the criteria are not met. For any financial collateral received or pledged, the entity shall describe the terms of the collateral agreement (for example, when the collateral is restricted).	with paragraph 13C(d), including the nature of those rights. For example, an entity shall describe its conditional rights. For instruments subject to rights of set-off that are not contingent on a future event but that do not meet the remaining criteria in paragraph 42 of AASB 132/NZ IAS 32, the entity shall describe the reason(s) why the criteria are not met. For any financial collateral received or pledged, the entity shall describe the terms of the collateral agreement (for example, when the collateral is restricted).	which is reduced for Tier 2 entities. Therefore, paragraph B50 is reduced for Tier 2 entities.
Disclosure by type of financial instrument or by counterparty B51 The quantitative disclosures required by paragraph 13C(a)–(e) may be grouped by type of financial instrument or transaction (for example, derivatives, repurchase and reverse repurchase agreements or securities borrowing and securities lending agreements).	**Disclosure by type of financial instrument or by counterparty** B51 The quantitative disclosures required by paragraph 13C(a)–(e) may be grouped by type of financial instrument or transaction (for example, derivatives, repurchase and reverse repurchase agreements or securities borrowing and securities lending agreements).	Paragraph B51 is guidance for paragraphs 13C(a)–(e), all of which are reduced for Tier 2 entities. Therefore, paragraph B51 is reduced for Tier 2 entities.
B52 Alternatively, an entity may group the quantitative disclosures required by paragraph 13C(a)–(c) by type of financial instrument, and the quantitative disclosures required by paragraph 13C(c)–(e) by counterparty. If an entity provides the required information by counterparty, the entity is not required to identify the counterparties by name. However, designation of counterparties (Counterparty A, Counterparty B, Counterparty C, etc) shall remain consistent from year to year for the years presented to maintain comparability. Qualitative disclosures shall be considered so that	B52 Alternatively, an entity may group the quantitative disclosures required by paragraph 13C(a)–(c) by type of financial instrument, and the quantitative disclosures required by paragraph 13C(c)–(e) by counterparty. If an entity provides the required information by counterparty, the entity is not required to identify the counterparties by name. However, designation of counterparties (Counterparty A, Counterparty B, Counterparty C, etc) shall remain consistent from year to year for the years presented to maintain comparability. Qualitative disclosures shall be considered so that	Paragraph B52 is guidance for paragraphs 13C(a)–(e), all of which are reduced for Tier 2 entities. Therefore, paragraph B52 is reduced for Tier 2 entities.

AASB 7/NZ IFRS 7 *Financial Instruments: Disclosures*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
further information can be given about the types of counterparties. When disclosure of the amounts in paragraph 13C(c)–(e) is provided by counterparty, amounts that are individually significant in terms of total counterparty amounts shall be separately disclosed and the remaining individually insignificant counterparty amounts shall be aggregated into one line item.	further information can be given about the types of counterparties. When disclosure of the amounts in paragraph 13C(c)–(e) is provided by counterparty, amounts that are individually significant in terms of total counterparty amounts shall be separately disclosed and the remaining individually insignificant counterparty amounts shall be aggregated into one line item.	
Other B53 The specific disclosures required by paragraphs 13C–13E are minimum requirements. To meet the objective in paragraph 13B an entity may need to supplement them with additional (qualitative) disclosures, depending on the terms of the enforceable master netting arrangements and related agreements, including the nature of the rights of set-off, and their effect or potential effect on the entity's financial position.	**Other** B53 The specific disclosures required by paragraphs 13C–13E are minimum requirements. To meet the objective in paragraph 13B an entity may need to supplement them with additional (qualitative) disclosures, depending on the terms of the enforceable master netting arrangements and related agreements, including the nature of the rights of set-off, and their effect or potential effect on the entity's financial position.	Paragraph B53 is guidance for paragraphs 13C–13E, all of which are reduced for Tier 2 entities. Therefore, paragraph B53 is reduced for Tier 2 entities.

AASB 12/NZ IFRS 12 *Disclosure of Interests in Other Entities*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
Objective **1 The objective of this Standard/NZ IFRS is to require an entity to disclose information that enables users of its financial statements to evaluate:** **(a) the nature of, and risks associated with, its *interests in other entities*; and** **(b) the effects of those interests on its financial position, financial performance and cash flows.**	**Objective** **1 The objective of this Standard/NZ IFRS is to require an entity to disclose information that enables users of its financial statements to evaluate:** **(a) the nature of, and risks associated with, its *interests in other entities*; and** **(b) the effects of those interests on its financial position, financial performance and cash flows.**	Paragraph 1 requires disclosures to meet a stated objective. Therefore, paragraph 1 is reduced for Tier 2 entities.
Meeting the objective 2 To meet the objective in paragraph 1, an entity shall disclose: (a) the significant judgements and assumptions it has made in determining: (i) the nature of its interest in another entity or arrangement; (ii) the type of joint arrangement in which it has an interest (paragraphs 7–9); (iii) that it meets the definition of an investment entity, if applicable (paragraph 9A); and (b) information about its interests in: (i) subsidiaries (paragraphs 10–19); (ii) joint arrangements and associates (paragraphs 20–23); and (iii) *structured entities* that are not controlled by the entity	**Meeting the objective** 2 To meet the objective in paragraph 1, an entity shall disclose: (a) the significant judgements and assumptions it has made in determining: (i) the nature of its interest in another entity or arrangement; (ii) the type of joint arrangement in which it has an interest (paragraphs 7–9); (iii) that it meets the definition of an investment entity, if applicable (paragraph 9A); and (b) information about its interests in: (i) subsidiaries (paragraphs 10–19); (ii) joint arrangements and associates (paragraphs 20–23); and (iii) *structured entities* that are not controlled by the entity	Paragraph 2 is guidance for paragraph 1, which is reduced for Tier 2 entities. Therefore, paragraph 2 is reduced for Tier 2 entities.

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Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
(unconsolidated structured entities) (paragraphs 24–31).	(unconsolidated structured entities) (paragraphs 24–31).	
3 If the disclosures required by this Standard/NZ IFRS, together with disclosures required by other Standards/NZ IFRSs, do not meet the objective in paragraph 1, an entity shall disclose whatever additional information is necessary to meet that objective.	3 If the disclosures required by this Standard/NZ IFRS, together with disclosures required by other Standards/NZ IFRSs, do not meet the objective in paragraph 1, an entity shall disclose whatever additional information is necessary to meet that objective.	Paragraph 3 is guidance for paragraph 1, which is reduced for Tier 2 entities. Therefore, paragraph 3 is reduced for Tier 2 entities.
4 An entity shall consider the level of detail necessary to satisfy the disclosure objective and how much emphasis to place on each of the requirements in this Standard/NZ IFRS. It shall aggregate or disaggregate disclosures so that useful information is not obscured by either the inclusion of a large amount of insignificant detail or the aggregation of items that have different characteristics (see paragraphs B2–B6).	4 An entity shall consider the level of detail necessary to satisfy the disclosure objective and how much emphasis to place on each of the requirements in this Standard/NZ IFRS. It shall aggregate or disaggregate disclosures so that useful information is not obscured by either the inclusion of a large amount of insignificant detail or the aggregation of items that have different characteristics (see paragraphs B2–B6).	Paragraph 4 is guidance for paragraph 1, which is reduced for Tier 2 entities. Therefore, paragraph 4 is reduced for Tier 2 entities.
Significant judgements and assumption **7 An entity shall disclose information about significant judgements and assumptions it has made (and changes to those judgements and assumptions) in determining:** **(a) that it has control of another entity, ie an investee as described in paragraphs 5 and 6 of AASB 10/NZ IFRS 10 *Consolidated Financial Statements*;** **(b) that it has joint control of an arrangement or significant influence**	**Significant judgements and assumption** **7 An entity shall disclose information about significant judgements and assumptions it has made (and changes to those judgements and assumptions) in determining:** **(a) that it has control of another entity, ie an investee as described in paragraphs 5 and 6 of AASB 10/NZ IFRS 10 *Consolidated Financial Statements*;** **(b) that it has joint control of an arrangement or significant influence**	Paragraph 7 requires disclosures to meet a stated objective. Therefore, paragraph 7 is reduced for Tier 2 entities.

AASB 12/NZ IFRS 12 *Disclosure of Interests in Other Entities*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
over another entity; and **(c) the type of joint arrangement (ie joint operation or joint venture) when the arrangement has been structured through a separate vehicle.**	**over another entity; and** **(c) the type of joint arrangement (ie joint operation or joint venture) when the arrangement has been structured through a separate vehicle.**	
8 The significant judgements and assumptions disclosed in accordance with paragraph 7 include those made by the entity when changes in facts and circumstances are such that the conclusion about whether it has control, joint control or significant influence changes during the reporting period.	8 The significant judgements and assumptions disclosed in accordance with paragraph 7 include those made by the entity when changes in facts and circumstances are such that the conclusion about whether it has control, joint control or significant influence changes during the reporting period.	Paragraph 8 is guidance about the disclosures required under paragraph 7, which is reduced for Tier 2 entities. Therefore, paragraph 8 is reduced for Tier 2 entities.
9 To comply with paragraph 7, an entity shall disclose, for example, significant judgements and assumptions made in determining that: (a) it does not control another entity even though it holds more than half of the voting rights of the other entity. (b) it controls another entity even though it holds less than half of the voting rights of the other entity. (c) it is an agent or a principal (see paragraphs B58–B72 of AASB 10/NZ IFRS 10). (d) it does not have significant influence even though it holds 20 per cent or more of the voting rights of another entity. (e) it has significant influence even though it holds less than 20 per cent of the voting rights of another entity.	9 To comply with paragraph 7, an entity shall disclose, for example, significant judgements and assumptions made in determining that: (a) it does not control another entity even though it holds more than half of the voting rights of the other entity. (b) it controls another entity even though it holds less than half of the voting rights of the other entity. (c) it is an agent or a principal (see paragraphs B58–B72 of AASB 10/NZ IFRS 10). (d) it does not have significant influence even though it holds 20 per cent or more of the voting rights of another entity. (e) it has significant influence even though it holds less than 20 per cent of the voting rights of another entity.	Paragraph 9 is a Key Disclosure Area (associated significant estimates and judgements specific to a transaction or event) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 9 is kept for Tier 2 entities except for the reference to paragraph 7 which is reduced for Tier 2 entities.

AASB 12/NZ IFRS 12 ***Disclosure of Interests in Other Entities***		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
Investment entity status **9A When a parent determines that it is an investment entity in accordance with paragraph 27 of AASB 10/NZ IFRS 10, the investment entity shall disclose information about significant judgements and assumptions it has made in determining that it is an investment entity. If the investment entity does not have one or more of the typical characteristics of an investment entity (see paragraph 28 of AASB 10/NZ IFRS 10), it shall disclose its reasons for concluding that it is nevertheless an investment entity.**	**Investment entity status** **9A When a parent determines that it is an investment entity in accordance with paragraph 27 of AASB 10/NZ IFRS 10, the investment entity shall disclose information about significant judgements and assumptions it has made in determining that it is an investment entity. If the investment entity does not have one or more of the typical characteristics of an investment entity (see paragraph 28 of AASB 10/NZ IFRS 10), it shall disclose its reasons for concluding that it is nevertheless an investment entity.**	Paragraph 9A is a Key Disclosure Area (significant estimates and judgments specific to a transaction or event) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 9A is kept for Tier 2 entities.
9B 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 AASB 10/NZ IFRS 10; and (c) the line item(s) in profit or loss in which the gain or loss is recognised (if not presented separately).	9B 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 AASB 10/NZ IFRS 10; and (c) the line item(s) in profit or loss in which the gain or loss is recognised (if not presented separately).	Paragraph 9B is a Key Disclosure Area (assessment of current liquidity and solvency) – the benefits of providing the disclosure exceed the costs. However, the detail in paragraphs 9B(a)–(c) is not needed. Therefore, the lead-in of paragraph 9B is kept for Tier 2 entities but paragraphs 9B(a)–(c) are reduced for Tier 2 entities.

AASB 12/NZ IFRS 12 *Disclosure of Interests in Other Entities*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
Interests in subsidiaries **10 An entity shall disclose information that enables users of its consolidated financial statements** **(a) to understand:** **(i) the composition of the group; and** **(ii) the interest that non-controlling interests have in the group's activities and cash flows (paragraph 12); and** **(b) to evaluate:** **(i) the nature and extent of significant restrictions on its ability to access or use assets, and settle liabilities, of the group (paragraph 13);** **(ii) the nature of, and changes in, the risks associated with its interests in consolidated structured entities (paragraphs 14–17);** **(iii) the consequences of changes in its ownership interest in a subsidiary that do not result in a loss of control (paragraph 18); and** **(iv) the consequences of losing control of a subsidiary during the reporting period (paragraph 19).**	**Interests in subsidiaries** **10 An entity shall disclose information that enables users of its consolidated financial statements** **(a) to understand:** **(i) the composition of the group; and** **(ii) the interest that non-controlling interests have in the group's activities and cash flows (paragraph 12); and** **(b) to evaluate:** **(i) the nature and extent of significant restrictions on its ability to access or use assets, and settle liabilities, of the group (paragraph 13);** **(ii) the nature of, and changes in, the risks associated with its interests in consolidated structured entities (paragraphs 14–17);** **(iii) the consequences of changes in its ownership interest in a subsidiary that do not result in a loss of control (paragraph 18); and** **(iv) the consequences of losing control of a subsidiary during the reporting period (paragraph 19).**	Paragraph 10 requires disclosures to meet a stated objective. Therefore, paragraph 10 is reduced for Tier 2 entities.

AASB 12/NZ IFRS 12 *Disclosure of Interests in Other Entities*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
11 When the financial statements of a subsidiary used in the preparation of consolidated financial statements are as of a date or for a period that is different from that of the consolidated financial statements (see paragraphs B92 and B93 of AASB 10/NZ IFRS 10), an entity shall disclose: (a) the date of the end of the reporting period of the financial statements of that subsidiary; and (b) the reason for using a different date or period.	11 When the financial statements of a subsidiary used in the preparation of consolidated financial statements are as of a date or for a period that is different from that of the consolidated financial statements (see paragraphs B92 and B93 of AASB 10/NZ IFRS 10), an entity shall disclose: (a) the date of the end of the reporting period of the financial statements of that subsidiary; and (b) the reason for using a different date or period.	Paragraphs 11(a) and (b) are is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraphs 11(a) and (b) are reduced for Tier 2 entities.
The interest that non-controlling interests have in the group's activities and cash flows 12 An entity shall disclose for each of its subsidiaries that have non-controlling interests that are material to the reporting entity: (a) the name of the subsidiary.	**The interest that non-controlling interests have in the group's activities and cash flows** 12 An entity shall disclose for each of its subsidiaries that have non-controlling interests that are material to the reporting entity: (a) the name of the subsidiary.	Paragraph 12(a) is a Key Disclosure Area (related parties) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 12(a) is kept for Tier 2 entities.
(b) the principal place of business (and country of incorporation if different from the principal place of business) of the subsidiary.	(b) the principal place of business (and country of incorporation if different from the principal place of business) of the subsidiary.	Paragraph 12(b) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 12(b) is reduced for Tier 2 entities.
(c) the proportion of ownership interests held by non-controlling interests. (d) the proportion of voting rights held by non-controlling interests, if different from the proportion of ownership interests held.	(c) the proportion of ownership interests held by non-controlling interests. (d) the proportion of voting rights held by non-controlling interests, if different from the proportion of ownership interests held.	Paragraphs 12(c) and (d) are not a Key Disclosure Area. However, the presumption that the costs of providing the disclosure exceed the benefits is rebutted because the information helps users to understand the composition of the group.

AASB 12/NZ IFRS 12 ***Disclosure of Interests in Other Entities***		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
		Therefore, paragraphs 12(c) and (d) are kept for Tier 2 entities.
(e) the profit or loss allocated to non-controlling interests of the subsidiary during the reporting period.	(e) the profit or loss allocated to non-controlling interests of the subsidiary during the reporting period.	This information is required to be presented in total for all subsidiaries on the face of the statement of profit or loss and other comprehensive income in accordance with paragraph 81B of AASB 101/NZ IAS 1. Therefore, paragraph 12(e) is reduced for Tier 2 entities.
(f) accumulated non-controlling interests of the subsidiary at the end of the reporting period.	(f) accumulated non-controlling interests of the subsidiary at the end of the reporting period.	This information is required to be presented in total for all subsidiaries on the face of the statement of financial position in accordance with paragraph 54(q) of AASB 101/NZ IAS 1. Therefore paragraph 11(f) is reduced for Tier 2 entities.
(g) summarised financial information about the subsidiary (see paragraph B10).	(g) summarised financial information about the subsidiary (see paragraph B10).	Paragraph B10 is reduced for Tier 2 entities. Therefore, paragraph 11(g) is reduced for Tier 2 entities.
The nature and extent of significant restrictions 13 An entity shall disclose: (a) significant restrictions (eg statutory, contractual and regulatory restrictions) on its ability to access or use the assets and settle the liabilities of the group, such as: (i) those that restrict the ability of a parent or its subsidiaries to transfer cash or other assets to (or from)	**The nature and extent of significant restrictions** 13 An entity shall disclose: (a) significant restrictions (eg statutory, contractual and regulatory restrictions) on its ability to access or use the assets and settle the liabilities of the group, such as: (i) those that restrict the ability of a parent or its subsidiaries to transfer cash or other assets to (or from)	Paragraph 13(a) is a Key Disclosure Area (assessment of current liquidity and solvency) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 13(a) is kept for Tier 2 entities.

AASB 12/NZ IFRS 12 *Disclosure of Interests in Other Entities*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
other entities within the group. (ii) guarantees or other requirements that may restrict dividends and other capital distributions being paid, or loans and advances being made or repaid, to (or from) other entities within the group.	other entities within the group. (ii) guarantees or other requirements that may restrict dividends and other capital distributions being paid, or loans and advances being made or repaid, to (or from) other entities within the group.	
(b) the nature and extent to which protective rights of non-controlling interests can significantly restrict the entity's ability to access or use the assets and settle the liabilities of the group (such as when a parent is obliged to settle liabilities of a subsidiary before settling its own liabilities, or approval of non-controlling interests is required either to access the assets or to settle the liabilities of a subsidiary).	(b) the nature and extent to which protective rights of non-controlling interests can significantly restrict the entity's ability to access or use the assets and settle the liabilities of the group (such as when a parent is obliged to settle liabilities of a subsidiary before settling its own liabilities, or approval of non-controlling interests is required either to access the assets or to settle the liabilities of a subsidiary).	Paragraph 13(b) is a Key Disclosure Area (assessment of current liquidity and solvency) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 13(b) is kept for Tier 2 entities.
(c) the carrying amounts in the consolidated financial statements of the assets and liabilities to which those restrictions apply.	(c) the carrying amounts in the consolidated financial statements of the assets and liabilities to which those restrictions apply.	Paragraph 13(c) is a Key Disclosure Area (assessment of current liquidity and solvency) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 13(c) is kept for Tier 2 entities.
Nature of the risks associated with an entity's interests in consolidated structured entities 14 An entity shall disclose the terms of any contractual arrangements that could require the parent or its subsidiaries to provide financial support to a consolidated structured entity,	**Nature of the risks associated with an entity's interests in consolidated structured entities** 14 An entity shall disclose the terms of any contractual arrangements that could require the parent or its subsidiaries to provide financial support to a consolidated structured entity,	Paragraph 14 is a Key Disclosure Area (assessment of current liquidity and solvency) – the benefits of providing the disclosure exceed the costs.

AASB 12/NZ IFRS 12 ***Disclosure of Interests in Other Entities***		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
including events or circumstances that could expose the reporting entity to a loss (eg liquidity arrangements or credit rating triggers associated with obligations to purchase assets of the structured entity or provide financial support).	including events or circumstances that could expose the reporting entity to a loss (eg liquidity arrangements or credit rating triggers associated with obligations to purchase assets of the structured entity or provide financial support).	Therefore, paragraph 14 is kept for Tier 2 entities.
15 If during the reporting period a parent or any of its subsidiaries has, without having a contractual obligation to do so, provided financial or other support to a consolidated structured entity (eg purchasing assets of or instruments issued by the structured entity), the entity shall disclose: (a) the type and amount of support provided, including situations in which the parent or its subsidiaries assisted the structured entity in obtaining financial support; and (b) the reasons for providing the support.	15 If during the reporting period a parent or any of its subsidiaries has, without having a contractual obligation to do so, provided financial or other support to a consolidated structured entity (eg purchasing assets of or instruments issued by the structured entity), the entity shall disclose: (a) the type and amount of support provided, including situations in which the parent or its subsidiaries assisted the structured entity in obtaining financial support; and (b) the reasons for providing the support.	Paragraph 15 is a Key Disclosure Area (assessment of current liquidity and solvency) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 15 is kept for Tier 2 entities.
16 If during the reporting period a parent or any of its subsidiaries has, without having a contractual obligation to do so, provided financial or other support to a previously unconsolidated structured entity and that provision of support resulted in the entity controlling the structured entity, the entity shall disclose an explanation of the relevant factors in reaching that decision.	16 If during the reporting period a parent or any of its subsidiaries has, without having a contractual obligation to do so, provided financial or other support to a previously unconsolidated structured entity and that provision of support resulted in the entity controlling the structured entity, the entity shall disclose an explanation of the relevant factors in reaching that decision.	Paragraph 16 is a Key Disclosure Area (assessment of current liquidity and solvency) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 16 is kept for Tier 2 entities.
17 An entity shall disclose any current intentions to provide financial or other support to a consolidated structured entity, including intentions to assist the structured entity in obtaining financial support.	17 An entity shall disclose any current intentions to provide financial or other support to a consolidated structured entity, including intentions to assist the structured entity in obtaining financial support.	Paragraph 17 is a Key Disclosure Area (assessment of current liquidity and solvency) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 17 is kept for Tier 2 entities.

AASB 12/NZ IFRS 12 *Disclosure of Interests in Other Entities*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
Consequences of changes in a parent's ownership interest in a subsidiary that do not result in a loss of control 18 An entity shall present a schedule that shows the effects on the equity attributable to owners of the parent of any changes in its ownership interest in a subsidiary that do not result in a loss of control.	**Consequences of changes in a parent's ownership interest in a subsidiary that do not result in a loss of control** 18 An entity shall present a schedule that shows the effects on the equity attributable to owners of the parent of any changes in its ownership interest in a subsidiary that do not result in a loss of control.	Paragraph 18 is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 18 is reduced for Tier 2 entities.
Consequences of losing control of a subsidiary during the reporting period 19 An entity shall disclose the gain or loss, if any, calculated in accordance with paragraph 25 of AASB 10/NZ IFRS 10, 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 item(s) in profit or loss in which the gain or loss is recognised (if not presented separately).	**Consequences of losing control of a subsidiary during the reporting period** 19 An entity shall disclose the gain or loss, if any, calculated in accordance with paragraph 25 of AASB 10/NZ IFRS 10, 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 item(s) in profit or loss in which the gain or loss is recognised (if not presented separately).	Paragraph 19 is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 19 is reduced for Tier 2 entities.
Interests in unconsolidated subsidiaries (investment entities) 19A An investment entity that, in accordance with AASB 10/NZ 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.	**Interests in unconsolidated subsidiaries (investment entities)** 19A An investment entity that, in accordance with AASB 10/NZ 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.	The AASB has decided to rely on the requirements in AASB 101 and AASB 108 for disclosure about accounting policies. This would be reduced in AASB 12 – the requirements of paragraph 117 of AASB 101 are sufficient

Comment [VS16]: The NZASB has decided to not rely on the requirements in NZ IAS 1 and NZ IAS for disclosures about accounting policies. This would be kept in NZ IFRS 12. Paragraph 19A is a Key Disclosure Area (accounting policy on recognition or measurement) – the benefits of providing the disclosure exceed the costs.
Therefore, paragraph 19A is kept for Tier 2 entities.

AASB 12/NZ IFRS 12 ***Disclosure of Interests in Other Entities***		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
19B For each unconsolidated subsidiary, an investment entity shall disclose: (a) the subsidiary's name;	19B For each unconsolidated subsidiary, an investment entity shall disclose: (a) the subsidiary's name;	Paragraph 19B(a) is a Key Disclosure Area (related parties) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 19B(a) is kept for Tier 2 entities.
(b) the principal place of business (and country of incorporation if different from the principal place of business) of the subsidiary; and	(b) the principal place of business (and country of incorporation if different from the principal place of business) of the subsidiary; and	Paragraph 19B(b) is a not Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 19B(b) is reduced for Tier 2 entities.
(c) the proportion of ownership interest held by the investment entity and, if different, the proportion of voting rights held.	(c) the proportion of ownership interest held by the investment entity and, if different, the proportion of voting rights held.	Paragraph 19B(c) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 19B(c) is reduced for Tier 2 entities.
19C If an investment entity is the parent of another investment entity, the parent shall also provide the disclosures in 19B(a)–(c) for investments that are controlled by its investment entity subsidiary. The disclosure may be provided by including, in the financial statements of the parent, the financial statements of the subsidiary (or subsidiaries) that contain the above information.	19C If an investment entity is the parent of another investment entity, the parent shall also provide the disclosures in 19B(a)–(c) for investments that are controlled by its investment entity subsidiary. The disclosure may be provided by including, in the financial statements of the parent, the financial statements of the subsidiary (or subsidiaries) that contain the above information.	Paragraph 19C is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore paragraph 19C is reduced for Tier 2 entities.
19D An investment entity shall disclose: (a) the nature and extent of any significant restrictions (eg resulting from borrowing arrangements, regulatory requirements or contractual arrangements) on the ability of	19D An investment entity shall disclose: (a) the nature and extent of any significant restrictions (eg resulting from borrowing arrangements, regulatory requirements or contractual arrangements) on the ability of	Paragraph 19D(a)is a Key Disclosure Area – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 19D(a) is kept for Tier 2 entities.

AASB 12/NZ IFRS 12 *Disclosure of Interests in Other Entities*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
an unconsolidated subsidiary to transfer funds to the investment entity in the form of cash dividends or to repay loans or advances made to the unconsolidated subsidiary by the investment entity; and	an unconsolidated subsidiary to transfer funds to the investment entity in the form of cash dividends or to repay loans or advances made to the unconsolidated subsidiary by the investment entity; and	
(b) any current commitments or intentions to provide financial or other support to an unconsolidated subsidiary, including commitments or intentions to assist the subsidiary in obtaining financial support.	(b) any current commitments or intentions to provide financial or other support to an unconsolidated subsidiary, including commitments or intentions to assist the subsidiary in obtaining financial support.	Paragraph 19D(b) is a Key Disclosure Area (commitments and contingencies) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 19D(b) is kept for Tier 2 entities.
19E If, during the reporting period, an investment entity or any of its subsidiaries has, without having a contractual obligation to do so, provided financial or other support to an unconsolidated subsidiary (eg purchasing assets of, or instruments issued by, the subsidiary or assisting the subsidiary in obtaining financial support), the entity shall disclose: (a) the type and amount of support provided to each unconsolidated subsidiary; and (b) the reasons for providing the support.	19E If, during the reporting period, an investment entity or any of its subsidiaries has, without having a contractual obligation to do so, provided financial or other support to an unconsolidated subsidiary (eg purchasing assets of, or instruments issued by, the subsidiary or assisting the subsidiary in obtaining financial support), the entity shall disclose: (a) the type and amount of support provided to each unconsolidated subsidiary; and (b) the reasons for providing the support.	Paragraph 19E is a Key Disclosure Area (assessment of current liquidity and solvency) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 19E is kept for Tier 2 entities.
19F An investment entity shall disclose the terms of any contractual arrangements that could require the entity or its unconsolidated subsidiaries to provide financial support to an unconsolidated, controlled, structured entity, including events or circumstances that could expose the reporting entity to a loss (eg liquidity arrangements or credit rating triggers associated with obligations to purchase assets of the structured entity or to	19F An investment entity shall disclose the terms of any contractual arrangements that could require the entity or its unconsolidated subsidiaries to provide financial support to an unconsolidated, controlled, structured entity, including events or circumstances that could expose the reporting entity to a loss (eg liquidity arrangements or credit rating triggers associated with obligations to purchase assets of the structured entity or to	Paragraph 19F is a Key Disclosure Area (assessment of current liquidity and solvency) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 19F is kept for Tier 2 entities.

AASB 12/NZ IFRS 12 *Disclosure of Interests in Other Entities*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
provide financial support).	provide financial support).	
19G If during the reporting period an investment entity or any of its unconsolidated subsidiaries has, without having a contractual obligation to do so, provided financial or other support to an unconsolidated, structured entity that the investment entity did not control, and if that provision of support resulted in the investment entity controlling the structured entity, the investment entity shall disclose an explanation of the relevant factors in reaching the decision to provide that support.	19G If during the reporting period an investment entity or any of its unconsolidated subsidiaries has, without having a contractual obligation to do so, provided financial or other support to an unconsolidated, structured entity that the investment entity did not control, and if that provision of support resulted in the investment entity controlling the structured entity, the investment entity shall disclose an explanation of the relevant factors in reaching the decision to provide that support.	Paragraph 19G is a Key Disclosure area (assessment of current liquidity and solvency) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 19G is kept for Tier 2 entities.
Interests in joint arrangements and associates **20 An entity shall disclose information that enables users of its financial statements to evaluate:** **(a) the nature, extent and financial effects of its interests in joint arrangements and associates, including the nature and effects of its contractual relationship with the other investors with joint control of, or significant influence over, joint arrangements and associates (paragraphs 21 and 22); and** **(b) the nature of, and changes in, the risks associated with its interests in joint ventures and associates (paragraph 23).**	**Interests in joint arrangements and associates** **20 An entity shall disclose information that enables users of its financial statements to evaluate:** **(a) the nature, extent and financial effects of its interests in joint arrangements and associates, including the nature and effects of its contractual relationship with the other investors with joint control of, or significant influence over, joint arrangements and associates (paragraphs 21 and 22); and** **(b) the nature of, and changes in, the risks associated with its interests in joint ventures and associates (paragraph 23).**	Paragraph 20 requires disclosures to meet a stated objective. Therefore, paragraph 20 is reduced for Tier 2 entities.
Nature, extent and financial effects of an entity's interests in joint arrangements and	**Nature, extent and financial effects of an entity's interests in joint arrangements and**	

AASB 12/NZ IFRS 12 *Disclosure of Interests in Other Entities*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
associates 21 An entity shall disclose: (a) for each joint arrangement and associate that is material to the reporting entity: (i) the name of the joint arrangement or associate. (ii) the nature of the entity's relationship with the joint arrangement or associate (by, for example, describing the nature of the activities of the joint arrangement or associate and whether they are strategic to the entity's activities).	**associates** 21 An entity shall disclose: (a) for each joint arrangement and associate that is material to the reporting entity: (ii) the name of the joint arrangement or associate. (ii) the nature of the entity's relationship with the joint arrangement or associate (by, for example, describing the nature of the activities of the joint arrangement or associate and whether they are strategic to the entity's activities).	Paragraphs 21(a)(i) and the disclosure requirement of paragraph 21(a)(ii) are a Key Disclosure Area (related parties) – the benefits of providing the disclosure exceed the costs. However, the examples in paragraph 21(a)(ii) are not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 21(a)(i) and the disclosure requirement of paragraph 21(a)(ii) are kept for Tier 2 entities and the examples in paragraph 21(a)(ii) are reduced for Tier 2 entities.
(iii) the principal place of business (and country of incorporation, if applicable and different from the principal place of business) of the joint arrangement or associate.	(iii) the principal place of business (and country of incorporation, if applicable and different from the principal place of business) of the joint arrangement or associate.	Paragraph 21(a)(iii) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 21(a)(iii) is reduced for Tier 2 entities.
(iv) the proportion of ownership interest or participating share held by the entity and, if different, the proportion of voting rights held (if applicable).	(iv) the proportion of ownership interest or participating share held by the entity and, if different, the proportion of voting rights held (if applicable).	Paragraph 21(a)(iv) is not a Key Disclosure Area. However, the presumption that the costs of providing the disclosure exceed the benefits is rebutted because the information helps users to understand the composition of the group. Therefore, paragraph 21(a)(iv) is kept for Tier 2 entities.
(b) for each joint venture and associate that is material to the reporting entity: (i) whether the investment in the joint	(b) for each joint venture and associate that is material to the reporting entity: (i) whether the investment in the joint	The AASB has decided to rely on the requirement in AASB 101and AASB 108 for disclosures about accounting policies. This would be reduced in

AASB 12/NZ IFRS 12 *Disclosure of Interests in Other Entities*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
venture or associate is measured using the equity method or at fair value.	venture or associate is measured using the equity method or at fair value.	AASB 12 - the disclosure requirement in paragraph 117 of AASB 101 is sufficient
(ii) summarised financial information about the joint venture or associate as specified in paragraphs B12 and B13.	(ii) summarised financial information about the joint venture or associate as specified in paragraphs B12 and B13.	Paragraph 21(b)(ii) requires disclosures in accordance with paragraphs B12 and B13, which are reduced for Tier 2 entities. Therefore, paragraph 21(b)(ii) is reduced for Tier 2 entities.
(iii) if the joint venture or associate is accounted for using the equity method, the fair value of its investment in the joint venture or associate, if there is a quoted market price for the investment.	(iii) if the joint venture or associate is accounted for using the equity method, the fair value of its investment in the joint venture or associate, if there is a quoted market price for the investment.	Paragraph 21(b)(iii) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 21(b)(iii) is reduced for Tier 2 entities.
(c) financial information as specified in paragraph B16 about the entity's investments in joint ventures and associates that are not individually material: (i) in aggregate for all individually immaterial joint ventures and, separately, (ii) in aggregate for all individually immaterial associates.	(c) financial information as specified in paragraph B16 about the entity's investments in joint ventures and associates that are not individually material: (i) in aggregate for all individually immaterial joint ventures and, separately, (ii) in aggregate for all individually immaterial associates.	Paragraph 21(c) requires disclosures in accordance with paragraph B16, which is reduced for Tier 2 entities. Therefore, paragraph 21(c) is reduced for Tier 2 entities.
21A An investment entity need not provide the disclosures required by paragraphs 21(b)–21(c).	21A An investment entity need not provide the disclosures required by paragraphs 21(b)–21(c).	Paragraph 21A specifies disclosures that an investment entity is not required to provide. Reduced disclosures for Tier 2 entities are

Comment [VS17]: The NZASB has decided to not rely solely on the requirements in NZ IAS 1 and NZ IAS 8 for disclosures about accounting policies. This would be kept in NZ IFRS 12. Paragraph 21(b)(i) is a Key Disclosure Area (accounting policy on recognition or measurement) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 21(b)(i) is kept for Tier 2 entities.

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Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
		identified in paragraphs 21(b)–21(c). Therefore, paragraph 21A is kept for Tier 2 entities.
22 An entity shall also disclose: (a) the nature and extent of any significant restrictions (eg resulting from borrowing arrangements, regulatory requirements or contractual arrangements between investors with joint control of or significant influence over a joint venture or an associate) on the ability of joint ventures or associates to transfer funds to the entity in the form of cash dividends, or to repay loans or advances made by the entity.	22 An entity shall also disclose: (a) the nature and extent of any significant restrictions (eg resulting from borrowing arrangements, regulatory requirements or contractual arrangements between investors with joint control of or significant influence over a joint venture or an associate) on the ability of joint ventures or associates to transfer funds to the entity in the form of cash dividends, or to repay loans or advances made by the entity.	Paragraph 22(a) is a Key Disclosure Area (assessment of current liquidity and solvency) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 22(a) is kept for Tier 2 entities.
(b) when the financial statements of a joint venture or associate used in applying the equity method are as of a date or for a period that is different from that of the entity: (i) the date of the end of the reporting period of the financial statements of that joint venture or associate; and (ii) the reason for using a different date or period.	(b) when the financial statements of a joint venture or associate used in applying the equity method are as of a date or for a period that is different from that of the entity: (i) the date of the end of the reporting period of the financial statements of that joint venture or associate; and (ii) the reason for using a different date or period.	Paragraph 22(b) is not a Key Disclosure Area – the costs of providing the disclosure exceed the costs. Therefore, paragraph 22(b) is reduced for Tier 2 entities.
(c) the unrecognised share of losses of a joint venture or associate, both for the reporting period and cumulatively, if the entity has stopped recognising its share of losses of the joint venture or associate when	(c) the unrecognised share of losses of a joint venture or associate, both for the reporting period and cumulatively, if the entity has stopped recognising its share of losses of the joint venture or associate when	Paragraph 22(c) is a Key Disclosure Area (assessment of current liquidity and solvency). However, the presumption that the costs of providing the disclosure exceed the benefits is rebutted because the investments is measured at nil

AASB 12/NZ IFRS 12 *Disclosure of Interests in Other Entities*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
applying the equity method.	applying the equity method.	and the entity has no liability for the losses. Therefore, paragraph 22(c) is reduced for Tier 2 entities.
Risks associated with an entity's interests in joint ventures and associates 23 An entity shall disclose: (a) commitments that it has relating to its joint ventures separately from the amount of other commitments as specified in paragraphs B18–B20.	**Risks associated with an entity's interests in joint ventures and associates** 23 An entity shall disclose: (a) commitments that it has relating to its joint ventures separately from the amount of other commitments as specified in paragraphs B18–B20.	Paragraph 23(a) is a Key Disclosure Area (commitments and contingencies) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 23(a) is kept for Tier 2 entities.
(b) in accordance with AASB 137/NZ IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, unless the probability of loss is remote, contingent liabilities incurred relating to its interests in joint ventures or associates (including its share of contingent liabilities incurred jointly with other investors with joint control of, or significant influence over, the joint ventures or associates), separately from the amount of other contingent liabilities.	(b) in accordance with AASB 137/NZ IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, unless the probability of loss is remote, contingent liabilities incurred relating to its interests in joint ventures or associates (including its share of contingent liabilities incurred jointly with other investors with joint control of, or significant influence over, the joint ventures or associates), separately from the amount of other contingent liabilities.	Where the cross-referencing is of a general nature this is reduced in Australian Accounting Standards for Tier 2 entities.This would be reduced in AASB 12 – general cross reference to another standard

Comment [VS18]: Where the cross-referencing is of a general nature, this is kept in NZ IFRSs for Tier 2 entities.This would be kept in NZ IFRS 12. Paragraph 23(b) is a Key Disclosure Area (commitments and contingencies) – the benefits of providing the disclosure exceed the costs.
Therefore, paragraph 23(b) is kept for Tier 2 entities.

AASB 12/NZ IFRS 12 *Disclosure of Interests in Other Entities*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
Interests in unconsolidated structured entities **24 An entity shall disclose information that enables users of its financial statements:** **(a) to understand the nature and extent of its interests in unconsolidated structured entities (paragraphs 26–28); and** **(b) to evaluate the nature of, and changes in, the risks associated with its interests in unconsolidated structured entities (paragraphs 29–31).**	**Interests in unconsolidated structured entities** **24 An entity shall disclose information that enables users of its financial statements:** **(a) to understand the nature and extent of its interests in unconsolidated structured entities (paragraphs 26–28); and** **(b) to evaluate the nature of, and changes in, the risks associated with its interests in unconsolidated structured entities (paragraphs 29–31).**	Paragraph 24 requires disclosures to meet a stated objective. Therefore, paragraph 24 is reduced for Tier 2 entities.
25 The information required by paragraph 24(b) includes information about an entity's exposure to risk from involvement that it had with unconsolidated structured entities in previous periods (eg sponsoring the structured entity), even if the entity no longer has any contractual involvement with the structured entity at the reporting date.	25 The information required by paragraph 24(b) includes information about an entity's exposure to risk from involvement that it had with unconsolidated structured entities in previous periods (eg sponsoring the structured entity), even if the entity no longer has any contractual involvement with the structured entity at the reporting date.	Paragraph 25 is guidance about the disclosures required by paragraph 24(b), which is reduced for Tier 2 entities. Therefore, paragraph 25 is reduced for Tier 2 entities.
25A An investment entity need not provide the disclosures required by paragraph 24 for an unconsolidated structured entity that it controls and for which it presents the disclosures required by paragraphs 19A–19G.	25A An investment entity need not provide the disclosures required by paragraph 24 for an unconsolidated structured entity that it controls and for which it presents the disclosures required by paragraphs 19A–19G.	Paragraph 25A specifies disclosures that an investment entity is not required to provide. Reduced disclosures for Tier 2 entities are identified in paragraphs 19A–19G. Therefore, paragraph 25A is kept for Tier 2 entities.
Nature of interests 26 An entity shall disclose qualitative and quantitative information about its interests in unconsolidated structured entities, including, but not limited to, the nature, purpose, size and	**Nature of interests** 26 An entity shall disclose qualitative and quantitative information about its interests in unconsolidated structured entities, including, but not limited to, the nature, purpose, size and	Paragraph 26 is a Key Disclosure Area (assessment of current liquidity and solvency) – the benefits of providing the disclosure exceed the costs.

AASB 12/NZ IFRS 12 *Disclosure of Interests in Other Entities*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
activities of the structured entity and how the structured entity is financed.	activities of the structured entity and how the structured entity is financed.	Therefore, paragraph 26 is kept for Tier 2 entities.
RDR 26.1 A Tier 2 entity shall disclose information about its interest in unconsolidated structured entities, including, but not limited to, the nature, purpose, size and activities of the structured entity and how the structured entity is financed.	~~RDR 26.1 A Tier 2 entity shall disclose information about its interest in unconsolidated structured entities, including, but not limited to, the nature, purpose, size and activities of the structured entity and how the structured entity is financed.~~	Paragraph RDR 26.1 is deleted because it is no longer needed. Paragraph 26 is now kept for Tier 2 entities.
27 If an entity has sponsored an unconsolidated structured entity for which it does not provide information required by paragraph 29 (eg because it does not have an interest in the entity at the reporting date), the entity shall disclose: (a) how it has determined which structured entities it has sponsored; (b) *income from those structured entities* during the reporting period, including a description of the types of income presented; and (c) the carrying amount (at the time of transfer) of all assets transferred to those structured entities during the reporting period.	27 If an entity has sponsored an unconsolidated structured entity for which it does not provide information required by paragraph 29 (eg because it does not have an interest in the entity at the reporting date), the entity shall disclose: (a) how it has determined which structured entities it has sponsored; (b) *income from those structured entities* during the reporting period, including a description of the types of income presented; and (c) the carrying amount (at the time of transfer) of all assets transferred to those structured entities during the reporting period.	Paragraph 27 is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 27 is reduced for Tier 2 entities.
28 An entity shall present the information in paragraph 27(b) and (c) in tabular format, unless another format is more appropriate, and classify its sponsoring activities into relevant categories (see paragraphs B2–B6).	28 An entity shall present the information in paragraph 27(b) and (c) in tabular format, unless another format is more appropriate, and classify its sponsoring activities into relevant categories (see paragraphs B2–B6).	Paragraph 28 specifies the format of the disclosures required by paragraphs 27(b) and (c), both of which are reduced for Tier 2 entities. Therefore, paragraph 28 is reduced for Tier 2 entities.

AASB 12/NZ IFRS 12 *Disclosure of Interests in Other Entities*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
Nature of risks 29 An entity shall disclose in tabular format, unless another format is more appropriate, a summary of: (a) the carrying amounts of the assets and liabilities recognised in its financial statements relating to its interests in unconsolidated structured entities.	**Nature of risks** 29 An entity shall disclose in tabular format, unless another format is more appropriate, a summary of: (a) the carrying amounts of the assets and liabilities recognised in its financial statements relating to its interests in unconsolidated structured entities.	Paragraph 29(a) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 29(a) is reduced for Tier 2 entities.
(b) the line items in the statement of financial position in which those assets and liabilities are recognised.	(b) the line items in the statement of financial position in which those assets and liabilities are recognised.	Paragraph 29(b) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 29(b) is reduced for Tier 2 entities.
(c) the amount that best represents the entity's maximum exposure to loss from its interests in unconsolidated structured entities, including how the maximum exposure to loss is determined. If an entity cannot quantify its maximum exposure to loss from its interests in unconsolidated structured entities it shall disclose that fact and the reasons.	(c) the amount that best represents the entity's maximum exposure to loss from its interests in unconsolidated structured entities, including how the maximum exposure to loss is determined. If an entity cannot quantify its maximum exposure to loss from its interests in unconsolidated structured entities it shall disclose that fact and the reasons.	Paragraph 29(c) is a Key Disclosure Area (associated risks specific to a transaction or event) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 29(c) is kept for Tier 2 entities.
(d) a comparison of the carrying amounts of the assets and liabilities of the entity that relate to its interests in unconsolidated structured entities and the entity's maximum exposure to loss from those entities.	(d) a comparison of the carrying amounts of the assets and liabilities of the entity that relate to its interests in unconsolidated structured entities and the entity's maximum exposure to loss from those entities.	Paragraph 29(d) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 29(d) is reduced for Tier 2 entities.

AASB 12/NZ IFRS 12 *Disclosure of Interests in Other Entities*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
30 If during the reporting period an entity has, without having a contractual obligation to do so, provided financial or other support to an unconsolidated structured entity in which it previously had or currently has an interest (for example, purchasing assets of or instruments issued by the structured entity), the entity shall disclose: (a) the type and amount of support provided, including situations in which the entity assisted the structured entity in obtaining financial support; and (b) the reasons for providing the support.	30 If during the reporting period an entity has, without having a contractual obligation to do so, provided financial or other support to an unconsolidated structured entity in which it previously had or currently has an interest (for example, purchasing assets of or instruments issued by the structured entity), the entity shall disclose: (a) the type and amount of support provided, including situations in which the entity assisted the structured entity in obtaining financial support; and (b) the reasons for providing the support.	Paragraph 30 is a Key Disclosure Area (assessment of current liquidity and solvency) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 30(a) is kept for Tier 2 entities.
31 An entity shall disclose any current intentions to provide financial or other support to an unconsolidated structured entity, including intentions to assist the structured entity in obtaining financial support.	31 An entity shall disclose any current intentions to provide financial or other support to an unconsolidated structured entity, including intentions to assist the structured entity in obtaining financial support.	Paragraph 31 is a Key Disclosure Area (assessment of current liquidity and solvency) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 31 is kept for Tier 2 entities.

AASB 12/NZ IFRS 12 *Disclosure of Interests in Other Entities*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
Appendix B **Summarised financial information for subsidiaries, joint ventures and associates (paragraphs 12 and 21)** B10 For each subsidiary that has non-controlling interests that are material to the reporting entity, an entity shall disclose: (a) dividends paid to non-controlling interests. (b) summarised financial information about the assets, liabilities, profit or loss and cash flows of the subsidiary that enables users to understand the interest that non-controlling interests have in the group's activities and cash flows. That information might include but is not limited to, for example, current assets, non-current assets, current liabilities, non-current liabilities, revenue, profit or loss and total comprehensive income.	**Appendix B** **Summarised financial information for subsidiaries, joint ventures and associates (paragraphs 12 and 21)** B10 For each subsidiary that has non-controlling interests that are material to the reporting entity, an entity shall disclose: (a) dividends paid to non-controlling interests. (b) summarised financial information about the assets, liabilities, profit or loss and cash flows of the subsidiary that enables users to understand the interest that non-controlling interests have in the group's activities and cash flows. That information might include but is not limited to, for example, current assets, non-current assets, current liabilities, non-current liabilities, revenue, profit or loss and total comprehensive income.	Paragraph B10 is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph B10 is reduced for Tier 2 entities.
B11 The summarised financial information required by paragraph B10(b) shall be the amounts before inter-company eliminations.	B11 The summarised financial information required by paragraph B10(b) shall be the amounts before inter-company eliminations.	Paragraph B11 is guidance for paragraph B10, which is reduced for Tier 2 entities. Therefore, paragraph B11 is reduced for Tier 2 entities.
B12 For each joint venture and associate that is material to the reporting entity, an entity shall disclose: (a) dividends received from the joint venture or associate. (b) summarised financial information for the joint venture or associate (see	B12 For each joint venture and associate that is material to the reporting entity, an entity shall disclose: (a) dividends received from the joint venture or associate. (b) summarised financial information for the joint venture or associate (see	Paragraph B12 is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph B12 is reduced for Tier 2 entities.

AASB 12/NZ IFRS 12 *Disclosure of Interests in Other Entities*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
paragraphs B14 and B15) including, but not necessarily limited to: (i) current assets. (ii) non-current assets. (iii) current liabilities. (iv) non-current liabilities. (v) revenue. (vi) profit or loss from continuing operations. (vii) post-tax profit or loss from discontinued operations. (viii) other comprehensive income. (ix) total comprehensive income.	paragraphs B14 and B15) including, but not necessarily limited to: (i) current assets. (ii) non-current assets. (iii) current liabilities. (iv) non-current liabilities. (v) revenue. (vi) profit or loss from continuing operations. (vii) post-tax profit or loss from discontinued operations. (viii) other comprehensive income. (ix) total comprehensive income.	
B13 In addition to the summarised financial information required by paragraph B12, an entity shall disclose for each joint venture that is material to the reporting entity the amount of: (a) cash and cash equivalents included in paragraph B12(b)(i). (b) current financial liabilities (excluding trade and other payables and provisions) included in paragraph B12(b)(iii). (c) non-current financial liabilities (excluding trade and other payables and provisions) included in paragraph B12(b)(iv). (d) depreciation and amortisation. (e) interest income. (f) interest expense.	B13 In addition to the summarised financial information required by paragraph B12, an entity shall disclose for each joint venture that is material to the reporting entity the amount of: (a) cash and cash equivalents included in paragraph B12(b)(i). (b) current financial liabilities (excluding trade and other payables and provisions) included in paragraph B12(b)(iii). (c) non-current financial liabilities (excluding trade and other payables and provisions) included in paragraph B12(b)(iv). (d) depreciation and amortisation. (e) interest income. (f) interest expense.	Paragraph B13 is guidance for paragraph 12(b), which is reduced for Tier 2 entities. Therefore, paragraph B13 is reduced for Tier 2 entities.

AASB 12/NZ IFRS 12 *Disclosure of Interests in Other Entities*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
(g) income tax expense or income.	(g) income tax expense or income.	
B14 The summarised financial information presented in accordance with paragraphs B12 and B13 shall be the amounts included in the Australian-Accounting-Standards/NZ IFRS financial statements of the joint venture or associate (and not the entity's share of those amounts). If the entity accounts for its interest in the joint venture or associate using the equity method: (a) the amounts included in the Australian-Accounting-Standards/NZ IFRS financial statements of the joint venture or associate shall be adjusted to reflect adjustments made by the entity when using the equity method, such as fair value adjustments made at the time of acquisition and adjustments for differences in accounting policies.	B14 The summarised financial information presented in accordance with paragraphs B12 and B13 shall be the amounts included in the Australian-Accounting-Standards/NZ IFRS financial statements of the joint venture or associate (and not the entity's share of those amounts). If the entity accounts for its interest in the joint venture or associate using the equity method: (a) the amounts included in the Australian-Accounting-Standards/NZ IFRS financial statements of the joint venture or associate shall be adjusted to reflect adjustments made by the entity when using the equity method, such as fair value adjustments made at the time of acquisition and adjustments for differences in accounting policies.	Paragraph B14(a) is guidance for paragraphs B12 and B13, which are reduced for Tier 2 entities. Therefore, paragraph B14(a) is reduced for Tier 2 entities.
(b) the entity shall provide a reconciliation of the summarised financial information presented to the carrying amount of its interest in the joint venture or associate.	(b) the entity shall provide a reconciliation of the summarised financial information presented to the carrying amount of its interest in the joint venture or associate.	No reconciliation is required by Tier 2 entities. Therefore, pa reduce for Tier 2
B15 An entity may present the summarised financial information required by paragraphs B12 and B13 on the basis of the joint venture's or associate's financial statements if: (a) the entity measures its interest in the joint venture or associate at fair value in accordance with AASB 128/NZ IAS 28 (as amended in 2011); and	B15 An entity may present the summarised financial information required by paragraphs B12 and B13 on the basis of the joint venture's or associate's financial statements if: (a) the entity measures its interest in the joint venture or associate at fair value in accordance with AASB 128/NZ IAS 28 (as amended in 2011); and	Paragraph B15 is guidance for paragraphs B12 and B13 are reduced for Tier 2 entities. Therefore, paragraph B15 is reduced for Tier 2 entities.

AASB 12/NZ IFRS 12 *Disclosure of Interests in Other Entities*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
(b) the joint venture or associate does not prepare Australian-Accounting-Standards/NZ IFRS financial statements and preparation on that basis would be impracticable or cause undue cost. In that case, the entity shall disclose the basis on which the summarised financial information has been prepared.	(b) the joint venture or associate does not prepare Australian-Accounting-Standards/NZ IFRS financial statements and preparation on that basis would be impracticable or cause undue cost. In that case, the entity shall disclose the basis on which the summarised financial information has been prepared.	
B16 An entity shall disclose, in aggregate, the carrying amount of its interests in all individually immaterial joint ventures or associates that are accounted for using the equity method. An entity shall also disclose separately the aggregate amount of its share of those joint ventures' or associates': (a) profit or loss from continuing operations. (b) post-tax profit or loss from discontinued operations. (c) other comprehensive income. (d) total comprehensive income. An entity provides the disclosures separately for joint ventures and associates.	B16 An entity shall disclose, in aggregate, the carrying amount of its interests in all individually immaterial joint ventures or associates that are accounted for using the equity method. An entity shall also disclose separately the aggregate amount of its share of those joint ventures' or associates': (a) profit or loss from continuing operations. (b) post-tax profit or loss from discontinued operations. (c) other comprehensive income. (d) total comprehensive income. An entity provides the disclosures separately for joint ventures and associates.	AASB 101/NZ IAS 1 paragraph 82(c) requires presentation of an entity's share of the profit or loss of associates and joint ventures accounted for using the equity method on the face of the statement of profit or loss and other comprehensive income. Therefore, paragraph B16 is reduced for Tier 2 entities.
B17 When an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) is classified as held for sale in accordance with AASB 5/NZ IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations,* the entity is not required to disclose summarised financial information for that subsidiary, joint venture or	B17 When an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) is classified as held for sale in accordance with AASB 5/NZ IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, the entity is not required to disclose summarised financial information for that subsidiary, joint venture or	Paragraphs B17 specifies when the disclosures in paragraphs10–B16 are not required. Paragraphs10–B16 are reduced for Tier 2 entities. Therefore, paragraph B17 is reduced for Tier 2 entities.

AASB 12/NZ IFRS 12 *Disclosure of Interests in Other Entities*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
associate in accordance with paragraphs B10–B16.	associate in accordance with paragraphs B10–B16.	
Commitments for joint ventures (paragraph 23(a)) B18 An entity shall disclose total commitments it has made but not recognised at the reporting date (including its share of commitments made jointly with other investors with joint control of a joint venture) relating to its interests in joint ventures. Commitments are those that may give rise to a future outflow of cash or other resources.	**Commitments for joint ventures (paragraph 23(a))** B18 An entity shall disclose total commitments it has made but not recognised at the reporting date (including its share of commitments made jointly with other investors with joint control of a joint venture) relating to its interests in joint ventures. Commitments are those that may give rise to a future outflow of cash or other resources.	Paragraph B18 is a Key Disclosure Area (commitments and contingencies) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph B18 is kept for Tier 2 entities.
B19 Unrecognised commitments that may give rise to a future outflow of cash or other resources include: (a) unrecognised commitments to contribute funding or resources as a result of, for example: (i) the constitution or acquisition agreements of a joint venture (that, for example, require an entity to contribute funds over a specific period). (ii) capital-intensive projects undertaken by a joint venture. (iii) unconditional purchase obligations, comprising procurement of equipment, inventory or services that an entity is committed to purchasing from, or on behalf of, a joint venture. (iv) unrecognised commitments to	B19 Unrecognised commitments that may give rise to a future outflow of cash or other resources include: (a) unrecognised commitments to contribute funding or resources as a result of, for example: (i) the constitution or acquisition agreements of a joint venture (that, for example, require an entity to contribute funds over a specific period). (ii) capital-intensive projects undertaken by a joint venture. (iii) unconditional purchase obligations, comprising procurement of equipment, inventory or services that an entity is committed to purchasing from, or on behalf of, a joint venture. (iv) unrecognised commitments to provide loans or other financial	Paragraph B19 provides examples of unrecognised commitments for paragraph B18, which is kept for Tier 2 entities. Therefore, paragraph B19 is kept for Tier 2 entities.

AASB 12/NZ IFRS 12 *Disclosure of Interests in Other Entities*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
provide loans or other financial support to a joint venture. (v) unrecognised commitments to contribute resources to a joint venture, such as assets or services. (vi) other non-cancellable unrecognised commitments relating to a joint venture. (b) unrecognised commitments to acquire another party's ownership interest (or a portion of that ownership interest) in a joint venture if a particular event occurs or does not occur in the future.	support to a joint venture. (v) unrecognised commitments to contribute resources to a joint venture, such as assets or services. (vi) other non-cancellable unrecognised commitments relating to a joint venture. (b) unrecognised commitments to acquire another party's ownership interest (or a portion of that ownership interest) in a joint venture if a particular event occurs or does not occur in the future.	
B20 The requirements and examples in paragraphs B18 and B19 illustrate some of the types of disclosure required by paragraph 18 of AASB 124/NZ IAS 24 *Related Party Disclosures*.	B20 The requirements and examples in paragraphs B18 and B19 illustrate some of the types of disclosure required by paragraph 18 of AASB 124/NZ IAS 24 *Related Party Disclosures*.	Paragraph B20 refers to paragraph 18 of AASB 124/NZ IAS 24, which is kept for Tier 2 Therefore, paragraph B20 is kept for Tier 2 entities.
Interests in unconsolidated structured entities (paragraphs 24–31) **Nature of risks from interests in unconsolidated structured entities (paragraphs 29–31)** B25 In addition to the information required by paragraphs 29–31, an entity shall disclose additional information that is necessary to meet the disclosure objective in paragraph 24(b).	**Interests in unconsolidated structured entities (paragraphs 24–31)** **Nature of risks from interests in unconsolidated structured entities (paragraphs 29–31)** B25 In addition to the information required by paragraphs 29–31, an entity shall disclose additional information that is necessary to meet the disclosure objective in paragraph 24(b).	Paragraph B25 requires additional disclosures when the disclosures required under this standard do not meet the objective in paragraph 24(b), which is reduced for Tier 2 entities. Therefore, paragraph B25) is reduced for Tier 2 entities.
B26 Examples of additional information that, depending on the circumstances, might be	B26 Examples of additional information that, depending on the circumstances, might be	Paragraph B26 provides guidance for paragraph B25, which is reduced for Tier 2 entities.

AASB 12/NZ IFRS 12 *Disclosure of Interests in Other Entities*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
relevant to an assessment of the risks to which an entity is exposed when it has an interest in an unconsolidated structured entity are: (a) the terms of an arrangement that could require the entity to provide financial support to an unconsolidated structured entity (eg liquidity arrangements or credit rating triggers associated with obligations to purchase assets of the structured entity or provide financial support), including: (i) a description of events or circumstances that could expose the reporting entity to a loss. (ii) whether there are any terms that would limit the obligation. (iii) whether there are any other parties that provide financial support and, if so, how the reporting entity's obligation ranks with those of other parties. (b) losses incurred by the entity during the reporting period relating to its interests in unconsolidated structured entities. (c) the types of income the entity received during the reporting period from its interests in unconsolidated structured entities. (d) whether the entity is required to absorb losses of an unconsolidated structured entity before other parties, the maximum limit of such losses for the entity, and (if relevant) the ranking and amounts of	relevant to an assessment of the risks to which an entity is exposed when it has an interest in an unconsolidated structured entity are: (a) the terms of an arrangement that could require the entity to provide financial support to an unconsolidated structured entity (eg liquidity arrangements or credit rating triggers associated with obligations to purchase assets of the structured entity or provide financial support), including: (i) a description of events or circumstances that could expose the reporting entity to a loss. (ii) whether there are any terms that would limit the obligation. (iii) whether there are any other parties that provide financial support and, if so, how the reporting entity's obligation ranks with those of other parties. (b) losses incurred by the entity during the reporting period relating to its interests in unconsolidated structured entities. (c) the types of income the entity received during the reporting period from its interests in unconsolidated structured entities. (d) whether the entity is required to absorb losses of an unconsolidated structured entity before other parties, the maximum limit of such losses for the entity, and (if relevant) the ranking and amounts of	Therefore, paragraph B26 is reduced for Tier 2 entities.

AASB 12/NZ IFRS 12 *Disclosure of Interests in Other Entities*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
potential losses borne by parties whose interests rank lower than the entity's interest in the unconsolidated structured entity. (e) information about any liquidity arrangements, guarantees or other commitments with third parties that may affect the fair value or risk of the entity's interests in unconsolidated structured entities. (f) any difficulties an unconsolidated structured entity has experienced in financing its activities during the reporting period. (g) in relation to the funding of an unconsolidated structured entity, the forms of funding (eg commercial paper or medium-term notes) and their weighted-average life. That information might include maturity analyses of the assets and funding of an unconsolidated structured entity if the structured entity has longer-term assets funded by shorter-term funding.	potential losses borne by parties whose interests rank lower than the entity's interest in the unconsolidated structured entity. (e) information about any liquidity arrangements, guarantees or other commitments with third parties that may affect the fair value or risk of the entity's interests in unconsolidated structured entities. (f) any difficulties an unconsolidated structured entity has experienced in financing its activities during the reporting period. (g) in relation to the funding of an unconsolidated structured entity, the forms of funding (eg commercial paper or medium-term notes) and their weighted-average life. That information might include maturity analyses of the assets and funding of an unconsolidated structured entity if the structured entity has longer-term assets funded by shorter-term funding.	

AASB 13/NZ IFRS 13 *Fair Value Measurement*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
Disclosure **91 An entity shall disclose information that helps users of its financial statements assess both of the following:** **(a) for assets and liabilities that are measured at fair value on a recurring or non-recurring basis in the statement of financial position after initial recognition, the valuation techniques and inputs used to develop those measurements.** **(b) for recurring fair value measurements using significant unobservable inputs (Level 3), the effect of the measurements on profit or loss or other comprehensive income for the period.**	**Disclosure** **91 An entity shall disclose information that helps users of its financial statements assess both of the following:** **(a) for assets and liabilities that are measured at fair value on a recurring or non-recurring basis in the statement of financial position after initial recognition, the valuation techniques and inputs used to develop those measurements.** **(b) for recurring fair value measurements using significant unobservable inputs (Level 3), the effect of the measurements on profit or loss or other comprehensive income for the period.**	Paragraph 91 requires disclosures to meet a stated objective. Therefore, paragraph 91 is reduced for Tier 2 entities.
92 To meet the objectives in paragraph 91, an entity shall consider all the following: (a) the level of detail necessary to satisfy the disclosure requirements; (b) how much emphasis to place on each of the various requirements; (c) how much aggregation or disaggregation to undertake; and (d) whether users of financial statements need additional information to evaluate the quantitative information disclosed. If the disclosures provided in accordance with this Standard/NZ IFRS and other Australian	92 To meet the objectives in paragraph 91, an entity shall consider all the following: (a) the level of detail necessary to satisfy the disclosure requirements; (b) how much emphasis to place on each of the various requirements; (c) how much aggregation or disaggregation to undertake; and (d) whether users of financial statements need additional information to evaluate the quantitative information disclosed. If the disclosures provided in accordance with this Standard/NZ IFRS and other Australian	Paragraph 92 is guidance for paragraph 91, which is reduced for Tier 2 entities. Therefore, paragraph 92 is reduced for Tier 2 entities.

AASB 13/NZ IFRS 13 *Fair Value Measurement*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
Accounting Standards/NZ IFRSs are insufficient to meet the objectives in paragraph 91, an entity shall disclose additional information necessary to meet those objectives.	Accounting Standards/NZ IFRSs are insufficient to meet the objectives in paragraph 91, an entity shall disclose additional information necessary to meet those objectives.	
93 To meet the objectives in paragraph 91, an entity shall disclose, at a minimum, the following information for each class of assets and liabilities (see paragraph 94 for information on determining appropriate classes of assets and liabilities) measured at fair value (including measurements based on fair value within the scope of this Standard/NZ IFRS) in the statement of financial position after initial recognition: (a) for recurring and non-recurring fair value measurements, the fair value measurement at the end of the reporting period, and for non-recurring fair value measurements, the reasons for the measurement. Recurring fair value measurements of assets or liabilities are those that other Australian Accounting Standards/NZ IFRSs require or permit in the statement of financial position at the end of each reporting period. Non-recurring fair value measurements of assets or liabilities are those that other Australian Accounting Standards/NZ IFRSs require or permit in the statement of financial position in particular circumstances (eg when an entity measures an asset held for sale at fair value less costs to sell in accordance	93 To meet the objectives in paragraph 91, an entity shall disclose, at a minimum, the following information for each class of assets and liabilities (see paragraph 94 for information on determining appropriate classes of assets and liabilities) measured at fair value (including measurements based on fair value within the scope of this Standard/NZ IFRS) in the statement of financial position after initial recognition: (a) for recurring and non-recurring fair value measurements, the fair value measurement at the end of the reporting period, and for non-recurring fair value measurements, the reasons for the measurement. Recurring fair value measurements of assets or liabilities are those that other Australian Accounting Standards/NZ IFRSs require or permit in the statement of financial position at the end of each reporting period. Non-recurring fair value measurements of assets or liabilities are those that other Australian Accounting Standards/NZ IFRSs require or permit in the statement of financial position in particular circumstances (eg when an entity measures an asset held for sale at fair value less costs to sell in accordance with AASB 5/NZ IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* because the asset's fair value less costs to	The reference to paragraph 91 in the lead-in of paragraph 93 is reduced for Tier 2 entities because paragraph 91 is reduced for Tier 2 entities. Paragraph 93(a) is a Key Disclosure Area (assessment of current liquidity and solvency) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 93(a) is kept for Tier 2 entities.

AASB 13/NZ IFRS 13 *Fair Value Measurement*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
with AASB 5/NZ IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* because the asset's fair value less costs to sell is lower than its carrying amount).	sell is lower than its carrying amount).	
(b) for recurring and non-recurring fair value measurements, the level of the fair value hierarchy within which the fair value measurements are categorised in their entirety (Level 1, 2 or 3).	(b) for recurring and non-recurring fair value measurements, the level of the fair value hierarchy within which the fair value measurements are categorised in their entirety (Level 1, 2 or 3).	Paragraph 93(b) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 93(b) is reduced for Tier 2 entities.
(c) for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis, the amounts of any transfers between Level 1 and Level 2 of the fair value hierarchy, the reasons for those transfers and the entity's policy for determining when transfers between levels are deemed to have occurred (see paragraph 95). Transfers into each level shall be disclosed and discussed separately from transfers out of each level.	(c) for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis, the amounts of any transfers between Level 1 and Level 2 of the fair value hierarchy, the reasons for those transfers and the entity's policy for determining when transfers between levels are deemed to have occurred (see paragraph 95). Transfers into each level shall be disclosed and discussed separately from transfers out of each level.	Paragraph 93(c) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 93(c) is reduced for Tier 2 entities.
(d) for recurring and non-recurring fair value measurements categorised within Level 2 and Level 3 of the fair value hierarchy, a description of the valuation technique(s) and the inputs used in the fair value measurement. If there has been a change in valuation technique	(d) for recurring and non-recurring fair value measurements categorised within Level 2 and Level 3 of the fair value hierarchy, a description of the valuation technique(s) and the inputs used in the fair value measurement. If there has been a change in valuation technique (eg changing from a	Paragraph 93(d) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 93(d) is reduced for Tier 2 entities.

AASB 13/NZ IFRS 13 *Fair Value Measurement*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
(eg changing from a market approach to an income approach or the use of an additional valuation technique), the entity shall disclose that change and the reason(s) for making it. For fair value measurements categorised within Level 3 of the fair value hierarchy, an entity shall provide quantitative information about the significant unobservable inputs used in the fair value measurement. An entity is not required to create quantitative information to comply with this disclosure requirement if quantitative unobservable inputs are not developed by the entity when measuring fair value (eg when an entity uses prices from prior transactions or third-party pricing information without adjustment). However, when providing this disclosure an entity cannot ignore quantitative unobservable inputs that are significant to the fair value measurement and are reasonably available to the entity.	market approach to an income approach or the use of an additional valuation technique), the entity shall disclose that change and the reason(s) for making it. For fair value measurements categorised within Level 3 of the fair value hierarchy, an entity shall provide quantitative information about the significant unobservable inputs used in the fair value measurement. An entity is not required to create quantitative information to comply with this disclosure requirement if quantitative unobservable inputs are not developed by the entity when measuring fair value (eg when an entity uses prices from prior transactions or third-party pricing information without adjustment). However, when providing this disclosure an entity cannot ignore quantitative unobservable inputs that are significant to the fair value measurement and are reasonably available to the entity.	
(e) for recurring fair value measurements categorised within Level 3 of the fair value hierarchy, a reconciliation from the opening balances to the closing balances, disclosing separately changes during the period attributable to the following: (i) total gains or losses for the period recognised in profit or loss, and the line item(s) in profit or loss in	(e) for recurring fair value measurements categorised within Level 3 of the fair value hierarchy, a reconciliation from the opening balances to the closing balances, disclosing separately changes during the period attributable to the following: (i) total gains or losses for the period recognised in profit or loss, and the line item(s) in profit or loss in which	Paragraph 93(e) requires a reconciliation that is not needed. Therefore, paragraph 93(e) is reduced for Tier 2.

AASB 13/NZ IFRS 13 *Fair Value Measurement*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
which those gains or losses are recognised. (ii) total gains or losses for the period recognised in other comprehensive income, and the line item(s) in other comprehensive income in which those gains or losses are recognised. (iii) purchases, sales, issues and settlements (each of those types of changes disclosed separately). (iv) the amounts of any transfers into or out of Level 3 of the fair value hierarchy, the reasons for those transfers and the entity's policy for determining when transfers between levels are deemed to have occurred (see paragraph 95). Transfers into Level 3 shall be disclosed and discussed separately from transfers out of Level 3.	those gains or losses are recognised. (ii) total gains or losses for the period recognised in other comprehensive income, and the line item(s) in other comprehensive income in which those gains or losses are recognised. (iii) purchases, sales, issues and settlements (each of those types of changes disclosed separately). (iv) the amounts of any transfers into or out of Level 3 of the fair value hierarchy, the reasons for those transfers and the entity's policy for determining when transfers between levels are deemed to have occurred (see paragraph 95). Transfers into Level 3 shall be disclosed and discussed separately from transfers out of Level 3.	
(f) for recurring fair value measurements categorised within Level 3 of the fair value hierarchy, the amount of the total gains or losses for the period in (e)(i) included in profit or loss that is attributable to the change in unrealised gains or losses relating to those assets and liabilities held at the end of the reporting period, and the line item(s) in	(f) for recurring fair value measurements categorised within Level 3 of the fair value hierarchy, the amount of the total gains or losses for the period in (e)(i) included in profit or loss that is attributable to the change in unrealised gains or losses relating to those assets and liabilities held at the end of the reporting period, and the line item(s) in profit or loss in which those unrealised	Paragraph 93(f) refers to paragraph 93(e)(i), which is reduced for Tier 2 entities. Therefore, paragraph 93(f) is reduced for Tier 2 entities.

AASB 13/NZ IFRS 13 *Fair Value Measurement*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
profit or loss in which those unrealised gains or losses are recognised.	gains or losses are recognised.	
(g) for recurring and non-recurring fair value measurements categorised within Level 3 of the fair value hierarchy, a description of the valuation processes used by the entity (including, for example, how an entity decides its valuation policies and procedures and analyses changes in fair value measurements from period to period).	(g) for recurring and non-recurring fair value measurements categorised within Level 3 of the fair value hierarchy, a description of the valuation processes used by the entity (including, for example, how an entity decides its valuation policies and procedures and analyses changes in fair value measurements from period to period).	Paragraph 93(g) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 93(g) is reduced for Tier 2 entities.
(h) for recurring fair value measurements categorised within Level 3 of the fair value hierarchy: (i) for all such measurements, a narrative description of the sensitivity of the fair value measurement to changes in unobservable inputs if a change in those inputs to a different amount might result in a significantly higher or lower fair value measurement. If there are interrelationships between those inputs and other unobservable inputs used in the fair value measurement, an entity shall also provide a description of those interrelationships and of how they might magnify or mitigate the effect of changes in the	(h) for recurring fair value measurements categorised within Level 3 of the fair value hierarchy: (i) for all such measurements, a narrative description of the sensitivity of the fair value measurement to changes in unobservable inputs if a change in those inputs to a different amount might result in a significantly higher or lower fair value measurement. If there are interrelationships between those inputs and other unobservable inputs used in the fair value measurement, an entity shall also provide a description of those interrelationships and of how they might magnify or mitigate the effect of changes in the unobservable inputs on the fair value measurement. To	Paragraph 93(h)(i) is a Key Disclosure Area (significant estimates and judgments specific to a transaction or event) – the disclosure requirements of AASB 101/NZ IAS 1 are sufficient. Therefore, paragraph 93(h)(i) is reduced for Tier 2 entities.

AASB 13/NZ IFRS 13 *Fair Value Measurement*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
unobservable inputs on the fair value measurement. To comply with that disclosure requirement, the narrative description of the sensitivity to changes in unobservable inputs shall include, at a minimum, the unobservable inputs disclosed when complying with (d).	comply with that disclosure requirement, the narrative description of the sensitivity to changes in unobservable inputs shall include, at a minimum, the unobservable inputs disclosed when complying with (d).	
(ii) for financial assets and financial liabilities, if changing one or more of the unobservable inputs to reflect reasonably possible alternative assumptions would change fair value significantly, an entity shall state that fact and disclose the effect of those changes. The entity shall disclose how the effect of a change to reflect a reasonably possible alternative assumption was calculated. For that purpose, significance shall be judged with respect to profit or loss, and total assets or total liabilities, or, when changes in fair value are recognised in other comprehensive income, total equity.	(ii) for financial assets and financial liabilities, if changing one or more of the unobservable inputs to reflect reasonably possible alternative assumptions would change fair value significantly, an entity shall state that fact and disclose the effect of those changes. The entity shall disclose how the effect of a change to reflect a reasonably possible alternative assumption was calculated. For that purpose, significance shall be judged with respect to profit or loss, and total assets or total liabilities, or, when changes in fair value are recognised in other comprehensive income, total equity.	Paragraph 93(h)(ii) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 93(h)(ii) is reduced for Tier 2 entities.
(i) for recurring and non-recurring fair value measurements, if the highest and best use of a non-financial asset differs from its	(i) for recurring and non-recurring fair value measurements, if the highest and best use of a non-financial asset differs from its current	Paragraph 93(i) is a Key Disclosure Area (assessment of current liquidity and solvency) – the benefits of providing the disclosure exceed the

AASB 13/NZ IFRS 13 *Fair Value Measurement*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
current use, an entity shall disclose that fact and why the non-financial asset is being used in a manner that differs from its highest and best use.	use, an entity shall disclose that fact and why the non-financial asset is being used in a manner that differs from its highest and best use.	costs. Therefore, paragraph 93(i) is kept for Tier 2 entities.
Aus93.1 Notwithstanding paragraph 93, in respect of not-for-profit public sector entities, for assets within the scope of AASB 116 *Property, Plant and Equipment* for which the future economic benefits are not primarily dependent on the asset's ability to generate net cash inflows, the following requirements do not apply: (a) in paragraph 93(d), the text "For fair value measurements categorised within Level 3 of the fair value hierarchy, an entity shall provide quantitative information about the significant unobservable inputs used in the fair value measurement. An entity is no required to create quantitative information to comply with this disclosure requirement if quantitative unobservable inputs are not developed by the entity when measuring fair value (eg when an entity uses prices from prior transactions or third-party pricing information without adjustment). However, when providing this disclosure an entity cannot ignore quantitative unobservable inputs that are significant to the fair value measurement and are reasonably available to the entity.". (b) paragraph 93(f); and	Aus93.1 Notwithstanding paragraph 93, in respect of not-for-profit public sector entities, for assets within the scope of AASB 116 *Property, Plant and Equipment* for which the future economic benefits are not primarily dependent on the asset's ability to generate net cash inflows, the following requirements do not apply: (a) in paragraph 93(d), the text "For fair value measurements categorised within Level 3 of the fair value hierarchy, an entity shall provide quantitative information about the significant unobservable inputs used in the fair value measurement. An entity is no required to create quantitative information to comply with this disclosure requirement if quantitative unobservable inputs are not developed by the entity when measuring fair value (eg when an entity uses prices from prior transactions or third-party pricing information without adjustment). However, when providing this disclosure an entity cannot ignore quantitative unobservable inputs that are significant to the fair value measurement and are reasonably available to the entity.". (b) paragraph 93(f); and (c) paragraph 93(h)(i).	Paragraph Aus93.1 refers to paragraphs 93(d), (f) and (h)(i), which are reduced for Tier 2 entities.. Therefore, paragraph Aus93.1 is reduced for Tier 2 entities.

AASB 13/NZ IFRS 13 *Fair Value Measurement*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
(c) paragraph 93(h)(i).		
94 An entity shall determine appropriate classes of assets and liabilities on the basis of the following: (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. The number of classes may need to be greater for fair value measurements categorised within Level 3 of the fair value hierarchy because those measurements have a greater degree of uncertainty and subjectivity. Determining appropriate classes of assets and liabilities for which disclosures about fair value measurements should be provided requires judgement. 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 information sufficient to permit reconciliation to the line items presented in the statement of financial position. If another Standard/NZ IFRS specifies the class for an asset or a liability, an entity may use that class in providing the disclosures required in this Standard/NZ IFRS if that class meets the requirements in this paragraph.	94 An entity shall determine appropriate classes of assets and liabilities on the basis of the following: (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. The number of classes may need to be greater for fair value measurements categorised within Level 3 of the fair value hierarchy because those measurements have a greater degree of uncertainty and subjectivity. Determining appropriate classes of assets and liabilities for which disclosures about fair value measurements should be provided requires judgement. 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 information sufficient to permit reconciliation to the line items presented in the statement of financial position. If another Standard/NZ IFRS specifies the class for an asset or a liability, an entity may use that class in providing the disclosures required in this Standard/NZ IFRS if that class meets the requirements in this paragraph.	Paragraph 94 provides guidance about determining appropriate classes of assets and liabilities. Therefore, paragraph 94 is kept for Tier 2 entities.
95 An entity shall disclose and consistently follow its policy for determining when transfers	95 An entity shall disclose and consistently follow its policy for determining when transfers between	Paragraph 95 refers to paragraphs 93(c) and (e)(iv), which are reduced for Tier 2 entities..

AASB 13/NZ IFRS 13 *Fair Value Measurement*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
between levels of the fair value hierarchy are deemed to have occurred in accordance with paragraph 93(c) and (e)(iv). The policy about the timing of recognising transfers shall be the same for transfers into the levels as for transfers out of the levels. Examples of policies for determining the timing of transfers include the following: (a) the date of the event or change in circumstances that caused the transfer. (b) the beginning of the reporting period. (c) the end of the reporting period.	levels of the fair value hierarchy are deemed to have occurred in accordance with paragraph 93(c) and (e)(iv). The policy about the timing of recognising transfers shall be the same for transfers into the levels as for transfers out of the levels. Examples of policies for determining the timing of transfers include the following: (a) the date of the event or change in circumstances that caused the transfer. (b) the beginning of the reporting period. (c) the end of the reporting period.	Therefore, paragraph 95 is reduced for Tier 2 entities.
96 If an entity makes an accounting policy decision to use the exception in paragraph 48, it shall disclose that fact.	96 If an entity makes an accounting policy decision to use the exception in paragraph 48, it shall disclose that fact.	The AASB has decided to rely on the requirement in AASB 101and AASB 108 for disclosures about accounting policies. This would be reduced in AASB 13 - the disclosure requirement in paragraph 117 of AASB 101 is sufficient
97 For each class of assets and liabilities not measured at fair value in the statement of financial position but for which the fair value is disclosed, an entity shall disclose the information required by paragraph 93(b), (d) and (i). However, an entity is not required to provide the quantitative disclosures about significant unobservable inputs used in fair value measurements categorised within Level 3 of the fair value hierarchy required by paragraph 93(d). For such assets and liabilities, an entity does not need to provide the other disclosures required by this Standard/NZ IFRS.	97 For each class of assets and liabilities not measured at fair value in the statement of financial position but for which the fair value is disclosed, an entity shall disclose the information required by paragraph 93(b), (d) and (i). However, an entity is not required to provide the quantitative disclosures about significant unobservable inputs used in fair value measurements categorised within Level 3 of the fair value hierarchy required by paragraph 93(d). For such assets and liabilities, an entity does not need to provide the other disclosures required by this Standard/NZ IFRS.	Paragraph 97 refers to paragraphs 93(b), (d) and (i), which are reduced for Tier 2 entities. Therefore, paragraph 97 is reduced for Tier 2 entities.

Comment [VS19]: The NZASB has decided to not rely solely on the requirements in NZ IAS 1 and NZ IAS 8 for disclosures about accounting policies. so this would be kept in NZ IFRS 13. Paragraph 96 is a Key Disclosure Area (accounting policy on recognition and measurement (choice of policy)) – the benefits of providing the disclosure exceed the costs.
Therefore, paragraph 96 is kept for Tier 2 entities.

AASB 13/NZ IFRS 13 *Fair Value Measurement*				
Current RDR (shaded)		**Proposed RDR (shaded)**		**Comments**
98	For a liability measured at fair value and issued with an inseparable third-party credit enhancement, an issuer shall disclose the existence of that credit enhancement and whether it is reflected in the fair value measurement of the liability.	98	For a liability measured at fair value and issued with an inseparable third-party credit enhancement, an issuer shall disclose the existence of that credit enhancement and whether it is reflected in the fair value measurement of the liability.	The AASB has decided to rely on the requirement in AASB 101and AASB 108 for disclosures about accounting policies. This would be reduced in AASB 13 - the disclosure requirement in paragraph 117 of AASB 101 is sufficient
99	AN entity shall present the quantitative disclosures required by this Standard/NZ IFRS in a tabular format unless another format is more appropriate.	99	An entity shall present the quantitative disclosures required by this Standard/NZ IFRS in a tabular format unless another format is more appropriate.	Paragraph 99 is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 99 is reduced for Tier 2 entities.

Comment [VS20]: The NZASB has decided to not rely solely on the requirements in NZ IAS 1 and NZ IAS 8 for disclosures about accounting policies. so this would be kept in NZ IFRS 13. Paragraph 98 is a Key Disclosure Area (accounting policy on recognition or measurement) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 98 is kept for Tier 2 entities.

AASB 14/NZ IFRS 14 *Regulatory Deferral Accounts*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
Disclosure **Objective** 27 **An entity that elects to apply this Standard shall disclose information that enables users to assess:** **(a) the nature of, and the risks associated with, the rate regulation that establishes the price(s) that the entity can charge customers for the goods or services it provides; and** **(b) the effects of that rate regulation on its**	**Disclosure** **Objective** **27 An entity that elects to apply this Standard shall disclose information that enables users to assess:** **(a) the nature of, and the risks associated with, the rate regulation that establishes the price(s) that the entity can charge customers for the goods or services it provides; and** **(b) the effects of that rate regulation on its**	Paragraph 27 requires disclosures to meet a stated objective. Therefore, paragraph 27 is reduced for Tier 2 entities.

AASB 14/NZ IFRS 14 *Regulatory Deferral Accounts*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
financial position, financial performance and cash flows.	**financial position, financial performance and cash flows.**	
28 If any of the disclosures set out in paragraphs 30–36 are not considered relevant to meet the objective in paragraph 27, they may be omitted from the financial statements. If the disclosures provided in accordance with paragraphs 30–36 are insufficient to meet the objective in paragraph 27, an entity shall disclose additional information that is necessary to meet that objective.	28 If any of the disclosures set out in paragraphs 30–36 are not considered relevant to meet the objective in paragraph 27, they may be omitted from the financial statements. If the disclosures provided in accordance with paragraphs 30–36 are insufficient to meet the objective in paragraph 27, an entity shall disclose additional information that is necessary to meet that objective.	Paragraph 28 provides guidance regarding the disclosures in paragraphs 30–36, most of which are reduced for Tier 2 entities. Therefore, paragraph 28 is reduced for Tier 2 entities.
29 To meet the disclosure objective in paragraph 27, an entity shall consider all of the following: (a) the level of detail that is necessary to satisfy the disclosure requirements; (b) how much emphasis to place on each of the various requirements; (c) how much aggregation or disaggregation to undertake; and (d) whether users of financial statements need additional information to evaluate the quantitative information disclosed.	29 To meet the disclosure objective in paragraph 27, an entity shall consider all of the following: (a) the level of detail that is necessary to satisfy the disclosure requirements; (b) how much emphasis to place on each of the various requirements; (c) how much aggregation or disaggregation to undertake; and (d) whether users of financial statements need additional information to evaluate the quantitative information disclosed.	Paragraph 29 provides guidance of meeting the disclosure objective in paragraph 27, which is reduced for Tier 2 entities. Therefore, paragraph 29 is reduced for Tier 2 entities.
Explanation of activities subject to rate regulation 30 To help a user of the financial statements assess the nature of, and the risks associated with, the	**Explanation of activities subject to rate regulation** 30 To help a user of the financial statements assess the nature of, and the risks associated with, the	Where the cross-referencing is of a general nature this is reduced in Australian Accounting Standards for

AASB 14/NZ IFRS 14 *Regulatory Deferral Accounts*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
entity's rate-regulated activities, an entity shall, for each type of rate-regulated activity, disclose: (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(s). If the rate regulator is a related party (as defined in AASB 124/NZ IAS 24 *Related Party Disclosures*), the entity shall disclose that fact, together with an explanation of how it is related; (c) how the future recovery of each class (ie each type of cost or income) of regulatory deferral account debit balance or reversal of each class of regulatory deferral account credit balance is affected by risks and uncertainty, for example: (i) demand risk (for example, changes in consumer attitudes, the availability of alternative sources of supply or the level of competition); (ii) regulatory risk (for example, the submission or approval of a rate-setting application or the entity's assessment of the expected future regulatory actions); and (iii) other risks (for example, currency	entity's rate-regulated activities, an entity shall, for each type of rate-regulated activity, disclose: (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(s). If the rate regulator is a related party (as defined in AASB 124/NZ IAS 24 *Related Party Disclosures*), the entity shall disclose that fact, together with an explanation of how it is related; (c) how the future recovery of each class (ie each type of cost or income) of regulatory deferral account debit balance or reversal of each class of regulatory deferral account credit balance is affected by risks and uncertainty, for example: (i) demand risk (for example, changes in consumer attitudes, the availability of alternative sources of supply or the level of competition); (ii) regulatory risk (for example, the submission or approval of a rate-setting application or the entity's assessment of the expected future regulatory actions); and (iii) other risks (for example, currency	Tier 2 entities.Paragraph 30(b) would be reduced in AASB 14 – general cross reference to another standard

Comment [VS21]: Where the cross-referencing is of a general nature, this is kept in NZ IFRSs for Tier 2 entities. This would be kept in NZ IFRS 14. Paragraph 30 is a Key Disclosure Area (associated risks specific to a transaction or event) – the benefits of providing the disclosure exceed the costs.
Therefore, paragraph 30 is kept for Tier 2 entities.

AASB 14/NZ IFRS 14 *Regulatory Deferral Accounts*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
or other market risks).	or other market risks).	
31 The disclosures required by paragraph 30 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. **This paragraph has been deleted in AASB 14**	31 The disclosures required by paragraph 30 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. **This paragraph has been deleted in AASB 14**	Paragraph 31 is guidance that permits the disclosures in paragraph 30 to be incorporated by cross reference to some other statement (which would reduce the clutter in the financial statements). Therefore, paragraph 31 is kept for Tier 2 entities.
Explanation of recognised amounts 32 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.	**Explanation of recognised amounts** 32 An entity shall disclose the basis on which regulatory deferral account balances are recogn ised 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.	The AASB has decided to rely on the requirement in AASB 101and AASB 108 for disclosures about accounting policies. This would be reduced in AASB 14 - the disclosure requirement in paragraph 117 of AASB 101 is sufficient
33 For each type of rate-regulated activity, an entity shall disclose the following information for each class of regulatory deferral account balance: (a) a reconciliation of the carrying amount at the beginning and the end of the period,	33 For each type of rate-regulated activity, an entity shall disclose the following information for each class of regulatory deferral account balance: (a) a reconciliation of the carrying amount at the beginning and the end of the period,	Paragraph 33(a) requires a reconciliation that is not required by Tier 2 entities. Therefore, paragraph 33(a) is reduced for Tier 2 entities.

Comment [VS22]: The NZASB has decided to not rely solely on the requirements in NZ IAS 1 and NZ IAS 8 for disclosures about accounting policies. so this would be kept in NZ IFRS 14. Paragraph 32 is a Key Disclosure Area (accounting policy on recognition or measurement) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 32 is kept for Tier 2 entities.

AASB 14/NZ IFRS 14 *Regulatory Deferral Accounts*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
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), but the following components would usually be relevant: (i) the amounts that have been recognised in the current period in the statement of financial position as regulatory deferral account balances; (ii) 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	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), but the following components would usually be relevant: (i) the amounts that have been recognised in the current period in the statement of financial position as regulatory deferral account balances; (ii) 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	
(iii) 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;	(iii) 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;	Regulatory deferral accounts are excluded from the requirements of AASB 136/NZ IAS 36 under paragraph B15 of AASB 14/NZ IFRS 14.
(b) the rate of return or discount rate (including a zero rate or a range of rates,	(b) the rate of return or discount rate (including a zero rate or a range of rates,	Paragraph 33(b) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits.

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when applicable) used to reflect the time value of money that is applicable to each class of regulatory deferral account balance; and	when applicable) used to reflect the time value of money that is applicable to each class of regulatory deferral account balance; and	Therefore, paragraph 33(b) is reduced for Tier 2 entities.
(c) the remaining periods over which the entity expects to recover (or amortise) the carrying amount of each class of regulatory deferral account debit balance or to reverse each class of regulatory deferral account credit balance.	(c) the remaining periods over which the entity expects to recover (or amortise) the carrying amount of each class of regulatory deferral account debit balance or to reverse each class of regulatory deferral account credit balance.	Paragraph 33(c) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 33(c) is reduced for Tier 2 entities.
	RDR 33.1 An entity applying Australian Accounting Standards – Reduced Disclosure Requirements/A Tier 2 entity shall disclose impairment losses recognised for regulatory deferral account balances.	Paragraph RDR 33.1 is added to require the disclosure of impairment losses (a Key Disclosure Area) recognised for regulatory deferral account balances (Regulatory deferral accounts are excluded from the scope of AASB 136/NZ IAS 36 – see paragraph B15 of AASB 14/NZ IFRS 14).
34 When rate regulation affects the amount and timing of an entity's income tax expense (income), the entity shall disclose the impact of the rate regulation on the amounts of current and deferred tax recognised. In addition, the entity shall separately disclose any regulatory deferral account balance that relates to taxation and the related movement in that balance.	34 When rate regulation affects the amount and timing of an entity's income tax expense (income), the entity shall disclose the impact of the rate regulation on the amounts of current and deferred tax recognised. In addition, the entity shall separately disclose any regulatory deferral account balance that relates to taxation and the related movement in that balance.	Paragraph 34 is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 34 is reduced for Tier 2 entities.
35 When an entity provides disclosures in accordance with AASB 12/NZ IFRS 12 *Disclosure of Interests in Other Entities* for an interest in a subsidiary, associate or joint	35 When an entity provides disclosures in accordance with AASB 12/NZ IFRS 12 *Disclosure of Interests in Other Entities* for an interest in a subsidiary, associate or joint	Paragraphs 35 is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Furthermore, paragraphs B25–B28 are reduced for

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venture that has rate-regulated activities and for which regulatory deferral account balances are recognised in accordance with this Standard, the entity shall disclose the amounts that are included for the regulatory deferral account debit and credit balances and the net movement in those balances for the interests disclosed (see paragraphs B25–B28).	venture that has rate-regulated activities and for which regulatory deferral account balances are recognised in accordance with this Standard, the entity shall disclose the amounts that are included for the regulatory deferral account debit and credit balances and the net movement in those balances for the interests disclosed (see paragraphs B25–B28).	Tier 2 entities. Therefore, paragraph 35 is reduced for Tier 2 entities.
36 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.	36 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.	Paragraph 36 is a Key Disclosure Area (impairment) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 36 is kept for Tier 2 entities.
Application of AASB 12/NZ IFRS 12 *Disclosure of Interests in Other Entities* B25 Paragraph 12(e) of AASB 12/NZ IFRS 12 requires an entity to disclose, for each of its subsidiaries that have non-controlling interests that are material to the reporting entity, the profit or loss that was allocated to non-controlling interests of the subsidiary during the reporting period. An entity that recognises regulatory deferral account balances in accordance with this Standard shall disclose the net movement in regulatory deferral account balances that is included within the amounts that are required to be disclosed by paragraph 12(e) of AASB 12/NZ IFRS 12.	**Application of AASB 12/NZ IFRS 12 *Disclosure of Interests in Other Entities*** B25 Paragraph 12(e) of AASB 12/NZ IFRS 12 requires an entity to disclose, for each of its subsidiaries that have non-controlling interests that are material to the reporting entity, the profit or loss that was allocated to non-controlling interests of the subsidiary during the reporting period. An entity that recognises regulatory deferral account balances in accordance with this Standard shall disclose the net movement in regulatory deferral account balances that is included within the amounts that are required to be disclosed by paragraph 12(e) of AASB 12/NZ IFRS 12.	Paragraph B12(e) of AASB 12/NZ IFRS 12 is reduced for Tier 2 entities. Therefore, paragraph B25 is reduced for Tier 2 entities.

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Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
B26 Paragraph 12(g) of AASB 12/NZ IFRS 12 requires an entity to disclose, for each of its subsidiaries that have non-controlling interests that are material to the reporting entity, summarised financial information about the subsidiary, as specified in paragraph B10 of AASB 12/NZ IFRS 12. Similarly, paragraph 21(b)(ii) of AASB 12/NZ IFRS 12 requires an entity to disclose, for each joint venture and associate that is material to the reporting entity, summarised financial information as specified in paragraphs B12–B13 of AASB 12/NZ IFRS 12. Paragraph B16 of AASB 12/NZ IFRS 12 specifies the summary financial information that an entity is required to disclose for all other associates and joint ventures that are not individually material in accordance with paragraph 21(c) of AASB 12/NZ IFRS 12.	B26 Paragraph 12(g) of AASB 12/NZ IFRS 12 requires an entity to disclose, for each of its subsidiaries that have non-controlling interests that are material to the reporting entity, summarised financial information about the subsidiary, as specified in paragraph B10 of AASB 12/NZ IFRS 12. Similarly, paragraph 21(b)(ii) of AASB 12/NZ IFRS 12 requires an entity to disclose, for each joint venture and associate that is material to the reporting entity, summarised financial information as specified in paragraphs B12–B13 of AASB 12/NZ IFRS 12. Paragraph B16 of AASB 12/NZ IFRS 12 specifies the summary financial information that an entity is required to disclose for all other associates and joint ventures that are not individually material in accordance with paragraph 21(c) of AASB 12/NZ IFRS 12.	Paragraph 12(g) of AASB 12/NZ IFRS 12 is reduced for Tier 2 entities. Therefore, paragraph B26 is reduced for Tier 2 entities.
B27 In addition to the information specified in paragraphs 12, 21, B10, B12–B13 and B16 of AASB 12/NZ IFRS 12, an entity that recognises regulatory deferral account balances in accordance with this Standard shall also disclose the total regulatory deferral account debit balance, the total regulatory deferral account credit balance and the net movements in those balances, split between amounts recognised in profit or loss and amounts recognised in other comprehensive income, for each entity for which those AASB 12/NZ IFRS 12 disclosures are required.	B27 In addition to the information specified in paragraphs 12, 21, B10, B12–B13 and B16 of AASB 12/NZ IFRS 12, an entity that recognises regulatory deferral account balances in accordance with this Standard shall also disclose the total regulatory deferral account debit balance, the total regulatory deferral account credit balance and the net movements in those balances, split between amounts recognised in profit or loss and amounts recognised in other comprehensive income, for each entity for which those AASB 12/NZ IFRS 12 disclosures are required.	Paragraphs 12, 21, B10, B12–B13 and B16 of AASB 12/NZ IFRS 12 are all reduced for Tier 2 entities. Therefore, paragraph B27 is reduced for Tier 2 entities.

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Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
B28 Paragraph 19 of AASB 12/NZ IFRS 12 specifies the information that an entity is required to disclose when the entity recognises a gain or loss on losing control of a subsidiary, calculated in accordance with paragraph 25 of AASB 10/NZ IFRS 10. In addition to the information required by paragraph 19 of AASB 12/NZ IFRS 12, an entity that elects to apply this Standard shall disclose the portion of that gain or loss that is attributable to derecognising regulatory deferral account balances in the former subsidiary at the date when control is lost.	B28 Paragraph 19 of AASB 12/NZ IFRS 12 specifies the information that an entity is required to disclose when the entity recognises a gain or loss on losing control of a subsidiary, calculated in accordance with paragraph 25 of AASB 10/NZ IFRS 10. In addition to the information required by paragraph 19 of AASB 12/NZ IFRS 12, an entity that elects to apply this Standard shall disclose the portion of that gain or loss that is attributable to derecognising regulatory deferral account balances in the former subsidiary at the date when control is lost.	Paragraph 19 of AASB 12/NZ IFRS 12 is reduced for Tier 2 entities. Therefore, paragraph B28 is reduced for Tier 2 entities.

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Disclosure **110 The objective of the disclosure requirements is for an entity to disclose sufficient information to enable users of financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. To achieve that objective, an entity shall disclose qualitative and quantitative information about all of the following:** **(a) its contracts with customers (see**	**Disclosure** **110 The objective of the disclosure requirements is for an entity to disclose sufficient information to enable users of financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. To achieve that objective, an entity shall disclose qualitative and quantitative information about all of the following:** **(a) its contracts with customers (see**	Paragraph 110 requires disclosures to meet a stated objective. Therefore, paragraph 110 is reduced for Tier 2 entities.

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Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
paragraphs 113–122); **(b) the significant judgements, and changes in the judgements, made in applying this Standard to those contracts (see paragraphs 123–126); and** **(c) any assets recognised from the costs to obtain or fulfil a contract with a customer in accordance with paragraph 91 or 95 (see paragraphs 127–128).**	**paragraphs 113–122);** **(b) the significant judgements, and changes in the judgements, made in applying this Standard to those contracts (see paragraphs 123–126); and** **(c) any assets recognised from the costs to obtain or fulfil a contract with a customer in accordance with paragraph 91 or 95 (see paragraphs 127–128).**	
111 An entity shall consider the level of detail necessary to satisfy the disclosure objective and how much emphasis to place on each of the various requirements. An entity shall aggregate or disaggregate disclosures so that useful information is not obscured by either the inclusion of a large amount of insignificant detail or the aggregation of items that have substantially different characteristics.	111 An entity shall consider the level of detail necessary to satisfy the disclosure objective and how much emphasis to place on each of the various requirements. An entity shall aggregate or disaggregate disclosures so that useful information is not obscured by either the inclusion of a large amount of insignificant detail or the aggregation of items that have substantially different characteristics.	Paragraph 111 is guidance about meeting the disclosure objective in paragraph 110, which is reduced for Tier 2 entities. Therefore, paragraph 111 is reduced for Tier 2 entities.
112 An entity need not disclose information in accordance with this Standard if it has provided the information in accordance with another Standard.	112 An entity need not disclose information in accordance with this Standard if it has provided the information in accordance with another Standard.	In general, guidance for disclosures that are required to be provided by Tier 2 entities is kept. The AASB has decided to reduce some of the guidance for disclosures that would otherwise be kept for Tier 2 entities, in particular where the guidance is considered to be unnecessary for Tier 2 entities in meeting the related disclosure requirement. Paragraph 112 is reduced in AASB 15 – guidance of a general nature
Contracts with customers 113 An entity shall disclose all of the following	**Contracts with customers** 113 An entity shall disclose all of the following	Paragraph 113(a) is a Key Disclosure Area (nature of

Comment [VS23]: In general, guidance for disclosures that are required to be provided by Tier 2 entities is kept. The NZASB has decided to keep all of the guidance that relates to disclosures that Tier 2 entities are required to provide. Paragraph 112 is kept in NZ IFRS 15. Paragraph 112 is guidance about when the disclosures required by this standard need not be made.
Therefore, paragraph 112 is kept for Tier 2 entities.

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amounts for the reporting period unless those amounts are presented separately in the statement of comprehensive income in accordance with other Standards: (a) revenue recognised from contracts with customers, which the entity shall disclose separately from its other sources of revenue; and	amounts for the reporting period unless those amounts are presented separately in the statement of comprehensive income in accordance with other Standards: (a) revenue recognised from contracts with customers, which the entity shall disclose separately from its other sources of revenue; and	the transaction or event that makes it significant or material) – the benefits of providing the disclosure do not exceed the costs. Therefore, paragraph 113(a) is kept for Tier 2 entities.
(b) any impairment losses recognised (in accordance with AASB 9/NZ IFRS 9) 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.	(b) any impairment losses recognised (in accordance with AASB 9/NZ IFRS 9) 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.	Paragraph 113(b) is a Key Disclosure Area (impairment) – the benefits of providing the disclosure exceed the costs. Paragraph 82(ba) of AASB 101/NZ IAS 1 requires a separate line item for aggregate impairment losses gains/reversals determined in accordance with AASB 9/NZ IFRS 9. Paragraph 113(b) requires disaggregation of those impairment losses Therefore, paragraph 113(b) is kept for Tier 2 entities.
Disaggregation of revenue 114 An entity shall disaggregate revenue recognised from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. An entity shall apply the guidance in paragraphs B87–B89 when selecting the categories to use to disaggregate revenue.	**Disaggregation of revenue** 114 An entity shall disaggregate revenue recognised from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. An entity shall apply the guidance in paragraphs B87–B89 when selecting the categories to use to disaggregate revenue.	Paragraph 114 is a Key Disclosure Area (nature of transaction or event that makes it significant) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 114 is kept for Tier 2 entities.

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115 In addition, an entity shall disclose sufficient information to enable users of financial statements to understand the relationship between the disclosure of disaggregated revenue (in accordance with paragraph 114) and revenue information that is disclosed for each reportable segment, if the entity applies AASB 8/NZ IFRS 8 *Operating Segments*.	115 In addition, an entity shall disclose sufficient information to enable users of financial statements to understand the relationship between the disclosure of disaggregated revenue (in accordance with paragraph 114) and revenue information that is disclosed for each reportable segment, if the entity applies AASB 8/NZ IFRS 8 *Operating Segments*.	AASB 8/NZ IFRS 8 requirements do not apply to Tier 2 entities Therefore, paragraph 115 is reduced for Tier 2 entities.
Contract balances 116 An entity shall disclose all of the following: (a) the opening and closing balances of receivables, contract assets and contract liabilities from contracts with customers, if not otherwise separately presented or disclosed;	**Contract balances** 116 An entity shall disclose all of the following: (a) the opening and closing balances of receivables, contract assets and contract liabilities from contracts with customers, if not otherwise separately presented or disclosed;	Paragraph 116(a) is a Key Disclosure Area (assessment of current liquidity and solvency), except for the requirement to disclose the opening balances – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 116(a) is kept for Tier 2 entities except for the words "opening and".
(b) revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period; and	(b) revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period; and	Paragraph 116(b) is not a Key Disclosure Area – the costs of providing the disclosure do not exceed the benefits. Therefore, paragraph 116(b) is reduced for Tier 2 entities.
(c) revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods (for example, changes in transaction price).	(c) revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods (for example, changes in transaction price).	Paragraph 116(c) is not a Key Disclosure Area – the costs of providing the disclosure do not exceed the benefits. Therefore, paragraph 116(c) is reduced for Tier 2 entities.

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117 An entity shall explain how the timing of satisfaction of its performance obligations (see paragraph 119(a)) relates to the typical timing of payment (see paragraph 119(b)) and the effect that those factors have on the contract asset and the contract liability balances. The explanation provided may use qualitative information.	117 An entity shall explain how the timing of satisfaction of its performance obligations (see paragraph 119(a)) relates to the typical timing of payment (see paragraph 119(b)) and the effect that those factors have on the contract asset and the contract liability balances. The explanation provided may use qualitative information.	Paragraph 117 refers to paragraphs 119(a) and (b), both of which are kept for Tier 2 entities. Therefore, paragraph 117 is reduced for Tier 2 entities.
118 An entity shall provide an explanation of the significant changes in the contract asset and the contract liability balances during the reporting period. The explanation shall include qualitative and quantitative information. Examples of changes in the entity's balances of contract assets and contract liabilities include any of the following: (a) changes due to business combinations; (b) cumulative catch-up adjustments to revenue that affect the corresponding contract asset or contract liability, including adjustments arising from a change in the measure of progress, a change in an estimate of the transaction price (including any changes in the assessment of whether an estimate of variable consideration is constrained) or a contract modification; (c) impairment of a contract asset; (d) a change in the time frame for a right to consideration to become unconditional (ie for a contract asset to be reclassified	118 An entity shall provide an explanation of the significant changes in the contract asset and the contract liability balances during the reporting period. The explanation shall include qualitative and quantitative information. Examples of changes in the entity's balances of contract assets and contract liabilities include any of the following: (a) changes due to business combinations; (b) cumulative catch-up adjustments to revenue that affect the corresponding contract asset or contract liability, including adjustments arising from a change in the measure of progress, a change in an estimate of the transaction price (including any changes in the assessment of whether an estimate of variable consideration is constrained) or a contract modification; (c) impairment of a contract asset; (d) a change in the time frame for a right to consideration to become unconditional (ie for a contract asset to be reclassified	Paragraph 118 is not a Key Disclosure Area – the costs of providing the disclosure do not exceed the benefits. Although paragraph 118(c) identifies impairment of a contract asset as an example of a significant change in a contract asset, this disclosure is covered by paragraph 113(b), which is kept for Tier 2 entities. Therefore, paragraph 118 is reduced for Tier 2 entities.

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to a receivable); and (e) a change in the time frame for a performance obligation to be satisfied (ie for the recognition of revenue arising from a contract liability).	to a receivable); and (e) a change in the time frame for a performance obligation to be satisfied (ie for the recognition of revenue arising from a contract liability).	
Performance obligations 119 An entity shall disclose information about its performance obligations in contracts with customers, including a description of all of the following: (a) when the entity typically satisfies its performance obligations (for example, upon shipment, upon delivery, as services are rendered or upon completion of service), including when performance obligations are satisfied in a bill-and-hold arrangement;	**Performance obligations** 119 An entity shall disclose information about its performance obligations in contracts with customers, including a description of all of the following: (a) when the entity typically satisfies its performance obligations (for example, upon shipment, upon delivery, as services are rendered or upon completion of service), including when performance obligations are satisfied in a bill-and-hold arrangement;	Paragraph 119(a) is a Key Disclosure Area (nature of the transaction or event that makes it significant or material to the entity) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 119(a) is kept for Tier 2 entities.
(b) the significant payment terms (for example, when payment is typically due, whether the contract has a significant financing component, whether the consideration amount is variable and whether the estimate of variable consideration is typically constrained in accordance with paragraphs 56-58);	(b) the significant payment terms (for example, when payment is typically due, whether the contract has a significant financing component, whether the consideration amount is variable and whether the estimate of variable consideration is typically constrained in accordance with paragraphs 56-58);	Paragraph 119(b) is a Key Disclosure Area (nature of the transaction or event that makes it significant or material to the entity t) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 119(b) is kept for Tier 2 entities.

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(c) the nature of the goods or services that the entity has promised to transfer, highlighting any performance obligations to arrange for another party to transfer goods or services (ie if the entity is acting as an agent);	(c) the nature of the goods or services that the entity has promised to transfer, highlighting any performance obligations to arrange for another party to transfer goods or services (ie if the entity is acting as an agent);	Paragraph 119(c) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 119(c) is reduced for Tier 2 entities.
(d) obligations for returns, refunds and other similar obligations; and	(d) obligations for returns, refunds and other similar obligations; and	Paragraph 119(d) is a Key Disclosure Area (commitments and contingencies) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 119(d) is kept for Tier 2 entities.
(e) types of warranties and related obligations.	(e) types of warranties and related obligations.	Paragraph 119(e) is a Key Disclosure Area (commitments and contingencies) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 119(e) is kept for Tier 2 entities.
Transaction price allocated to the remaining performance obligations 120 An entity shall disclose the following information about its remaining performance obligations: (a) the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting period; and	**Transaction price allocated to the remaining performance obligations** 120 An entity shall disclose the following information about its remaining performance obligations: (a) the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting period; and	Paragraph 120(a) is not a Key Disclosure Area – the costs of providing the disclosure do not exceed the benefits. Therefore, paragraph 120(a) is reduced for Tier 2 entities.
(b) an explanation of when the entity expects to recognise as revenue the amount disclosed in accordance with paragraph 120(a), which the entity shall	(b) an explanation of when the entity expects to recognise as revenue the amount disclosed in accordance with paragraph 120(a), which the entity shall	Paragraph 120(b) relates to paragraph 120(a), which is reduced for Tier 2 entities. Therefore, paragraph 120(b) is reduced for Tier 2 entities.

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disclose in either of the following ways: (i) on a quantitative basis using the time bands that would be most appropriate for the duration of the remaining performance obligations; or (ii) by using qualitative information.	disclose in either of the following ways: (i) on a quantitative basis using the time bands that would be most appropriate for the duration of the remaining performance obligations; or (ii) by using qualitative information.	
121 As a practical expedient, an entity need not disclose the information in paragraph 120 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.	121 As a practical expedient, an entity need not disclose the information in paragraph 120 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.	Paragraph 121 relates to paragraph 120, which is reduced for Tier 2 entities. Therefore, paragraph 121 is reduced for Tier 2 entities.
122 An entity shall explain qualitatively whether it is applying the practical expedient in paragraph 121 and whether any consideration from contracts with customers is not included in the transaction price and, therefore, not included in the information disclosed in accordance with paragraph 120. For example, an estimate of the transaction price would not include any estimated amounts of variable consideration that are constrained (see paragraphs 56–58).	122 An entity shall explain qualitatively whether it is applying the practical expedient in paragraph 121 and whether any consideration from contracts with customers is not included in the transaction price and, therefore, not included in the information disclosed in accordance with paragraph 120. For example, an estimate of the transaction price would not include any estimated amounts of variable consideration that are constrained (see paragraphs 56–58).	Paragraph 122 relates to paragraphs 120 and 121, which are reduced for Tier 2 entities. Therefore, paragraph 122 is reduced for Tier 2 entities.

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Significant judgements in the application of this Standard 123 An entity shall disclose the judgements, and changes in the judgements, made in applying this Standard that significantly affect the determination of the amount and timing of revenue from contracts with customers. In particular, an entity shall explain the judgements, and changes in the judgements, used in determining both of the following: (a) the timing of satisfaction of performance obligations (see paragraphs 124–125); and (b) the transaction price and the amounts allocated to performance obligations (see paragraph 126).	**Significant judgements in the application of this Standard** 123 An entity shall disclose the judgements, and changes in the judgements, made in applying this Standard that significantly affect the determination of the amount and timing of revenue from contracts with customers. In particular, an entity shall explain the judgements, and changes in the judgements, used in determining both of the following: (a) the timing of satisfaction of performance obligations (see paragraphs 124–125); and (b) the transaction price and the amounts allocated to performance obligations (see paragraph 126).	Paragraph 123 is a Key Disclosure Area (significant estimates and judgements specific to a transaction or event) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 123 is kept for Tier 2 entities.
Determining the timing of satisfaction of performance obligations 124 For performance obligations that an entity satisfies over time, an entity shall disclose both of the following: (a) the methods used to recognise revenue (for example, a description of the output methods or input methods used and how those methods are applied); and	**Determining the timing of satisfaction of performance obligations** 124 For performance obligations that an entity satisfies over time, an entity shall disclose both of the following: (a) the methods used to recognise revenue (for example, a description of the output methods or input methods used and how those methods are applied); and	The AASB has decided to rely on the requirement in AASB 101and AASB 108 for disclosures about accounting policies. This would be reduced in AASB 15 - disclosure requirements of paragraph 117 of AASB 101 are sufficient
(b) an explanation of why the methods used provide a faithful depiction of the transfer of goods or services.	(b) an explanation of why the methods used provide a faithful depiction of the transfer of goods or services.	Paragraph 124(b) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 124(b) is reduced for Tier 2 entities.

Comment [VS24]: The NZASB has decided to not rely solely on the requirements in NZ IAS 1 and NZ IAS 8 for disclosures about accounting policies. This would be kept in NZ IFRS 15. Paragraph 124(a) is a Key Disclosure Area (accounting policy on recognition or measurement) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 124(a) is kept for Tier 2 entities.

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Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
125 For performance obligations satisfied at a point in time, an entity shall disclose the significant judgements made in evaluating when a customer obtains control of promised goods or services.	125 For performance obligations satisfied at a point in time, an entity shall disclose the significant judgements made in evaluating when a customer obtains control of promised goods or services.	Paragraph 125 is a Key Disclosure Area (significant estimates and judgements specific to a transaction or event) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 125 is kept for Tier 2 entities.
Determining the transaction price and the amounts allocated to performance obligations 126 An entity shall disclose information about the methods, inputs and assumptions used for all of the following: (a) determining the transaction price, which includes, but is not limited to, estimating variable consideration, adjusting the consideration for the effects of the time value of money and measuring non-cash consideration; (b) assessing whether an estimate of variable consideration is constrained; (c) allocating the transaction price, including estimating stand-alone selling prices of promised goods or services and allocating discounts and variable consideration to a specific part of the contract (if applicable); and (d) measuring obligations for returns, refunds and other similar obligations.	**Determining the transaction price and the amounts allocated to performance obligations** 126 An entity shall disclose information about the methods, inputs and assumptions used for all of the following: (a) determining the transaction price, which includes, but is not limited to, estimating variable consideration, adjusting the consideration for the effects of the time value of money and measuring non-cash consideration; (b) assessing whether an estimate of variable consideration is constrained; (c) allocating the transaction price, including estimating stand-alone selling prices of promised goods or services and allocating discounts and variable consideration to a specific part of the contract (if applicable); and (d) measuring obligations for returns, refunds and other similar obligations.	The AASB has decided to rely on the requirement in AASB 101and AASB 108 for disclosures about accounting policies. This would be reduced in AASB 15 – the requirements of paragraph 117 of AASB 101 are sufficient

Comment [VS25]: The NZASB has decided to not rely solely on the requirements in NZ IAS 1 and NZ IAS 8 for disclosures about accounting policies. This would be kept in NZ IFRS 15. Paragraph 126 is a Key Disclosure Area (accounting policy and significant estimates and judgements specific to a transaction or event) – the benefits of providing the disclosure exceed the costs.
Therefore, paragraph 126 is kept for Tier 2 entities.

AASB 15/NZ IFRS 15 *Revenue from Contracts with Customers*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
Assets recognised from the costs to obtain or fulfil a contract with a customer 127 An entity shall describe both of the following: (a) the judgements made in determining the amount of the costs incurred to obtain or fulfil a contract with a customer (in accordance with paragraph 91 or 95); and	**Assets recognised from the costs to obtain or fulfil a contract with a customer** 127 An entity shall describe both of the following: (a) the judgements made in determining the amount of the costs incurred to obtain or fulfil a contract with a customer (in accordance with paragraph 91 or 95); and	Paragraph 127(a) is a Key Disclosure Area (significant estimates and judgements specific to a transaction or event) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 127(a) is kept for Tier 2 entities.
(b) the method it uses to determine the amortisation for each reporting period.	(b) the method it uses to determine the amortisation for each reporting period.	The AASB has decided to rely on the requirement in AASB 101and AASB 108 for disclosures about accounting policies. This would be reduced in AASB 15 - the disclosure requirements of paragraph 117 of AASB 101 are sufficient
128 An entity shall disclose all of the following: (a) the closing balances of assets recognised from the costs incurred to obtain or fulfil a contract with a customer (in accordance with paragraph 91 or 95), by main category of asset (for example, costs to obtain contracts with customers, pre-contract costs and setup costs); and	128 An entity shall disclose all of the following: (a) the closing balances of assets recognised from the costs incurred to obtain or fulfil a contract with a customer (in accordance with paragraph 91 or 95), by main category of asset (for example, costs to obtain contracts with customers, pre-contract costs and setup costs); and	Paragraph 128(a) up to the punctuation is a Key Disclosure Area (assessment of current liquidity and solvency) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 128(a) up to the punctuation is kept for Tier 2 entities. However, the costs of providing the disaggregation of the balances are expected to exceed the benefits, therefore Tier 2 entities are not required to provide that disaggregation.
(b) the amount of amortisation and any impairment losses recognised in the reporting period.	(b) the amount of amortisation and any impairment losses recognised in the reporting period.	The AASB has decided to rely on the requirement in AASB 101and AASB 108 for disclosures about accounting policies. This would be reduced in AASB 15 - the disclosure requirements of AASB 101 are

Comment [VS26]: The NZASB has decided to not rely solely on the requirements in NZ IAS 1 and NZ IAS 8 for disclosures about accounting policies. This would be kept in NZ IFRS 15. Paragraph 127(b) is a Key Disclosure Area (accounting policy on recognition or measurement) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 127(b) is kept for Tier 2 entities.

Comment [VS27]: The NZASB has decided to not rely solely on the requirements in NZ IAS 1 and NZ IAS 8 for disclosures about accounting policies. This would be kept in NZ IFRS 15. Paragraph 128(b) is a Key Disclosure Area (impairment, and accounting policy on recognition or measurement) – the benefits of providing disclosure exceed the costs. Therefore, paragraph 128(b) is kept for Tier 2 entities.

AASB 15/NZ IFRS 15 *Revenue from Contracts with Customers*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
		sufficient
Practical expedients 129 If an entity elects to use the practical expedient in either paragraph 63 (about the existence of a significant financing component) or paragraph 94 (about the incremental costs of obtaining a contract), the entity shall disclose that fact.	**Practical expedients** 129 If an entity elects to use the practical expedient in either paragraph 63 (about the existence of a significant financing component) or paragraph 94 (about the incremental costs of obtaining a contract), the entity shall disclose that fact.	Paragraph 129 is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 129 is reduced for Tier 2 entities.
Appendix B Application Guidance **Disclosure of disaggregated revenue** B87 Paragraph 114 requires an entity to disaggregate revenue from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. Consequently, the extent to which an entity's revenue is disaggregated for the purposes of this disclosure depends on the facts and circumstances that pertain to the entity's contracts with customers. Some entities may need to use more than one type of category to meet the objective in paragraph 114 for disaggregating revenue. Other entities may meet the objective by using only one type of category to disaggregate revenue.	**Appendix B Application Guidance** **Disclosure of disaggregated revenue** B87 Paragraph 114 requires an entity to disaggregate revenue from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. Consequently, the extent to which an entity's revenue is disaggregated for the purposes of this disclosure depends on the facts and circumstances that pertain to the entity's contracts with customers. Some entities may need to use more than one type of category to meet the objective in paragraph 114 for disaggregating revenue. Other entities may meet the objective by using only one type of category to disaggregate revenue.	Paragraph B87 provides guidance about the requirement to disaggregate revenue in paragraph 114, which is kept for Tier 2 entities. Therefore, paragraph B87 is kept for Tier 2 entities.
B88 When selecting the type of category (or categories) to use to disaggregate revenue, an entity shall consider how information about the	B88 When selecting the type of category (or categories) to use to disaggregate revenue, an entity shall consider how information about the	Paragraph B88 is guidance for determining the categories of revenue in accordance with

AASB 15/NZ IFRS 15 *Revenue from Contracts with Customers*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
entity's revenue has been presented for other purposes, including all of the following: (a) disclosures presented outside the financial statements (for example, in earnings releases, annual reports or investor presentations); (b) information regularly reviewed by the chief operating decision maker for evaluating the financial performance of operating segments; and (c) other information that is similar to the types of information identified in paragraph B88(a) and (b) and that is used by the entity or users of the entity's financial statements to evaluate the entity's financial performance or make resource allocation decisions.	entity's revenue has been presented for other purposes, including all of the following: (a) disclosures presented outside the financial statements (for example, in earnings releases, annual reports or investor presentations); (b) information regularly reviewed by the chief operating decision maker for evaluating the financial performance of operating segments; and (c) other information that is similar to the types of information identified in paragraph B88(a) and (b) and that is used by the entity or users of the entity's financial statements to evaluate the entity's financial performance or make resource allocation decisions.	paragraph 114, which is kept for Tier 2 entities. Therefore, paragraph B88 is kept for Tier 2 entities.
B89 Examples of categories that might be appropriate include, but are not limited to, all of the following: (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 non-government customers); (d) type of contract (for example, fixed-price and time-and-materials contracts); (e) contract duration (for example, short-	B89 Examples of categories that might be appropriate include, but are not limited to, all of the following: (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 non-government customers); (d) type of contract (for example, fixed-price and time-and-materials contracts); (e) contract duration (for example, short-	Paragraph B89 provides guidance about the categories of revenue that might be appropriate for an entity to use for the disaggregation of revenue in accordance with paragraph 114, which is kept for Tier 2 entities. Therefore, paragraph B89 is kept for Tier 2 entities.

AASB 15/NZ IFRS 15 *Revenue from Contracts with Customers*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
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).	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).	
Appendix C Effective date and transition **Transition** C8 For reporting periods that include the date of initial application, an entity shall provide both of the following additional disclosures if this Standard is applied retrospectively in accordance with paragraph C3(b): (a) the amount by which each financial statement line item is affected in the current reporting period by the application of this Standard as compared to AASB 111/NZ IAS 11, AASB 118/NZ IAS 18 and related Interpretations that were in effect before the change; and (b) an explanation of the reasons for significant changes identified in C8(a).	**Appendix C Effective date and transition** **Transition** C8 For reporting periods that include the date of initial application, an entity shall provide both of the following additional disclosures if this Standard is applied retrospectively in accordance with paragraph C3(b): (c) the amount by which each financial statement line item is affected in the current reporting period by the application of this Standard as compared to AASB 111/NZ IAS 11, AASB 118/NZ IAS 18 and related Interpretations that were in effect before the change; and (d) an explanation of the reasons for significant changes identified in C8(a).	Paragraph C8 is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph C8 is reduced for Tier 2 entities.

AASB 16/NZ IFRS 16 *Leases*		

Current RDR (shaded)	Proposed RDR (shaded)	Comments
	Lessee **Disclosure** **51 The objective of the disclosures is for lessees to disclose information in the notes that, together with the information provided in the statement of financial position, statement of profit or loss and statement of cash flows, gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of the lessee. Paragraphs 52–60 specify requirements on how to meet this objective.**	Paragraph 51 is a disclosure objective/principles paragraph without requiring any disclosures. Therefore, paragraph 51 is kept for Tier 2 entities.
	52 A lessee shall disclose information about its leases for which it is a lessee in a single note or separate section in its financial statements. However, a lessee need not duplicate information that is already presented elsewhere in the financial statements, provided that the information is incorporated by cross-reference in the single note or separate section about leases.	In general, guidance for disclosures that are required to be provided by Tier 2 entities is kept. The AASB has decided to reduce some of the guidance for disclosures that would otherwise be kept for Tier 2 entities, in particular where the guidance is considered to be unnecessary for Tier 2 entities in meeting the related disclosure requirement.This would be reduced in AASB 16 – guidance of a general nature
	53 A lessee shall disclose the following amounts for the reporting period: (a) depreciation charge for right-of-use assets by class of underlying asset;	Paragraph 53(a) is a Key Disclosure Area (nature of transaction or event that makes it significant or material) – the benefits of providing the disclosure exceed the costs. However, disclosure of total depreciation is sufficient. Therefore, paragraph 53(a) is kept for Tier 2 entities except for the requirement to provide the depreciation by class of underlying asset.
	(b) interest expense on lease liabilities;	Paragraph 53(b) is a Key Disclosure Area (nature of transaction or event that makes it significant or material) – the benefits of providing the disclosure

Comment [VS28]: The NZASB has decided to keep all of the guidance that relates to disclosures that Tier 2 entities are required to provide.This would be kept in NZ IFRS 16. Paragraph 52 is guidance for the disclosures by lessees about leases. Therefore, paragraph 52 is kept for Tier 2 entities.

AASB 16/NZ IFRS 16 *Leases*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
		exceed the costs. Therefore, paragraph 53(b) is kept for Tier 2 entities.
	(c) the expense relating to short-term leases accounted for applying paragraph 6. This expense need not include the expense relating to leases with a lease term of one month or less; (d) the expense relating to leases of low-value assets accounted for applying paragraph 6. This expense shall not include the expense relating to short-term leases of low-value assets included in paragraph 53(c);	In general, guidance for disclosures that are required to be provided by Tier 2 entities is kept. The AASB has decided to reduce some of the guidance for disclosures that would otherwise be kept for Tier 2 entities, in particular where the guidance is considered to be unnecessary for Tier 2 entities in meeting the related disclosure requirement. This sentence is reduced in AASB 16 – guidance of a general nature
	(e) the expense relating to variable lease payments not included in the measurement of lease liabilities;	Paragraph 53(e) is a Key Disclosure Area (nature of the transaction or event that makes it significant or material to the entity) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 53(e) is kept for Tier 2 entities.
	(f) income from subleasing right-of-use assets;	Paragraph 53(f) is a Key Disclosure Area (nature of the transaction or event that makes it significant or material to the entity) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 53(f) is kept for Tier 2 entities.
	(g) total cash outflow for leases;	Paragraph 53(g) is a Key Disclosure Area (current liquidity and solvency) – the benefits of providing

Comment [MS2/829]: The NZASB has decided to keep all of the guidance that relates to disclosures that Tier 2 entities are required to provide. This sentence is kept in NZ IFRS 16. Paragraphs 53(c) and (d) are a Key Disclosure Area (nature of transaction or event that makes it significant or material) – the benefits of providing the disclosure exceed the costs.
Therefore, paragraphs 53(c) and (d) are kept for Tier 2 entities.

AASB 16/NZ IFRS 16 *Leases*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
		the disclosure exceed the costs. Therefore, paragraph 53(g) is kept for Tier 2 entities.
	(h) additions to right-of-use assets;	Paragraph 53(h) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 53(h) is reduced for Tier 2 entities.
	(i) gains or losses arising from sale and leaseback transactions; and	Paragraph 53(i) is a Key Disclosure Area (nature of transaction or event that makes it significant or material) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 53(i) is kept for Tier 2 entities.
	(j) the carrying amount of right-of-use assets at the end of the reporting period by class of underlying asset.	Paragraph 53(j) is a Key Disclosure Area (current liquidity and solvency) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 53(j) is kept for Tier 2 entities.
	54 A lessee shall provide the disclosures specified in paragraph 53 in a tabular format, unless another format is more appropriate. The amounts disclosed shall include costs that a lessee has included in the carrying amount of another asset during the reporting period.	The *first sentence* of paragraph 54 is guidance about how to provide the disclosures specified in paragraph 53. However, references to 'in a tabular format' are reduced for Tier 2 entities. The *second sentence* of paragraph 54 is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 54 is reduced for Tier 2 entities.

AASB 16/NZ IFRS 16 *Leases*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
	55 A lessee shall disclose the amount of its lease commitments for short-term leases accounted for applying paragraph 6 if the portfolio of short-term leases to which it is committed at the end of the reporting period is dissimilar to the portfolio of short-term leases to which the short-term lease expense disclosed applying paragraph 53(c) relates.	Paragraph 55 is a Key Disclosure Area (current liquidity and solvency, and commitments and contingencies) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 55 is kept for Tier 2 entities.
	56 If right-of-use assets meet the definition of investment property, a lessee shall apply the disclosure requirements in AASB 140/NZ IAS 40. In that case, a lessee is not required to provide the disclosures in paragraph 53(a), (f), (h) or (j) for those right-of-use assets.	Paragraph 56 is guidance about disclosures that are not required if the right-of-use asset meets the definition of investment property. Therefore, paragraph 56 is kept for Tier 2 entities.
	57 If a lessee measures right-of-use assets at revalued amounts applying AASB 16/NZ IAS 16, the lessee shall disclose the information required by paragraph 77 of AASB 16/NZ IAS 16 for those right-of-use assets.	Paragraph 57 requires disclosures in paragraph 77 of AASB 116/NZ IAS 16 where a right-of-use asset is measured at revalued amounts. Most of paragraph 77 of AASB 116/NZ IAS 16 is kept for Tier 2 entities. Therefore, paragraph 57 is kept for Tier 2 entities.
	58 A lessee shall disclose a maturity analysis of lease liabilities applying paragraphs 39 and B11 of AASB 7/NZ IFRS 7 *Financial Instruments: Disclosures* separately from the maturity analyses of other financial liabilities.	Paragraph 58 refers to paragraphs 39 and B11 of AASB 7/NZ IFRS 7, both of which are reduced for Tier 2 entities. Therefore, paragraph 58 is reduced for Tier 2 entities.
	59 In addition to the disclosures required in paragraphs 53–58, a lessee shall disclose additional qualitative and quantitative information	Paragraph 59 is a Key Disclosure Area (nature of the transaction or event that makes it significant or material to the entity) – the benefits of providing

AASB 16/NZ IFRS 16 *Leases*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
	about its leasing activities necessary to meet the disclosure objective in paragraph 51 (as described in paragraph B48). This additional information may include, but is not limited to, information that helps users of financial statements to assess: (a) the nature of the lessee's leasing activities; (b) future cash outflows to which the lessee is potentially exposed that are not reflected in the measurement of lease liabilities. This includes exposure arising from: (i) variable lease payments (as described in paragraph B49); (ii) extension options and termination options (as described in paragraph B50); (iii) residual value guarantees (as described in paragraph B51); and (iv) leases not yet commenced to which the lessee is committed. (c) restrictions or covenants imposed by leases; and (d) sale and leaseback transactions (as described in paragraph B52).	the disclosure exceed the costs. Therefore, paragraph 59 is kept for Tier 2 entities.
	60 A lessee that accounts for short-term leases or leases of low-value assets applying paragraph 6 shall disclose that fact.	The AASB has decided to rely on the requirement in AASB 101and AASB 108 for disclosures about accounting policies. Paragraph 60 is reduced in AASB 16 – the requirements of paragraph 117 of AASB 101 are sufficient

Comment [VS30]: The NZASB has decided to not rely solely on the requirements in NZ IAS 1 and NZ IAS 8 for disclosures about accounting policies. Paragraph 60 is kept in NZ IFRS 16. Paragraph 60 is a Key Disclosure Area (accounting policy on recognition or measurement) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 60 is kept for Tier 2 entities.

AASB 16/NZ IFRS 16 *Leases*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
	Lessor **Disclosure** **89 The objective of the disclosures is for lessors to disclose information in the notes that, together with the information provided in the statement of financial position, statement of profit or loss and statement of cash flows, gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of the lessor. Paragraphs 90–97 specify requirements on how to meet this objective.**	Paragraph 89 is a disclosure objective/principles paragraph without requiring any disclosures. Therefore, paragraph 89 is kept for Tier 2 entities.
	90 A lessor shall disclose the following amounts for the reporting period: (a) for finance leases: (i) selling profit or loss; (ii) finance income on the net investment in the lease; and (iii) income relating to variable lease payments not included in the measurement of the net investment in the lease.	Paragraph 90(a) is a Key Disclosure Area (nature of the transaction or event that makes it significant or material) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 90(a) is kept for Tier 2 entities.
	(b) for operating leases, lease income, separately disclosing income relating to variable lease payments that do not depend on an index or a rate.	Paragraph 90(b) is a Key Disclosure Area (nature of the transaction or event that makes it significant or material) – the benefits of providing the disclosure exceed the costs, except for the requirement to separately disclose the income relating to variable lease payments. Therefore, the first part of paragraph 90(b) is kept for Tier 2 entities and the requirement to separate

AASB 16/NZ IFRS 16 *Leases*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
		income from variable lease payments is reduced for Tier 2 entities.
	91 A lessor shall provide the disclosures specified in paragraph 90 in a tabular format, unless another format is more appropriate.	Paragraph 91 requires disclosures in a tabular format, which is reduced for Tier 2 entities. Therefore, paragraph 91 is reduced for Tier 2 entities.
	92 A lessor shall disclose additional qualitative and quantitative information about its leasing activities necessary to meet the disclosure objective in paragraph 89. This additional information includes, but is not limited to, information that helps users of financial statements to assess: (a) the nature of the lessor's leasing activities; and (b) how the lessor manages the risk associated with any rights it retains in underlying assets. In particular, a lessor shall disclose its risk management strategy for the rights it retains in underlying assets, including any means by which the lessor reduces that risk. Such means may include, for example, buy-back agreements, residual value guarantees or variable lease payments for use in excess of specified limits.	Paragraph 92 is a Key Disclosure Area (nature of the transaction or event that makes it significant or material and associated risks specific to a transaction or event. Therefore, paragraph 92 is kept for Tier 2 entities.
	Finance leases 93 A lessor shall provide a qualitative and quantitative explanation of the significant changes in the carrying amount of the net investment in	Paragraph 93 is a Key Disclosure Area (current liquidity and solvency) – the benefits of providing

AASB 16/NZ IFRS 16 *Leases*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
	finance leases.	the disclosure exceed the costs. Therefore, paragraph 93 is kept for Tier 2 entities.
	94 A lessor shall disclose a maturity analysis of the lease payments receivable, showing the undiscounted lease payments to be received on an annual basis for a minimum of each of the first five years and a total of the amounts for the remaining years. A lessor shall reconcile the undiscounted lease payments to the net investment in the lease. The reconciliation shall identify the unearned finance income relating to the lease payments receivable and any discounted unguaranteed residual value.	The *first sentence* of paragraph 94 is a Key Disclosure Area (current liquidity and solvency) – the benefits of providing the disclosure exceed the costs. Therefore, the first sentence of paragraph 94 is kept for Tier 2 entities. The *remaining sentences* required a reconciliation, which is not required under the Tier 2 Disclosure Principles. Therefore, the remainder of paragraph 94 is reduced for Tier 2 entities.
	Operating leases 95 For items of property, plant and equipment subject to an operating lease, a lessor shall apply the disclosure requirements of AASB 116/NZ IAS 16. In applying the disclosure requirements in AASB 116/NZ IAS 16, a lessor shall disaggregate each class of property, plant and equipment into assets subject to operating leases and assets not subject to operating leases. Accordingly, a lessor shall provide the disclosures required by AASB 116/NZ IAS 16 for assets subject to an operating lease (by class of underlying asset) separately from owned assets held and used by the lessor.	The AASB has decided where the cross-referencing is of a general nature this is reduced in Australian Accounting Standards for Tier 2 entities. This would be reduced in AASB 16 – general cross reference to other standards.

Comment [VS31]: The NZASB has decided where the cross-referencing is of a general nature, this is kept in NZ IFRSs for Tier 2 entities. This would be kept in NZ IAS 16. Paragraph 95 requires a lessor to provide disclosures in AASB 116/NZ IAS 16.
Therefore, paragraph 95 is kept for Tier 2 entities.

AASB 16/NZ IFRS 16 *Leases*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
	96 A lessor shall apply the disclosure requirements in AASB 136/NZ IAS 36, AASB 138/NZ IAS 38, AAASB 140/NZ IAS 40 and AASB 141/NZ IAS 41 for assets subject to operating leases.	The AASB has decided where the cross-referencing is of a general nature this is reduced in Australian Accounting Standards for Tier 2 entities. This would be reduced in AASB 16 – general cross reference to other standards.
	97 A lessor shall disclose a maturity analysis of lease payments, showing the undiscounted lease payments to be received on an annual basis for a minimum of each of the first five years and a total of the amounts for the remaining years.	Paragraph 97 is a Key Disclosure Area (current liquidity and solvency,) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 97 is kept for Tier 2 entities.
	Appendix B **Lessee disclosures (paragraph 59)** B48 In determining whether additional information about leasing activities is necessary to meet the disclosure objective in paragraph 51, a lessee shall consider: (a) whether that information is relevant to users of financial statements. A lessee shall provide additional information specified in paragraph 59 only if that information is expected to be relevant to users of financial statements. In this context, this is likely to be the case if it helps those users to understand: (i) the flexibility provided by leases. Leases may provide flexibility if, for example, a lessee can reduce its exposure by exercising termination options or renewing leases with	In general, guidance for disclosures that are required to be provided by Tier 2 entities is kept. The AASB has decided to reduce some of the guidance for disclosures that would otherwise be kept for Tier 2 entities, in particular where the guidance is considered to be unnecessary for Tier 2 entities in meeting the related disclosure requirement.This is reduced in AASB 16 – guidance of a general nature.

Comment [VS32]: The NZASB has decided where the cross-referencing is of a general nature, this is kept in NZ IFRSs for Tier 2 entities. This would be kept in NZ IFRS 16. Paragraph 96 is guidance to remind preparers that they are required to provide disclosures under other standards Therefore, paragraph 96 is kept for Tier 2 entities.

Comment [VS33]: In general, guidance for disclosures that are required to be provided by Tier 2 entities is kept. The NZASB has decided to keep all of the guidance that relates to disclosures that Tier 2 entities are required to provide.This is kept in NZ IFRS 16. Paragraph B48 is guidance for paragraph 51 which is kept for Tier 2 entities.
Therefore, paragraph B48 is kept for Tier 2 entities.

AASB 16/NZ IFRS 16 *Leases*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
	favourable terms and conditions. (ii) restrictions imposed by leases. Leases may impose restrictions, for example, by requiring the lessee to maintain particular financial ratios. (iii) sensitivity of reported information to key variables. Reported information may be sensitive to, for example, future variable lease payments. (iv) exposure to other risks arising from leases. (v) deviations from industry practice. Such deviations may include, for example, unusual or unique lease terms and conditions that affect a lessee's lease portfolio. (b) whether that information is apparent from information either presented in the primary financial statements or disclosed in the notes. A lessee need not duplicate information that is already presented elsewhere in the financial statements.	
	B49 Additional information relating to variable lease payments that, depending on the circumstances, may be needed to satisfy the disclosure objective in paragraph 51 could include information that helps users of financial statements to assess, for example: (a) the lessee's reasons for using variable lease payments and the prevalence of those	Paragraph B49 is guidance about variable lease payments in paragraph 53(e), which is kept for Tier 2 entities. The additional information outlined provides information about the possible impact of variable lease payments on cash flows. Therefore, paragraph B49 is kept for Tier 2 entities.

AASB 16/NZ IFRS 16 *Leases*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
	payments; (b) the relative magnitude of variable lease payments to fixed payments; (c) key variables upon which variable lease payments depend and how payments are expected to vary in response to changes in those key variables; and (d) other operational and financial effects of variable lease payments.	
	B50 Additional information relating to extension options or termination options that, depending on the circumstances, may be needed to satisfy the disclosure objective in paragraph 51 could include information that helps users of financial statements to assess, for example: (a) the lessee's reasons for using extension options or termination options and the prevalence of those options; (b) the relative magnitude of *optional lease payments* to lease payments; (c) the prevalence of the exercise of options that were not included in the measurement of lease liabilities; and (d) other operational and financial effects of those options.	Paragraph B50 is guidance for paragraph 51, which is kept for Tier 2 entities. However, the costs of providing the disclosures required by paragraphs B50(a), (b) and (d) are likely to exceed the benefits. Therefore, paragraph B50(c) is kept for Tier 2 entities and paragraphs B50(a), (b) and (d) are reduced for Tier 2 entities.
	B51 Additional information relating to residual value guarantees that, depending on the circumstances, may be needed to satisfy the disclosure objective in paragraph 51 could include information that helps users of financial statements to assess, for	Paragraph B51 is guidance for paragraph 51, which is kept for Tier 2 entities. However, the costs of providing the disclosures required by paragraphs B51(a), (b) and (d) are likely to exceed the benefits.

AASB 16/NZ IFRS 16 *Leases*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
	example: (a) the lessee's reasons for providing residual value guarantees and the prevalence of those guarantees; (b) the magnitude of a lessee's exposure to residual value risk; (c) the nature of underlying assets for which those guarantees are provided; and (d) other operational and financial effects of those guarantees.	Therefore, paragraph B51(c) is kept for Tier 2 entities and paragraphs B51(a), (b) and (d) are reduced for Tier 2 entities.
	B52 Additional information relating to sale and leaseback transactions that, depending on the circumstances, may be needed to satisfy the disclosure objective in paragraph 51 could include information that helps users of financial statements to assess, for example: (a) the lessee's reasons for sale and leaseback transactions and the prevalence of those transactions; (b) key terms and conditions of individual sale and leaseback transactions; (c) payments not included in the measurement of lease liabilities; and (d) the cash flow effect of sale and leaseback transactions in the reporting period.	Paragraph B52 is guidance for paragraph 51, which is kept for Tier 2 entities. However, the costs of providing the disclosures required by paragraph B52 are likely to exceed the benefits. Therefore, paragraph B52 is reduced for Tier 2 entities.

AASB 101/NZ IAS 1 *Presentation of Financial Statements*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
Complete set of financial statements **10 A complete set of financial statements comprises:** **(a) a statement of financial position as at the end of the period;** **(b) a statement of profit or loss and other comprehensive income for the period;** **(c) a statement of changes in equity for the period;** **(d) a statement of cash flows for the period;** **(e) notes, comprising significant accounting policies and other explanatory information;** **(ea) comparative information in respect of the preceding period as specified in paragraphs 38 and 38A; and** **(f) a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements in accordance with paragraphs 40A–40D.** **An entity may use titles for the statements other than those used in this Standard. For example, an entity may use the title 'statement**	**Complete set of financial statements** **10 A complete set of financial statements comprises:** **(a) a statement of financial position as at the end of the period;** **(b) a statement of profit or loss and other comprehensive income for the period;** **(c) a statement of changes in equity for the period;** **(d) a statement of cash flows for the period;** **(e) notes, comprising significant accounting policies and other explanatory information;** **(ea) comparative information in respect of the preceding period as specified in paragraphs 38 and 38A; and** **(f) a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements in accordance with paragraphs 40A–40D.** **An entity may use titles for the statements other than those used in this Standard. For example, an entity may use the title 'statement**	Paragraph 10 explains the composition of a full set of financial statement. It is neither presentation nor a disclosure requirement and, therefore, is not subject to analysis. However, the costs of preparing a statement of financial position at the beginning of the preceding period are likely to outweigh the benefits. Therefore, paragraph 10(f) is reduced for Tier 2 entities.

AASB 101/NZ IAS 1 *Presentation of Financial Statements*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
of comprehensive income' instead of 'statement of profit or loss and other comprehensive income'.	**of comprehensive income' instead of 'statement of profit or loss and other comprehensive income'.**	
General features **Fair presentation and compliance with IFRSs** **15 Financial statements shall present fairly the financial position, financial performance and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the *Framework*/NZ *Framework*. [footnote omitted] The application of Australian Accounting Standards/NZ IFRS, with additional disclosure when necessary, is presumed to result in financial statements that achieve a fair presentation.**	**General features** **Fair presentation and compliance with IFRSs** **15 Financial statements shall present fairly the financial position, financial performance and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the *Framework*/NZ *Framework*. [footnote omitted] The application of Australian Accounting Standards/NZ IFRS, with additional disclosure when necessary, is presumed to result in financial statements that achieve a fair presentation.**	Paragraph 15 is not a disclosure requirement. However, the paragraph refers to "Australian Accounting Standards/NZ IFRS" when discussing fair presentation and compliance with reporting framework. Tier 2 entities report under Australian Accounting Standards – Reduced Disclosure Requirements/NZ IFRS RDR. Therefore, paragraph 15 is reduced for Tier 2 entities.
RDR 15.1 Financial statements shall present fairly the financial position, financial performance and cash flows of an entity applying Australian Accounting Standards – Reduced Disclosure Requirements/a Tier 2 entity. Fair presentation requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the *Framework*/NZ *Framework*. The application of the Australian Accounting	**RDR 15.1 Financial statements shall present fairly the financial position, financial performance and cash flows of an entity applying Australian Accounting Standards – Reduced Disclosure Requirements/a Tier 2 entity. Fair presentation requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the *Framework*/NZ *Framework*. The application of the Australian Accounting**	Paragraph RDR 15.1 is not a disclosure requirement. However, the paragraph replaces paragraph 15 for Tier 2 entities. Therefore, paragraph RDR15.1 is kept for Tier 2 entities.

AASB 101/NZ IAS 1 *Presentation of Financial Statements*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
Standards Reduced Disclosure Requirements/New Zealand Reduced Disclosure Regime, with additional disclosure when necessary, is presumed to result in financial statements that achieve a fair presentation.	**Standards Reduced Disclosure Requirements/New Zealand Reduced Disclosure Regime, with additional disclosure when necessary, is presumed to result in financial statements that achieve a fair presentation.**	
16 An entity whose financial statements comply with IFRSs shall make an explicit and unreserved statement of such compliance in the notes. An entity shall not describe financial statements as complying with IFRSs unless they comply with all the requirements of IFRSs.	**16 An entity whose financial statements comply with IFRSs shall make an explicit and unreserved statement of such compliance in the notes. An entity shall not describe financial statements as complying with IFRSs unless they comply with all the requirements of IFRSs.**	Paragraph 16 requires a statement of compliance with IFRSs, which is not relevant for Tier 2 entities. Therefore, paragraph 16 is reduced for Tier 2 entities.
RDR 16.1 Entities applying Australian Accounting Standards – Reduced Disclosure Requirements/A Tier 2 entity would not be able to state compliance with IFRSs.	**RDR 16.1 Entities applying Australian Accounting Standards – Reduced Disclosure Requirements/A Tier 2 entity would not be able to state compliance with IFRSs.**	Paragraph RDR 16.1 clarifies that Tier 2 entities would not be able to assert compliance with IFRSs. Therefore, paragraph RDR16.1 is kept for Tier 2 entities.
Aus16.1 [Deleted by the AASB]	**Aus16.1 [Deleted by the AASB]**	
Aus16.2 Compliance with Australian Accounting Standards by for-profit entities will not necessarily lead to compliance with IFRSs. This circumstance arises when the entity is a for-profit government department to which particular Standards apply, such as AASB 1004 *Contributions*, and to which Aus paragraphs in various other Australian Accounting Standards apply, and the entity applies a requirement that is inconsistent with an IFRS requirement.	**Aus16.2 Compliance with Australian Accounting Standards by for-profit entities will not necessarily lead to compliance with IFRSs. This circumstance arises when the entity is a for-profit government department to which particular Standards apply, such as AASB 1004 *Contributions*, and to which Aus paragraphs in various other Australian Accounting Standards apply, and the entity applies a requirement that is inconsistent with an IFRS requirement.**	Paragraph Aus16.2 refers to compliance with IFRSs. Tier 2 entities would not be able to assert compliance with IFRSs. Therefore, paragraph Aus16.2 is reduced for Tier 2 entities.

AASB 101/NZ IAS 1 *Presentation of Financial Statements*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
Aus16.3 Not-for-profit entities need not comply with the paragraph 16 requirement to make an explicit and unreserved statement of compliance with IFRSs.	**Aus16.3 Not-for-profit entities need not comply with the paragraph 16 requirement to make an explicit and unreserved statement of compliance with IFRSs.**	Paragraph Aus16.3 relates to paragraph 16, which is reduced for Tier 2 entities. Therefore, paragraph Aus16.3 is reduced for Tier 2 entities.
17 In virtually all circumstances, an entity achieves a fair presentation by compliance with applicable Australian Accounting Standards/NZ IFRS. A fair presentation also requires an entity: **(a) to select and apply accounting policies in accordance with AASB 108/NZ IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. AASB 108/NZ IAS 8 sets out a hierarchy of authoritative guidance that management considers in the absence of an Australian Accounting Standard that specifically applies to an item.** **(b) to present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information.** **(c) to provide additional disclosures when compliance with the specific requirements in Australian Accounting Standards/NZ IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.**	**17 In virtually all circumstances, an entity achieves a fair presentation by compliance with applicable Australian Accounting Standards/NZ IFRS. A fair presentation also requires an entity:** **(a) to select and apply accounting policies in accordance with AASB 108/NZ IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. AASB 108/NZ IAS 8 sets out a hierarchy of authoritative guidance that management considers in the absence of an Australian Accounting Standard that specifically applies to an item.** **(b) to present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information.** **(c) to provide additional disclosures when compliance with the specific requirements in Australian Accounting Standards/NZ IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.**	Paragraph 17 explains how fair presentation is achieved. It is not a disclosure requirement, and is therefore not subject to analysis. Therefore, paragraph 17 is kept for Tier 2 entities.

AASB 101/NZ IAS 1 *Presentation of Financial Statements*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
18 **An entity cannot rectify inappropriate accounting policies either by disclosure of the accounting policies used or by notes or explanatory material.**	18 **An entity cannot rectify inappropriate accounting policies either by disclosure of the accounting policies used or by notes or explanatory material.**	Paragraph 18 explains that disclosures about accounting policies cannot rectify the use of inappropriate accounting policies. It is not a disclosure requirement, and is therefore not subject to analysis. Therefore, paragraph 18 is kept for Tier 2 entities.
19 **In the extremely rare circumstances in which management concludes that compliance with a requirement in an Australian Accounting Standard/NZ IFRS would be so misleading that it would conflict with the objective of financial statements set out in the *Framework*/NZ Framework, the entity shall depart from that requirement in the manner set out in paragraph 20 if the relevant regulatory framework requires, or otherwise does not prohibit, such a departure.**	19 **In the extremely rare circumstances in which management concludes that compliance with a requirement in an Australian Accounting Standard/NZ IFRS would be so misleading that it would conflict with the objective of financial statements set out in the *Framework*/NZ Framework, the entity shall depart from that requirement in the manner set out in paragraph 20 if the relevant regulatory framework requires, or otherwise does not prohibit, such a departure.**	Paragraph 19 requires compliance with other requirements in AASB 101/NZ IAS 1 in the rare circumstances that an entity departs from a requirement in Australian Accounting Standards/NZ IFRS. It is not a disclosure requirement, and is therefore not subject to analysis. Therefore, paragraph 19 is kept for Tier 2 entities.
Aus19.1 **In relation to paragraph 19, the following shall not depart from a requirement in an Australian Accounting Standard:** **(a) entities required to prepare financial reports under Part 2M.3 of the Corporations Act;** **(b) private and public sector not-for-profit entities; and** **(c) entities applying Australian Accounting Standards – Reduced Disclosure Requirements.**	Aus19.1 **In relation to paragraph 19, the following shall not depart from a requirement in an Australian Accounting Standard:** **(a) entities required to prepare financial reports under Part 2M.3 of the Corporations Act;** **(b) private and public sector not-for-profit entities; and** **(c) entities applying Australian Accounting Standards – Reduced Disclosure Requirements.**	Paragraph Aus19.1 prohibits certain entities from departing from a requirement in an Australian Accounting Standard. Therefore, paragraph Aus19.1 is kept for Tier 2 entities.
20 **When an entity departs from a requirement of**	20 **When an entity departs from a requirement of**	In Australia, paragraph Aus19.1 prohibits an entity

AASB 101/NZ IAS 1 *Presentation of Financial Statements*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
an Australian Accounting Standard/NZ IFRS in accordance with paragraph 19, 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 Australian Accounting Standard/NZ IFRSs, except that it has departed from a particular requirement to achieve a fair presentation;** **(c) the title of the Australian Accounting Standard/NZ IFRS from which the entity has departed, the nature of the departure, including the treatment that the Australian/Accounting Standard/NZ IFRS 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 Framework/NZ *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.**	**an Australian Accounting Standard/NZ IFRS in accordance with paragraph 19, 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 Australian Accounting Standard/NZ IFRSs, except that it has departed from a particular requirement to achieve a fair presentation;** **(c) the title of the Australian Accounting Standard/NZ IFRS from which the entity has departed, the nature of the departure, including the treatment that the Australian/Accounting Standard/NZ IFRS 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 Framework/NZ *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.**	from departing from a requirement in an accounting standard. Therefore, paragraph 20 **is reduced in Australia** for Tier 2 entities since paragraph Aus19.1 above prohibits departure from a requirement in an Australian Accounting Standard.
21 **When an entity has departed from a requirement of an Australian Accounting Standard/NZ IFRS in a prior period, and that**	21 **When an entity has departed from a requirement of an Australian Accounting Standard/NZ IFRS in a prior period, and that**	In Australia, paragraph 20 is reduced for Tier 2 entities.

Comment [VS34]: Paragraph 20 is kept in NZ IAS 1. Paragraph 20 is a Key Disclosure Area – (nature of the transaction or event that makes it significant or material) – the benefits of providing the disclosure exceed the costs.
Therefore, paragraph 20 is **kept in New Zealand** for Tier 2 entities

Comment [VS35]: Paragraph 21 would be kept in NZ IAS 1. Paragraph 21 is a Key Disclosure Area – (nature of the transaction or event that makes it significant or material) – the benefits of providing the disclosure exceed the costs.
Therefore, paragraph 21 is **kept in New Zealand** for Tier 2 entities.

AASB 101/NZ IAS 1 *Presentation of Financial Statements*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
departure affects the amounts recognised in the financial statements for the current period, it shall make the disclosures set out in paragraph 20(c) and (d).	**departure affects the amounts recognised in the financial statements for the current period, it shall make the disclosures set out in paragraph 20(c) and (d).**	Therefore, paragraph 21 **is reduced in Australia** for Tier 2 entities.
22 Paragraph 21 applies, for example, when an entity departed in a prior period from a requirement in an Australian Accounting Standard/NZ IFRS for the measurement of assets or liabilities and that departure affects the measurement of changes in assets and liabilities recognised in the current period's financial statements.	22 Paragraph 21 applies, for example, when an entity departed in a prior period from a requirement in an Australian Accounting Standard/NZ IFRS for the measurement of assets or liabilities and that departure affects the measurement of changes in assets and liabilities recognised in the current period's financial statements.	Paragraph 22 is guidance for paragraph 21, which is **reduced in Australia** for Tier 2 entities. Therefore paragraph 22 **reduced in Australia** for Tier 2 entities. Paragraph 22 would be reduced in AASB 101.
23 In the extremely rare circumstances in which management concludes that compliance with a requirement in an Australian Accounting Standard/NZ IFRS would be so misleading that it would conflict with the objective of financial statements set out in the framework/NZ *Framework*, but the relevant regulatory framework prohibits departure from the requirement, the entity shall, to the maximum extent possible, reduce the perceived misleading aspects of compliance by disclosing: **(a) the title of the Australian Accounting Standard/NZ IFRS in question, the nature of the requirement, and the reason why management has concluded that complying with that requirement is so misleading in the circumstances that it conflicts with the objective of financial statements set out in the**	**23 In the extremely rare circumstances in which management concludes that compliance with a requirement in an Australian Accounting Standard/NZ IFRS would be so misleading that it would conflict with the objective of financial statements set out in the *Framework*/NZ *Framework*, but the relevant regulatory framework prohibits departure from the requirement, the entity shall, to the maximum extent possible, reduce the perceived misleading aspects of compliance by disclosing:** **(a) the title of the Australian Accounting Standard/NZ IFRS in question, the nature of the requirement, and the reason why management has concluded that complying with that requirement is so misleading in the circumstances that it conflicts with the objective of financial statements set out in the Framework/NZ *Framework*; and**	Paragraph 23 is not a Key Disclosure Area. However, the presumption that the costs of providing the disclosure exceed the benefits is rebutted as this disclosure relates to the framework under which the entity is reporting which is useful information. Therefore, paragraph 23 is kept for Tier 2 entities

Comment [VS36]: Paragraph 22 would be kept in NZ IAS 1. Paragraph 22 is guidance for paragraph 21, which is **kept in New Zealand** for Tier 2 entities. Therefore paragraph 22 is **kept in New Zealand** for Tier 2 entities.

AASB 101/NZ IAS 1 *Presentation of Financial Statements*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
Framework/NZ *Framework*; and **(b) for each period presented, the adjustments to each item in the financial statements that management has concluded would be necessary to achieve a fair presentation.**	**(b) for each period presented, the adjustments to each item in the financial statements that management has concluded would be necessary to achieve a fair presentation.**	
Change in accounting policy, retrospective restatement or reclassification **40A An entity shall present a third statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements required in paragraph 38A if:** **(a) it applies an accounting policy retrospectively, makes a retrospective restatement of items in its financial statements or reclassifies items in its financial statements; and** **(b) the retrospective application, retrospective restatement or the reclassification has a material effect on the information in the statement of financial position at the beginning of the preceding period.**	*Change in accounting policy, retrospective restatement or reclassification* **40A An entity shall present a third statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements required in paragraph 38A if:** **(a) it applies an accounting policy retrospectively, makes a retrospective restatement of items in its financial statements or reclassifies items in its financial statements; and** **(b) the retrospective application, retrospective restatement or the reclassification has a material effect on the information in the statement of financial position at the beginning of the preceding period.**	Paragraph 40A is not a disclosure requirement and is, therefore, not subject to analysis. However, paragraph 40A is similar to paragraph 10(f), which is reduced for Tier 2 entities. Therefore, paragraph 40A is reduced for Tier 2 entities.
40B In the circumstances described in paragraph 40A, an entity shall present three statements of financial position as at: (a) the end of the current period; (b) the end of the preceding period; and (c) the beginning of the preceding period.	40B In the circumstances described in paragraph 40A, an entity shall present three statements of financial position as at: (a) the end of the current period; (b) the end of the preceding period; and (c) the beginning of the preceding period.	Paragraph 40B is guidance for paragraph 40A, which is reduced for Tier 2 entities. Therefore, paragraph 40B is reduced for Tier 2 entities.

AASB 101/NZ IAS 1 *Presentation of Financial Statements*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
40C When an entity is required to present an additional statement of financial position in accordance with paragraph 40A, it must disclose the information required by paragraphs 41–44 and AASB 108/NZ IAS 8. However, it need not present the related notes to the opening statement of financial position as at the beginning of the preceding period	40C When an entity is required to present an additional statement of financial position in accordance with paragraph 40A, it must disclose the information required by paragraphs 41–44 and AASB 108/NZ IAS 8. However, it need not present the related notes to the opening statement of financial position as at the beginning of the preceding period	Paragraph 40C is guidance for paragraph 40A, which is reduced for Tier 2 entities. Therefore, paragraph 40C is reduced for Tier 2 entities.
40D The date of that opening statement of financial position shall be as at the beginning of the preceding period regardless of whether an entity's financial statements present comparative information for earlier periods (as permitted in paragraph 38C).	40D The date of that opening statement of financial position shall be as at the beginning of the preceding period regardless of whether an entity's financial statements present comparative information for earlier periods (as permitted in paragraph 38C).	Paragraph 40D is guidance for the opening statement of financial position, which Tier 2 entities are is not required to prepare. Therefore, paragraph 40D is reduced for Tier 2 entities.
41 If an entity changes the presentation or classification of items in its financial statements, it shall reclassify comparative amounts unless reclassification is impracticable. When an entity reclassifies comparative amounts, it shall disclose (including as at the beginning of the preceding period): **(a) the nature of the reclassification;** **(b) the amount of each item or class of items that is reclassified; and** **(c) the reason for the reclassification.**	**41 If an entity changes the presentation or classification of items in its financial statements, it shall reclassify comparative amounts unless reclassification is impracticable. When an entity reclassifies comparative amounts, it shall disclose (including as at the beginning of the preceding period):** **(a) the nature of the reclassification;** **(b) the amount of each item or class of items that is reclassified; and** **(c) the reason for the reclassification.**	Paragraph 41 is a Key Disclosure Area (nature of the transaction or event that makes it significant or material) – the benefits of providing the disclosure exceed the costs. However, Tier 2 entities are not required to prepare a statement of financial position at the beginning of the preceding period. Therefore, paragraph 41, except for the reference to the beginning of the preceding period, is kept for Tier 2 entities.
42 When it is impracticable to reclassify comparative amounts, an entity shall disclose: **(a) the reason for not reclassifying the**	**42 When it is impracticable to reclassify comparative amounts, an entity shall disclose:** **(a) the reason for not reclassifying the**	Paragraph 41(a) is a Key Disclosure Area (nature of the transaction or event that makes it significant or material) – the benefits of providing the

AASB 101/NZ IAS 1 *Presentation of Financial Statements*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
amounts, and	**amounts; and**	disclosure exceed the costs. Therefore, paragraph 41(a) is kept for Tier 2 entities.
(b) the nature of the adjustments that would have been made if the amounts had been reclassified.	**(b) the nature of the adjustments that would have been made if the amounts had been reclassified.**	Paragraph 41(b) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 41(b) is reduced for Tier 2 entities.
Statement of financial position **Information to be presented in the statement of financial position** **Current/non-current distinction** **60 An entity shall present current and non-current assets, and current and non-current liabilities, as separate classifications in its statement of financial position in accordance with paragraphs 66–76 except when a presentation based on liquidity provides information that is reliable and more relevant. When that exception applies, an entity shall present all assets and liabilities in order of liquidity.** **61 Whichever method of presentation is adopted, an entity shall disclose the amount expected to be recovered or settled after more than twelve months for each asset and liability line item that combines amounts expected to be recovered or settled:** **(a) no more than twelve months after the reporting period, and** **(b) more than twelve months after the**	**Statement of financial position** **Information to be presented in the statement of financial position** **Current/non-current distinction** **60 An entity shall present current and non-current assets, and current and non-current liabilities, as separate classifications in its statement of financial position in accordance with paragraphs 66–76 except when a presentation based on liquidity provides information that is reliable and more relevant. When that exception applies, an entity shall present all assets and liabilities in order of liquidity.** **61 Whichever method of presentation is adopted, an entity shall disclose the amount expected to be recovered or settled after more than twelve months for each asset and liability line item that combines amounts expected to be recovered or settled:** **(a) no more than twelve months after the reporting period, and** **(b) more than twelve months after the**	Paragraph 60 explains a basis for presentation. It is not a disclosure requirement, and is therefore not subject to analysis. Therefore, paragraph 60 is kept for Tier 2 entities. Paragraph 61 is a Key Disclosure Area (assessment of current liquidity and solvency) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 61 is kept for Tier 2 entities.

AASB 101/NZ IAS 1 *Presentation of Financial Statements*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
reporting period.	**reporting period.**	
65 Information about expected dates of realisation of assets and liabilities is useful in assessing the liquidity and solvency of an entity. AASB 7/NZ IFRS 7 *Financial Instruments: Disclosures* requires disclosure of the maturity dates of financial assets and financial liabilities. Financial assets include trade and other receivables, and financial liabilities include trade and other payables. Information on the expected date of recovery of non-monetary assets such as inventories and expected date of settlement for liabilities such as provisions is also useful, whether assets and liabilities are classified as current or as non-current. For example, an entity discloses the amount of inventories that are expected to be recovered more than twelve months after the reporting period.	65 Information about expected dates of realisation of assets and liabilities is useful in assessing the liquidity and solvency of an entity. AASB 7/NZ IFRS 7 *Financial Instruments: Disclosures* requires disclosure of the maturity dates of financial assets and financial liabilities. Financial assets include trade and other receivables, and financial liabilities include trade and other payables. Information on the expected date of recovery of non-monetary assets such as inventories and expected date of settlement for liabilities such as provisions is also useful, whether assets and liabilities are classified as current or as non-current. For example, an entity discloses the amount of inventories that are expected to be recovered more than twelve months after the reporting period.	Paragraph 65 is guidance for paragraph 64, which is guidance for paragraph 60, which is kept for Tier 2 entities. Therefore, paragraph 65 is kept for Tier 2 entities.
76 In respect of loans classified as current liabilities, if the following events occur between the end of the reporting period and the date the financial statements are authorised for issue, those events are disclosed as non-adjusting events in accordance with AASB 110/NZ IAS 10 *Events after the Reporting Period*: (a) refinancing on a long-term basis; (b) rectification of a breach of a long-term loan arrangement; and (c) the granting by the lender of a period of grace to rectify a breach of a long-term loan arrangement ending at least twelve	76 In respect of loans classified as current liabilities, if the following events occur between the end of the reporting period and the date the financial statements are authorised for issue, those events are disclosed as non-adjusting events in accordance with AASB 110/NZ IAS 10 *Events after the Reporting Period*: (a) refinancing on a long-term basis; (b) rectification of a breach of a long-term loan arrangement; and (c) the granting by the lender of a period of grace to rectify a breach of a long-term loan arrangement ending at least twelve	Paragraph 76 is guidance about when disclosures are required in accordance with AASB 110/NZ IAS 10 in respect of loans classified as current liabilities. Therefore, paragraph 76 is kept for Tier 2 entities.

AASB 101/NZ IAS 1 *Presentation of Financial Statements*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
months after the reporting period.	months after the reporting period.	
Information to be presented either in the statement of financial position or in the notes 77 An entity shall disclose, either in the statement of financial position or in the notes, further subclassifications of the line items presented, classified in a manner appropriate to the entity's operations.	**Information to be presented either in the statement of financial position or in the notes** **77 An entity shall disclose, either in the statement of financial position or in the notes, further subclassifications of the line items presented, classified in a manner appropriate to the entity's operations.**	Paragraph 77 is not a Key Disclosure Area. However, the presumption that the costs of providing the disclosure exceed the benefits is rebutted because further subclassifications of line items presented, classified in a manner appropriate to the entity's operations may be needed to meet user needs. Therefore, paragraph 77 is kept for Tier 2 entities.
78 The detail provided in subclassifications depends on the requirements of Australian Accounting Standards/NZ IFRS and on the size, nature and function of the amounts involved. An entity also uses the factors set out in paragraph 58 to decide the basis of subclassification. The disclosures vary for each item, for example: (a) items of property, plant and equipment are disaggregated into classes in accordance with AASB 116/NZ IAS 16;	78 The detail provided in subclassifications depends on the requirements of Australian Accounting Standards/NZ IFRS and on the size, nature and function of the amounts involved. An entity also uses the factors set out in paragraph 58 to decide the basis of subclassification. The disclosures vary for each item, for example: (a) items of property, plant and equipment are disaggregated into classes in accordance with AASB 116/NZ IAS 16;	In general, guidance for disclosures that are required to be provided by Tier 2 entities is kept. The AASB has decided to reduce some of the guidance for disclosures that are kept for Tier 2 entities, in particular where the guidance is considered to be unnecessary for Tier 2 entities in meeting the related disclosure requirement. This would be reduced in AASB 101 – guidance of a general nature. The AASB has decided where the cross-referencing is of a general nature this is reduced in Australian Accounting Standards for Tier 2 entities. This would be reduced in AASB 101 – general cross reference to other standards
(b) receivables are disaggregated into amounts receivable from trade customers, receivables from related parties, prepayments and other amounts;	(b) receivables are disaggregated into amounts receivable from trade customers, receivables from related parties, prepayments and other amounts;	The AASB has decided where the cross-referencing is of a general nature this is reduced in Australian Accounting Standards for Tier 2 entities. This would be reduced in AASB 101 – general cross reference to other standards.

Comment [VS37]: In general, guidance for disclosures that are required to be provided by Tier 2 entities is kept. The NZASB has decided to keep all of the guidance that relates to disclosures that Tier 2 entities are required to provide. This would be kept in NZ IAS 1. Paragraph 78 is guidance for paragraph 77, which is kept for Tier 2 entities.

Comment [VS38]: The NZASB has decided where the cross-referencing is of a general nature, this is kept in NZ IFRSs for Tier 2 entities.This would be kept in NZ IAS 1. Paragraph 78(a) refers to the requirements in AASB 116/NZ IAS 16 for the subclassification of property, plant and equipment.
Therefore, paragraph 78(a) is kept for Tier 2 entities.

Comment [VS39]: The NZASB has decided where the cross-referencing is of a general nature, this is kept in NZ IFRSs for Tier 2 entities.This paragraph is kept in NZ IAS 1. Paragraph 78(b) is guidance about the subclassification of receivables, some of which are related party balances.
Therefore, paragraph 78(b) is kept for Tier 2 entities.

AASB 101/NZ IAS 1 *Presentation of Financial Statements*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
(c) inventories are disaggregated, in accordance with AASB 102/NZ IAS 2 *Inventories*, into classifications such as merchandise, production supplies, materials, work in progress and finished goods;	(c) inventories are disaggregated, in accordance with AASB 102/NZ IAS 2 *Inventories*, into classifications such as merchandise, production supplies, materials, work in progress and finished goods;	Paragraph 78(c) refers to the requirements in AASB 102/NZ IAS 2 for classifications of inventories. However, Tier 2 entities are not required to classify inventories in accordance with AASB 102/NZ IAS 2. Therefore paragraph 78(c) is reduced for Tier 2 entities.
(d) provisions are disaggregated into provisions for employee benefits and other items; and	(d) provisions are disaggregated into provisions for employee benefits and other items; and	The AASB has decided where the cross-referencing is of a general nature this is reduced in Australian Accounting Standards for Tier 2 entities. This paragraph is reduced in AASB 101 – general cross reference to other standards
(e) equity capital and reserves are disaggregated into various classes, such as paid-in capital, share premium and reserves.	(e) equity capital and reserves are disaggregated into various classes, such as paid-in capital, share premium and reserves.	In general, guidance for disclosures that are required to be provided by Tier 2 entities is kept. The AASB has decided to reduce some of the guidance for disclosures that otherwise would be kept for Tier 2 entities, in particular where the guidance is considered to be unnecessary for Tier 2 entities in meeting the related disclosure requirement.This would be reduced in AASB 101 – guidance of a general nature
79 An entity shall disclose the following, either in the statement of financial position or the statement of changes in equity, or in the notes: **(a) for each class of share capital:** **(i) the number of shares authorised;** **(ii) the number of shares issued and fully paid, and issued but not**	**79 An entity shall disclose the following, either in the statement of financial position or the statement of changes in equity, or in the notes:** **(a) for each class of share capital:** **(i) the number of shares authorised;** **(ii) the number of shares issued and fully paid, and issued but not**	Paragraphs 79(a)(i)–(iv) are not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. However, disclosure of the number of shares issued is useful information to enable the calculation of dividends or earnings per share and is not costly to provide. Therefore, paragraphs 79(a)(i)–(iv) are reduced for Tier 2 entities, except for the requirement in

Comment [VS40]: The NZASB has decided where the cross-referencing is of a general nature, this is kept in NZ IFRSs for Tier 2 entities.This paragraph is kept in NZ IAS 1. Paragraph 78(d) provides guidance about the sublassification of provisions. Therefore, paragraph 78(d) is kept for Tier 2 entities.

Comment [VS41]: In general, guidance for disclosures that are required to be provided by Tier 2 entities is kept. The NZASB has decided to keep all of the guidance that relates to disclosures that Tier 2 entities are required to provide. This would be kept in NZ IAS 1. Paragraph 78(e) provides guidance about the subclassification of equity capital and reserves. Therefore, paragraph 78(e) is kept for Tier 2 entities.

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fully paid; **(iii) par value per share, or that the shares have no par value;** **(iv) a reconciliation of the number of shares outstanding at the beginning and at the end of the period;**	**fully paid;** **(iii) par value per share, or that the shares have no par value;** **(iv) a reconciliation of the number of shares outstanding at the beginning and at the end of the period;**	paragraph 79(a)(ii) to disclosure the number of shares issued.
(v) the rights, preferences and restrictions attaching to that class including restrictions on the distribution of dividends and the repayment of capital;	**(v) the rights, preferences and restrictions attaching to that class including restrictions on the distribution of dividends and the repayment of capital;**	Paragraph 79(a)(v)is a Key Disclosure Area (assessment of current liquidity and solvency) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 79(v) is kept for Tier 2 entities.
(vi) shares in the entity held by the entity or by its subsidiaries or associates; and **(vii) shares reserved for issue under options and contracts for the sale of shares, including terms and amounts; and**	**(vi) shares in the entity held by the entity or by its subsidiaries or associates; and** **(vii) shares reserved for issue under options and contracts for the sale of shares, including terms and amounts; and**	Paragraphs 79(a)(vi) and (vii) are not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraphs 79(vi) and (vii) are reduced for Tier 2 entities.
(b) a description of the nature and purpose of each reserve within equity.	**(b) a description of the nature and purpose of each reserve within equity.**	Paragraph 79(b) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, Paragraph 79(b) is reduced for Tier 2 entities.
80 An entity without share capital, such as a partnership or trust, shall disclose information equivalent to that required by	**80 An entity without share capital, such as a partnership or trust, shall disclose information equivalent to that required by**	Paragraph 80 requires disclosures (equivalent to the disclosures in paragraph 79(a)) for entities that operate in a form other than a company. Most of

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paragraph 79(a), showing changes during the period in each category of equity interest, and the rights, preferences and restrictions attaching to each category of equity interest.	**paragraph 79(a), showing changes during the period in each category of equity interest, and the rights, preferences and restrictions attaching to each category of equity interest.**	the disclosures in paragraph 79(a) are reduced for Tier 2 entities. Therefore paragraph 80 is reduced for Tier 2 entities.
	RDR 80.1 An entity applying Australian Accounting Standards – Reduced Disclosure Requirements/A Tier 2 entity without share capital, such as a partnership or trust, shall disclose the rights, preferences and restrictions attaching to its equity capital.	New RDR paragraph to require Tier 2 entities that do not have share capital to disclose any rights, preferences and restrictions attaching to its equity capital.
80A If an entity has reclassified **(a) a puttable financial instrument classified as an equity instrument, or** **(b) an instrument that imposes on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation and is classified as an equity instrument** **between financial liabilities and equity, it shall disclose the amount reclassified into and out of each category (financial liabilities or equity), and the timing and reason for that reclassification.**	**80A If an entity has reclassified** **(a) a puttable financial instrument classified as an equity instrument, or** **(b) an instrument that imposes on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation and is classified as an equity instrument** **between financial liabilities and equity, it shall disclose the amount reclassified into and out of each category (financial liabilities or equity), and the timing and reason for that reclassification.**	Paragraph 80A is a Key Disclosure Area (assessment of current liquidity and solvency), except for the requirement to disclose the timing of the reclassification – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 80A, except for the shaded words, is kept for Tier 2 entities.
Statement of profit or loss and other comprehensive income **81A The statement of profit or loss and other comprehensive income (statement of comprehensive income) shall present, in addition to the profit or loss and other**	**Statement of profit or loss and other comprehensive income** **81A The statement of profit or loss and other comprehensive income (statement of comprehensive income) shall present, in addition to the profit or loss and other**	Paragraph 81A is a presentation requirement under the Tier 2 Disclosure Principles because this information is presented on the face of the statements of profit or loss and other

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comprehensive income sections: **(a) profit or loss;** **(b) total other comprehensive income;** **(c) comprehensive income for the period, being the total of profit or loss and other comprehensive income.** **If an entity presents a separate statement of profit or loss it does not present the profit or loss section in the statement presenting comprehensive income.**	**comprehensive income sections:** **(a) profit or loss;** **(b) total other comprehensive income;** **(c) comprehensive income for the period, being the total of profit or loss and other comprehensive income.** **If an entity presents a separate statement of profit or loss it does not present the profit or loss section in the statement presenting comprehensive income.**	comprehensive income Therefore, paragraph 81A is kept for Tier 2 entities.
Information to be presented in the profit or loss section of the statement of profit or loss **82 In addition to items required by other Australian Accounting Standards/NZ IFRSs, the profit or loss section or the statement of profit or loss shall include line items that present the following amounts for the period:** **(a) revenue, presenting separately interest revenue calculated using the effective interest method;** **(aa) gains and losses arising from the derecognition of financial assets measured at amortised cost;** **(b) finance costs;** **(ba) impairment losses (including reversals of impairment losses or impairment gains) determined in accordance with Section 5.5 of AASB 9;** **(c) share of the profit or loss of associates and joint ventures accounted for using the**	**Information to be presented in the profit or loss section of the statement of profit or loss** **82 In addition to items required by other Australian Accounting Standards/NZ IFRSs, the profit or loss section or the statement of profit or loss shall include line items that present the following amounts for the period:** **(a) revenue, presenting separately interest revenue calculated using the effective interest method;** **(aa) gains and losses arising from the derecognition of financial assets measured at amortised cost;** **(b) finance costs;** **(ba) impairment losses (including reversals of impairment losses or impairment gains) determined in accordance with Section 5.5 of AASB 9;** **(c) share of the profit or loss of associates and joint ventures accounted for using the**	Paragraph 82 is a presentation requirement under the Tier 2 Disclosure Principles because this information is presented on the face of the statements of profit or loss and other comprehensive income Therefore, paragraph 82 is kept for Tier 2 entities.

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equity method; **(ca) if a financial asset is reclassified out of the amortised cost measurement category so that it is measured at fair value through profit or loss, any gain or loss arising from a difference between the previous amortised cost of the financial asset and its fair value at the reclassification date (as defined in AASB 9);** **(cb) if a financial asset is reclassified out of the fair value through other comprehensive income measurement category so that it is measured at fair value through profit or loss, any cumulative gain or loss previously recognised in other comprehensive income that is reclassified to profit or loss;** **(d) tax expense;** **(e) [deleted]** **(ea) a single amount for the total of discontinued operations (see AASB 5).** **(f)–(i) [deleted]**	**equity method;** **(ca) if a financial asset is reclassified out of the amortised cost measurement category so that it is measured at fair value through profit or loss, any gain or loss arising from a difference between the previous amortised cost of the financial asset and its fair value at the reclassification date (as defined in AASB 9);** **(cb) if a financial asset is reclassified out of the fair value through other comprehensive income measurement category so that it is measured at fair value through profit or loss, any cumulative gain or loss previously recognised in other comprehensive income that is reclassified to profit or loss;** **(d) tax expense;** **(e) [deleted]** **(ea) a single amount for the total of discontinued operations (see AASB 5).** **(f)–(i) [deleted]**	
85B An entity shall present line items in the statement(s) presenting profit or loss and other comprehensive income that reconcile any subtotals presented in accordance with paragraph 85 with the subtotals or totals required in Australian Accounting Standards/NZ IFRS for such statement(s).	85B An entity shall present line items in the statement(s) presenting profit or loss and other comprehensive income that reconcile any subtotals presented in accordance with paragraph 85 with the subtotals or totals required in Australian Accounting Standards/NZ IFRS for such statement(s).	Paragraph 85B is a presentation requirement under the Tier 2 Disclosure Principles because this information is presented on the face of the statements of profit or loss and other comprehensive income Therefore, paragraph 85B is kept for Tier 2 entities.
Other comprehensive income for the period	**Other comprehensive income for the period**	

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90 An entity shall disclose the amount of income tax relating to each item of other comprehensive income, including reclassification adjustments, either in the statement of profit or loss and other comprehensive income or in the notes.	**90 An entity shall disclose the amount of income tax relating to each item of other comprehensive income, including reclassification adjustments, either in the statement of profit or loss and other comprehensive income or in the notes.**	Paragraph 90 is a Key Disclosure Area (nature of the transaction or event that makes it significant or material) – the benefits of providing the disclosure exceed the costs. However, the costs of disclosing income tax on individual items of other comprehensive income exceed the benefits. Therefore, paragraph 90 is reduced for Tier 2 entities.
	RDR 90.1 An entity applying Australian Accounting Standards – Reduced Disclosure Requirements/A Tier 2 entity shall disclose the aggregate amount of income tax relating to items recognised in other comprehensive income.	Paragraph RDR 90.1 added to replace paragraph 90 for consistency with paragraph 81(ab) of AASB 112/NZ IAS 12.
91 An entity may present items of other comprehensive income either: (a) net of related tax effects, or (b) before related tax effects with one amount shown for the aggregate amount of income tax relating to those items. If an entity elects alternative (b), it shall allocate the tax between the items that might be reclassified subsequently to the profit or loss section and those that will not be reclassified subsequently to the profit or loss section.	91 An entity may present items of other comprehensive income either: (a) net of related tax effects, or (b) before related tax effects with one amount shown for the aggregate amount of income tax relating to those items. If an entity elects alternative (b), it shall allocate the tax between the items that might be reclassified subsequently to the profit or loss section and those that will not be reclassified subsequently to the profit or loss section.	Paragraph 91 is guidance for paragraph 90, which is reduced for Tier 2 entities. Therefore, paragraph 91 is reduced for Tier 2 entities.
92 An entity shall disclose reclassification adjustments relating to components of other comprehensive income.	**92 An entity shall disclose reclassification adjustments relating to components of other comprehensive income.**	Paragraph 92 is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 92 is reduced for Tier 2

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		entities.
94 An entity may present reclassification adjustments in the statement(s) of profit or loss and other comprehensive income or in the notes. An entity presenting reclassification adjustments in the notes presents the items of other comprehensive income after any related reclassification adjustments.	94 An entity may present reclassification adjustments in the statement(s) of profit or loss and other comprehensive income or in the notes. An entity presenting reclassification adjustments in the notes presents the items of other comprehensive income after any related reclassification adjustments.	Paragraph 94 is guidance for paragraph 92, which is reduced for Tier 2 entities. Therefore, paragraph 94 is reduced for Tier 2 entities.
Information to be presented in the statement(s) of profit or loss and other comprehensive income or in the notes **97 When items of income or expense are material, an entity shall disclose their nature and amount separately.**	**Information to be presented in the statement(s) of profit or loss and other comprehensive income or in the notes** **97 When items of income or expense are material, an entity shall disclose their nature and amount separately.**	Paragraph 97 is a Key Disclosure Area (nature of transaction or amount that makes it significant or material) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 97 is kept for Tier 2 entities.
98 Circumstances that would give rise to the separate disclosure of items of income and expense include: (a) write-downs of inventories to net realisable value or of property, plant and equipment to recoverable amount, as well as reversals of such write-downs; (b) restructurings of the activities of an entity and reversals of any provisions for the costs of restructuring; (c) disposals of items of property, plant and equipment; (d) disposals of investments; (e) discontinued operations;	98 Circumstances that would give rise to the separate disclosure of items of income and expense include: (a) write-downs of inventories to net realisable value or of property, plant and equipment to recoverable amount, as well as reversals of such write-downs; (b) restructurings of the activities of an entity and reversals of any provisions for the costs of restructuring; (c) disposals of items of property, plant and equipment; (d) disposals of investments; (e) discontinued operations;	Paragraph 98 is guidance for paragraph 97, which is kept for Tier 2 entities, Therefore paragraph 98 is kept for Tier 2 entities.

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(f) litigation settlements; and (g) other reversals of provisions.	(f) litigation settlements; and (g) other reversals of provisions.	
104 An entity classifying expenses by function shall disclose additional information on the nature of expenses, including depreciation and amortisation expense and employee benefits expense.	**104 An entity classifying expenses by function shall disclose additional information on the nature of expenses, including depreciation and amortisation expense and employee benefits expense.**	Paragraph 104 is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 104 is reduced for Tier 2 entities.
Information to be presented in the statement of changes in equity or in the notes **106A For each component of equity an entity shall present, either in the statement of changes in equity or in the notes, an analysis of other comprehensive income by item (see paragraph 106(d)(ii)).**	**Information to be presented in the statement of changes in equity or in the notes** **106A For each component of equity an entity shall present, either in the statement of changes in equity or in the notes, an analysis of other comprehensive income by item (see paragraph 106(d)(ii)).**	Paragraph 106A is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 106A is reduced for Tier 2 entities.
107 An entity shall present, either in the statement of changes in equity or in the notes, the amount of dividends recognised as distributions to owners during the period, and the related amount of dividends per share.	**107 An entity shall present, either in the statement of changes in equity or in the notes, the amount of dividends recognised as distributions to owners during the period, and the related amount of dividends per share.**	Paragraph 107 is Key Disclosure Area (assessment of current liquidity and solvency, and nature of transaction or event that makes it significant or material) except for the amount of dividends per share – the benefits of providing the disclosure exceed the costs. Therefore paragraph 107 is kept for Tier 2 entities except for the shaded words.
Disclosure of accounting policies **117 An entity shall disclose its significant accounting policies comprising:** **(a) the measurement basis (or bases) used in preparing the financial statements;**	**Disclosure of accounting policies** **117 An entity shall disclose its significant accounting policies comprising:** **(a) the measurement basis (or bases) used in preparing the financial statements;**	Paragraph 117 is a Key Disclosure Area (accounting policy on recognition or measurement) – the benefits of providing the disclosure exceed the costs.

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and **(b) the other accounting policies used that are relevant to an understanding of the financial statements.**	**and** **(b) the other accounting policies used that are relevant to an understanding of the financial statements.**	Therefore, paragraph 117 is kept for Tier 2 entities.
118 It is important for an entity to inform users of the measurement basis or bases used in the financial statements (for example, historical cost, current cost, net realisable value, fair value or recoverable amount) because the basis on which an entity prepares the financial statements significantly affects users' analysis. When an entity uses more than one measurement basis in the financial statements, for example when particular classes of assets are revalued, it is sufficient to provide an indication of the categories of assets and liabilities to which each measurement basis is applied.	118 It is important for an entity to inform users of the measurement basis or bases used in the financial statements (for example, historical cost, current cost, net realisable value, fair value or recoverable amount) because the basis on which an entity prepares the financial statements significantly affects users' analysis. When an entity uses more than one measurement basis in the financial statements, for example when particular classes of assets are revalued, it is sufficient to provide an indication of the categories of assets and liabilities to which each measurement basis is applied.	Paragraph 118 is guidance for paragraph 117 which is kept for Tier 2 entities. Therefore, paragraph 118 is kept for Tier 2 entities.
119 In deciding whether a particular accounting policy should be disclosed, management considers whether disclosure would assist users in understanding how transactions, other events and conditions are reflected in reported financial performance and financial position. Each entity considers the nature of its operations and the policies that the users of its financial statements would expect to be disclosed for that type of entity. Disclosure of particular accounting policies is especially useful to users when those policies are selected from alternatives allowed in Australian Accounting Standards/NZ IFRSs. An example is disclosure of whether an entity applies	119 In deciding whether a particular accounting policy should be disclosed, management considers whether disclosure would assist users in understanding how transactions, other events and conditions are reflected in reported financial performance and financial position. Each entity considers the nature of its operations and the policies that the users of its financial statements would expect to be disclosed for that type of entity. Disclosure of particular accounting policies is especially useful to users when those policies are selected from alternatives allowed in Australian Accounting Standards/NZ IFRSs. An example is disclosure of whether an entity applies	Paragraph 119 is guidance for paragraph 117, which is kept for Tier 2 entities. Therefore, paragraph 119 is kept for Tier 2 entities.

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the fair value or cost model to its investment property (see AASB 140/NZ IAS 40 *Investment Property*). Some Australian Accounting Standards/NZ IFRSs specifically require disclosure of particular accounting policies, including choices made by management between different policies they allow. For example, AASB 116/NZ IAS 16 requires disclosure of the measurement bases used for classes of property, plant and equipment.	the fair value or cost model to its investment property (see AASB 140/NZ IAS 40 *Investment Property*). Some Australian Accounting Standards/NZ IFRSs specifically require disclosure of particular accounting policies, including choices made by management between different policies they allow. For example, AASB 116/NZ IAS 16 requires disclosure of the measurement bases used for classes of property, plant and equipment.	
121 An accounting policy may be significant because of the nature of the entity's operations even if amounts for current and prior periods are not material. It is also appropriate to disclose each significant accounting policy that is not specifically required by Australian Accounting Standards/NZ IFRSs but the entity selects and applies in accordance with AASB 108/NZ IAS 8.	121 An accounting policy may be significant because of the nature of the entity's operations even if amounts for current and prior periods are not material. It is also appropriate to disclose each significant accounting policy that is not specifically required by Australian Accounting Standards/NZ IFRSs but the entity selects and applies in accordance with AASB 108/NZ IAS 8.	Paragraph 121 is guidance for paragraph 117, which is kept for Tier 2 entities. Therefore, paragraph 121 is kept for Tier 2 entities.
122 An entity shall along with its significant 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.	**122 An entity shall along with its significant 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.**	Paragraph 122 is a Key Disclosure Area (accounting policy on recognition or measurement, and significant estimates and judgements specific to a transaction or event) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 122 is kept for Tier 2 entities.

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123 In the process of applying the entity's accounting policies, management makes various judgements, apart from those involving estimations, that can significantly affect the amounts it recognises in the financial statements. For example, management makes judgements in determining: (a) whether financial assets are held-to-maturity investments; (b) when substantially all the significant risks and rewards of ownership of financial assets and lease assets are transferred to other entities; (c) whether, in substance, particular sales of goods are financing arrangements and therefore do not give rise to revenue. (d) [deleted by IASB]	123 In the process of applying the entity's accounting policies, management makes various judgements, apart from those involving estimations, that can significantly affect the amounts it recognises in the financial statements. For example, management makes judgements in determining: (a) [deleted]; (b) when substantially all the significant risks and rewards of ownership of financial assets and lease assets are transferred to other entities; (c) whether, in substance, particular sales of goods are financing arrangements and therefore do not give rise to revenue; and (d) whether the contractual terms of a financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.	Paragraph 123 is guidance for paragraph 122, which is kept for Tier 2 entities. Therefore, paragraph 123 is kept for Tier 2 entities.
124 Some of the disclosures made in accordance with paragraph 122 are required by other Australian Accounting Standards/NZ IFRSs. For example, AASB 12/NZ IFRS 12 *Disclosure of Interests in Other Entities* requires an entity to disclose the judgements it has made in determining whether it controls another entity. AASB 140/NZ IAS 40 requires disclosure of the criteria developed by the entity to distinguish investment property from owner-occupied property and from property held for sale in the ordinary course of business, when classification of the property is difficult.	124 Some of the disclosures made in accordance with paragraph 122 are required by other Australian Accounting Standards/NZ IFRSs. For example, AASB 12/NZ IFRS 12 *Disclosure of Interests in Other Entities* requires an entity to disclose the judgements it has made in determining whether it controls another entity. AASB 140/NZ IAS 40 requires disclosure of the criteria developed by the entity to distinguish investment property from owner-occupied property and from property held for sale in the ordinary course of business, when classification of the property is difficult.	Paragraph 124 is guidance for paragraph 122, which is kept for Tier 2 entities. Therefore, paragraph 124 is kept for Tier 2 entities.

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Sources of estimation uncertainty **125 An entity shall disclose information about the assumptions it makes about the future, and other major sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year. In respect of those assets and liabilities, the notes shall include details of:** **(a) their nature, and** **(b) their carrying amount as at the end of the reporting period.**	**Sources of estimation uncertainty** **125 An entity shall disclose information about the assumptions it makes about the future, and other major sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year. In respect of those assets and liabilities, the notes shall include details of:** **(a) their nature, and** **(b) their carrying amount as at the end of the reporting period.**	Paragraph 125 is a Key Disclosure Area (assessment of current liquidity and solvency) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 125 is kept for Tier 2 entities.
131 Sometimes it is impracticable to disclose the extent of the possible effects of an assumption or another source of estimation uncertainty at the end of the reporting period. In such cases, the entity discloses that it is reasonably possible, on the basis of existing knowledge, that outcomes within the next financial year that are different from the assumption could require a material adjustment to the carrying amount of the asset or liability affected. In all cases, the entity discloses the nature and carrying amount of the specific asset or liability (or class of assets or liabilities) affected by the assumption.	131 Some of the disclosures made in accordance with paragraph 122 are required by other Australian Accounting Standards/NZ IFRSs. For example, AASB 12/NZ IFRS 12 *Disclosure of Interests in Other Entities* requires an entity to disclose the judgements it has made in determining whether it controls another entity. AASB 140/NZ IAS 40 requires disclosure of the criteria developed by the entity to distinguish investment property from owner-occupied property and from property held for sale in the ordinary course of business, when classification of the property is difficult.	The AASB has decided that where the cross-referencing is of a general nature this is reduced in Australian Accounting Standards for Tier 2 entities.This would be reduced in AASB 101 – general cross-reference
Capital **134 An entity shall disclose information that enables users of its financial statements to evaluate the entity's objectives, policies and processes for managing capital.**	**Capital** **134 An entity shall disclose information that enables users of its financial statements to evaluate the entity's objectives, policies and processes for managing capital.**	Paragraph 134 is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 134 is reduced for Tier 2 entities.

Comment [VS42]: The NZASB has decided that where the cross-referencing is of a general nature, this is kept in NZ IFRSs for Tier 2 entities.This would be kept in NZ IAS 1. Paragraph 131 is guidance for paragraph 122, which is kept for Tier 2 entities.
Therefore, paragraph 131 is kept for Tier 2 entities.

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135 To comply with paragraph 134, the entity discloses the following: (a) qualitative information about its objectives, policies and processes for managing capital, including: (i) a description of what it manages as capital;	135 To comply with paragraph 134, the entity discloses the following: (a) qualitative information about its objectives, policies and processes for managing capital, including: (i) a description of what it manages as capital;	Paragraph 135(a)(i) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 135(a)(i) is reduced for Tier 2 entities.
(ii) when an entity is subject to externally imposed capital requirements, the nature of those requirements and how those requirements are incorporated into the management of capital; and	(ii) when an entity is subject to externally imposed capital requirements, the nature of those requirements and how those requirements are incorporated into the management of capital; and	Paragraph 135(a)(ii) is a Key Disclosure Area (assessment of current liquidity and solvency), – the benefits of the disclosure exceed the costs. Therefore paragraph 135(a)(ii) is kept for Tier 2 entities.
(iii) how it is meeting its objectives for managing capital.	(iii) how it is meeting its objectives for managing capital.	Paragraph 135(a)(iii) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 135(a)(iii) is reduced for Tier 2 entities.
(b) summary quantitative data about what it manages as capital. Some entities regard some financial liabilities (eg some forms of subordinated debt) as part of capital. Other entities regard capital as excluding some components of equity (eg components arising from cash flow hedges). (c) any changes in (a) and (b) from the previous period.	(b) summary quantitative data about what it manages as capital. Some entities regard some financial liabilities (eg some forms of subordinated debt) as part of capital. Other entities regard capital as excluding some components of equity (eg components arising from cash flow hedges). (c) any changes in (a) and (b) from the previous period.	Paragraphs 135(b) and (c) are not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraphs 135(b) and (c) are reduced for Tier 2 entities.

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Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
(d) whether during the period it complied with any externally imposed capital requirements to which it is subject.	(d) whether during the period it complied with any externally imposed capital requirements to which it is subject.	Paragraph 135(d) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 135(d) is reduced for Tier 2 entities.
(e) when the entity has not complied with such externally imposed capital requirements, the consequences of such non-compliance. The entity bases these disclosures on the information provided internally to key management personnel.	(e) when the entity has not complied with such externally imposed capital requirements, the consequences of such non-compliance. The entity bases these disclosures on the information provided internally to key management personnel.	Paragraph 135(e) is a Key Disclosure Area (commitments and contingencies) – the benefits of providing the disclosure exceed the costs. Therefore paragraph 135(e) is kept for Tier 2 entities.
136 An entity may manage capital in a number of ways and be subject to a number of different capital requirements. For example, a conglomerate may include entities that undertake insurance activities and banking activities and those entities may operate in several jurisdictions. When an aggregate disclosure of capital requirements and how capital is managed would not provide useful information or distorts a financial statement user's understanding of an entity's capital resources, the entity shall disclose separate information for each capital requirement to which the entity is subject.	136 An entity may manage capital in a number of ways and be subject to a number of different capital requirements. For example, a conglomerate may include entities that undertake insurance activities and banking activities and those entities may operate in several jurisdictions. When an aggregate disclosure of capital requirements and how capital is managed would not provide useful information or distorts a financial statement user's understanding of an entity's capital resources, the entity shall disclose separate information for each capital requirement to which the entity is subject.	Paragraph 136 is guidance for paragraph 134, which is reduced for Tier 2 entities. Therefore, paragraph 136 is reduced for Tier 2 entities.
Aus136.1 The application of paragraphs 134–136 is limited to each entity that is required to prepare financial reports in accordance with Part 2M3 of the Corporations Act and that is a reporting entity.	Aus136.1 The application of paragraphs 134–136 is limited to each entity that is required to prepare financial reports in accordance with Part 2M3 of the Corporations Act and that is a reporting entity.	

AASB 101/NZ IAS 1 *Presentation of Financial Statements*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
Puttable financial instruments classified as equity **136A For puttable financial instruments classified as equity instruments, an entity shall disclose (to the extent not disclosed elsewhere):** **(a) summary quantitative data about the amount classified as equity;** **(b) its objectives, policies and processes for managing its obligation to repurchase or redeem the instruments when required to do so by the instrument holders, including any changes from the previous period;**	**Puttable financial instruments classified as equity** **136A For puttable financial instruments classified as equity instruments, an entity shall disclose (to the extent not disclosed elsewhere):** **(a) summary quantitative data about the amount classified as equity;** **(b) its objectives, policies and processes for managing its obligation to repurchase or redeem the instruments when required to do so by the instrument holders, including any changes from the previous period;**	Paragraph 136A(a) and (b) are not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraphs 136A(a) and (b) are reduced for Tier 2 entities.
(c) the expected cash outflow on redemption or repurchase of that class of financial instruments; and **(d) information about how the expected cash outflow on redemption or repurchase was determined.**	**(c) the expected cash outflow on redemption or repurchase of that class of financial instruments; and** **(d) information about how the expected cash outflow on redemption or repurchase was determined.**	Paragraphs 136A(c) and (d) are a Key Disclosure Area (assessment of current liquidity and solvency) – the benefits of providing the disclosure exceed the costs. Therefore, paragraphs 136A(c) and (d) are kept for Tier 2 entities.
Other disclosures **137 An entity shall disclose in the notes:** **(a) the amount of dividends proposed or declared before the financial statements were authorised for issue but not recognised as a distribution to owners during the period, and the related amount per share; and** **(b) the amount of any cumulative preference dividends not recognised.**	**Other disclosures** **137 An entity shall disclose in the notes:** **(a) the amount of dividends proposed or declared before the financial statements were authorised for issue but not recognised as a distribution to owners during the period, and the related amount per share; and** **(b) the amount of any cumulative preference dividends not recognised.**	Paragraph 137 is a Key Disclosure Area (assessment of current liquidity and solvency, and subsequent events) except for the related amount per share – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 137 is kept for Tier 2 entities except for the requirement to disclose the related amount per share of dividends proposed.

AASB 101/NZ IAS 1 *Presentation of Financial Statements*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
138 An entity shall disclose the following, if not disclosed elsewhere in information published with the financial statements: **(a) the domicile and legal form of the entity, its country of incorporation and the address of its registered office (or principal place of business, if different from the registered office);** **(b) a description of the nature of the entity's operations and its principal activities;**	**138 An entity shall disclose the following, if not disclosed elsewhere in information published with the financial statements:** **(a) the domicile and legal form of the entity, its country of incorporation and the address of its registered office (or principal place of business, if different from the registered office);** **(b) a description of the nature of the entity's operations and its principal activities;**	Paragraphs 138(a) and (b) are not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraphs 138(a) and (b) are reduced for Tier 2 entities.
(c) the name of the parent and the ultimate parent of the group; and	**(c) the name of the parent and the ultimate parent of the group; and**	This would be reduced in AASB 101 – disclosure required by paragraph 13 of AASB 124.
(d) if it is a limited life entity, information regarding the length of its life.	**(d) if it is a limited life entity, information regarding the length of its life.**	Paragraph 138(d) is a Key Disclosure Area (current liquidity and solvency) –the benefits of providing the disclosure exceed the costs. Therefore, paragraph 138(d) is kept for Tier 2 entities.

Comment [VS43]: This would be kept in NZ IAS 1. Paragraph 138(c) is a Key Disclosure Area (related parties) – the benefits of providing the disclosure exceed the costs.
Therefore, paragraph 138(c) is kept for Tier 2 entities.

AASB 102/NZ IAS 2 *Inventories*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
Disclosure **36 The financial statements shall disclose:** **(a) the accounting policies adopted in measuring inventories, including the cost formula used;**	**Disclosure** **36 The financial statements shall disclose:** **(a) the accounting policies adopted in measuring inventories, including the cost formula used;**	The AASB has decided to rely on the requirement in AASB 101and AASB 108 for disclosures about accounting policies. This would be reduced in AASB 102 – the requirements of paragraph 117 of AASB 101 are sufficient
(b) the total carrying amount of inventories and the carrying amount in classifications appropriate to the entity;	**(b) the total carrying amount of inventories and the carrying amount in classifications appropriate to the entity;**	The total carrying amount of inventories is a Key Disclosure Area (assessment of current liquidity and solvency) – the benefits of providing the disclosure exceed the costs. However, the classification of inventories is not required for an assessment of current liquidity and solvency. The benefits of providing the disclosure do not exceed the costs. Therefore, Tier 2 entities are not required to provide these disclosures by classification of inventories.
(c) the carrying amount of inventories carried at fair value less costs to sell;	**(c) the carrying amount of inventories carried at fair value less costs to sell;**	Paragraph 36(c) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, Tier 2 entities are not required to provide this disclosure.
(d) the amount of inventories recognised as an expense during the period;	**(d) the amount of inventories recognised as an expense during the period;**	Paragraph 36(d) is a Key Disclosure Area (nature of the transaction or event that makes it significant or material) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 36(d) is kept for Tier 2 entities.
(e) the amount of any write-down of inventories recognised as an	**(e) the amount of any write-down of inventories recognised as an**	Paragraph 36(e) is a Key Disclosure Area (impairment) – the benefits of providing the disclosure exceed the

Comment [VS44]: The NZASB has decided to not rely solely on the requirements in NZ IAS 1 and NZ IAS 8 for disclosures about accounting policies. This would be kept in NZ IAS 2. Paragraph 36(a) is a Key Disclosure Area (accounting policy on recognition or measurement) – the benefits of providing the disclosure exceed the costs.
Therefore, paragraph 36(a) is kept for Tier 2 entities.

Comment [VS45]: For information - Inventories are scoped out of AASB 136/NZ IAS 36

AASB 102/NZ IAS 2 *Inventories*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
expense in the period in accordance with paragraph 34;	**expense in the period in accordance with paragraph 34;**	costs. Therefore, paragraph 36(e) is kept for Tier 2 entities.
(f) the amount of any reversal of any write-down that is recognised as a reduction in the amount of inventories recognised as expense in the period in accordance with paragraph 34;	**(f) the amount of any reversal of any write-down that is recognised as a reduction in the amount of inventories recognised as expense in the period in accordance with paragraph 34;**	Paragraph 36(f) is a Key Disclosure Area (impairment) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 36(f) is kept for Tier 2 entities.
(g) the circumstances or events that led to the reversal of a write-down of inventories in accordance with paragraph 34; and	**(g) the circumstances or events that led to the reversal of a write-down of inventories in accordance with paragraph 34; and**	Paragraph 36(g) is a Key Disclosure Area (impairment) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 36(g) is kept for Tier 2 entities.
(h) the carrying amount of inventories pledged as security for liabilities.	**(h) the carrying amount of inventories pledged as security for liabilities.**	Paragraph 36(h) is a Key Disclosure Area (assessment of current liquidity and solvency) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 36(h) is kept for Tier 2 entities.
Aus36.1 Notwithstanding paragraph 36, in respect of not-for-profit entities, the financial statements shall disclose: **(a) the accounting policies adopted in measuring inventories held for distribution, including the cost formula used;**	**Aus36.1 Notwithstanding paragraph 36, in respect of not-for-profit entities, the financial statements shall disclose:** **(a) the accounting policies adopted in measuring inventories held for distribution, including the cost formula used;**	Paragraph Aus36.1(a) is a Key Disclosure Area (accounting policy on recognition or measurement) – the disclosure requirement of AASB 101 paragraph 117 is sufficient. Therefore, paragraph Aus36.1(a) is reduced for Tier 2 entities.
(b) the total carrying amount of inventories held for distribution and the carrying amount in classifications appropriate to the entity;	**(b) the total carrying amount of inventories held for distribution and the carrying amount in classifications appropriate to the entity;**	The total amount of inventories is a Key Disclosure Area (assessment of current liquidity and solvency) – the benefits of providing the disclosure exceed the costs. However, the classification of inventories is not

AASB 102/NZ IAS 2 *Inventories*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
		required for an assessment of current liquidity and solvency. The benefits of providing the disclosure do not exceed the costs. Therefore, Tier 2 entities are not required to provide these disclosures by classification of inventories.
(c) the amount of inventories held for distribution recognised as an expense during the period in accordance with paragraph Aus34.1;	**(c) the amount of inventories held for distribution recognised as an expense during the period in accordance with paragraph Aus34.1;**	Paragraph Aus36.1(c) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph Aus36.1(c) is reduced for Tier 2 entities.
(d) the amount of any write-down of inventories held for distribution recognised as an expense in the period in accordance with paragraph Aus34.1;	**(d) the amount of any write-down of inventories held for distribution recognised as an expense in the period in accordance with paragraph Aus34.1;**	Paragraph Aus36.1(d) is a Key Disclosure Area (impairment) – the benefits of providing the disclosure exceed the costs. However, this disclosure is required by paragraph 36(e). Therefore, paragraph Aus36.1(d) is reduced for Tier 2 entities.
(e) the amount of any reversal of any write-down that is recognised as a reduction in the amount of inventories held for distribution recognised as expense in the period in accordance with paragraph Aus34.1;	**(e) the amount of any reversal of any write-down that is recognised as a reduction in the amount of inventories held for distribution recognised as expense in the period in accordance with paragraph Aus34.1;**	Paragraph Aus36.1(e) is a Key Disclosure Area (impairment) – the benefits of providing the disclosure exceed the costs. However, this disclosure is required by paragraph 36(f). Therefore, paragraph Aus36.1(e) is reduced for Tier 2 entities.
(f) the circumstances or events that led to the reversal of a write-down of inventories held for distribution in accordance with paragraph Aus34.1;	**(f) the circumstances or events that led to the reversal of a write-down of inventories held for distribution in accordance with paragraph Aus34.1;**	Paragraph Aus36.1(f) is a Key Disclosure Area (impairment) – the benefits of providing the disclosure exceed the costs. However, this disclosure is required by paragraph 36(g). Therefore, paragraph Aus36.1(f) is reduced for Tier 2 entities.

AASB 102/NZ IAS 2 *Inventories*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
(g) the carrying amount of inventories held for distribution pledged as security for liabilities; and	**(g) the carrying amount of inventories held for distribution pledged as security for liabilities; and**	Paragraph Aus36.1(g) is a Key Disclosure Area (assessment of current liquidity and solvency) – the benefits of providing the disclosure exceed the costs. However, this disclosure is required by paragraph 36(h). Therefore, paragraph Aus36.1(g) is kept for Tier 2 entities.
(h) the basis on which any loss of service potential of inventories held for distribution is assessed, or the bases when more than one basis is used.	**(h) the basis on which any loss of service potential of inventories held for distribution is assessed, or the bases when more than one basis is used.**	Paragraph Aus36.1(h) is not a Key Disclosure Area – the costs of providing the disclosure do not exceed the benefits. Therefore, paragraph Aus36.1(h) is reduced for Tier 2 entities.
37 Information about the carrying amounts held in different classifications of inventories and the extent of the changes in these assets is useful to financial statement users. Common classifications of inventories are merchandise, production supplies, materials, work in progress and finished goods. The inventories of a service provider may be described as work in progress.	37 Information about the carrying amounts held in different classifications of inventories and the extent of the changes in these assets is useful to financial statement users. Common classifications of inventories are merchandise, production supplies, materials, work in progress and finished goods. The inventories of a service provider may be described as work in progress.	Paragraph 37 is guidance relating to the classification of inventories as required by paragraph 36(b). Tier 2 entities are not required to classify inventories. Therefore, paragraph 37 is reduced for Tier 2 entities.
38 The amount of inventories recognised as an expense during the period, which is often referred to as cost of sales, consists of those costs previously included in the measurement of inventory that has now been sold and unallocated production overheads and abnormal amounts of production costs of inventories. The circumstances of the entity may also warrant the inclusion of other amounts, such as distribution costs.	38 The amount of inventories recognised as an expense during the period, which is often referred to as cost of sales, consists of those costs previously included in the measurement of inventory that has now been sold and unallocated production overheads and abnormal amounts of production costs of inventories. The circumstances of the entity may also warrant the inclusion of other amounts, such as distribution costs.	Paragraph 38 is guidance for paragraph 36(d), which is kept for Tier 2. Therefore, paragraph 38 is kept for Tier 2 entities.

Comment [VS46]: for information This would also be covered by paragraph 117 of AASB 101 if material

AASB 102/NZ IAS 2 *Inventories*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
39 Some entities adopt a format for profit or loss that results in amounts being disclosed other than the cost of inventories recognised as an expense during the period. Under this format, an entity presents an analysis of expenses using a classification based on the nature of expenses. In this case, the entity discloses the costs recognised as an expense for raw materials and consumables, labour costs and other costs together with the amount of the net change in inventories for the period.	39 Some entities adopt a format for profit or loss that results in amounts being disclosed other than the cost of inventories recognised as an expense during the period. Under this format, an entity presents an analysis of expenses using a classification based on the nature of expenses. In this case, the entity discloses the costs recognised as an expense for raw materials and consumables, labour costs and other costs together with the amount of the net change in inventories for the period.	Paragraph 39 is guidance for paragraph 36(d), which is kept for Tier 2 entities. Therefore, paragraph 39 is kept for Tier 2 entities.

AASB 107/NZ IAS 7 *Statement of Cash Flows*		
Current RDR	**Proposed RDR**	**Comments**
Changes in ownership interests in subsidiaries and other businesses **39 The aggregate cash flows arising from obtaining or losing control of subsidiaries or other businesses shall be presented separately and classified as investing activities.**	**Changes in ownership interests in subsidiaries and other businesses** **39 The aggregate cash flows arising from obtaining or losing control of subsidiaries or other businesses shall be presented separately and classified as investing activities**	Paragraph 39 is a presentation requirement under the Tier 2 Disclosure Principles because requirements that specify the basis of classification of items are considered to be presentation requirements. Presentation requirements are not subjected to analysis. Therefore, paragraph 39 is kept for Tier 2 entities.
40 An entity shall disclose, in aggregate, in respect of both obtaining and losing control of subsidiaries or other businesses during the period each of the following: **(a) the total consideration paid or received;** **(b) the portion of the consideration**	**40 An entity shall disclose, in aggregate, in respect of both obtaining and losing control of subsidiaries or other businesses during the period each of the following:** **(a) the total consideration paid or received;** **(b) the portion of the consideration**	Paragraph 40 is a Key Disclosure Area (liquidity and solvency and nature of the transaction or event that makes it significant or material) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 40 is kept for Tier 2 entities.

AASB 107/NZ IAS 7 *Statement of Cash Flows*		
Current RDR	**Proposed RDR**	**Comments**
consisting of cash and cash equivalents; **(c) the amount of cash and cash equivalents in the subsidiaries or other businesses over which control is obtained or lost; and** **(d) the amount of the assets and liabilities other than cash or cash equivalents in the subsidiaries or other businesses over which control is obtained or lost, summarised by each major category.**	**consisting of cash and cash equivalents;** **(c) the amount of cash and cash equivalents in the subsidiaries or other businesses over which control is obtained or lost; and** **(d) the amount of the assets and liabilities other than cash or cash equivalents in the subsidiaries or other businesses over which control is obtained or lost, summarised by each major category.**	
40A An investment entity, as defined in AASB 10/NZ IFRS 10 *Consolidated Financial Statements*, need not apply paragraphs 40(c) or 40(d) to an investment in a subsidiary that is required to be measured at fair value through profit or loss.	40A An investment entity, as defined in AASB 10/NZ IFRS 10 *Consolidated Financial Statements*, need not apply paragraphs 40(c) or 40(d) to an investment in a subsidiary that is required to be measured at fair value through profit or loss.	Paragraph 40A clarifies a disclosure that is not required to be made by a Tier 2 investment entity. Therefore, paragraph 40A is kept for Tier 2 entities.
41 The separate presentation of the cash flow effects of obtaining or losing control of subsidiaries or other businesses as single line items, together with the separate disclosure of the amounts of assets and liabilities acquired or disposed of, helps to distinguish those cash flows from the cash flows arising from the other operating, investing and financing activities. The cash flow effects of losing control are not deducted from those of obtaining control.	41 The separate presentation of the cash flow effects of obtaining or losing control of subsidiaries or other businesses as single line items, together with the separate disclosure of the amounts of assets and liabilities acquired or disposed of, helps to distinguish those cash flows from the cash flows arising from the other operating, investing and financing activities. The cash flow effects of losing control are not deducted from those of obtaining control.	Paragraph 41 is guidance for paragraph 40, which is kept for Tier 2 entities. Therefore, paragraph 40 is kept for Tier 2 entities.
42 The aggregate amount of the cash paid or received as consideration for obtaining or losing control of subsidiaries or other businesses is reported in the statement of cash flows net of cash	42 The aggregate amount of the cash paid or received as consideration for obtaining or losing control of subsidiaries or other businesses is reported in the statement of cash flows net of cash	Paragraph 42 is guidance for paragraph 39, which is kept for Tier 2 entities. Therefore, paragraph 42 is kept for Tier 2 entities.

AASB 107/NZ IAS 7 *Statement of Cash Flows*		
Current RDR	**Proposed RDR**	**Comments**
and cash equivalents acquired or disposed of as part of such transactions, events or changes in circumstances.	and cash equivalents acquired or disposed of as part of such transactions, events or changes in circumstances.	
42A Cash flows arising from changes in ownership interests in a subsidiary that do not result in a loss of control shall be classified as cash flows from financing activities, unless the subsidiary is held by an investment entity, as defined in AASB 10/NZ IFRS 10, and is required to be measured at fair value through profit or loss.	42A Cash flows arising from changes in ownership interests in a subsidiary that do not result in a loss of control shall be classified as cash flows from financing activities, unless the subsidiary is held by an investment entity, as defined in AASB 10/NZ IFRS 10, and is required to be measured at fair value through profit or loss.	Paragraph 42A is a presentation requirement under the Tier 2 Disclosure Principles because requirements that specify the basis of classification of items are considered to be presentation requirements. Presentation requirements are not subjected to analysis. Therefore, paragraph 42A is kept for Tier 2 entities.
42B Changes in ownership interests in a subsidiary that do not result in a loss of control, such as the subsequent purchase or sale by a parent of a subsidiary's equity instruments, are accounted for as equity transactions (see AASB 10/NZ IFRS 10), unless the subsidiary is held by an investment entity and is required to be measured at fair value through profit or loss. Accordingly, the resulting cash flows are classified in the same way as other transactions with owners described in paragraph 17.	42B Changes in ownership interests in a subsidiary that do not result in a loss of control, such as the subsequent purchase or sale by a parent of a subsidiary's equity instruments, are accounted for as equity transactions (see AASB 10/NZ IFRS 10), unless the subsidiary is held by an investment entity and is required to be measured at fair value through profit or loss. Accordingly, the resulting cash flows are classified in the same way as other transactions with owners described in paragraph 17.	Paragraph 42B is a presentation requirement under the Tier 2 Disclosure Principles because requirements that specify the basis of classification of items are considered to be presentation requirements. Presentation requirements are not subjected to analysis. Therefore, paragraph 42B is kept for Tier 2 entities.
Non-cash transactions **43 Investing and financing transactions that do not require the use of cash or cash equivalents shall be excluded from a statement of cash flows. Such transactions shall be disclosed elsewhere in the financial statements in a way that provides all the relevant information about these investing and financing activities.**	**Non-cash transactions** **43 Investing and financing transactions that do not require the use of cash or cash equivalents shall be excluded from a statement of cash flows. Such transactions shall be disclosed elsewhere in the financial statements in a way that provides all the relevant information about these investing and financing activities.**	Paragraph 43 clarifies that non-cash transactions are not part of the statement of cash flows of a Tier 2 entity and requires that such transactions are disclosed elsewhere in the financial statements. This disclosure is a Key Disclosure Area (nature of the transaction or event that makes it significant or material) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 43 is kept for Tier 2 entities.

AASB 107/NZ IAS 7 *Statement of Cash Flows*		
Current RDR	**Proposed RDR**	**Comments**
44 Many investing and financing activities do not have a direct impact on current cash flows although they do affect the capital and asset structure of an entity. The exclusion of non-cash transactions from the statement of cash flows is consistent with the objective of a statement of cash flows as these items do not involve cash flows in the current period. Examples of non-cash transactions are: (a) the acquisition of assets either by assuming directly related liabilities or by means of a finance lease; (b) the acquisition of an entity by means of an equity issue; and (c) the conversion of debt to equity.	44 Many investing and financing activities do not have a direct impact on current cash flows although they do affect the capital and asset structure of an entity. The exclusion of non-cash transactions from the statement of cash flows is consistent with the objective of a statement of cash flows as these items do not involve cash flows in the current period. Examples of non-cash transactions are: (a) the acquisition of assets either by assuming directly related liabilities or by means of a finance lease; (b) the acquisition of an entity by means of an equity issue; and (c) the conversion of debt to equity.	Paragraph 44 is guidance for paragraph 43, which is kept for Tier 2 entities. Therefore, paragraph 44 is kept for Tier 2 entities.
Changes in liabilities arising from financing activities **44A An entity shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.**	**Changes in liabilities arising from financing activities** **44A An entity shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.**	Paragraph 44A is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore paragraph 44A is reduced for Tier 2 entities.
44B To the extent necessary to satisfy the requirement in paragraph 44A, an entity shall disclose the following changes in liabilities arising from financing activities: (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	44B To the extent necessary to satisfy the requirement in paragraph 44A, an entity shall disclose the following changes in liabilities arising from financing activities: (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	Paragraph 44B is guidance for paragraph 44A, which is reduced for Tier 2 entities. Therefore paragraph 44B is reduced for Tier 2 entities.

AASB 107/NZ IAS 7 *Statement of Cash Flows*		
Current RDR	**Proposed RDR**	**Comments**
rates; (d) changes in fair values; and (e) other changes.	rates; (d) changes in fair values; and (e) other changes.	
44C 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. In addition, the disclosure requirement in paragraph 44A also applies to changes in financial assets (for example, assets that hedge liabilities arising from financing activities) if cash flows from those financial assets were, or future cash flows will be, included in cash flows from financing activities.	44C 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. In addition, the disclosure requirement in paragraph 44A also applies to changes in financial assets (for example, assets that hedge liabilities arising from financing activities) if cash flows from those financial assets were, or future cash flows will be, included in cash flows from financing activities.	Paragraph 44C is guidance for paragraph 44A, which is reduced for Tier 2 entities. Therefore paragraph 44C is reduced for Tier 2 entities.
44D One way to fulfil the disclosure requirement in paragraph 44A is by providing a reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities, including the changes identified in paragraph 44B. Where an entity discloses such a reconciliation, it shall provide sufficient information to enable users of the financial statements to link items included in the reconciliation to the statement of financial position and the statement of cash flows.	44D One way to fulfil the disclosure requirement in paragraph 44A is by providing a reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities, including the changes identified in paragraph 44B. Where an entity discloses such a reconciliation, it shall provide sufficient information to enable users of the financial statements to link items included in the reconciliation to the statement of financial position and the statement of cash flows.	Paragraph 44D is guidance for paragraph 44A, which is reduced for Tier 2 entities. Therefore paragraph 44D is reduced for Tier 2 entities.

AASB 107/NZ IAS 7 *Statement of Cash Flows*		
Current RDR	**Proposed RDR**	**Comments**
44E If an entity provides the disclosure required by paragraph 44A in combination with disclosures of changes in other assets and liabilities, it shall disclose the changes in liabilities arising from financing activities separately from changes in those other assets and liabilities.	44E If an entity provides the disclosure required by paragraph 44A in combination with disclosures of changes in other assets and liabilities, it shall disclose the changes in liabilities arising from financing activities separately from changes in those other assets and liabilities.	Paragraph 44E is guidance for paragraph 44A, which is reduced for Tier 2 entities. Therefore paragraph 44E is reduced for Tier 2 entities.
Components of cash and cash equivalents **45 An entity shall disclose the components of cash and cash equivalents and shall present a reconciliation of the amounts in its statement of cash flows with the equivalent items reported in the statement of financial position.**	**Components of cash and cash equivalents** **45 An entity shall disclose the components of cash and cash equivalents and shall present a reconciliation of the amounts in its statement of cash flows with the equivalent items reported in the statement of financial position.**	Paragraph 45 is a presentation requirement under the Tier 2 Disclosure Principles because the reconciliation is presented on the face of the statement of cash flows. Presentation requirements are not subjected to analysis. Therefore, paragraph 45 is kept for Tier 2 entities.
46 In view of the variety of cash management practices and banking arrangements around the world and in order to comply with AASB 101/NZ IAS 1 *Presentation of Financial Statements*, an entity discloses the policy which it adopts in determining the composition of cash and cash equivalents.	46 In view of the variety of cash management practices and banking arrangements around the world and in order to comply with AASB 101/NZ IAS 1 *Presentation of Financial Statements*, an entity discloses the policy which it adopts in determining the composition of cash and cash equivalents.	Paragraph 46 is a Key Disclosure Area (policy for determining the composition of cash and cash equivalents - liquidity) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 46 is kept for Tier 2 entities.
47 The effect of any change in the policy for determining components of cash and cash equivalents, for example, a change in the classification of financial instruments previously considered to be part of an entity's investment portfolio, is reported in accordance with AASB 108/NZ IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.	47 The effect of any change in the policy for determining components of cash and cash equivalents, for example, a change in the classification of financial instruments previously considered to be part of an entity's investment portfolio, is reported in accordance with AASB 108/NZ IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.	Paragraph 47 is a Key Disclosure Area (change in policy for determining cash and cash equivalents, and significant estimates and judgements specific to a transaction or event) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 47 is kept for Tier 2 entities.

AASB 107/NZ IAS 7 *Statement of Cash Flows*		
Current RDR	**Proposed RDR**	**Comments**
Other disclosures **48 An entity shall disclose, together with a commentary by management, the amount of significant cash and cash equivalent balances held by the entity that are not available for use by the group.**	**Other disclosures** **48 An entity shall disclose, together with a commentary by management, the amount of significant cash and cash equivalent balances held by the entity that are not available for use by the group.**	Paragraph 48 is a Key Disclosure Area (current liquidity and solvency) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 48 is kept for Tier 2 entities.
49 There are various circumstances in which cash and cash equivalent balances held by an entity are not available for use by the group. Examples include cash and cash equivalent balances held by a subsidiary that operates in a country where exchange controls or other legal restrictions apply when the balances are not available for general use by the parent or other subsidiaries.	49 There are various circumstances in which cash and cash equivalent balances held by an entity are not available for use by the group. Examples include cash and cash equivalent balances held by a subsidiary that operates in a country where exchange controls or other legal restrictions apply when the balances are not available for general use by the parent or other subsidiaries.	Paragraph 49 is guidance for paragraph 48, which is kept for Tier 2 entities. Therefore, paragraph 49 is kept for Tier 2 entities.
50 Additional information may be relevant to users in understanding the financial position and liquidity of an entity. Disclosure of this information, together with a commentary by management, is encouraged and may include: (a) the amount of undrawn borrowing facilities that may be available for future operating activities and to settle capital commitments, indicating any restrictions on the use of these facilities; (b) [deleted by IASB] (c) the aggregate amount of cash flows that represent increases in operating capacity separately from those cash flows that are required to maintain operating capacity; and	50 Additional information may be relevant to users in understanding the financial position and liquidity of an entity. Disclosure of this information, together with a commentary by management, is encouraged and may include: (a) the amount of undrawn borrowing facilities that may be available for future operating activities and to settle capital commitments, indicating any restrictions on the use of these facilities; (b) [deleted by IASB] (c) the aggregate amount of cash flows that represent increases in operating capacity separately from those cash flows that are required to maintain operating capacity; and	Paragraph 50 encourages, rather than requires, a disclosure. Therefore, paragraph 50 is reduced for Tier 2 entities.

AASB 107/NZ IAS 7 *Statement of Cash Flows*		
Current RDR	**Proposed RDR**	**Comments**
(d) the amount of the cash flows arising from the operating, investing and financing activities of each reportable segment (see AASB 8/NZ IFRS 8 *Operating Segments*).	(d) the amount of the cash flows arising from the operating, investing and financing activities of each reportable segment (see AASB 8/NZ IFRS 8 *Operating Segments*).	
51 The separate disclosure of cash flows that represent increases in operating capacity and cash flows that are required to maintain operating capacity is useful in enabling the user to determine whether the entity is investing adequately in the maintenance of its operating capacity. An entity that does not invest adequately in the maintenance of its operating capacity may be prejudicing future profitability for the sake of current liquidity and distributions to owners.	51 The separate disclosure of cash flows that represent increases in operating capacity and cash flows that are required to maintain operating capacity is useful in enabling the user to determine whether the entity is investing adequately in the maintenance of its operating capacity. An entity that does not invest adequately in the maintenance of its operating capacity may be prejudicing future profitability for the sake of current liquidity and distributions to owners.	Paragraph 51 is guidance of a general nature about the disclosure of cash flows. Therefore, paragraph 51 is reduced for Tier 2 entities.
52 The disclosure of segmental cash flows enables users to obtain a better understanding of the relationship between the cash flows of the business as a whole and those of its component parts and the availability and variability of segmental cash flows.	52 The disclosure of segmental cash flows enables users to obtain a better understanding of the relationship between the cash flows of the business as a whole and those of its component parts and the availability and variability of segmental cash flows.	Paragraph 52 is guidance about segmental cash flows, which are not required by Tier 2 entities. Therefore, paragraph 52 is reduced for Tier 2 entities.

AASB 108/NZ IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*		
Current RDR	**Proposed RDR**	**Comments**

AASB 108/NZ IAS 8 ***Accounting Policies, Changes in Accounting Estimates and Errors***		
Current RDR	**Proposed RDR**	**Comments**
Accounting policies **Disclosure** **28 When initial application of an Australian Accounting Standard/NZ IFRS 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 Australian Accounting Standard/NZ IFRS;**	**Accounting policies** **Disclosure** **28 When initial application of an Australian Accounting Standard/NZ IFRS 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 Australian Accounting Standard/NZ IFRS;**	Paragraph 28(a) is a Key Disclosure Area (accounting policy on recognition or measurement) – the benefits of providing the disclosure exceed the costs. Therefore paragraph 28(a) is kept for Tier 2 entities.
(b) when applicable, that the change in accounting policy is made in accordance with its transitional provisions;	**(b) when applicable, that the change in accounting policy is made in accordance with its transitional provisions;**	Paragraph 28(b) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 28(b) is reduced for Tier 2 entities.
(c) the nature of the change in accounting policy;	**(c) the nature of the change in accounting policy;**	Paragraph 28(c) is a Key Disclosure Area (accounting policy on recognition or measurement) – the benefits of providing the disclosure exceed the costs. Therefore paragraph 28(c) is kept for Tier 2 entities.
(d) when applicable, a description of the transitional provisions; **(e) when applicable, the transitional provisions that might have an effect on future periods;**	**(d) when applicable, a description of the transitional provisions;** **(e) when applicable, the transitional provisions that might have an effect on future periods;**	Paragraphs 28(d) and (e) are not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraphs 28(d) and (e) are reduced for Tier 2 entities.

AASB 108/NZ IAS 8 ***Accounting Policies, Changes in Accounting Estimates and Errors***		
Current RDR	**Proposed RDR**	**Comments**
(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**	**(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**	Paragraph 28(f)(i) is a Key Disclosure Area (accounting policy on recognition or measurement) – the benefits of providing the disclosure exceed the costs. Therefore paragraph 28(f)(i) is kept for Tier 2 entities.
(ii) if AASB 133/NZ IAS 33 ***Earnings per Share*** **applies to the entity, for basic and diluted earnings per share;**	**(ii) if AASB 133/NZ IAS 33** ***Earnings per Share*** **applies to the entity, for basic and diluted earnings per share;**	Paragraph 28(f)(ii) refers to AASB 133/NZ IAS 33, which does not apply to Tier 2 entities. Therefore, paragraph 28(f)(ii) is reduced for Tier 2 entities.
(g) the amount of the adjustment relating to periods before those presented, to the extent practicable; and	**(g) the amount of the adjustment relating to periods before those presented, to the extent practicable; and**	Paragraph 28(g) is a Key Disclosure Area (accounting policy on recognition or measurement). However, the presumption that the benefits of providing the disclosure exceed the costs is rebutted because calculating the effect of the adjustment relating to periods before those presented could be costly for Tier 2 entities – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 28(g) is reduced for Tier 2 entities.
(h) if retrospective application required by paragraph 19(a) or (b) 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.	**(h) if retrospective application required by paragraph 19(a) or (b) 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.**	Paragraph 28(h) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 28(h) is reduced for Tier 2 entities.

AASB 108/NZ IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*		
Current RDR	**Proposed RDR**	**Comments**
Financial statements of subsequent periods need not repeat these disclosures.	**Financial statements of subsequent periods need not repeat these disclosures.**	
RDR 28.1 A Tier 2 entity shall disclose an explanation if it is impracticable to determine the amounts required to be disclosed by paragraph 28(f)(i) or 28(g).	~~**RDR 28.1 A Tier 2 entity shall disclose an explanation if it is impracticable to determine the amounts required to be disclosed by paragraph 28(f)(i) or 28(g).**~~	Paragraph RDR 28.1 is deleted because the disclosures are covered in paragraph 28 are sufficient. Therefore, paragraph RDR 28.1 is deleted
29 When a voluntary change in accounting policy has an effect on the current period or any prior period, would have an effect on that period 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 nature of the change in accounting policy;** **(b) the reasons why applying the new accounting policy provides reliable and more relevant information;**	**29 When a voluntary change in accounting policy has an effect on the current period or any prior period, would have an effect on that period 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 nature of the change in accounting policy;** **(b) the reasons why applying the new accounting policy provides reliable and more relevant information;**	Paragraph 29(a) and (b) are a Key Disclosure Area (accounting policy on recognition or measurement) – the benefits of providing the disclosure exceed the costs. Therefore, paragraphs 29(a) and (b) are kept for Tier 2 entities.
(c) 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**	**(c) 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**	Paragraph 29(c)(i) is a Key Disclosure Area (accounting policy on recognition or measurement) – the benefits of providing the disclosure exceed the costs. Therefore paragraph 29(c)(i) is kept for Tier 2 entities.
(ii) if AASB 133/NZ IAS 33 applies to the entity, for basic and diluted earnings per share;	**(ii) if AASB 133/NZ IAS 33 applies to the entity, for basic and diluted earnings per share;**	Paragraph 29(c)(ii) refers to AASB 133/NZ IAS 33, which does not apply to Tier 2 entities. Therefore, paragraph 29(c)(ii) is reduced for Tier 2 entities.

AASB 108/NZ IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*		
Current RDR	**Proposed RDR**	**Comments**
(d) the amount of the adjustment relating to periods before those presented, to the extent practicable; and	**(d) the amount of the adjustment relating to periods before those presented, to the extent practicable; and**	Paragraph 29(d) is a Key Disclosure Area (accounting policy on recognition or measurement). However, the presumption that the benefits of providing the disclosure exceed the costs is rebutted because calculating the effect of the adjustment relating to periods before those presented could be costly for Tier 2 entities – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 29(d) is reduced for Tier 2 entities.
(e) if retrospective application 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 of subsequent periods need not repeat these disclosures.**	**(e) if retrospective application 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 of subsequent periods need not repeat these disclosures.**	Paragraph 29(e) is a Key Disclosure Area (the nature of the transaction or event that makes it significant or material to the entity – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 29(e) is kept for Tier 2 entities.
30 When an entity has not applied a new Australian Accounting Standard/NZ IFRS 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 application of the new Australian Accounting Standard/NZ IFRS will have on the**	**30 When an entity has not applied a new Australian Accounting Standard/NZ IFRS 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 application of the new Australian Accounting Standard/NZ IFRS will have on the**	Paragraph 30 is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 30 is reduced for Tier 2 entities.

AASB 108/NZ IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*		
Current RDR	**Proposed RDR**	**Comments**
entity's financial statements in the period of initial application.	**entity's financial statements in the period of initial application.**	
31 In complying with paragraph 30, an entity considers disclosing: (a) the title of the new Australian Accounting Standard/NZ IFRS; (b) the nature of the impending change or changes in accounting policy; (c) the date by which application of the Australian Accounting Standard/NZ IFRS is required; (d) the date as at which it plans to apply the Australian Accounting Standard/NZ IFRS initially; and (e) either: (i) a discussion of the impact that initial application of the Australian Accounting Standard/NZ IFRS 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.	31 In complying with paragraph 30, an entity considers disclosing: (a) the title of the new Australian Accounting Standard/NZ IFRS; (b) the nature of the impending change or changes in accounting policy; (c) the date by which application of the Australian Accounting Standard/NZ IFRS is required; (d) the date as at which it plans to apply the Australian Accounting Standard/NZ IFRS initially; and (e) either: (i) a discussion of the impact that initial application of the Australian Accounting Standard/NZ IFRS 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.	Paragraph 31 is guidance for paragraph 30, which is reduced for Tier 2 entities. Therefore, paragraph 31 is reduced for Tier 2 entities.
Changes in accounting estimates **Disclosure** **39 An entity shall disclose the nature and amount of a change in an accounting estimate that has an effect in the current period or is expected to have an effect in future periods, except for the**	**Changes in accounting estimates** **Disclosure** **39 An entity shall disclose the nature and amount of a change in an accounting estimate that has an effect in the current period or is expected to have an effect in future periods, except for the**	Paragraph 39 is a Key Disclosure Area (significant estimates and judgments specific to a transaction or event) – the benefits of providing the disclosure exceed the costs.

AASB 108/NZ IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*		
Current RDR	**Proposed RDR**	**Comments**
disclosure of the effect on future periods when it is impracticable to estimate that effect.	**disclosure of the effect on future periods when it is impracticable to estimate that effect.**	Therefore, paragraph 39 is kept for Tier 2 entities.
40 If the amount of the effect in future periods is not disclosed because estimating it is impracticable, an entity shall disclose that fact.	**40 If the amount of the effect in future periods is not disclosed because estimating it is impracticable, an entity shall disclose that fact.**	Paragraph 40is not a Key Disclosure Area. However, the presumption that the costs of providing the disclosure exceed the benefits is rebutted because information about the impracticability of estimating the effect in future periods is useful information. Therefore, paragraph 40 is kept Tier 2 entities.
Errors **Disclosure of prior period errors** **49 In applying paragraph 42, an entity shall disclose the following:** **(a) the nature of the prior period error;**	**Errors** **Disclosure of prior period errors** **49 In applying paragraph 42, an entity shall disclose the following:** **(a) the nature of the prior period error;**	Paragraph 49(a) is a Key Disclosure Area (nature of the transaction or event that makes it significant or material) – the benefits of providing the disclosure exceed the costs. Therefore paragraph 49(a) is kept for Tier 2 entities.
(b) for each prior period presented, to the extent practicable, the amount of the correction: **(i) for each financial statement line item affected; and**	**(b) for each prior period presented, to the extent practicable, the amount of the correction:** **(i) for each financial statement line item affected; and**	Paragraph 49(b)(i) is a Key Disclosure Area (nature of the transaction or event that makes it significant or material) – the benefits of providing the disclosure exceed the costs. Therefore paragraph 49(b)(i) is kept for Tier 2 entities.
(ii) if AASB 133/NZ IAS 33 applies to the entity, for basic and diluted earnings per share;	**(ii) if AASB 133/NZ IAS 33 applies to the entity, for basic and diluted earnings per share;**	Paragraph 49(b)(ii) refers to AASB 133/NZ IAS 33, which does not apply to Tier 2 entities. Therefore, paragraph 49(b)(ii) is reduced for Tier 2 entities.
(c) the amount of the correction at the beginning of the earliest prior period	**(c) the amount of the correction at the beginning of the earliest prior period**	Paragraph 49(c) is not a Key Disclosure Area – the costs of providing the disclosure exceed the costs.

AASB 108/NZ IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*		
Current RDR	**Proposed RDR**	**Comments**
presented; and	**presented; and**	Therefore, paragraph 49(c) is reduced for Tier 2 entities.
(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. **Financial statements of subsequent periods need not repeat these disclosures.**	**(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.** **Financial statements of subsequent periods need not repeat these disclosures.**	Paragraph 49(d) is a Key Disclosure Area (nature of the transaction or event that makes it significant or material to the entity) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 49(d) is kept for Tier 2 entities.

AASB 110/NZ IAS 10 *Events after the Reporting Period*		
Current RDR (shaded)	**Proposed RDR(shaded)**	**Comments**
Dividends 13 If dividends are declared after the reporting period but before the financial statements are authorised for issue, the dividends are not recognised as a liability at the end of the reporting period because no obligation exists at that time. Such dividends are disclosed in the notes in accordance with AASB 101/NZ IAS 1 *Presentation of Financial Statements*.	**Dividends** 13 If dividends are declared after the reporting period but before the financial statements are authorised for issue, the dividends are not recognised as a liability at the end of the reporting period because no obligation exists at that time. Such dividends are disclosed in the notes in accordance with AASB 101/NZ IAS 1 *Presentation of Financial Statements*.	The first sentence of paragraph 13 provides guidance about the recognition of dividends declared after the reporting period but before the financial statements are authorised for issue. Paragraph 137 of AASB 101/NZ IAS 1 requires disclosure of the amount of dividends proposed or declared before the financial statements were authorised for issue. Therefore, paragraph 13 is kept for Tier 2 entities. The AASB has decided that where the cross-referencing is of a general nature this is reduced in Australian Accounting Standards for Tier 2 entities.The final sentence would be reduced in AASB 110 – general cross reference

Comment [MS2/847]: This would be kept in NZ IAS 10. The first sentence of paragraph 13 provides guidance about the recognition of dividends declared after the reporting period but before the financial statements are authorised for issue.
Paragraph 137 of AASB 101/NZ IAS 1 requires disclosure of the amount of dividends proposed or declared before the financial statements were authorised for issue.
Therefore, paragraph 13 is kept for Tier 2 entities.

AASB 110/NZ IAS 10 *Events after the Reporting Period*		
Current RDR (shaded)	**Proposed RDR(shaded)**	**Comments**
Disclosure **Date of authorisation for issue** 17 **An entity shall disclose the date when the financial statements were authorised for issue and who gave that authorisation. If the entity's owners or others have the power to amend the financial statements after issue, the entity shall disclose that fact.**	**Disclosure** **Date of authorisation for issue** 17 **An entity shall disclose the date when the financial statements were authorised for issue and who gave that authorisation. If the entity's owners or others have the power to amend the financial statements after issue, the entity shall disclose that fact.**	Paragraph 17 is a Key Disclosure Area (subsequent events) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 17 is kept for Tier 2 entities.
18 It is important for users to know when the financial statements were authorised for issue, because the financial statements do not reflect events after this date.	18 It is important for users to know when the financial statements were authorised for issue, because the financial statements do not reflect events after this date.	In general, guidance for disclosures that are required to be provided by Tier 2 entities is kept. The AASB has decided to reduce some of the guidance for disclosures that are kept for Tier 2 entities, in particular where the guidance is considered to be unnecessary for Tier 2 entities in meeting the related disclosure requirement.This would be reduced in AASB 110 – guidance of a general nature
Updating disclosure about conditions at the end of the reporting period 19 **If an entity receives information after the reporting period about conditions that existed at the end of the reporting period, it shall update disclosures that relate to those conditions, in the light of the new information.**	**Updating disclosure about conditions at the end of the reporting period** 19 **If an entity receives information after the reporting period about conditions that existed at the end of the reporting period, it shall update disclosures that relate to those conditions, in the light of the new information.**	Paragraph 19 is guidance about when to update disclosures about conditions that existed at the end of the reporting period. Therefore, paragraph 19 is not subjected to analysis. Therefore, paragraph 19 is kept for Tier 2 entities.
20 In some cases, an entity needs to update the disclosures in its financial statements to reflect information received after the reporting period, even when the information does not affect the amounts that it recognises in its financial statements. One example of the need to update disclosures is when evidence becomes available after the reporting period about a contingent liability that existed at the end of the reporting	20 In some cases, an entity needs to update the disclosures in its financial statements to reflect information received after the reporting period, even when the information does not affect the amounts that it recognises in its financial statements. One example of the need to update disclosures is when evidence becomes available after the reporting period about a contingent liability that existed at the end of the reporting	Paragraph 20 is guidance for paragraph 19, which is kept for Tier 2 entities. Therefore, paragraph 20 is kept for Tier 2 entities.

Comment [VS48]: In general, guidance for disclosures that are required to be provided by Tier 2 entities is kept. The NZASB has decided to keep all of the guidance that relates to disclosures that Tier 2 entities are required to provide.This would be kept in NZ IAS 10. Paragraph 18 is guidance for paragraph 17, which is kept for Tier 2 entities.
Therefore, paragraph 18 is kept for Tier 2 entities.

AASB 110/NZ IAS 10 *Events after the Reporting Period*		
Current RDR (shaded)	**Proposed RDR(shaded)**	**Comments**
period. In addition to considering whether it should recognise or change a provision under AASB 137/NZ IAS 37, an entity updates its disclosures about the contingent liability in the light of that evidence.	period. In addition to considering whether it should recognise or change a provision under AASB 137/NZ IAS 37, an entity updates its disclosures about the contingent liability in the light of that evidence.	
Non-adjusting events after the reporting period **21 If non-adjusting events after the reporting period are material, non-disclosure could influence the economic decisions that users make on the basis of the financial statements. Accordingly, an entity shall disclose the following for each material category of non-adjusting event after the reporting period:** **(a) the nature of the event; and** **(b) an estimate of its financial effect, or a statement that such an estimate cannot be made.**	**Non-adjusting events after the reporting period** **21 If non-adjusting events after the reporting period are material, non-disclosure could influence the economic decisions that users make on the basis of the financial statements. Accordingly, an entity shall disclose the following for each material category of non-adjusting event after the reporting period:** **(a) the nature of the event; and** **(b) an estimate of its financial effect, or a statement that such an estimate cannot be made.**	Paragraph 21 is a Key Disclosure Area (subsequent events) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 21 is kept for Tier 2 entities.
22 The following are examples of non-adjusting events after the reporting period that would generally result in disclosure: (a) a major business combination after the reporting period (AASB 3/NZ IFRS 3 *Business Combinations* requires specific disclosures in such cases) or disposing of a major subsidiary; (b) announcing a plan to discontinue an operation; (c) major purchases of assets, classification of assets as held for sale in accordance with AASB 5/NZ IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, other disposals of assets, or expropriation of major assets by	22 The following are examples of non-adjusting events after the reporting period that would generally result in disclosure: (a) a major business combination after the reporting period (AASB 3/NZ IFRS 3 *Business Combinations* requires specific disclosures in such cases) or disposing of a major subsidiary; (b) announcing a plan to discontinue an operation; (c) major purchases of assets, classification of assets as held for sale in accordance with AASB 5/NZ IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, other disposals of assets, or expropriation of major assets by	Paragraphs 22(a)–(e) are guidance for paragraph 21, which is kept for Tier 2 entities. Therefore, paragraphs 22(a)–(e) are kept for Tier 2 entities.

AASB 110/NZ IAS 10 *Events after the Reporting Period*		
Current RDR (shaded)	**Proposed RDR(shaded)**	**Comments**
government; (d) the destruction of a major production plant by a fire after the reporting period; (e) announcing, or commencing the implementation of, a major restructuring (see AASB 137/NZ IAS 37);	government; (d) the destruction of a major production plant by a fire after the reporting period; (e) announcing, or commencing the implementation of, a major restructuring (see AASB 137/NZ IAS 37);	
(f) major ordinary share transactions and potential ordinary share transactions after the reporting period (AASB 133/NZ IAS 33 *Earnings per Share* requires an entity to disclose a description of such transactions, other than when such transactions involve capitalisation or bonus issues, share splits or reverse share splits all of which are required to be adjusted under AASB 133/NZ IAS 33);	(f) major ordinary share transactions and potential ordinary share transactions after the reporting period (AASB 133/NZ IAS 33 *Earnings per Share* requires an entity to disclose a description of such transactions, other than when such transactions involve capitalisation or bonus issues, share splits or reverse share splits all of which are required to be adjusted under AASB 133/NZ IAS 33);	Paragraph 22(f) relates to AASB 133/NZ IAS 33, which is not applicable to Tier 2 entities. Therefore, paragraph 22(f) is reduced for Tier 2 entities.
(g) abnormally large changes after the reporting period in asset prices or foreign exchange rates; (h) changes in tax rates or tax laws enacted or announced after the reporting period that have a significant effect on current and deferred tax assets and liabilities (see AASB 112/NZ IAS 12 *Income Taxes*); (i) entering into significant commitments or contingent liabilities, for example, by issuing significant guarantees; and (j) commencing major litigation arising solely out of events that occurred after the reporting period.	(g) abnormally large changes after the reporting period in asset prices or foreign exchange rates; (h) changes in tax rates or tax laws enacted or announced after the reporting period that have a significant effect on current and deferred tax assets and liabilities (see AASB 112/NZ IAS 12 *Income Taxes*); (i) entering into significant commitments or contingent liabilities, for example, by issuing significant guarantees; and (j) commencing major litigation arising solely out of events that occurred after the reporting period.	Paragraphs 22(g)–(j) are guidance for paragraph 21, which is kept for Tier 2 entities. Therefore, paragraphs 22(g)–(j) are kept for Tier 2 entities.

AASB 112/NZ IAS 12 *Income Taxes*		
Current RDR	**Proposed RDR**	**Comments**
Disclosure **79 The major components of tax expense (income) shall be disclosed separately.**	**Disclosure** **79 The major components of tax expense (income) shall be disclosed separately.**	Paragraph 79 is a not Key Disclosure Area (the specific disclosures are sufficient) – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 79 is reduced for Tier 2 entities.
80 Components of tax expense (income) may include: (a) current tax expense (income); (b) any adjustments recognised in the period for current tax of prior periods; (c) the amount of deferred tax expense (income) relating to the origination and reversal of temporary differences; (d) the amount of deferred tax expense (income) relating to changes in tax rates or the imposition of new taxes; (e) the amount of the benefit arising from a previously unrecognised tax loss, tax credit or temporary difference of a prior period that is used to reduce current tax expense; (f) the amount of the benefit from a previously unrecognised tax loss, tax credit or temporary difference of a prior period that is used to reduce deferred tax expense; (g) deferred tax expense arising from the write-down, or reversal of a previous write-down, of a deferred tax asset in	80 Components of tax expense (income) may include: (a) current tax expense (income); (b) any adjustments recognised in the period for current tax of prior periods; (c) the amount of deferred tax expense (income) relating to the origination and reversal of temporary differences; (d) the amount of deferred tax expense (income) relating to changes in tax rates or the imposition of new taxes; (e) the amount of the benefit arising from a previously unrecognised tax loss, tax credit or temporary difference of a prior period that is used to reduce current tax expense; (f) the amount of the benefit from a previously unrecognised tax loss, tax credit or temporary difference of a prior period that is used to reduce deferred tax expense; (g) deferred tax expense arising from the write-down, or reversal of a previous write-down, of a deferred tax asset in accordance with paragraph 56; and (h) the amount of tax expense (income)	Paragraph 80 is guidance for paragraph 79, which is reduced for Tier 2 entities. Therefore, paragraph 80 is reduced for Tier 2 entities.

AASB 112/NZ IAS 12 *Income Taxes*		
Current RDR	**Proposed RDR**	**Comments**
accordance with paragraph 56; and (h) the amount of tax expense (income) relating to those changes in accounting policies and errors that are included in profit or loss in accordance with AASB 108/NZ IAS 8, because they cannot be accounted for retrospectively.	relating to those changes in accounting policies and errors that are included in profit or loss in accordance with AASB 108/NZ IAS 8, because they cannot be accounted for retrospectively.	
81 **The following shall also be disclosed separately:** **(a) the aggregate current and deferred tax relating to items that are charged or credited directly to equity (see paragraph 62A);**	81 **The following shall also be disclosed separately:** **(a) the aggregate current and deferred tax relating to items that are charged or credited directly to equity (see paragraph 62A);**	Paragraph 81(a) is a Key Disclosure Area (nature of transaction or event that makes it significant or material) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 81(a) is kept for Tier 2 entities.
(ab) the amount of income tax relating to each component of other comprehensive income (see paragraph 62 and AASB 101/NZ IAS 1 (as revised in 2007)); (b) [deleted by the IASB];	**(ab) the amount of income tax relating to each component of other comprehensive income (see paragraph 62 and AASB 101/NZ IAS 1 (as revised in 2007));** (b) [deleted by the IASB];	Paragraph 81(ab) is a Key Disclosure Area (nature of transaction or event that makes it significant or material) – the benefits of providing the disclosure exceed the costs. However, the costs of disclosing income tax on each component of other comprehensive income exceed the benefits. Therefore, paragraph 81(ab) is reduced for Tier 2 entities.
(c) an explanation of the relationship between tax expense (income) and accounting profit in either or both of the following forms: **(i) a numerical reconciliation between tax expense (income) and the product of accounting profit multiplied by the applicable tax rate(s), disclosing**	**(c) an explanation of the relationship between tax expense (income) and accounting profit in either or both of the following forms:** **(i) a numerical reconciliation between tax expense (income) and the product of accounting profit multiplied by the applicable tax rate(s), disclosing also the basis**	Paragraph 81(c) requires a reconciliation to explain the relationship between tax expense (income) and accounting profit. This is not the usual reconciliation from opening balance to closing balance. In Australia, the Tax Transparency Code Consultation Paper issued Dec 2015 (page 3 table) proposes a reconciliation of accounting profit to tax expense and to income tax paid or income tax

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also the basis on which the applicable tax rate(s) is (are) computed; or **(ii) a numerical reconciliation between the average effective tax rate and the applicable tax rate, disclosing also the basis on which the applicable tax rate is computed;**	**on which the applicable tax rate(s) is (are) computed; or** **(ii) a numerical reconciliation between the average effective tax rate and the applicable tax rate, disclosing also the basis on which the applicable tax rate is computed;**	payable as a means of improving the tax information disclosures in financial statements. It might, therefore, be advisable to keep the reconciliations in 81(c). In New Zealand, for profit entities are required to prepare a reconciliation of accounting profit to assessable income. Therefore, paragraph 81(c) is kept for Tier 2 entities.
(d) an explanation of changes in the applicable tax rate(s) compared to the previous reporting period;	**(d) an explanation of changes in the applicable tax rate(s) compared to the previous reporting period;**	Paragraph 81(d) is not a Key Disclosure Area. However, the presumption that the costs of providing the disclosure exceed the benefits is rebutted for the same reasons that paragraph 81(c) is retained for Tier 2 entities. Therefore, paragraph 81(d) is kept for Tier 2 entities.
(e) the amount (and expiry date, if any) of deductible temporary differences, unused tax losses, and unused tax credits for which no deferred tax asset is recognised in the statement of financial position;	**(e) the amount (and expiry date, if any) of deductible temporary differences, unused tax losses, and unused tax credits for which no deferred tax asset is recognised in the statement of financial position;**	Paragraph 81(e) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 81(e) is reduced for Tier 2 entities.
(f) the aggregate amount of temporary differences associated with investments in subsidiaries, branches and associates and interests in joint arrangements, for which deferred tax liabilities have not been recognised (see paragraph 39);	**(f) the aggregate amount of temporary differences associated with investments in subsidiaries, branches and associates and interests in joint arrangements, for which deferred tax liabilities have not been recognised (see paragraph 39);**	Paragraph 81(f) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 81(f) is reduced for Tier 2 entities.
(g) in respect of each type of temporary	**(g) in respect of each type of temporary**	Paragraph 81(g) is not a Key Disclosure Area – the

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difference, and in respect of each type of unused tax loss and unused tax credit: **(i) the amount of the deferred tax assets and liabilities recognised in the statement of financial position for each period presented; and** **(ii) the amount of the deferred tax income or expense recognised in profit or loss, if this is not apparent from the changes in the amounts recognised in the statement of financial position;**	**difference, and in respect of each type of unused tax loss and unused tax credit:** **(i) the amount of the deferred tax assets and liabilities recognised in the statement of financial position for each period presented; and** **(ii) the amount of the deferred tax income or expense recognised in profit or loss, if this is not apparent from the changes in the amounts recognised in the statement of financial position;**	costs of providing the disclosure exceed the benefits. Therefore, paragraph 81(g) is reduced for Tier 2 entities.
(h) in respect of discontinued operations, the tax expense relating to: **(i) the gain or loss on discontinuance; and** **(ii) the profit or loss from the ordinary activities of the discontinued operation for the period, together with the corresponding amounts for each prior period presented;**	**(h) in respect of discontinued operations, the tax expense relating to:** **(i) the gain or loss on discontinuance; and** **(ii) the profit or loss from the ordinary activities of the discontinued operation for the period, together with the corresponding amounts for each prior period presented;**	Paragraph 81(h) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 81(h) is reduced for Tier 2 entities.
(i) the amount of income tax consequences of dividends to shareholders of the entity that were proposed or declared before the financial statements were authorised for issue, but are not recognised as a liability in the financial statements;	**(i) the amount of income tax consequences of dividends to shareholders of the entity that were proposed or declared before the financial statements were authorised for issue, but are not recognised as a liability in the financial statements;**	Paragraph 81(i) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 81(i) is reduced for Tier 2 entities.
(j) if a business combination in which the	**(j) if a business combination in which the**	Paragraph 81(j) is not a Key Disclosure Area – the

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entity is the acquirer causes a change in the amount recognised for its pre-acquisition deferred tax asset (see paragraph 67), the amount of that change; and	**entity is the acquirer causes a change in the amount recognised for its pre-acquisition deferred tax asset (see paragraph 67), the amount of that change; and**	costs of providing the disclosure exceed the benefits. Therefore, paragraph 81(j) is reduced for Tier 2 entities.
(k) if the deferred tax benefits acquired in a business combination are not recognised at the acquisition date but are recognised after the acquisition date (see paragraph 68), a description of the event or change in circumstances that caused the deferred tax benefits to be recognised.	**(k) if the deferred tax benefits acquired in a business combination are not recognised at the acquisition date but are recognised after the acquisition date (see paragraph 68), a description of the event or change in circumstances that caused the deferred tax benefits to be recognised.**	Paragraph 81(k) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 81(k) is reduced for Tier 2 entities.
RDR 81.1 An entity applying Australian Accounting Standards – Reduced Disclosure Requirements/A Tier 2 entity shall disclose the aggregate amount of current and deferred income tax relating to items recognised in other comprehensive income.	**RDR 81.1 An entity applying Australian Accounting Standards – Reduced Disclosure Requirements/A Tier 2 entity shall disclose the aggregate amount of current and deferred income tax relating to items recognised in other comprehensive income.**	Paragraph RDR 81.1 requires disclosure of the aggregate amount of taxes relating to items recognised in other comprehensive income. Therefore, paragraph RDR 81.1 is kept for Tier 2 entities.
82 An entity shall disclose the amount of a deferred tax asset and the nature of the evidence supporting its recognition, when: **(a) the utilisation of the deferred tax asset is dependent on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences; and** **(b) the entity has suffered a loss in either the current or preceding period in the tax jurisdiction to which the deferred**	**82 An entity shall disclose the amount of a deferred tax asset and the nature of the evidence supporting its recognition, when:** **(a) the utilisation of the deferred tax asset is dependent on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences; and** **(b) the entity has suffered a loss in either the current or preceding period in the tax jurisdiction to which the deferred**	Paragraph 82 is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Paragraph 54(o) of AASB 101/NZ IAS 1 requires presentation of a line item for deferred tax assets. Therefore, paragraph 82 is reduced for Tier 2 entities.

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tax asset relates.	**tax asset relates.**	
82A In the circumstances described in paragraph 52A, an entity shall disclose the nature of the potential income tax consequences that would result from the payment of dividends to its shareholders. In addition, the entity shall disclose the amounts of the potential income tax consequences practicably determinable and whether there are any potential income tax consequences not practicably determinable.	**82A In the circumstances described in paragraph 52A, an entity shall disclose the nature of the potential income tax consequences that would result from the payment of dividends to its shareholders. In addition, the entity shall disclose the amounts of the potential income tax consequences practicably determinable and whether there are any potential income tax consequences not practicably determinable.**	Paragraph 82A is a Key Disclosure Area (nature of transaction or event that makes it significant or material) – the benefits of providing the disclosure exceed the costs except for the requirement to disclose the amounts of the potential income tax consequences. Therefore, the first sentence of paragraph 82A is kept for Tier 2 entities and the second sentence of paragraph 82A is reduced for Tier 2 entities.
83 [Deleted by the IASB]	83 [Deleted by the IASB]	
84 The disclosure required by paragraph 81(c) enables users of financial statements to understand whether the relationship between tax expense (income) and accounting profit is unusual and to understand the significant factors that could affect that relationship in the future. The relationship between tax expense (income) and accounting profit may be affected by such factors as revenue that is exempt from taxation, expenses that are not deductible in determining taxable profit (tax loss), the effect of tax losses and the effect of foreign tax rates.	84 The disclosure required by paragraph 81(c) enables users of financial statements to understand whether the relationship between tax expense (income) and accounting profit is unusual and to understand the significant factors that could affect that relationship in the future. The relationship between tax expense (income) and accounting profit may be affected by such factors as revenue that is exempt from taxation, expenses that are not deductible in determining taxable profit (tax loss), the effect of tax losses and the effect of foreign tax rates.	Paragraph 84 is guidance for paragraph 81(c), which is kept for Tier 2 entities. Therefore, paragraph 84 is kept for Tier 2 entities.
85 In explaining the relationship between tax expense (income) and accounting profit, an entity uses an applicable tax rate that provides the most meaningful information to the users of its financial statements. Often, the most meaningful rate is the	85 In explaining the relationship between tax expense (income) and accounting profit, an entity uses an applicable tax rate that provides the most meaningful information to the users of its financial statements. Often, the most meaningful rate is the	Paragraph 85 is guidance for paragraph 81(c), which is kept for Tier 2 entities. Therefore, paragraph 85 is kept for Tier 2 entities.

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domestic rate of tax in the country in which the entity is domiciled, aggregating the tax rate applied for national taxes with the rates applied for any local taxes which are computed on a substantially similar level of taxable profit (tax loss). However, for an entity operating in several jurisdictions, it may be more meaningful to aggregate separate reconciliations prepared using the domestic rate in each individual jurisdiction. The following example illustrates how the selection of the applicable tax rate affects the presentation of the numerical reconciliation.	domestic rate of tax in the country in which the entity is domiciled, aggregating the tax rate applied for national taxes with the rates applied for any local taxes which are computed on a substantially similar level of taxable profit (tax loss). However, for an entity operating in several jurisdictions, it may be more meaningful to aggregate separate reconciliations prepared using the domestic rate in each individual jurisdiction. The following example illustrates how the selection of the applicable tax rate affects the presentation of the numerical reconciliation.	
Example Illustrating Paragraph 85 [Omitted]	**Example Illustrating Paragraph 85 [Omitted]**	
86 The average effective tax rate is the tax expense (income) divided by the accounting profit.	86 The average effective tax rate is the tax expense (income) divided by the accounting profit.	Paragraph 86 is guidance for paragraph 81(c), which is kept for Tier 2 entities. Therefore, paragraph 86 is kept for Tier 2 entities.
87 It would often be impracticable to compute the amount of unrecognised deferred tax liabilities arising from investments in subsidiaries, branches and associates and interests in joint arrangements (see paragraph 39). Therefore, this Standard requires an entity to disclose the aggregate amount of the underlying temporary differences but does not require disclosure of the deferred tax liabilities. Nevertheless, where practicable, entities are encouraged to disclose the amounts of the unrecognised deferred tax liabilities because financial statement users may find such information useful.	87 It would often be impracticable to compute the amount of unrecognised deferred tax liabilities arising from investments in subsidiaries, branches and associates and interests in joint arrangements (see paragraph 39). Therefore, this Standard requires an entity to disclose the aggregate amount of the underlying temporary differences but does not require disclosure of the deferred tax liabilities. Nevertheless, where practicable, entities are encouraged to disclose the amounts of the unrecognised deferred tax liabilities because financial statement users may find such information useful.	Paragraph 87 is guidance for paragraph 81(f), which is reduced for Tier 2 entities. Therefore, paragraph 87 is reduced for Tier 2 entities.

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87A Paragraph 82A requires an entity to disclose the nature of the potential income tax consequences that would result from the payment of dividends to its shareholders. An entity discloses the important features of the income tax systems and the factors that will affect the amount of the potential income tax consequences of dividends.	87A Paragraph 82A requires an entity to disclose the nature of the potential income tax consequences that would result from the payment of dividends to its shareholders. An entity discloses the important features of the income tax systems and the factors that will affect the amount of the potential income tax consequences of dividends.	Paragraph 87A is guidance for the first sentence of paragraph 82A, which is kept for Tier 2 entities. Therefore, paragraph 87A is kept for Tier 2 entities.
87B It would sometimes not be practicable to compute the total amount of the potential income tax consequences that would result from the payment of dividends to shareholders. This may be the case, for example, where an entity has a large number of foreign subsidiaries. However, even in such circumstances, some portions of the total amount may be easily determinable. For example, in a consolidated group, a parent and some of its subsidiaries may have paid income taxes at a higher rate on undistributed profits and be aware of the amount that would be refunded on the payment of future dividends to shareholders from consolidated retained earnings. In this case, that refundable amount is disclosed. If applicable, the entity also discloses that there are additional potential income tax consequences not practicably determinable. In the parent's separate financial statements, if any, the disclosure of the potential income tax consequences relates to the parent's retained earnings.	87B It would sometimes not be practicable to compute the total amount of the potential income tax consequences that would result from the payment of dividends to shareholders. This may be the case, for example, where an entity has a large number of foreign subsidiaries. However, even in such circumstances, some portions of the total amount may be easily determinable. For example, in a consolidated group, a parent and some of its subsidiaries may have paid income taxes at a higher rate on undistributed profits and be aware of the amount that would be refunded on the payment of future dividends to shareholders from consolidated retained earnings. In this case, that refundable amount is disclosed. If applicable, the entity also discloses that there are additional potential income tax consequences not practicably determinable. In the parent's separate financial statements, if any, the disclosure of the potential income tax consequences relates to the parent's retained earnings.	Paragraph 87B is guidance for the second sentence of paragraph 82A, which is reduced for Tier 2 entities. Therefore, paragraph 87B is reduced for Tier 2 entities.
87C An entity required to provide the disclosures in paragraph 82A may also be required to provide disclosures related to temporary differences	87C An entity required to provide the disclosures in paragraph 82A may also be required to provide disclosures related to temporary differences	Paragraph 87C is guidance for paragraph 82A, which is reduced for Tier 2 entities. Therefore, paragraph 87C is reduced for Tier 2

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associated with investments in subsidiaries, branches and associates or interests in joint arrangements. In such cases, an entity considers this in determining the information to be disclosed under paragraph 82A. For example, an entity may be required to disclose the aggregate amount of temporary differences associated with investments in subsidiaries for which no deferred tax liabilities have been recognised (see paragraph 81(f)). If it is impracticable to compute the amounts of unrecognised deferred tax liabilities (see paragraph 87) there may be amounts of potential income tax consequences of dividends not practicably determinable related to these subsidiaries.	associated with investments in subsidiaries, branches and associates or interests in joint arrangements. In such cases, an entity considers this in determining the information to be disclosed under paragraph 82A. For example, an entity may be required to disclose the aggregate amount of temporary differences associated with investments in subsidiaries for which no deferred tax liabilities have been recognised (see paragraph 81(f)). If it is impracticable to compute the amounts of unrecognised deferred tax liabilities (see paragraph 87) there may be amounts of potential income tax consequences of dividends not practicably determinable related to these subsidiaries.	entities.
88 An entity discloses any tax-related contingent liabilities and contingent assets in accordance with AASB 137/NZ IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. Contingent liabilities and contingent assets may arise, for example, from unresolved disputes with the taxation authorities. Similarly, where changes in tax rates or tax laws are enacted or announced after the reporting period, an entity discloses any significant effect of those changes on its current and deferred tax assets and liabilities (see AASB 110/NZ IAS 10 *Events after the Reporting Period*).	88 An entity discloses any tax-related contingent liabilities and contingent assets in accordance with AASB 137/NZ IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. Contingent liabilities and contingent assets may arise, for example, from unresolved disputes with the taxation authorities. Similarly, where changes in tax rates or tax laws are enacted or announced after the reporting period, an entity discloses any significant effect of those changes on its current and deferred tax assets and liabilities (see AASB 110/NZ IAS 10 *Events after the Reporting Period*).	Paragraph 88 refers to AASB 137/NZ IAS 37 for disclosures about tax-related contingent liabilities and contingent assets. Therefore, paragraph 88 is kept for Tier 2 entities.

AASB 116/NZ IAS 16 ***Property, Plant and Equipment***

Current RDR (shaded)	Proposed RDR (shaded)	Comments
Disclosure **73 The financial statements shall disclose, for each class of property, plant and equipment:** **(a) the measurement bases used for determining the gross carrying amount;** **(b) the depreciation methods used;** **(c) the useful lives or the depreciation rates used;**	**Disclosure** **73 The financial statements shall disclose, for each class of property, plant and equipment:** **(a) the measurement bases used for determining the gross carrying amount;** **(b) the depreciation methods used;** **(c) the useful lives or the depreciation rates used;**	The AASB has decided to rely on the requirement in AASB 101and AASB 108 for disclosures about accounting policies. Paragraphs 73(a)-(c) would be reduced in AASB 116 – the requirements of paragraph 117 of AASB 101 are sufficient
(d) the gross carrying amount and the accumulated depreciation (aggregated with accumulated impairment losses) at the beginning and end of the period; and	**(d) the gross carrying amount and the accumulated depreciation (aggregated with accumulated impairment losses) at the beginning and end of the period; and**	Paragraph 73(d) is a Key Disclosure Area (assessment of current liquidity and solvency) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 73(d) is kept for Tier 2 entities.
(e) a reconciliation of the carrying amount at the beginning and end of the period showing: **(i) additions;** **(ii) assets classified as held for sale or included in a disposal group classified as held for sale in accordance with AASB 5/NZ IFRS 5 and other disposals;** **(iii) acquisitions through business combinations;**	**(e) a reconciliation of the carrying amount at the beginning and end of the period showing:** **(i) additions;** **(ii) assets classified as held for sale or included in a disposal group classified as held for sale in accordance with AASB 5/NZ IFRS 5 and other disposals;** **(iii) acquisitions through business combinations;**	Paragraph 73(e) requires a reconciliation. Reconciliations are not required under the Tier 2 Disclosure Principles. Therefore, paragraph 73(e) is reduced for Tier 2 entities.
(iv) increases or decreases resulting from revaluations under paragraphs 31, 39 and 40 and from impairment losses	**(iv) increases or decreases resulting from revaluations under paragraphs 31, 39 and 40 and from impairment losses**	Paragraphs 73(e)(iv)–(vi) are a Key Disclosure Area (impairment) except for the reference to increases or decreases resulting from revaluations in paragraph 73(e)(iv) – the benefits of providing the disclosure

Comment [VS49]: The NZASB has decided to not rely solely on the requirements in NZ IAS 1 and NZ IAS 8 for disclosures about accounting policies. Paragraphs 73(a)-(c) would be kept in NZ IAS 16. Paragraphs 73(a)–(c) are a Key Disclosure Area (accounting policy on recognition or measurement) – the benefits of providing the disclosure exceed the costs.
Therefore, paragraphs 73(a)–(c) are kept for Tier 2 entities.

Comment [VS50]: The NZASB has decided to not rely solely on the requirements in NZ IAS 1 and NZ IAS 8 for disclosures about accounting policies. Paragraphs 73(a)-(c) would be kept in NZ IAS 16. Paragraphs 73(a)–(c) are a Key Disclosure Area (accounting policy on recognition or measurement) – the benefits of providing the disclosure exceed the costs.
Therefore, paragraphs 73(a)–(c) are kept for Tier 2 entities.

Comment [VS51]: The NZASB has decided to not rely solely on the requirements in NZ IAS 1 and NZ IAS 8 for disclosures about accounting policies. Paragraphs 73(a)-(c) would be kept in NZ IAS 16. Paragraphs 73(a)–(c) are a Key Disclosure Area (accounting policy on recognition or measurement) – the benefits of providing the disclosure exceed the costs. ...

Comment [MS2/852]: Paragraphs 73(e)(iv)–(vi) are kept for NZ IAS 16 except for the reference to increases or decreases resulting from revaluations in paragraph 73(e)(iv) – the benefits of providing the disclosure exceed the costs. Paragraphs 73(e)(iv)-(vi) is a Key Disclosure Area (impairment) – the benefits of providing the disclosure exceed the costs except for the reference to increases or ...

AASB 116/NZ IAS 16 *Property, Plant and Equipment*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
recognised or reversed in other comprehensive income in accordance with AASB 136/NZ IAS 36; **(v) impairment losses recognised in profit or loss in accordance with AASB 136/NZ IAS 36;** **(vi) impairment losses reversed in profit or loss in accordance with AASB 136/NZ IAS 36;**	**recognised or reversed in other comprehensive income in accordance with AASB 136/NZ IAS 36;** **(v) impairment losses recognised in profit or loss in accordance with AASB 136/NZ IAS 36;** **(vi) impairment losses reversed in profit or loss in accordance with AASB 136/NZ IAS 36;**	exceed the costs. Therefore, paragraphs 73(e)(iv)–(vi) are kept for Tier 2 entities, except for the reference to increases or decreases resulting from the revaluations, which is reduced for Tier 2 entities. The AASB has decided where the cross-referencing is of a general nature this is reduced in Australian Accounting Standards for Tier 2 entities.The second part of the sentence in subparagraphs (iv) and (v) and (vi) would be reduced in AASB 116 – general cross-reference to another standard.
(vii) depreciation;	**(vii) depreciation;**	Paragraph 73(e)(vii) is a Key Disclosure Area (nature of transaction or event that makes it significant or material) – the benefits of providing the disclosure exceed the costs.. Therefore, paragraph 73(e)(vii) is kept for Tier 2 entities.
(viii) the net exchange differences arising on the translation of the financial statements from the functional currency into a different presentation currency, including the translation of a foreign operation into the presentation currency of the reporting entity; and	**(viii) the net exchange differences arising on the translation of the financial statements from the functional currency into a different presentation currency, including the translation of a foreign operation into the presentation currency of the reporting entity; and**	Paragraph 73(e)(viii) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 73(e)(viii) is reduced for Tier 2 entities.
(ix) other changes.	**(ix) other changes.**	Paragraph 73(e)(ix) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits.

Comment [VS53]: The NZASB has decided where the cross-referencing is of a general nature, this is kept in NZ IFRSs for Tier 2 entities. Paragraphs 73(e)(iv)–(vi) are kept for NZ IAS 16. Paragraphs 73(e)(iv)-(vi) is a Key Disclosure Area (impairment) – the benefits of providing the disclosure exceed the costs.
Therefore, paragraphs 73(e)(iv)–(vi) are kept for Tier 2 entities.

Comment [VS54]: The NZASB has decided where the cross-referencing is of a general nature, this is kept in NZ IFRSs for Tier 2 entities. Paragraphs 73(e)(iv)-(vi) is a Key Disclosure Area (impairment) – the benefits of providing the disclosure exceed the costs.
Therefore, paragraphs 73(e)(iv)–(vi) are kept for Tier 2 entities.

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Current RDR (shaded)	Proposed RDR (shaded)	Comments
		Therefore, paragraph 73(e)(ix) is reduced for Tier 2 entities.
RDR 73.1 An entity applying Australian Accounting Standards – Reduced Disclosure Requirements/a Tier 2 entity is not required to disclose the reconciliation specified in paragraph 73(e) for prior periods.	~~**RDR 73.1 An entity applying Australian Accounting Standards – Reduced Disclosure Requirements/a Tier 2 entity is not required to disclose the reconciliation specified in paragraph 73(e) for prior periods.**~~ **New Zealand** **RDR 73.1 A Tier 2 entity ~~is not required to~~ shall disclose for each class of property, plant and equipment:~~the reconciliation specified in paragraph 73(e) for prior periods.~~** **(a) impairment losses recognised or reversed in other comprehensive income in accordance with NZ IAS 36;** **(b) impairment losses recognised in profit or loss in accordance with NZ IAS 36;** **(c) impairment losses reversed in profit or loss in accordance with NZ IAS 36; and** **(d) depreciation.**	Paragraph RDR 73.1 is no longer needed because Tier 2 entities are not required to prepare reconciliations under the Tier 2 Disclosure Principles.
74 The financial statements shall also disclose: **(a) the existence and amounts of restrictions on title, and property, plant and equipment pledged as security for liabilities;**	**74 The financial statements shall also disclose:** **(a) the existence and amounts of restrictions on title, and property, plant and equipment pledged as security for liabilities;**	Paragraph 74(a) is a Key Disclosure Area (assessment of current liquidity and solvency) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 74(a) is kept for Tier 2 entities.
(b) the amount of expenditures recognised in the carrying amount of an item of property, plant and equipment in the	**(b) the amount of expenditures recognised in the carrying amount of an item of property, plant and equipment in the**	Paragraph 74(b) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits.

Comment [MS2/855]: New Zealand requires paragraph RDR73.1,

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Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
course of its construction;	**course of its construction;**	Therefore, paragraph 73(b) is reduced for Tier 2 entities.
(c) the amount of contractual commitments for the acquisition of property, plant and equipment; and	**(c) the amount of contractual commitments for the acquisition of property, plant and equipment; and**	Paragraph 74(c) is a Key Disclosure Area (commitments and contingencies) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 74(c) is kept for Tier 2 entities.
(d) if it is not disclosed separately in the statement of comprehensive income, the amount of compensation from third parties for items of property, plant and equipment that were impaired, lost or given up that is included in profit or loss.	**(d) if it is not disclosed separately in the statement of comprehensive income, the amount of compensation from third parties for items of property, plant and equipment that were impaired, lost or given up that is included in profit or loss.**	Paragraph 74(d) is a not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 74(d) is reduced for Tier 2 entities.
75 Selection of the depreciation method and estimation of the useful life of assets are matters of judgement. Therefore, disclosure of the methods adopted and the estimated useful lives or depreciation rates provides users of financial statements with information that allows them to review the policies selected by management and enables comparisons to be made with other entities. For similar reasons, it is necessary to disclose: (a) depreciation, whether recognised in profit or loss or as a part of the cost of other assets, during a period; and (b) accumulated depreciation at the end of the period.	75 Selection of the depreciation method and estimation of the useful life of assets are matters of judgement. Therefore, disclosure of the methods adopted and the estimated useful lives or depreciation rates provides users of financial statements with information that allows them to review the policies selected by management and enables comparisons to be made with other entities. For similar reasons, it is necessary to disclose: (a) depreciation, whether recognised in profit or loss or as a part of the cost of other assets, during a period; and (b) accumulated depreciation at the end of the period.	Paragraph 75 provides guidance about the depreciation method. The methods adopted and the useful lives or depreciation rates would be disclosed as part of the entity's accounting policy for property, plant and equipment. Accumulated depreciation is disclosed in accordance with paragraph 74(d) above, for both the current year and the previous year, which means that depreciation for the year can be determined Therefore, paragraph 75 is reduced for Tier 2 entities.
76 In accordance with AASB 108/NZ IAS 8 an	76 In accordance with AASB 108/NZ IAS 8 an	Paragraph 76 provides guidance about changes in

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Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
entity discloses the nature and effect of a change in an accounting estimate that has an effect in the current period or is expected to have an effect in subsequent periods. For property, plant and equipment, such disclosure may arise from changes in estimates with respect to: (a) residual values; (b) the estimated costs of dismantling, removing or restoring items of property, plant and equipment; (c) useful lives; and (d) depreciation methods.	entity discloses the nature and effect of a change in an accounting estimate that has an effect in the current period or is expected to have an effect in subsequent periods. For property, plant and equipment, such disclosure may arise from changes in estimates with respect to: (a) residual values; (b) the estimated costs of dismantling, removing or restoring items of property, plant and equipment; (c) useful lives; and (d) depreciation methods.	accounting estimates in accordance with AASB 108/NZ IAS 8 for property, plant and equipment. Therefore, paragraph 76 is kept for Tier 2 entities.
77 If items of property, plant and equipment are stated at revalued amounts, the following shall be disclosed in addition to the disclosures required by AASB 13/NZ IFRS 13: **(a) the effective date of the revaluation;** **(b) whether an independent valuer was involved;** **(c)–(d) [deleted by IASB]**	**77 If items of property, plant and equipment are stated at revalued amounts, the following shall be disclosed in addition to the disclosures required by AASB 13/NZ IFRS 13:** **(a) the effective date of the revaluation;** **(b) whether an independent valuer was involved;** **(c)–(d) [deleted by IASB]**	Paragraphs 77(a) and (b) are not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraphs 77(a) and (b) are reduced for Tier 2 entities.
(e) 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	**(e) 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**	Paragraph 77(e) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 77(e) is reduced for Tier 2 entities.
(f) the revaluation surplus, indicating the change for the period and any restrictions on the distribution of the	**(f) the revaluation surplus, indicating the change for the period and any restrictions on the distribution of the**	Paragraph 77(f) is a Key Disclosure Area (assessment of current liquidity and solvency) – the benefits of

AASB 116/NZ IAS 16 *Property, Plant and Equipment*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
balance to shareholders.	**balance to shareholders.**	providing the disclosure exceed the costs. Therefore, paragraph 77(f) is kept for Tier 2 entities.
Aus77.1 Notwithstanding paragraph 77(e), in respect of not-for-profit entities, for each revalued class of property, plant and equipment, the requirement to disclose the carrying amount that would have been recognised had the assets been carried under the cost model does not apply.	**Aus77.1 Notwithstanding paragraph 77(e), in respect of not-for-profit entities, for each revalued class of property, plant and equipment, the requirement to disclose the carrying amount that would have been recognised had the assets been carried under the cost model does not apply.**	Paragraph Aus77.1 refers to paragraph 77(e), which is reduced for Tier 2 entities. Therefore, paragraph Aus77.1 is reduced for Tier 2 entities.
78 In accordance with AASB 136/NZ IAS 36 an entity discloses information on impaired property, plant and equipment in addition to the information required by paragraph 73(e)(iv)–(vi).	78 In accordance with AASB 136/NZ IAS 36 an entity discloses information on impaired property, plant and equipment in addition to the information required by paragraph 73(e)(iv)–(vi).	The AASB has decided where the cross-referencing is of a general nature this is reduced in Australian Accounting Standards for Tier 2 entities. This would be reduced in AASB 116 – general cross-reference to another standard
79 Users of financial statements may also find the following information relevant to their needs: (a) the carrying amount of temporarily idle property, plant and equipment; (b) the gross carrying amount of any fully depreciated property, plant and equipment that is still in use; (c) the carrying amount of property, plant and equipment retired from active use and not classified as held for sale in accordance with AASB 5/NZ IFRS 5; and (d) when the cost model is used, the fair value of property, plant and equipment when this is materially different from the	79 Users of financial statements may also find the following information relevant to their needs: (a) the carrying amount of temporarily idle property, plant and equipment; (b) the gross carrying amount of any fully depreciated property, plant and equipment that is still in use; (c) the carrying amount of property, plant and equipment retired from active use and not classified as held for sale in accordance with AASB 5/NZ IFRS 5; and (d) when the cost model is used, the fair value of property, plant and equipment when this is materially different from the	Paragraph 79 is a disclosure that is encouraged. Therefore, paragraph 79 is reduced for Tier 2 entities.

Comment [VS56]: The NZASB has decided where the cross-referencing is of a general nature, this is kept in NZ IFRSs for Tier 2 entities. This would be kept in NZ IAS 16. Paragraph 78 is a Key Disclosure Area (impairment) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 78 is kept for Tier 2 entities.

AASB 116/NZ IAS 16 *Property, Plant and Equipment*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
carrying amount. Therefore, entities are encouraged to disclose these amounts.	carrying amount. Therefore, entities are encouraged to disclose these amounts.	

AASB 119/NZ IAS 19 *Employee Benefits*		
Current RDR	**Proposed RDR**	**Comments**
Short-term employee benefits **Disclosure** 25 Although this Standard does not require specific disclosures about short-term employee benefits, other Australian Accounting Standards/NZ IFRSs may require disclosures. For example, AASB 124/NZ IAS 24 requires disclosures about employee benefits for key management personnel. AASB 101/NZ IAS 1 *Presentation of Financial Statements* requires disclosure of employee benefits expense.	**Short-term employee benefits** **Disclosure** 25 Although this Standard does not require specific disclosures about short-term employee benefits, other Australian Accounting Standards/NZ IFRSs may require disclosures. For example, AASB 124/NZ IAS 24 requires disclosures about employee benefits for key management personnel. AASB 101/NZ IAS 1 *Presentation of Financial Statements* requires disclosure of employee benefits expense.	The AASB has decided where the cross-referencing is of a general nature this is reduced in Australian Accounting Standards for Tier 2 entities. This paragraph would be reduced in AASB 119 – general cross reference to other standards.
Multi-employer plans 33 **If an entity participates in a multi-employer defined benefit plan, unless paragraph 34 applies, it shall:** **(a) account for its proportionate share of the defined benefit obligation, plan assets and cost associated with the plan in the same way as for any other defined benefit plan; and**	**Multi-employer plans** 33 **If an entity participates in a multi-employer defined benefit plan, unless paragraph 34 applies, it shall:** **(a) account for its proportionate share of the defined benefit obligation, plan assets and cost associated with the plan in the same way as for any other defined benefit plan; and**	Paragraph 33(b) contains a reference to the disclosure requirements in AASB 119/NZ IAS 19. Therefore, paragraph 33(b) is kept for Tier 2 entities.

Comment [VS57]: The NZASB has decided where the cross-referencing is of a general nature, this is kept in NZ IFRSs for Tier 2 entities. This paragraph would be kept in NZ IAS 19. Paragraph 25 contains references to disclosure requirements in other standards.
Therefore, paragraph 25 is kept for Tier 2 entities.

AASB 119/NZ IAS 19 *Employee Benefits*		
Current RDR	**Proposed RDR**	**Comments**
(b) disclose the information required by paragraphs 135–148 (excluding paragraph 148(d)).	**(b) disclose the information required by paragraphs 135–148 (excluding paragraph 148(d)).**	
34 When sufficient information is not available to use defined benefit accounting for a multi-employer defined benefit plan, an entity shall: **(a) account for the plan in accordance with paragraphs 51 and 52 as if it were a defined contribution plan; and** **(b) disclose the information required by paragraph 148.**	**34 When sufficient information is not available to use defined benefit accounting for a multi-employer defined benefit plan, an entity shall:** **(a) account for the plan in accordance with paragraphs 51 and 52 as if it were a defined contribution plan; and** **(b) disclose the information required by paragraph 148.**	Paragraph 34(a) is not a disclosure requirement. Therefore, paragraph 34(a) is kept for Tier 2 entities. Paragraph 34(b) contains a reference to the disclosure requirements in AASB 119/NZ IAS 19. Therefore, paragraph 34(b) is kept for Tier 2 entities.
Defined benefit plans that share risks between entities under common control 42 Participation in such a plan is a related party transaction for each individual group entity. An entity shall therefore, in its separate or individual financial statements disclose the information required by paragraph 149.	**Defined benefit plans that share risks between entities under common control** 42 Participation in such a plan is a related party transaction for each individual group entity. An entity shall therefore, in its separate or individual financial statements disclose the information required by paragraph 149.	Paragraph 42 contains a reference to the disclosure requirements in AASB 119/NZ IAS 19. Therefore, paragraph 42 is kept for Tier 2 entities.
Post-employment benefits: defined contribution plans **Disclosure** **53 An entity shall disclose the amount recognised as an expense for defined contribution plans.**	**Post-employment benefits: defined contribution plans** **Disclosure** **53 An entity shall disclose the amount recognised as an expense for defined contribution plans.**	Paragraph 53 is a Key Disclosure Area (nature of the transaction or event that makes it significant or material) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 53 is kept for Tier 2 entities.
54 Where required by AASB 124/NZ IAS 24 n entity discloses information about contributions to defined contribution plans for key management personnel.	54 Where required by AASB 124/NZ IAS 24 an entity discloses information about contributions to defined contribution plans for key management personnel.	The AASB has decided where the cross-referencing is of a general nature this is reduced in Australian Accounting Standards for Tier 2 entities. This would be reduced in AASB 119 – general cross reference to other standards

Comment [VS58]: The NZASB has decided where the cross-referencing is of a general nature, this is kept in NZ IFRSs for Tier 2 entities. This would be kept in NZ IAS 19. Paragraph 54 is guidance for disclosures about related party transactions, which are a Key Disclosure Area. Therefore, paragraph 54 is kept for Tier 2 entities.

AASB 119/NZ IAS 19 *Employee Benefits*		
Current RDR	**Proposed RDR**	**Comments**
Post-employment benefits: defined benefit plans **Disclosure** **135 An entity shall disclose information that:** **(a) explains the characteristics of its defined benefit plans and risks associated with them (see paragraph 139);** **(b) identifies and explains the amounts in its financial statements arising from its defined benefit plans (see paragraphs 140–144); and** **(c) describes how its defined benefit plans may affect the amount, timing and uncertainty of the entity's future cash flows (see paragraphs 145–147).**	**Post-employment benefits: defined benefit plans** **Disclosure** **135 An entity shall disclose information that:** **(a) explains the characteristics of its defined benefit plans and risks associated with them (see paragraph 139);** **(b) identifies and explains the amounts in its financial statements arising from its defined benefit plans (see paragraphs 140–144); and** **(c) describes how its defined benefit plans may affect the amount, timing and uncertainty of the entity's future cash flows (see paragraphs 145–147).**	Paragraph 135 requires disclosures to meet a stated objective. Therefore, paragraph 135 is reduced for Tier 2 entities.
136 To meet the objectives in paragraph 135, an entity shall consider all the following: (a) the level of detail necessary to satisfy the disclosure requirements; (b) how much emphasis to place on each of the various requirements; (c) how much aggregation or disaggregation to undertake; and (d) whether users of financial statements need additional information to evaluate the quantitative information disclosed.	136 To meet the objectives in paragraph 135, an entity shall consider all the following: (a) the level of detail necessary to satisfy the disclosure requirements; (b) how much emphasis to place on each of the various requirements; (c) how much aggregation or disaggregation to undertake; and (d) whether users of financial statements need additional information to evaluate the quantitative information disclosed.	Paragraph 136 is guidance for paragraph 135, which is reduced for Tier 2 entities. Therefore, paragraph 136 is reduced for Tier 2 entities.
137 If the disclosures provided in accordance with the requirements in this Standard and other Australian Accounting Standards/NZ IFRSs are insufficient to meet the objectives in	137 If the disclosures provided in accordance with the requirements in this Standard and other Australian Accounting Standards/NZ IFRSs are insufficient to meet the objectives in paragraph 135, an entity	Paragraph 137 is guidance for paragraph 135, which is reduced for Tier 2 entities. Therefore, paragraph 137 is reduced for Tier 2

AASB 119/NZ IAS 19 *Employee Benefits*		
Current RDR	**Proposed RDR**	**Comments**
paragraph 135, an entity shall disclose additional information necessary to meet those objectives. For example, an entity may present an analysis of the present value of the defined benefit obligation that distinguishes the nature, characteristics and risks of the obligation. Such a disclosure could distinguish: (a) between amounts owing to active members, deferred members, and pensioners. (b) between vested benefits and accrued but not vested benefits. (c) between conditional benefits, amounts attributable to future salary increases and other benefits.	shall disclose additional information necessary to meet those objectives. For example, an entity may present an analysis of the present value of the defined benefit obligation that distinguishes the nature, characteristics and risks of the obligation. Such a disclosure could distinguish: (a) between amounts owing to active members, deferred members, and pensioners. (b) between vested benefits and accrued but not vested benefits. (c) between conditional benefits, amounts attributable to future salary increases and other benefits.	entities.
138 An entity shall assess whether all or some disclosures should be disaggregated to distinguish plans or groups of plans with materially different risks. For example, an entity may disaggregate disclosure about plans showing one or more of the following features: (a) different geographical locations. (b) different characteristics such as flat salary pension plans, final salary pension plans or post-employment medical plans. (c) different regulatory environments. (d) different reporting segments. (e) different funding arrangements (eg wholly unfunded, wholly or partly funded).	138 An entity shall assess whether all or some disclosures should be disaggregated to distinguish plans or groups of plans with materially different risks. For example, an entity may disaggregate disclosure about plans showing one or more of the following features: (a) different geographical locations. (b) different characteristics such as flat salary pension plans, final salary pension plans or post-employment medical plans. (c) different regulatory environments. (d) different reporting segments. (e) different funding arrangements (eg wholly unfunded, wholly or partly funded).	Paragraph 138 is guidance about aggregation and disaggregation of defined benefit plans for disclosure purposes. Therefore, paragraph 138 is reduced for Tier 2 entities.

AASB 119/NZ IAS 19 *Employee Benefits*		
Current RDR	**Proposed RDR**	**Comments**
Characteristics of defined benefit plans and risks associated with them 139 An entity shall disclose: (a) information about the characteristics of its defined benefit plans, including: (i) the nature of the benefits provided by the plan (eg final salary defined benefit plan or contribution-based plan with guarantee).	**Characteristics of defined benefit plans and risks associated with them** 139 An entity shall disclose: (a) information about the characteristics of its defined benefit plans, including: (i) the nature of the benefits provided by the plan (eg final salary defined benefit plan or contribution-based plan with guarantee).	Paragraph 139(a)(i) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 139(a)(i) is reduced for Tier 2 entities.
(ii) a description of the regulatory framework in which the plan operates, for example the level of any minimum funding requirements, and any effect of the regulatory framework on the plan, such as the asset ceiling (see paragraph 64).	(ii) a description of the regulatory framework in which the plan operates, for example the level of any minimum funding requirements, and any effect of the regulatory framework on the plan, such as the asset ceiling (see paragraph 64).	Paragraph 139(a)(ii) is a Key Disclosure Area (commitments and contingencies) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 139(a)(ii) is kept for Tier 2 entities.
(iii) a description of any other entity's responsibilities for the governance of the plan, for example responsibilities of trustees or of board members of the plan.	(iii) a description of any other entity's responsibilities for the governance of the plan, for example responsibilities of trustees or of board members of the plan.	Paragraph 139(a)(iii) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 139(a)(iii) is reduced for Tier 2 entities.
(b) a description of the risks to which the plan exposes the entity, focused on any unusual, entity-specific or plan-specific risks, and of any significant concentrations of risk. For example, if plan assets are invested primarily in one class of investments, eg property, the plan may	(b) a description of the risks to which the plan exposes the entity, focused on any unusual, entity-specific or plan-specific risks, and of any significant concentrations of risk. For example, if plan assets are invested primarily in one class of investments, eg property, the plan may expose the entity	Paragraph 139(b) is a Key Disclosure Area (associated risks specific to a transaction or event) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 139(b) is kept for Tier 2 entities.

AASB 119/NZ IAS 19 *Employee Benefits*		
Current RDR	**Proposed RDR**	**Comments**
expose the entity to a concentration of property market risk	to a concentration of property market risk	
(c) a description of any plan amendments, curtailments and settlements.	(c) a description of any plan amendments, curtailments and settlements.	Paragraph 139(c) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 139(c) is reduced for Tier 2 entities.
Explanation of amounts in the financial statements 140 An entity shall provide a reconciliation from the opening balance to the closing balance for each of the following, if applicable: (a) the net defined benefit liability (asset), showing separate reconciliations for: (i) plan assets. (ii) the present value of the defined benefit obligation. (iii) the effect of the asset ceiling. (b) any reimbursement rights. An entity shall also describe the relationship between any reimbursement right and the related obligation.	**Explanation of amounts in the financial statements** 140 An entity shall provide a reconciliation from the opening balance to the closing balance for each of the following, if applicable: (a) the net defined benefit liability (asset), showing separate reconciliations for: (i) plan assets. (ii) the present value of the defined benefit obligation. (iii) the effect of the asset ceiling. (b) any reimbursement rights. An entity shall also describe the relationship between any reimbursement right and the related obligation.	Paragraph 140 requires a reconciliation. Reconciliations are not required under the Tier 2 Disclosure Principles. Therefore, paragraph 140 is reduced for Tier 2 entities.
RDR 140.2 An entity applying Australian Accounting Standards – Reduced Disclosure Requirements/a Tier 2 entity is not required to disclose the reconciliation specified in paragraphs 140 and 141 for prior periods.		Paragraph RDR 140.2 is no longer needed because Tier 2 entities are not required to prepare the reconciliation in paragraph 140.
141 Each reconciliation listed in paragraph 140 shall	141 Each reconciliation listed in paragraph 140 shall	Paragraph 141 specifies the information to be

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Current RDR	**Proposed RDR**	**Comments**
show each of the following, if applicable: (a) current service cost. (b) interest income or expense.	show each of the following, if applicable: (a) current service cost. (b) interest income or expense.	disclosed in the reconciliation in paragraph 140, which is reduced for Tier 2 entities. Therefore, paragraphs 141(a) and (b) are reduced for Tier 2 entities.
(c) remeasurements of the net defined benefit liability (asset), showing separately: (i) the return on plan assets, excluding amounts included in interest in (b). (ii) actuarial gains and losses arising from changes in demographic assumptions (see paragraph 76(a)). (iii) actuarial gains and losses arising from changes in financial assumptions (see paragraph 76(b)). (iv) changes in the effect of limiting a net defined benefit asset to the asset ceiling, excluding amounts included in interest in (b). An entity shall also disclose how it determined the maximum economic benefit available, ie whether those benefits would be in the form of refunds, reductions in future contributions or a combination of both.	(c) remeasurements of the net defined benefit liability (asset), showing separately: (i) the return on plan assets, excluding amounts included in interest in (b). (ii) actuarial gains and losses arising from changes in demographic assumptions (see paragraph 76(a)). (iii) actuarial gains and losses arising from changes in financial assumptions (see paragraph 76(b)). (iv) changes in the effect of limiting a net defined benefit asset to the asset ceiling, excluding amounts included in interest in (b). An entity shall also disclose how it determined the maximum economic benefit available, ie whether those benefits would be in the form of refunds, reductions in future contributions or a combination of both.	Paragraph 141(c) is a Key Disclosure Area (current liquidity and solvency) – the benefits of the providing the disclosure exceed the costs, except for subparagraphs (i)–(iv). Therefore, paragraph 141(c), except for subparagraphs (i)–(iv) is kept for Tier 2 entities.
(d) past service cost and gains and losses arising from settlements. As permitted by paragraph 100, past service cost and gains and losses arising from settlements need not be distinguished if they occur together.	(d) past service cost and gains and losses arising from settlements. As permitted by paragraph 100, past service cost and gains and losses arising from settlements need not be distinguished if they occur together.	Paragraphs 141(d) and (e) are not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraphs 141(d) and (e) are reduced for Tier 2 entities.

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Current RDR	**Proposed RDR**	**Comments**
(e) the effect of changes in foreign exchange rates.	(e) the effect of changes in foreign exchange rates.	
(f) contributions to the plan, showing separately those by the employer and by plan participants. (g) payments from the plan, showing separately the amount paid in respect of any settlements.	(f) contributions to the plan, showing separately those by the employer and by plan participants. (g) payments from the plan, showing separately the amount paid in respect of any settlements.	The first part of paragraphs 141(f) and (g) are a Key Disclosure Area (nature of the transaction or event that makes it significant or material) – the benefits of providing the disclosure exceed the costs. Therefore, the first part of paragraphs 141(f) and (g) is kept for Tier 2 entities.
(h) the effects of business combinations and disposals.	(h) the effects of business combinations and disposals.	Paragraph 141(h) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 141(h) is reduced for Tier 2 entities.
142 An entity shall disaggregate the fair value of the plan assets into classes that distinguish the nature and risks of those assets, subdividing each class of plan asset into those that have a quoted market price in an active market (as defined in AASB 13/NZ IFRS 13 *Fair Value Measurement*) and those that do not. For example, and considering the level of disclosure discussed in paragraph 136, an entity could distinguish between: (a) cash and cash equivalents; (b) equity instruments (segregated by industry type, company size, geography etc); (c) debt instruments (segregated by type of issuer, credit quality, geography etc); (d) real estate (segregated by geography etc);	142 An entity shall disaggregate the fair value of the plan assets into classes that distinguish the nature and risks of those assets, subdividing each class of plan asset into those that have a quoted market price in an active market (as defined in AASB 13/NZ IFRS 13 *Fair Value Measurement*) and those that do not. For example, and considering the level of disclosure discussed in paragraph 136, an entity could distinguish between: (a) cash and cash equivalents; (b) equity instruments (segregated by industry type, company size, geography etc); (c) debt instruments (segregated by type of issuer, credit quality, geography etc); (d) real estate (segregated by geography etc);	*First sentence* The first sentence of paragraph 142 is a Key Disclosure Area (associated risks specific to a transaction or event) – the benefits of providing the disclosure exceed the costs. Therefore, the first sentence of paragraph 142 is kept for Tier 2 entities. *Remainder of paragraph 142* The remainder of paragraph 142 is guidance for paragraph 136, which is reduced for Tier 2 entities. Therefore, the remainder of paragraph 142 is reduced for Tier 2 entities.

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Current RDR	**Proposed RDR**	**Comments**
(e) derivatives (segregated by type of underlying risk in the contract, for example, interest rate contracts, foreign exchange contracts, equity contracts, credit contracts, longevity swaps etc); (f) investment funds (segregated by type of fund); (g) asset-backed securities; and (h) structured debt.	(e) derivatives (segregated by type of underlying risk in the contract, for example, interest rate contracts, foreign exchange contracts, equity contracts, credit contracts, longevity swaps etc); (f) investment funds (segregated by type of fund); (g) asset-backed securities; and (h) structured debt.	
143 An entity shall disclose the fair value of the entity's own transferable financial instruments held as plan assets, and the fair value of plan assets that are property occupied by, or other assets used by, the entity.	143 An entity shall disclose the fair value of the entity's own transferable financial instruments held as plan assets, and the fair value of plan assets that are property occupied by, or other assets used by, the entity.	Paragraph 143 is a Key Disclosure Area (current liquidity and solvency) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 143 is kept for Tier 2 entities.
144 An entity shall disclose the significant actuarial assumptions used to determine the present value of the defined benefit obligation (see paragraph 76). Such disclosure shall be in absolute terms (eg as an absolute percentage, and not just as a margin between different percentages and other variables). When an entity provides disclosures in total for a grouping of plans, it shall provide such disclosures in the form of weighted averages or relatively narrow ranges.	144 An entity shall disclose the significant actuarial assumptions used to determine the present value of the defined benefit obligation (see paragraph 76). Such disclosure shall be in absolute terms (eg as an absolute percentage, and not just as a margin between different percentages and other variables). When an entity provides disclosures in total for a grouping of plans, it shall provide such disclosures in the form of weighted averages or relatively narrow ranges.	*First sentence* The first sentence of paragraph 144 is a Key Disclosure Area (current liquidity and solvency, and significant estimates and judgments specific to a transaction or event) –the costs of providing the disclosure exceed the benefits. Therefore, the first sentence of paragraph 144 is kept for Tier 2 entities. *Remainder of paragraph 144* The remainder of paragraph 144 is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, the remainder of paragraph 144 is reduced for Tier 2 entities.

AASB 119/NZ IAS 19 *Employee Benefits*		
Current RDR	**Proposed RDR**	**Comments**
Amount, timing and uncertainty of future cash flows 145 An entity shall disclose: (a) a sensitivity analysis for each significant actuarial assumption (as disclosed under paragraph 144) as of the end of the reporting period, showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumption that were reasonably possible at that date. (b) the methods and assumptions used in preparing the sensitivity analyses required by (a) and the limitations of those methods. (c) changes from the previous period in the methods and assumptions used in preparing the sensitivity analyses, and the reasons for such changes.	**Amount, timing and uncertainty of future cash flows** 145 An entity shall disclose: (a) a sensitivity analysis for each significant actuarial assumption (as disclosed under paragraph 144) as of the end of the reporting period, showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumption that were reasonably possible at that date. (b) the methods and assumptions used in preparing the sensitivity analyses required by (a) and the limitations of those methods. (c) changes from the previous period in the methods and assumptions used in preparing the sensitivity analyses, and the reasons for such changes.	Paragraph 145 is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 145 is reduced for Tier 2 entities.
146 An entity shall disclose a description of any asset-liability matching strategies used by the plan or the entity, including the use of annuities and other techniques, such as longevity swaps, to manage risk.	146 An entity shall disclose a description of any asset-liability matching strategies used by the plan or the entity, including the use of annuities and other techniques, such as longevity swaps, to manage risk.	Paragraph 146 is a Key Disclosure Area (associated risk specific to a transaction or event) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 146 is kept for Tier 2 entities.
147 To provide an indication of the effect of the defined benefit plan on the entity's future cash flows, an entity shall disclose: (a) a description of any funding arrangements and funding policy that affect future contributions.	147 To provide an indication of the effect of the defined benefit plan on the entity's future cash flows, an entity shall disclose: (a) a description of any funding arrangements and funding policy that affect future contributions.	Paragraph 147 is a Key Disclosure Area (current liquidity and solvency) – the benefits of providing the disclosure exceed the costs except for the second sentence in paragraph 147(c). Therefore, paragraph 147 is kept for Tier 2 entities except for the second sentence of paragraph 147(c)

AASB 119/NZ IAS 19 *Employee Benefits*		
Current RDR	**Proposed RDR**	**Comments**
(b) the expected contributions to the plan for the next annual reporting period. (c) information about the maturity profile of the defined benefit obligation. This will include the weighted average duration of the defined benefit obligation and may include other information about the distribution of the timing of benefit payments, such as a maturity analysis of the benefit payments.	(b) the expected contributions to the plan for the next annual reporting period. (c) information about the maturity profile of the defined benefit obligation. This will include the weighted average duration of the defined benefit obligation and may include other information about the distribution of the timing of benefit payments, such as a maturity analysis of the benefit payments.	which is reduced for Tier 2 entities.
Multi-employer plans 148 If an entity participates in a multi-employer defined benefit plan, it shall disclose: (a) a description of the funding arrangements, including the method used to determine the entity's rate of contributions and any minimum funding requirements.	**Multi-employer plans** 148 If an entity participates in a multi-employer defined benefit plan, it shall disclose: (a) a description of the funding arrangements, including the method used to determine the entity's rate of contributions and any minimum funding requirements.	Paragraph 148(a) is a Key Disclosure Area (current liquidity and solvency) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 148(a) is kept for Tier 2 entities.
(b) a description of the extent to which the entity can be liable to the plan for other entities' obligations under the terms and conditions of the multi-employer plan.	(b) a description of the extent to which the entity can be liable to the plan for other entities' obligations under the terms and conditions of the multi-employer plan.	Paragraph 148(b) is a Key Disclosure Area (commitments and contingencies) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 148(b) is kept for Tier 2 entities.
(c) a description of any agreed allocation of a deficit or surplus on: (i) wind-up of the plan; or (ii) the entity's withdrawal from the plan.	(c) a description of any agreed allocation of a deficit or surplus on: (i) wind-up of the plan; or (ii) the entity's withdrawal from the plan.	Paragraph 148(c) is a Key Disclosure Area (commitments and contingencies) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 148(c) is kept for Tier 2 entities.
(d) if the entity accounts for that plan as if it	(d) if the entity accounts for that plan as if it	Paragraph 148(d)(i) is a Key Disclosure Area

AASB 119/NZ IAS 19 *Employee Benefits*		
Current RDR	**Proposed RDR**	**Comments**
were a defined contribution plan in accordance with paragraph 34, it shall disclose the following, in addition to the information required by (a)–(c) and instead of the information required by paragraphs 139–147: (iv) the fact that the plan is a defined benefit plan.	were a defined contribution plan in accordance with paragraph 34, it shall disclose the following, in addition to the information required by (a)–(c) and instead of the information required by paragraphs 139–147: (i) the fact that the plan is a defined benefit plan.	(current liquidity and solvency) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 148(d)(i) is kept for Tier 2 entities.
(ii) the reason why sufficient information is not available to enable the entity to account for the plan as a defined benefit plan.	(ii) the reason why sufficient information is not available to enable the entity to account for the plan as a defined benefit plan.	Paragraph 148(d)(ii) is a Key Disclosure Area (nature of the transaction or event that makes it significant) –the benefits of providing the disclosure exceed the costs. Therefore, paragraph 148(d)(ii) is kept for Tier 2 entities.
(iii) the expected contributions to the plan for the next annual reporting period.	(iii) the expected contributions to the plan for the next annual reporting period.	Paragraph 148(d)(iii) is a Key Disclosure Area (current liquidity and solvency) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 148(d)(iii) is kept for Tier 2 entities.
(iv) information about any deficit or surplus in the plan that may affect the amount of future contributions, including the basis used to determine that deficit or surplus and the implications, if any, for the entity.	(iv) information about any deficit or surplus in the plan that may affect the amount of future contributions, including the basis used to determine that deficit or surplus and the implications, if any, for the entity.	Paragraph 148(d)(iv) is a Key Disclosure Area (commitments and contingencies) – the benefits of providing the disclosure exceed the costs except for disclosure about the basis used to determine the deficit or surplus and the implications for the entity. Therefore, paragraph 148(d)(iv) is kept for Tier 2 entities except for the shaded words.
(v) an indication of the level of participation of the entity in the	(v) an indication of the level of participation of the entity in the	Paragraph 148(d)(v) is not a Key Disclosure Area – the costs of providing the disclosure exceed the

AASB 119/NZ IAS 19 *Employee Benefits*		
Current RDR	**Proposed RDR**	**Comments**
plan compared with other participating entities. Examples of measures that might provide such an indication include the entity's proportion of the total contributions to the plan or the entity's proportion of the total number of active members, retired members, and former members entitled to benefits, if that information is available.	plan compared with other participating entities. Examples of measures that might provide such an indication include the entity's proportion of the total contributions to the plan or the entity's proportion of the total number of active members, retired members, and former members entitled to benefits, if that information is available.	benefits. Therefore, paragraph 148(d)(v) is reduced for Tier 2 entities.
Defined benefit plans that share risks between entities under common control 149 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.	**Defined benefit plans that share risks between entities under common control** 149 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.	Paragraphs 149(a) is a Key Disclosure Area (associated risks specific to a transaction or event) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 149(a) is kept for Tier 2 entities.
(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, all the information about the plan as a whole required by paragraphs 135–147. (d) if the entity accounts for the contribution payable for the period as noted in paragraph 41, the information about the plan as a whole required by	(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, all the information about the plan as a whole required by paragraphs 135–147. (d) if the entity accounts for the contribution payable for the period as noted in paragraph 41, the information about the plan as a whole required by	Paragraphs 149(b)–(d) are not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraphs 149(b)–(d) are reduced for Tier 2 entities.

AASB 119/NZ IAS 19 *Employee Benefits*		
Current RDR	**Proposed RDR**	**Comments**
paragraphs 135–137, 139, 142–144 and 147(a) and (b).	paragraphs 135–137, 139, 142–144 and 147(a) and (b).	
150 The information required by paragraph 149(c) and (d) can be disclosed by cross-reference to disclosures in another group entity's financial statements if: (a) that group entity's financial statements separately identify and disclose the information required about the plan; and (b) that group entity's financial statements are available to users of the financial statements on the same terms as the financial statements of the entity and at the same time as, or earlier than, the financial statements of the entity.	150 The information required by paragraph 149(c) and (d) can be disclosed by cross-reference to disclosures in another group entity's financial statements if: (a) that group entity's financial statements separately identify and disclose the information required about the plan; and (b) that group entity's financial statements are available to users of the financial statements on the same terms as the financial statements of the entity and at the same time as, or earlier than, the financial statements of the entity.	Paragraph 150 is guidance for paragraphs 149 (c) and 149 (d), which are reduced for Tier 2 entities. Therefore, paragraph 150 is reduced for Tier 2 entities.
Disclosure requirements in other Australian Accounting Standard/NZ IFRSs 151 Where required by AASB 124/NZ IAS 24 an entity discloses information about: (a) related party transactions with post-employment benefit plans; and (b) post-employment benefits for key management personnel.	**Disclosure requirements in other Australian Accounting Standards/NZ IFRSs** 151 Where required by AASB 124/NZ IAS 24 an entity discloses information about: (a) related party transactions with post-employment benefit plans; and (b) post-employment benefits for key management personnel.	This is reduced in AASB 119 – disclosures covered by AASB 124.
152 Where required by AASB 137/NZ IAS 37 an entity discloses information about contingent liabilities arising from post-employment benefit obligations.	152 Where required by AASB 137/NZ IAS 37 an entity discloses information about contingent liabilities arising from post-employment benefit obligations.	The AASB has decided where the cross-referencing is of a general nature this is reduced in Australian Accounting Standards for Tier 2 entities.This would be reduced in AASB 119 – general cross reference to other standards

Comment [VS59]: This is kept in NZ IAS 24. Paragraph 151 refers to AASB 124/NZ IAS 24 for disclosures about related parties, which is a Key Disclosure Area.
Therefore, paragraph 151 is kept for Tier 2entities

Comment [VS60]: The NZASB has decided where the cross-referencing is of a general nature, this is kept in NZ IFRSs for Tier 2 entities.This would be kept in NZ IAS 19. Paragraph 152 refers to AASB 137/NZ IAS 37 for disclosures about contingent liabilities.
Therefore, paragraph 152 is kept for Tier 2 entities.

AASB 119/NZ IAS 19 *Employee Benefits*		
Current RDR	**Proposed RDR**	**Comments**
Other long-term employee benefits **Disclosure** 158 Although this Standard does not require specific disclosures about other long-term employee benefits, other Australian Accounting Standards/NZ IFRSs may require disclosures. For example, AASB 124/NZ IAS 24 requires disclosures about employee benefits for key management personnel. AASB 101/NZ IAS 1 requires disclosure of employee benefits expense.	**Other long-term employee benefits** **Disclosure** 158 Although this Standard does not require specific disclosures about other long-term employee benefits, other Australian Accounting Standards/NZ IFRSs may require disclosures. For example, AASB 124/NZ IAS 24 requires disclosures about employee benefits for key management personnel. AASB 101/NZ IAS 1 requires disclosure of employee benefits expense.	The AASB has decided where the cross-referencing is of a general nature this is reduced in Australian Accounting Standards for Tier 2 entities.This would be reduced in AASB 119 – general cross reference to other standards
Termination benefits **Disclosure** 171 Although this Standard does not require specific disclosures about termination benefits, other Australian Accounting Standards/NZ IFRSs may require disclosures. For example, AASB 124/NZ IAS 24 requires disclosures about employee benefits for key management personnel. AASB 101/NZ IAS 1 requires disclosure of employee benefits expense.	**Termination benefits** **Disclosure** 171 Although this Standard does not require specific disclosures about termination benefits, other Australian Accounting Standards/NZ IFRSs may require disclosures. For example, AASB 124/NZ IAS 24 requires disclosures about employee benefits for key management personnel. AASB 101/NZ IAS 1 requires disclosure of employee benefits expense.	The AASB has decided where the cross-referencing is of a general nature this is reduced in Australian Accounting Standards for Tier 2 entities.This would be reduced in AASB 119 – general cross reference to other standards

Comment [VS61]: The NZASB has decided where the cross-referencing is of a general nature, this is kept in NZ IFRSs for Tier 2 entities.This would be kept in NZ IAS 19. Paragraph 158 contains references to disclosure requirements in other standards.
Therefore, paragraph 158 is kept for Tier 2 entities.

Comment [VS62]: The NZASB has decided where the cross-referencing is of a general nature, this is kept in NZ IFRSs for Tier 2 entities.This would be kept in NZ IAS 19. Paragraph 171 contains references to disclosure requirements in other standards.
Therefore, paragraph 171 is kept for Tier 2 entities.

AASB 120/NZ IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance*		
Current RDR	**Proposed RDR**	**Comments**

AASB 120/NZ IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance*		
Current RDR	**Proposed RDR**	**Comments**
Disclosure 39 **The following matters shall be disclosed:** **(a) the accounting policy adopted for government grants, including the methods of presentation adopted in the financial statements;**	**Disclosure** 39 **The following matters shall be disclosed:** **(a) the accounting policy adopted for government grants, including the methods of presentation adopted in the financial statements;**	The AASB has decided to rely on the requirement in AASB 101and AASB 108 for disclosures about accounting policies. This would be reduced in AASB 120 – the requirements of paragraph 117 of AASB 101 are sufficient
(b) the nature and extent of government grants recognised in the financial statements and an indication of other forms of government assistance from which the entity has directly benefited; and	**(b) the nature and extent of government grants recognised in the financial statements and an indication of other forms of government assistance from which the entity has directly benefited; and**	Paragraph 39(b) is a Key Disclosure Area (nature of transaction or event that makes it significant) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 39(b) is kept for Tier 2 entities.
(c) unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.	**(c) unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.**	Paragraph 39(c) is a Key Disclosure Area (commitments and contingencies) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 39(c) is kept for Tier 2 entities.

Comment [VS63]: The NZASB has decided to not rely solely on the requirements in NZ IAS 1 and NZ IAS 8 for disclosures about accounting policies. This would be kept in NZ IAS 20. Paragraph 39(a) is a Key Disclosure Area (accounting policy on recognition or measurement) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 39(a) is kept for Tier 2 entities.

AASB 121/NZ IAS 21 *The Effects of Changes in Foreign Exchange Rates*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
Disclosure 51 **In paragraphs 53 and 55–57 references to 'functional currency' apply, in the case of a group, to the functional currency of the parent.**	**Disclosure** 51 **In paragraphs 53 and 55–57 references to 'functional currency' apply, in the case of a group, to the functional currency of the parent.**	Paragraph 51 is not a disclosure requirement. Therefore, paragraph 51 is kept for Tier 2 entities.

AASB 121/NZ IAS 21 *The Effects of Changes in Foreign Exchange Rates*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
52 An entity shall disclose: **(a) the amount of exchange differences recognised in profit or loss except for those arising on financial instruments measured at fair value through profit or loss in accordance with AASB 9/NZ IFRS 9; and**	**52 An entity shall disclose:** **(a) the amount of exchange differences recognised in profit or loss except for those arising on financial instruments measured at fair value through profit or loss in accordance with AASB 9/NZ IFRS 9; and**	Paragraph 52(a) is a Key Disclosure Area (nature or transaction or event that makes it significant or material) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 52(a) is kept for Tier 2 entities
(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.	**(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.**	Net exchange differences are disclosed in the statement of movements in equity in accordance with paragraph 106 of AASB 101/NZ IAS 1, which is a presentation requirement. Therefore, paragraph 52(b) is reduced for Tier 2 entities.
53 When the presentation currency is different from the functional currency, that fact shall be stated, together with disclosure of the functional currency and the reason for using a different presentation currency.	**53 When the presentation currency is different from the functional currency, that fact shall be stated, together with disclosure of the functional currency and the reason for using a different presentation currency.**	Paragraph 53 is a Key Disclosure Area (assessment of current liquidity and solvency) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 53 is kept for Tier 2 entities.
54 When there is a change in the functional currency of either the reporting entity or a significant foreign operation, that fact and the reason for the change in functional currency shall be disclosed.	**54 When there is a change in the functional currency of either the reporting entity or a significant foreign operation, that fact and the reason for the change in functional currency shall be disclosed.**	This would be reduced in AASB 121 – a change in functional currency would be disclosed under AASB 108
55 When an entity presents its financial statements in a currency that is different from its functional currency, it shall describe the financial statements as complying with Australian Accounting Standards/NZ IFRS (and IFRSs) only if they comply with all the requirements of Australian Accounting	**55 When an entity presents its financial statements in a currency that is different from its functional currency, it shall describe the financial statements as complying with Australian Accounting Standards/NZ IFRS and IFRSs only if they comply with all the requirements of Australian Accounting**	Paragraph 55 refers to Australian Accounting Standards/NZ IFRS and (IFRSs). Tier 2 entities apply Australian Accounting Standards – Reduced Disclosure Requirements/NZ IFRS RDR. Therefore, paragraph 55 is reduced for Tier 2 entities and paragraph RDR 55.1 is added for Tier 2 entities.

Comment [VS64]: This would be kept in NZ IAS 21. Paragraph 54 is a Key Disclosure Area (assessment of current liquidity and solvency) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 54 is kept for Tier 2 entities.

AASB 121/NZ IAS 21 *The Effects of Changes in Foreign Exchange Rates*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
Standards/each applicable NZ IFRS and IFRS including the translation method set out in paragraphs 39 and 42.	**Standards/each applicable NZ IFRS and IFRS including the translation method set out in paragraphs 39 and 42.**	
	RDR 55.1 When an entity presents its financial statements in a currency that is different from its functional currency, it shall describe the financial statements as complying with Australian Accounting Standards – Reduced Disclosure Requirements/NZ IFRS RDR only if they comply with all the requirements of Australian Accounting Standards – Reduced Disclosure Requirements/NZ IFRS RDR including the translation method set out in paragraphs 39 and 42.	Paragraph RDR 55.1 is added to require Tier 2 entities to provide information about compliance with the relevant framework, that is, Australian Accounting Standards – Reduced Disclosure Requirements/NZ IFRS RDR.
56 An entity sometimes presents its financial statements or other financial information in a currency that is not its functional currency without meeting the requirements of paragraph 55. For example, an entity may convert into another currency only selected items from its financial statements. Or, an entity whose functional currency is not the currency of a hyperinflationary economy may convert the financial statements into another currency by translating all items at the most recent closing rate. Such conversions are not in accordance with Australian Accounting Standards/NZ IFRS and the disclosures set out in paragraph 57 are required.	56 An entity sometimes presents its financial statements or other financial information in a currency that is not its functional currency without meeting the requirements of paragraph 55. For example, an entity may convert into another currency only selected items from its financial statements. Or, an entity whose functional currency is not the currency of a hyperinflationary economy may convert the financial statements into another currency by translating all items at the most recent closing rate. Such conversions are not in accordance with Australian Accounting Standards/NZ IFRS and the disclosures set out in paragraph 57 are required.	Paragraph 56 is guidance for paragraph 55 which is replaced by paragraph RDR 55.1 for Tier 2 entities. Therefore, paragraph 56 is reduced for Tier 2 entities.
57 When an entity displays its financial statements or other financial information in a currency that is different from either its	**57 When an entity displays its financial statements or other financial information in a currency that is different from either its**	Paragraph 57 refers to paragraph 55, which is reduced for Tier 2 entities and replace by paragraph RDR 55.1. Therefore, paragraph is reduced for Tier 2 entities and

AASB 121/NZ IAS 21 *The Effects of Changes in Foreign Exchange Rates*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
functional currency or its presentation currency and the requirements of paragraph 55 are not met, it shall: **(a) clearly identify the information as supplementary information to distinguish it from the information that complies with Australian Accounting Standards/IFRSs;** **(b) disclose the currency in which the supplementary information is displayed; and** **(c) disclose the entity's functional currency and the method of translation used to determine the supplementary information.**	**functional currency or its presentation currency and the requirements of paragraph 55 are not met, it shall:** **(a) clearly identify the information as supplementary information to distinguish it from the information that complies with Australian Accounting Standards/IFRSs;** **(b) disclose the currency in which the supplementary information is displayed; and** **(c) disclose the entity's functional currency and the method of translation used to determine the supplementary information.**	new paragraph RDR 57.1 is added.
	RDR 57.1 When an entity displays its financial statements or other financial information in a currency that is different from either its functional currency or its presentation currency and the requirements of paragraph RDR 55.1 are not met, it shall clearly identify the information as supplementary information to distinguish it from the information that complies with Australian Accounting Standards – Reduced Disclosure Requirements/NZ IFRS RDR.	Paragraph RDR 57.1 is added to require Tier 2 entities to clearly identify information as supplementary if it is displayed in a currency that is different from its functional or presentation currency to distinguish that information from information that complies with Australian Accounting Standards – Reduced Disclosure Requirements/NZ IFRS RDR.

AASB 123/NZ IAS 23 *Borrowing Costs*

Current RDR (shaded)	Proposed RDR (shaded)	Comments
Disclosure **26 An entity shall disclose:** **(a) the amount of borrowing costs capitalised during the period; and**	**Disclosure** **26 An entity shall disclose:** **(a) the amount of borrowing costs capitalised during the period; and**	Paragraph 26(a) is a Key Disclosure Area (nature of the transaction or event that makes it significant or material) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 26(a) is kept for Tier 2 entities.
(b) the capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation.	**(b) the capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation.**	Paragraph 26(b) is not a Key Disclosure Area –the costs of providing the disclosure exceed the benefits. Therefore, paragraph 26(b) is reduced for Tier 2 entities.
Aus26.1 A not-for-profit public sector entity shall disclose the accounting policy adopted for borrowing costs.	**Aus26.1 A not-for-profit public sector entity shall disclose the accounting policy adopted for borrowing costs.**	Paragraph Aus26.1 is a Key Disclosure Area (accounting policy on recognition or measurement) – the disclosure requirement in paragraph 117 of AASB 101 is sufficient. Therefore, paragraph Aus26.1 is reduced for Tier 2 entities.

AASB 124/NZ IAS 24 *Related Party Disclosures*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
Disclosures **All entities** **13 Relationships between a parent and its subsidiaries shall be disclosed irrespective of whether there have been transactions between them. An entity shall disclose the name of its parent and, if different, the ultimate controlling party. If neither the entity's parent nor the ultimate controlling party produces consolidated financial statements available for public use, the name of the next most senior parent that does so**	**Disclosures** **All entities** **13 Relationships between a parent and its subsidiaries shall be disclosed irrespective of whether there have been transactions between them. An entity shall disclose the name of its parent and, if different, the ultimate controlling party. If neither the entity's parent nor the ultimate controlling party produces consolidated financial statements available for public use, the name of the next most senior parent that does so**	Paragraph 13 is a Key Disclosure Area (related parties) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 13 is kept for Tier 2 entities.

AASB 124/NZ IAS 24 *Related Party Disclosures*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
shall also be disclosed.	**shall also be disclosed.**	
Aus13.1 When any of the parent entities and/or ultimate controlling parties named in accordance with paragraph 13 is incorporated or otherwise constituted outside Australia, an entity shall: **(a) identify which of those entities is incorporated overseas and where; and** **(c) disclose the name of the ultimate controlling entity incorporated within Australia.**	**Aus13.1 When any of the parent entities and/or ultimate controlling parties named in accordance with paragraph 13 is incorporated or otherwise constituted outside Australia, an entity shall:** **(a) identify which of those entities is incorporated overseas and where; and** **(a) disclose the name of the ultimate controlling entity incorporated within Australia.**	Paragraph Aus13.1 is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph Aus13.1 is reduced for Tier 2 entities (CDA-K).
14 To enable users of financial statements to form a view about the effects of related party relationships on an entity, it is appropriate to disclose the related party relationship when control exists, irrespective of whether there have been transactions between the related parties.	14 To enable users of financial statements to form a view about the effects of related party relationships on an entity, it is appropriate to disclose the related party relationship when control exists, irrespective of whether there have been transactions between the related parties.	Paragraph 14 is guidance for paragraph 13, which is kept for Tier 2 entities. Therefore, paragraph 14 is kept for Tier 2 entities.
15 The requirement to disclose related party relationships between a parent and its subsidiaries is in addition to the disclosure requirements in AASB 127/NZ IAS 27 and AASB 12/NZ IFRS 12 *Disclosure of Interests in Other Entities*.	15 The requirement to disclose related party relationships between a parent and its subsidiaries is in addition to the disclosure requirements in AASB 127/NZ IAS 27 and AASB 12/NZ IFRS 12 *Disclosure of Interests in Other Entities*.	Paragraph 15 is guidance for paragraph 13, which is kept for Tier 2 entities Therefore, paragraph 15 is kept for Tier 2 entities.
16 Paragraph 13 refers to the next most senior parent. This is the first parent in the group above the immediate parent that produces consolidated financial statements available for public use.	16 Paragraph 13 refers to the next most senior parent. This is the first parent in the group above the immediate parent that produces consolidated financial statements available for public use.	In general, guidance for disclosures that are required to be provided by Tier 2 entities is kept. The AASB has decided to reduce some of the guidance for disclosures that are kept for Tier 2 entities, in particular where the guidance is considered to be unnecessary for Tier 2 entities in meeting the related disclosure requirement.This would be reduced in

Comment [VS65]: In general, guidance for disclosures that are required to be provided by Tier 2 entities is kept. The NZASB has decided to keep all of the guidance that relates to disclosures that Tier 2 entities are required to provide.This would be kept in NZ IAS 24. Paragraph 16 is guidance for paragraph 13, which is kept for Tier 2 entities.
Therefore, paragraph 16 is kept for Tier 2 entities.

AASB 124/NZ IAS 24 *Related Party Disclosures*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
		AASB 124 – guidance of a general nature
17 An entity shall disclose key management personnel compensation in total and for each of the following categories: **(a) short-term employee benefits;** **(b) post-employment benefits;** **(c) other long-term benefits;** **(d) termination benefits; and** **(e) share-based payment.**	**17 An entity shall disclose key management personnel compensation in total and for each of the following categories:** **(a) short-term employee benefits;** **(b) post-employment benefits;** **(c) other long-term benefits;** **(d) termination benefits; and** **(e) share-based payment.**	Paragraph 17 is a Key Disclosure Area (related parties) – the benefits of providing the 'in total' disclosure exceed the costs. Therefore, the first part of paragraph 17 is kept for Tier 2 entities. The costs of providing the categories exceed the benefits. Therefore, the rest of paragraph 17 is reduced for Tier 2 entities.
17A If an entity obtains key management personnel services from another entity (the 'management entity'), the entity is not required to apply the requirements in paragraph 17 to the compensation paid or payable by the management entity to the management entity's employees or directors.	**17A If an entity obtains key management personnel services from another entity (the 'management entity'), the entity is not required to apply the requirements in paragraph 17 to the compensation paid or payable by the management entity to the management entity's employees or directors.**	Paragraph 17A clarifies the identification of a related party when key management personnel services are provided by another entity. Therefore, paragraph 17A is kept for Tier 2 entities.

AASB 124/NZ IAS 24 *Related Party Disclosures*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
18 If an entity has had related party transactions during the periods covered by the financial statements, it shall disclose the nature of the related party relationship as well as information about those transactions and outstanding balances, including commitments, necessary for users to understand the potential effect of the relationship on the financial statements. These disclosure requirements are in addition to those in paragraph 17. At a minimum, disclosures shall include: **(a) the amount of the transactions;** **(b) the amount of outstanding balances, including commitments, and:** **(i) their terms and conditions, including whether they are secured, and the nature of the consideration to be provided in settlement; and** **(ii) details of any guarantees given or received;** **(c) provisions for doubtful debts related to the amount of outstanding balances; and** **(d) the expense recognised during the period in respect of bad or doubtful debts due from related parties.**	**18 If an entity has had related party transactions during the periods covered by the financial statements, it shall disclose the nature of the related party relationship as well as information about those transactions and outstanding balances, including commitments, necessary for users to understand the potential effect of the relationship on the financial statements. These disclosure requirements are in addition to those in paragraph 17. At a minimum, disclosures shall include:** **(a) the amount of the transactions;** **(b) the amount of outstanding balances, including commitments, and:** **(i) their terms and conditions, including whether they are secured, and the nature of the consideration to be provided in settlement; and** **(ii) details of any guarantees given or received;** **(c) provisions for doubtful debts related to the amount of outstanding balances; and** **(d) the expense recognised during the period in respect of bad or doubtful debts due from related parties.**	Paragraph 18 is a Key Disclosure Area (related parties) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 18 is kept for Tier 2 entities.
18A Amounts incurred by the entity for the provision of key management personnel services that are provided by a separate	**18A Amounts incurred by the entity for the provision of key management personnel services that are provided by a separate**	Paragraph 18A is a Key Disclosure Area (related parties) – the benefits of providing the disclosure

AASB 124/NZ IAS 24 *Related Party Disclosures*				
Current RDR (shaded)		**Proposed RDR (shaded)**		**Comments**
	management entity shall be disclosed.		**management entity shall be disclosed.**	exceed the costs. Therefore, paragraph 18A is kept for Tier 2 entities.
19	**The disclosures required by paragraph 18 shall be made separately for each of the following categories:** **(a) the parent;** **(b) entities with joint control of, or significant influence over the entity;** **(c) subsidiaries;** **(d) associates;** **(e) joint ventures in which the entity is a joint venturer;** **(f) key management personnel of the entity or its parent; and** **(g) other related parties.**	19	**The disclosures required by paragraph 18 shall be made separately for each of the following categories:** **(a) the parent;** **(b) entities with joint control of, or significant influence over the entity;** **(c) subsidiaries;** **(d) associates;** **(e) joint ventures in which the entity is a joint venturer;** **(f) key management personnel of the entity or its parent; and** **(g) other related parties.**	Paragraph 19 is a Key Disclosure Area (related parties) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 19 is kept for Tier 2 entities.
20	The classification of amounts payable to, and receivable from, related parties in the different categories as required in paragraph 19 is an extension of the disclosure requirement in AASB 101/NZ IAS 1 *Presentation of Financial Statements* for information to be presented either in the statement of financial position or in the notes. The categories are extended to provide a more comprehensive analysis of related party balances and apply to related party transactions.	20	The classification of amounts payable to, and receivable from, related parties in the different categories as required in paragraph 19 is an extension of the disclosure requirement in AASB 101/NZ IAS 1 *Presentation of Financial Statements* for information to be presented either in the statement of financial position or in the notes. The categories are extended to provide a more comprehensive analysis of related party balances and apply to related party transactions.	Paragraph 20 is guidance for paragraph 19, which is kept for Tier 2 entities. Therefore, paragraph 20 is kept for Tier 2 entities.
21	The following are examples of transactions that are disclosed if they are with a related party:	21	The following are examples of transactions that are disclosed if they are with a related party:	Paragraph 21 is guidance about the types of transactions that are disclosed if they are with a related

AASB 124/NZ IAS 24 *Related Party Disclosures*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
(a) purchases or sales of goods (finished or unfinished); (b) purchases or sales of property and other assets; (c) rendering or receiving of services; (d) leases; (e) transfers of research and development; (f) transfers under licence agreements; (g) transfers under finance arrangements (including loans and equity contributions in cash or in kind); (h) provision of guarantees or collateral; (i) commitments to do something if a particular event occurs or does not occur in the future, including executory contracts [footnote omitted] (recognised and unrecognised); and (j) settlement of liabilities on behalf of the entity or by the entity on behalf of that related party.	(a) purchases or sales of goods (finished or unfinished); (b) purchases or sales of property and other assets; (c) rendering or receiving of services; (d) leases; (e) transfers of research and development; (f) transfers under licence agreements; (g) transfers under finance arrangements (including loans and equity contributions in cash or in kind); (h) provision of guarantees or collateral; (i) commitments to do something if a particular event occurs or does not occur in the future, including executory contracts [footnote omitted] (recognised and unrecognised); and (j) settlement of liabilities on behalf of the entity or by the entity on behalf of that related party.	party. Therefore, paragraph 21 is kept Tier 2 entities.
22 Participation by a parent or subsidiary in a defined benefit plan that shares risks between group entities is a transaction between related parties (see paragraph 42 of AASB 119/NZ IAS 19 (as amended in 2011)).	22 Participation by a parent or subsidiary in a defined benefit plan that shares risks between group entities is a transaction between related parties (see paragraph 42 of AASB 119/NZ IAS 19 (as amended in 2011)).	In general, guidance for disclosures that are required to be provided by Tier 2 entities is kept. The AASB has decided to reduce some of the guidance for disclosures that are kept for Tier 2 entities, in particular where the guidance is considered to be unnecessary for Tier 2 entities in meeting the related disclosure requirement. This would be reduced in AASB 124 – guidance of a general nature

Comment [VS66]: In general, guidance for disclosures that are required to be provided by Tier 2 entities is kept. The NZASB has decided to keep all of the guidance that relates to disclosures that Tier 2 entities are required to provide.This would be kept in NZ IAS 24. Paragraph 22 is guidance that explains the related party relationship in a defined benefit plan. Therefore, paragraph 22 is kept for Tier 2 entities.

AASB 124/NZ IAS 24 *Related Party Disclosures*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
23 Disclosures that related party transactions were made on terms equivalent to those that prevail in arm's length transactions are made only if such terms can be substantiated.	23 Disclosures that related party transactions were made on terms equivalent to those that prevail in arm's length transactions are made only if such terms can be substantiated.	Paragraph 23 is guidance regarding disclosures about related party transactions that were made on terms equivalent to the terms in arm's length transactions. Therefore, paragraph 22 is kept for Tier 2 entities.
24 Items of a similar nature may be disclosed in aggregate except when separate disclosure is necessary for an understanding of the effects of related party transactions on the financial statements of the entity.	**24 Items of a similar nature may be disclosed in aggregate except when separate disclosure is necessary for an understanding of the effects of related party transactions on the financial statements of the entity.**	Paragraph 24 is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 24 is reduced for Tier 2 entities.
Government-related entities **25 A reporting entity is exempt from the disclosure requirements of paragraph 18 in relation to related party transactions and outstanding balances, including commitments, with:** **(a) a government that has control or joint control of, or significant influence over, the reporting entity; and** **(b) another entity that is a related party because the same government has control or joint control of, or significant influence over, both the reporting entity and the other entity.**	**Government-related entities** **25 A reporting entity is exempt from the disclosure requirements of paragraph 18 in relation to related party transactions and outstanding balances, including commitments, with:** **(a) a government that has control or joint control of, or significant influence over, the reporting entity; and** **(b) another entity that is a related party because the same government has control or joint control of, or significant influence over, both the reporting entity and the other entity.**	Paragraph 25 provides an exemption from the disclosure requirements in paragraph 18. Therefore, paragraph 25 is kept for Tier 2 entities.
26 If a reporting entity applies the exemption in paragraph 25, it shall disclose the following about the transactions and related outstanding balances referred to in paragraph 25:	**26 If a reporting entity applies the exemption in paragraph 25, it shall disclose the following about the transactions and related outstanding balances referred to in paragraph 25:**	Paragraph 26 is a Key Disclosure Area (related parties) which is required if the entity applies the exemption in paragraph 25 – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 26 is kept for Tier 2 entities.

AASB 124/NZ IAS 24 *Related Party Disclosures*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
(a) the name of the government and the nature of its relationship with the reporting entity (ie control, joint control or significant influence); **(b) the following information in sufficient detail to enable users of the entity's financial statements to understand the effect of related party transactions on its financial statements:** **(i) the nature and amount of each individually significant transaction; and** **(ii) for other transactions that are collectively, but not individually, significant, a qualitative or quantitative indication of their extent. Types of transactions include those listed in paragraph 21.**	**(a) the name of the government and the nature of its relationship with the reporting entity (ie control, joint control or significant influence);** **(b) the following information in sufficient detail to enable users of the entity's financial statements to understand the effect of related party transactions on its financial statements:** **(i) the nature and amount of each individually significant transaction; and** **(ii) for other transactions that are collectively, but not individually, significant, a qualitative or quantitative indication of their extent. Types of transactions include those listed in paragraph 21.**	
27 In using its judgement to determine the level of detail to be disclosed in accordance with the requirements in paragraph 26(b), the reporting entity shall consider the closeness of the related party relationship and other factors relevant in establishing the level of significance of the transaction such as whether it is: (a) significant in terms of size; (b) carried out on non-market terms; (c) outside normal day-to-day business operations, such as the purchase and sale of businesses; (d) disclosed to regulatory or supervisory	27 In using its judgement to determine the level of detail to be disclosed in accordance with the requirements in paragraph 26(b), the reporting entity shall consider the closeness of the related party relationship and other factors relevant in establishing the level of significance of the transaction such as whether it is: (a) significant in terms of size; (b) carried out on non-market terms; (c) outside normal day-to-day business operations, such as the purchase and sale of businesses; (d) disclosed to regulatory or supervisory	Paragraph 27 is guidance for paragraph 26(b), which is kept for Tier 2 entities. Therefore, paragraph 27 is kept for Tier 2 entities.

AASB 124/NZ IAS 24 *Related Party Disclosures*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
authorities; (e) reported to senior management; (f) subject to shareholder approval.	authorities; (e) reported to senior management; (f) subject to shareholder approval.	

AASB 127/NZ IAS 27 *Separate Financial Statements*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
Disclosure	**Disclosure**	
15 An entity shall apply all applicable Australian Accounting Standards/NZ IFRSs when providing disclosures in its separate financial statements, including the requirements in paragraphs 16–17.	**15 An entity shall apply all applicable Australian Accounting Standards/NZ IFRSs when providing disclosures in its separate financial statements, including the requirements in paragraphs 16–17.**	Paragraph 15 is not a disclosure requirement. Therefore, paragraph 15 is kept for Tier 2 entities.
16 When a parent, in accordance with paragraph 4(a) of AASB 10/NZ IFRS 10, elects not to prepare consolidated financial statements and instead prepares separate financial statements, it shall disclose in those separate financial statements: **(a) the fact that the financial statements are separate financial statements; that the exemption from consolidation has been used; the name and principal place of business (and country of incorporation, if different) of the entity whose consolidated financial statements that comply with Australian Accounting Standards/New Zealand equivalents to International**	**16 When a parent, in accordance with paragraph 4(a) of AASB 10/NZ IFRS 10, elects not to prepare consolidated financial statements and instead prepares separate financial statements, it shall disclose in those separate financial statements:** **(a) the fact that the financial statements are separate financial statements; that the exemption from consolidation has been used; the name and principal place of business (and country of incorporation, if different) of the entity whose consolidated financial statements that comply with Australian Accounting Standards/New Zealand equivalents to International**	Paragraph 16(a) is not a Key Disclosure Area. However, the presumption that the costs of providing the disclosure exceed the benefits is rebutted for the first part of paragraph 16(a) because the disclosure provides information about the type of financial statements prepared, and is not costly to provide. Therefore, paragraph 16(a) is kept for Tier 2 entities.

AASB 127/NZ IAS 27 *Separate Financial Statements*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
Financial Reporting Standards have been produced for public use; and the address where those consolidated financial statements are obtainable.	**Financial Reporting Standards have been produced for public use; and the address where those consolidated financial statements are obtainable.**	
(b) a list of significant investments in subsidiaries, joint ventures and associates, including: **(i) the name of those investees.**	**(b) a list of significant investments in subsidiaries, joint ventures and associates, including:** **(i) the name of those investees.**	Paragraph 16(b)(i) is a Key Disclosure Area (related parties) – the benefits of the disclosure exceed the costs. Therefore, paragraph 16(b)(i) is kept for Tier 2 entities.
(ii) the principal place of business (and country of incorporation, if different) of those investees.	**(ii) the principal place of business (and country of incorporation, if different) of those investees.**	Paragraph 16(b)(ii) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 16(b)(ii) is reduced for Tier 2 entities.
(iii) its proportion of the ownership interest (and its proportion of the voting rights, if different) held in those investees.	**(iii) its proportion of the ownership interest (and its proportion of the voting rights, if different) held in those investees.**	Paragraph 16(b)(iii) is not a Key Disclosure Area. However, the presumption that the costs of providing the disclosure exceed the benefits is rebutted because the information helps users to understand the composition of the group. Therefore, paragraph 16(b)(iii) is kept for Tier 2 entities.
(c) a description of the method used to account for the investments listed under (b).	**(c) a description of the method used to account for the investments listed under (b).**	The AASB has decided to rely on the requirement in AASB 101and AASB 108 for disclosures about accounting policies. This would be reduced in AASB 127 - the disclosure requirement in paragraph 117 of AASB 101 is sufficient.
Aus16.1 When a not-for-profit parent, in accordance with paragraphs 4(a), Aus4.1 and	**Aus16.1 When a not-for-profit parent, in accordance with paragraphs 4(a), Aus4.1 and**	

Comment [VS67]: The NZASB has decided to not rely solely on the requirements in NZ IAS 1 and NZ IAS 8 for disclosures about accounting policies. This would be kept in NZ IAS 27. Paragraph 16(c) is a Key Disclosure Area (accounting policy on recognition or measurement) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 16(c) is kept for Tier 2 entities.

AASB 127/NZ IAS 27 *Separate Financial Statements*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
Aus4.2 of AASB 10, elects not to prepare consolidated financial statements and instead prepares separate financial statements, it shall disclose in those separate financial statements the disclosures specified in paragraph 16, with the exception that the reference in paragraph 16(a) to 'International Financial Reporting Standards' is replaced by a reference to 'Australian Accounting Standards'.	**Aus4.2 of AASB 10, elects not to prepare consolidated financial statements and instead prepares separate financial statements, it shall disclose in those separate financial statements the disclosures specified in paragraph 16, with the exception that the reference in paragraph 16(a) to 'International Financial Reporting Standards' is replaced by a reference to 'Australian Accounting Standards'.**	
16A When an investment entity that is a parent (other than a parent covered by paragraph 16) prepares, in accordance with paragraph 8A, 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 AASB 12/NZ IFRS 12 *Disclosure of Interests in Other Entities*.	**16A When an investment entity that is a parent (other than a parent covered by paragraph 16) prepares, in accordance with paragraph 8A, 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 AASB 12/NZ IFRS 12 *Disclosure of Interests in Other Entities*.**	Paragraph 16A is not a Key Disclosure Area. However, the presumption that the costs of providing the disclosure exceed the benefits is rebutted as the fact that the financial statements are separate financial statements and that the exemption from consolidation has been used is useful information and is not costly to provide. Therefore, paragraph 16A is kept for Tier 2 entities.

AASB 127/NZ IAS 27 *Separate Financial Statements*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
17 When a parent (other than a parent covered by paragraphs 16–Aus16.1 or paragraph 16A) or an investor with joint control of, or significant influence over, an investee prepares separate financial statements, the parent or investor shall identify the financial statements prepared in accordance with AASB 10/NZ IFRS 10, AASB 11/NZ IFRS 11 or AASB 128/NZ IAS 28 (as amended in 2011) to which they relate. The parent or investor shall also disclose in its separate financial statements: **(a) the fact that the statements are separate financial statements and the reasons why those statements are prepared if not required by law.**	**17 When a parent (other than a parent covered by paragraphs 16–16A) or an investor with joint control of, or significant influence over, an investee prepares separate financial statements, the parent or investor shall identify the financial statements prepared in accordance with AASB 10/NZ IFRS 10, AASB 11/NZ IFRS 11 or AASB 128/NZ IAS 28 (as amended in 2011) to which they relate. The parent or investor shall also disclose in its separate financial statements:** **(a) the fact that the statements are separate financial statements and the reasons why those statements are prepared if not required by law.**	Paragraph 17(a) is not a Key Disclosure Area. However, the presumption that the costs of providing the disclosure exceed the benefits is rebutted for the first part of paragraph 17(a) because the disclosure provides information about the type of financial statements prepared, and is not costly to provide. Therefore, paragraph 17(a) is kept for Tier 2 entities.
(b) a list of significant investments in subsidiaries, joint ventures and associates, including: **(i) the name of those investees.**	**(b) a list of significant investments in subsidiaries, joint ventures and associates, including:** **(i) the name of those investees.**	Paragraph 17(b)(i) is a Key Disclosure Area (related parties) – the benefits of the disclosure exceed the costs. Therefore, paragraph 17(b)(i) is kept for Tier 2 entities.
(ii) the principal place of business (and country of incorporation, if different) of those investees.	**(ii) the principal place of business (and country of incorporation, if different) of those investees.**	Paragraph 17(b)(ii) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 17(b)(ii) is reduced for Tier 2 entities.
(iii) its proportion of the ownership interest (and its proportion of the voting rights, if different) held in those investees.	**(iii) its proportion of the ownership interest (and its proportion of the voting rights, if different) held in those investees.**	Paragraph 17(b)(iii) is not a Key Disclosure Area. However, the presumption that the costs of providing the disclosure exceed the benefits is rebutted the information helps users to understand the composition

AASB 127/NZ IAS 27 *Separate Financial Statements*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
		of the group. Therefore, paragraph 17(b)(iii) is kept for Tier 2 entities.
(c) a description of the method used to account for the investments listed under (b).	**(c) a description of the method used to account for the investments listed under (b).**	The AASB has decided to rely on the requirement in AASB 101and AASB 108 for disclosures about accounting policies. This would be reduced in AASB 127 - the disclosure requirement in paragraph 117 of AASB 101 is sufficient.
RDR17.1 A parent or an investor with joint control of, or significant influence over, an investee, that prepares separate financial statements applying Australian Accounting Standards – Reduced Disclosure Requirements, shall disclose the methods used to account for the investment when the investment is significant.	~~**RDR17.1 A parent or an investor with joint control of, or significant influence over, an investee, that prepares separate financial statements applying Australian Accounting Standards – Reduced Disclosure Requirements, shall disclose the methods used to account for the investment when the investment is significant.**~~	The AASB has decided to rely on the requirement in AASB 101and AASB 108 for disclosures about accounting policies. Paragraph RDR 17.1 is deleted in AASB 127. The disclosure requirement in paragraph 117 of AASB 101 is sufficient.

Comment [VS68]: The NZASB has decided to not rely solely on the requirements in NZ IAS 1 and NZ IAS 8 for disclosures about accounting policies. This would be kept in NZ IAS 27. Paragraph 17(c) is a Key Disclosure Area (accounting policy on recognition or measurement) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 17(c) is kept for Tier 2 entities.

AASB 129/NZ IAS 29 *Financial Reporting in Hyperinflationary Economies*		
Current RDR	**Proposed RDR**	**Comments**
Disclosures **39 The following disclosures shall be made:** **(a) the fact that the financial statements and the corresponding figures for previous periods have been restated for the changes in the general purchasing**	**Disclosures** **39 The following disclosures shall be made:** **(a) the fact that the financial statements and the corresponding figures for previous periods have been restated for the changes in the general purchasing**	Paragraph 39 is a Key Disclosure Area (current liquidity and solvency) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 39 is kept for Tier 2 entities.

AASB 129/NZ IAS 29 ***Financial Reporting in Hyperinflationary Economies***		
Current RDR	**Proposed RDR**	**Comments**
power of the functional currency and, as a result, are stated in terms of the measuring unit current at the end of the reporting period; **(b) whether the financial statements are based on a historical cost approach or a current cost approach; and** **(c) the identity and level of the price index at the end of the reporting period and the movement in the index during the current and the previous reporting period.**	**power of the functional currency and, as a result, are stated in terms of the measuring unit current at the end of the reporting period;** **(b) whether the financial statements are based on a historical cost approach or a current cost approach; and** **(c) the identity and level of the price index at the end of the reporting period and the movement in the index during the current and the previous reporting period.**	
40 The disclosures required by this Standard are needed to make clear the basis of dealing with the effects of inflation in the financial statements. They are also intended to provide other information necessary to understand that basis and the resulting amounts.	40 The disclosures required by this Standard are needed to make clear the basis of dealing with the effects of inflation in the financial statements. They are also intended to provide other information necessary to understand that basis and the resulting amounts.	Paragraph 40 is guidance of a general nature. Therefore, paragraph 40 is reduced for Tier 2 entities.

AASB 134/NZ IAS 34 ***Interim Financial Reporting***		
Current RDR	**Proposed RDR**	**Comments**
Significant events and transactions 15 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	**Significant events and transactions** 15 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	Paragraph 15 is a Key Disclosure Area (nature of transaction or event that makes it significant) – the benefits of providing the disclosure exceed the costs.

AASB 134/NZ IAS 34 *Interim Financial Reporting*		
Current RDR	**Proposed RDR**	**Comments**
reporting period. Information disclosed in relation to those events and transactions shall update the relevant information presented in the most recent annual financial report.	reporting period. Information disclosed in relation to those events and transactions shall update the relevant information presented in the most recent annual financial report.	Therefore, paragraph 15 is kept for Tier 2 entities.
15A A user of an entity's interim financial report will have access to the most recent annual financial report of that entity. Therefore, it is unnecessary for the notes to an interim financial report to provide relatively insignificant updates to the information that was reported in the notes in the most recent annual financial report.	15A A user of an entity's interim financial report will have access to the most recent annual financial report of that entity. Therefore, it is unnecessary for the notes to an interim financial report to provide relatively insignificant updates to the information that was reported in the notes in the most recent annual financial report.	In general, guidance for disclosures that are required to be provided by Tier 2 entities is kept. The AASB has decided to reduce some of the guidance for disclosures that are kept for Tier 2 entities, in particular where the guidance is considered to be unnecessary for Tier 2 entities in meeting the related disclosure requirement.This would be reduced in AASB 134 – guidance of a general nature
15B The following is a list of events and transactions for which disclosures would be required if they are significant: the list is not exhaustive. (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,	15B The following is a list of events and transactions for which disclosures would be required if they are significant: the list is not exhaustive. (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,	Paragraph 15B is guidance for paragraph 15, which is kept for Tier 2 entities. Therefore, paragraph 15B is kept for Tier 2 entities.

Comment [VS69]: In general, guidance for disclosures that are required to be provided by Tier 2 entities is kept. The NZASB has decided to keep all of the guidance that relates to disclosures that Tier 2 entities are required to provide.This would be kept in AASB 134. Paragraph 15A is guidance for paragraph 15, which is kept for Tier 2 entities.
Therefore, paragraph 15A is kept for Tier 2 entities.

AASB 134/NZ IAS 34 *Interim Financial Reporting*		
Current RDR	**Proposed RDR**	**Comments**
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 (m) changes in contingent liabilities or contingent assets.	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 (m) changes in contingent liabilities or contingent assets.	
15C Individual Australian Accounting Standards/NZ IFRSs provide guidance regarding disclosure requirements for many of the items listed in paragraph 15B. 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	15C Individual Australian Accounting Standards/NZ IFRSs provide guidance regarding disclosure requirements for many of the items listed in paragraph 15B. 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	Paragraph 15C is guidance for paragraph 15B, which is kept for Tier 2 entities. Therefore, paragraph 15C is kept for Tier 2 entities.

AASB 134/NZ IAS 34 *Interim Financial Reporting*		
Current RDR	**Proposed RDR**	**Comments**
of the last annual reporting period. 16 [Deleted by IASB]	of the last annual reporting period. 16 [Deleted by IASB]	
Other disclosures **16A In addition to disclosing significant events and transactions in accordance with paragraphs 15–15C, 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.** **(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.**	**Other disclosures** **16A In addition to disclosing significant events and transactions in accordance with paragraphs 15–15C, 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.** **(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.**	Paragraph 16A(a) is not a Key Disclosure Area. However, the presumption that the costs of providing the disclosure exceed the benefits is rebutted because it is important for users to know that the same accounting policies and methods of computation are followed in the annual and interim financial statements. Therefore, paragraph 16A(a) is kept for Tier 2 entities.

AASB 134/NZ IAS 34 *Interim Financial Reporting*		
Current RDR	**Proposed RDR**	**Comments**
(b) explanatory comments about the seasonality or cyclicality of interim operations.	**(b) explanatory comments about the seasonality or cyclicality of interim operations.**	Paragraph 16A(b) is a Key Disclosure Area (nature of transaction or event that makes it significant or material) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 16A(b) is kept for Tier 2 entities.
(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.	**(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.**	Paragraph 16A(c) is a Key Disclosure Area (nature of transaction or event that makes it significant or material) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 16A(c) is kept for Tier 2 entities.
(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.	**(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.**	Paragraph 16A(d) is a Key Disclosure Area (nature of transaction or event that makes it significant or material) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 16A(d) is kept for Tier 2 entities.
(e) issues, repurchases and repayments of debt and equity securities.	**(e) issues, repurchases and repayments of debt and equity securities.**	Paragraph 16A(e) is a Key Disclosure Area (current liquidity and solvency) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 16A(e) is kept for Tier 2 entities.
(f) dividends paid (aggregate or per share) separately for ordinary shares and other shares.	**(f) dividends paid (aggregate or per share) separately for ordinary shares and other shares.**	Paragraph 16A(f) is a Key Disclosure Area (nature of transaction or event) – the benefits of providing the disclosure exceed the costs except for the requirement to disclose dividends per share. Therefore, paragraph 16A(f) is kept for Tier 2

AASB 134/NZ IAS 34 ***Interim Financial Reporting***		
Current RDR	**Proposed RDR**	**Comments**
		entities except for the shaded words.
(g) the following segment information (disclosure of segment information is required in an entity's interim financial report only if AASB 8/NZ IFRS 8 ***Operating Segments*** **requires that entity to disclose segment information in its annual financial statements):** **(i) revenues from external customers, if included in the measure of segment profit or loss reviewed by the chief operating decision maker or otherwise regularly provided to the chief operating decision maker.** **(ii) intersegment revenues, if included in the measure of segment profit or loss reviewed by the chief operating decision maker or otherwise regularly provided to the chief operating decision maker.** **(iii) a measure of segment profit or loss.** **(iv) a measure of total assets and liabilities for a particular reportable segment if such amounts are regularly provided to the chief operating decision maker and if there has been a material change from the amount disclosed in the last annual**	**(g) the following segment information (disclosure of segment information is required in an entity's interim financial report only if AASB 8/NZ IFRS 8** ***Operating Segments*** **requires that entity to disclose segment information in its annual financial statements):** **(i) revenues from external customers, if included in the measure of segment profit or loss reviewed by the chief operating decision maker or otherwise regularly provided to the chief operating decision maker.** **(ii) intersegment revenues, if included in the measure of segment profit or loss reviewed by the chief operating decision maker or otherwise regularly provided to the chief operating decision maker.** **(iii) a measure of segment profit or loss.** **(iv) a measure of total assets and liabilities for a particular reportable segment if such amounts are regularly provided to the chief operating decision maker and if there has been a material change from the amount disclosed in the last annual**	Paragraph 16A(g) refers to AASB 8/NZ IFRS 8, which does not apply to Tier 2 entities. Therefore paragraph 16A(g) is reduced for Tier 2 entities.

AASB 134/NZ IAS 34 ***Interim Financial Reporting***		
Current RDR	**Proposed RDR**	**Comments**
financial statements for that reportable segment. **(v) a description of differences from the last annual financial statements in the basis of segmentation or in the basis of measurement of segment profit or loss.** **(vi) a reconciliation of the total of the reportable segments' measures of profit or loss to the entity's profit or loss before tax expense (tax income) and discontinued operations. However, if an entity allocates to reportable segments items such as tax expense (tax income), the entity may reconcile the total of the segments' measures of profit or loss to profit or loss after those items. Material reconciling items shall be separately identified and described in that reconciliation.**	**financial statements for that reportable segment.** **(v) a description of differences from the last annual financial statements in the basis of segmentation or in the basis of measurement of segment profit or loss.** **(vi) a reconciliation of the total of the reportable segments' measures of profit or loss to the entity's profit or loss before tax expense (tax income) and discontinued operations. However, if an entity allocates to reportable segments items such as tax expense (tax income), the entity may reconcile the total of the segments' measures of profit or loss to profit or loss after those items. Material reconciling items shall be separately identified and described in that reconciliation.**	
(h) events after the interim period that have not been reflected in the financial statements for the interim period.	**(h) events after the interim period that have not been reflected in the financial statements for the interim period.**	Paragraph 16A(h) is a Key Disclosure Area (subsequent events) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 16A(h) is kept for Tier 2 entities.
(i) the effect of changes in the composition of the entity during the interim period, including business combinations,	**(i) the effect of changes in the composition of the entity during the interim period, including business combinations,**	Paragraph 16A(i) is a not a Key Disclosure Area. However, the presumption that the costs of providing the disclosure exceed the benefits is

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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 required by AASB 3/NZ IFRS 3 *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 required by AASB 3/NZ IFRS 3 *Business Combinations*.**	rebutted for the first part of the first sentence because this information explains the impact on the financial statements of changes in the composition of the group. Therefore, paragraph 16A(i) is kept for Tier 2 entities.
(j) for financial instruments, the disclosures about fair value required by paragraphs 91–93(h), 94–96, 98 and 99 of AASB 13/NZ IFRS 13 *Fair Value Measurement* and paragraphs 25, 26 and 28–30 of AASB 7/NZ IFRS 7 *Financial Instruments: Disclosures*.	**(j) for financial instruments, the disclosures about fair value required by paragraphs 91–93(h), 94–96, 98 and 99 of AASB 13/NZ IFRS 13 *Fair Value Measurement* and paragraphs 25, 26 and 28–30 of AASB 7/NZ IFRS 7 *Financial Instruments: Disclosures*.**	Paragraph 16A(j) requires disclosures in AASB 13/NZ IFRS 13 (most of which are reduced for Tier 2 entities) and AASB 7/NZ IFRS 7 (all of which are reduced for Tier 2 entities). Therefore, paragraph 16A(j) is reduced for Tier 2 entities because most of the disclosures referred to are reduced for Tier 2 entities.
(k) for entities becoming, or ceasing to be, investment entities, as defined in AASB 10/NZ IFRS 10 *Consolidated Financial Statements*, the disclosures in AASB 12/NZ IFRS 12 *Disclosure of Interests in Other Entities* paragraph 9B.	**(k) for entities becoming, or ceasing to be, investment entities, as defined in AASB 10/NZ IFRS 10 *Consolidated Financial Statements*, the disclosures in AASB 12/NZ IFRS 12 *Disclosure of Interests in Other Entities* paragraph 9B.**	Paragraph 16A(k) requires the disclosures in paragraph 9B of AASB 12/NZ IFRS 12, which is kept for Tier 2 entities. Therefore, paragraph 16A(k) is kept for Tier 2 entities.
(l) the disaggregation of revenue from contracts with customers required by paragraphs 114–115 of AASB 15/NZ IFRS 15 *Revenue from Contracts with Customers*.	**(l) the disaggregation of revenue from contracts with customers required by paragraphs 114–115 of AASB 15/NZ IFRS 15 *Revenue from Contracts with Customers*.**	Paragraph 15A(l) requires the disaggregation of revenue in accordance with paragraph 114 (which is kept for Tier 2 entities) and paragraph 115 (which is reduced for Tier 2 entities because it refers to AASB 8/NZ IFRS 8) of AASB 15/NZ IFRS 15. Therefore, paragraph 16A(k), except for the reference to paragraph 115 of AASB 15/NZ IFRS 15, is kept for Tier 2 entities.

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17–18 [Deleted by IASB]	17–18 [Deleted by IASB]	
Disclosure of compliance with IFRSs 19 **If an entity's interim financial report is in compliance with this Standard/IAS 34, that fact shall be disclosed. An interim financial report shall not be described as complying with Australian Accounting Standards/IFRSs unless it complies with all the requirements of Australian Accounting Standards/IFRSs. [Paragraph 19 of IAS 34 amended by the FRSB to clarify that the paragraph refers to IAS 34.]**	**Disclosure of compliance with Australian Accounting Standards** **19 If an entity's interim financial report is in compliance with this Standard/IAS 34, that fact shall be disclosed. An interim financial report shall not be described as complying with Australian Accounting Standards/IFRSs unless it complies with all the requirements of Australian Accounting Standards/IFRSs. [Paragraph 19 of IAS 34 amended by the FRSB to clarify that the paragraph refers to IAS 34.]**	Paragraph 19 requires a statement of compliance with IAS 34 as it applies to Tier 1 entities. Therefore, paragraph 19 is reduced for Tier 2 entities.
Australia **RDR19.1 If an entity's interim financial report is in compliance with this Standard as it applies to entities applying the Australian Accounting Standards – Reduced Disclosure Requirements, that fact shall be disclosed. An interim financial report shall not be described as complying with Australian Accounting Standards – Reduced Disclosure Requirements unless it complies with all of the requirements of Australian Accounting Standards – Reduced Disclosure Requirements.**	**Australia** **RDR19.1 If an entity's interim financial report is in compliance with this Standard as it applies to entities applying the Australian Accounting Standards – Reduced Disclosure Requirements, that fact shall be disclosed. An interim financial report shall not be described as complying with Australian Accounting Standards – Reduced Disclosure Requirements unless it complies with all of the requirements of Australian Accounting Standards – Reduced Disclosure Requirements.**	Paragraph RDR 19.1 is not a Key Disclosure Area. However, the presumption that the costs of providing the disclosure exceed the benefits is rebutted because the disclosure provides information about the framework under which the entity is reporting. Therefore, paragraph RDR 19.1 is kept for Tier 2 entities.
New Zealand **NZ 19.1 If an entity's interim financial report is in compliance with this Standard, that fact shall be disclosed. An entity's interim financial report shall not be described as**	**New Zealand** **NZ 19.1 If an entity's interim financial report is in compliance with this Standard, that fact shall be disclosed. An entity's interim financial report shall not be described as complying**	Paragraph NZ 19.1 requires a statement of compliance with NZ IAS 34 as it applies to Tier 1 entities.

Comment [MS2/870]: NZ IAS 34 includes an explicit cross reference to IAS 34

Comment [MS2/871]: NZ IAS 34 includes an additional sentence -. [Paragraph 19 of IAS 34 amended by the FRSB to clarify that the paragraph refers to IAS 34.]

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complying with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) unless is complies with all the requirements of NZ IFRS.	**with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) unless is complies with all the requirements of NZ IFRS.**	Therefore, paragraph NZ 19.1 is reduced for Tier 2 entities.
New Zealand **RDR 19.2 If an entity's interim financial report is in compliance with this Standard as it applies to Tier 2 entities, that fact shall be disclosed. An interim financial report shall not be described as complying with New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Regime (NZ IFRS RDR) unless it complies with all the requirements of NZ IFRS RDR.**	**New Zealand** **RDR 19.2 If an entity's interim financial report is in compliance with this Standard as it applies to Tier 2 entities, that fact shall be disclosed. An interim financial report shall not be described as complying with New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Regime (NZ IFRS RDR) unless it complies with all the requirements of NZ IFRS RDR.**	Paragraph RDR 19.2 is not a Key Disclosure Area. However, the presumption that the costs of providing the disclosure exceed the benefits is rebutted because the disclosure provides information about the framework under which the entity is reporting. Therefore, paragraph RDR 19.1 is kept for Tier 2 entities.
21 For an entity whose business is highly seasonal, financial information for the twelve months up to the end of the interim period and comparative information for the prior twelve-month period may be useful. Accordingly, entities whose business is highly seasonal are encouraged to consider reporting such information in addition to the information called for in the preceding paragraph.	21 For an entity whose business is highly seasonal, financial information for the twelve months up to the end of the interim period and comparative information for the prior twelve-month period may be useful. Accordingly, entities whose business is highly seasonal are encouraged to consider reporting such information in addition to the information called for in the preceding paragraph.	Paragraph 21 encourages a disclosure. Therefore paragraph 21 is reduced for Tier 2 entities.

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Disclosure in annual financial statements **26 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.**	**Disclosure in annual financial statements** **26 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.**	Paragraph 26 is a Key Disclosure Area (significant estimates and judgements specific to a transaction or event) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 26 is kept for Tier 2 entities.
27 AASB 8/NZ IAS 8 requires disclosure of the nature and (if practicable) the amount of a change in estimate that either has a material effect in the current period or is expected to have a material effect in subsequent periods. Paragraph 16A(d) of this Standard requires similar disclosure in an interim financial report. Examples include changes in estimate in the final interim period relating to inventory write-downs, restructurings, or impairment losses that were reported in an earlier interim period of the financial year. The disclosure required by the preceding paragraph is consistent with the AASB 8/NZ IAS 8 requirement and is intended to be narrow in scope—relating only to the change in estimate. An entity is not required to include additional interim period financial information in its annual financial statements.	27 AASB 8/NZ IAS 8 requires disclosure of the nature and (if practicable) the amount of a change in estimate that either has a material effect in the current period or is expected to have a material effect in subsequent periods. Paragraph 16A(d) of this Standard requires similar disclosure in an interim financial report. Examples include changes in estimate in the final interim period relating to inventory write-downs, restructurings, or impairment losses that were reported in an earlier interim period of the financial year. The disclosure required by the preceding paragraph is consistent with the AASB 8/NZ IAS 8 requirement and is intended to be narrow in scope—relating only to the change in estimate. An entity is not required to include additional interim period financial information in its annual financial statements.	Paragraph 27 is guidance for paragraph 26, which is kept for Tier 2 entities, and it also refers to AASB 108/NZ IAS 8 for disclosures about changes in estimates. Therefore, paragraph 27 is kept for Tier 2 entities.

AASB 136/NZ IAS 36 *Impairment of Assets*

Current RDR	Proposed RDR	Comments
Disclosure **126 An entity shall disclose the following for each class of assets:** **(a) the amount of impairment losses recognised in profit or loss during the period and the line item(s) of the statement of comprehensive income in which those impairment losses are included.** **(b) the amount of reversals of impairment losses recognised in profit or loss during the period and the line item(s) of the statement of comprehensive income in which those impairment losses are reversed.** **(c) the amount of impairment losses on revalued assets recognised in other comprehensive income during the period.** **(d) the amount of reversals of impairment losses on revalued assets recognised in other comprehensive income during the period.**	**Disclosure** **126 An entity shall disclose the following for each class of assets:** **(a) the amount of impairment losses recognised in profit or loss during the period and the line item(s) of the statement of comprehensive income in which those impairment losses are included.** **(b) the amount of reversals of impairment losses recognised in profit or loss during the period and the line item(s) of the statement of comprehensive income in which those impairment losses are reversed.** **(c) the amount of impairment losses on revalued assets recognised in other comprehensive income during the period.** **(d) the amount of reversals of impairment losses on revalued assets recognised in other comprehensive income during the period.**	Paragraph 126 is a Key Disclosure Area (impairment) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 126 is kept for Tier 2 entities.
127 A class of assets is a grouping of assets of similar nature and use in an entity's operations.	127 A class of assets is a grouping of assets of similar nature and use in an entity's operations.	Paragraph 127 is guidance for paragraph 126, which is kept for Tier 2 entities. Therefore, paragraph 127 is kept for Tier 2 entities.
128 The information required in paragraph 126 may be presented with other information disclosed for the class of assets. For example, this information may be included in a reconciliation of the carrying amount of property, plant and equipment, at the beginning and end of the	128 The information required in paragraph 126 may be presented with other information disclosed for the class of assets. For example, this information may be included in a reconciliation of the carrying amount of property, plant and equipment, at the beginning and end of the period,	The first sentence of paragraph 128 is guidance for paragraph 126, which is kept for Tier 2 entities. However, Tier 2 entities are not required to prepare a reconciliations of opening and closing balances. Therefore, the first sentence of paragraph 128 is kept for Tier 2 entities and the remainder of

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period, as required by AASB 116/NZ IAS 16.	as required by AASB 116/NZ IAS 16.	paragraph 128 is reduced for Tier 2 entities.
129 An entity that reports segment information in accordance with AASB 8/NZ IFRS 8 shall disclose the following for each reportable segment: **(a) the amount of impairment losses recognised in profit or loss and in other comprehensive income during the period.** **(b) the amount of reversals of impairment losses recognised in profit or loss and in other comprehensive income during the period.**	**129 An entity that reports segment information in accordance with AASB 8/NZ IFRS 8 shall disclose the following for each reportable segment:** **(a) the amount of impairment losses recognised in profit or loss and in other comprehensive income during the period.** **(b) the amount of reversals of impairment losses recognised in profit or loss and in other comprehensive income during the period.**	Paragraph 129 refers to AASB 8/NZ IFRS 8, which is not relevant for Tier 2 entities. Therefore, paragraph 129 is reduced for Tier 2 entities.
130 An entity shall disclose the following for an individual asset (including goodwill) or a cash-generating unit, for which an impairment loss has been recognised or reversed during the period: **(a) the events and circumstances that led to the recognition or reversal of the impairment loss.** **(b) the amount of the impairment loss recognised or reversed.**	**130 An entity shall disclose the following for an individual asset (including goodwill) or a cash-generating unit, for which an impairment loss has been recognised or reversed during the period:** **(a) the events and circumstances that led to the recognition or reversal of the impairment loss.** **(b) the amount of the impairment loss recognised or reversed.**	Paragraphs 130(a) and (b) are a Key Disclosure Area (impairment) – the benefits of providing the disclosure exceed the costs. Therefore, paragraphs 130(a) and (b) are kept for Tier 2 entities.

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(c) for an individual asset: **(i) the nature of the asset; and** **(ii) if the entity reports segment information in accordance with AASB 8/NZ IFRS 8, the reportable segment to which the asset belongs.**	**(c) for an individual asset:** **(i) the nature of the asset; and** **(ii) if the entity reports segment information in accordance with AASB 8/NZ IFRS 8, the reportable segment to which the asset belongs.**	Paragraph 130(c) is a Key Disclosure Area (impairment) – the benefits of providing the disclosure exceed the costs. However, the reference to AASB 8/NZ IFRS 8 in paragraph 130(c)(ii) is not relevant for Tier 2 entities. Therefore, paragraph 130(c)(i) is kept for Tier 2 entities and paragraph 130(c)(ii) is reduced for Tier 2 entities.
(d) for a cash-generating unit: **(i) a description of the cash-generating unit (such as whether it is a product line, a plant, a business operation, a geographical area, or a reportable segment as defined in AASB 8/NZ IFRS 8);** **(ii) the amount of the impairment loss recognised or reversed by class of assets and, if the entity reports segment information in accordance with AASB 8/NZ IFRS 8, by reportable segment; and**	**(d) for a cash-generating unit:** **(i) a description of the cash-generating unit (such as whether it is a product line, a plant, a business operation, a geographical area, or a reportable segment as defined in AASB 8/NZ IFRS 8);** **(ii) the amount of the impairment loss recognised or reversed by class of assets and, if the entity reports segment information in accordance with AASB 8/NZ IFRS 8, by reportable segment; and**	Paragraphs 130(d)(i) and (ii) are a Key Disclosure Area (impairment) – the benefits of providing the disclosure exceed the costs. However, the reference to AASB 8/NZ IFRS 8 in paragraph 130(d)(i) and (ii) is not relevant for Tier 2 entities. Therefore, paragraphs 130(d)(i) and (ii) are kept for Tier 2 entities except for the reference to AASB 8/NZ IFRS 8, which is not relevant for Tier 2 entities.
(iii) if the aggregation of assets for identifying the cash-generating unit has changed since the previous estimate of the cash-generating unit's recoverable amount (if any), a description of the current and former way of aggregating assets and the	**(iii) if the aggregation of assets for identifying the cash-generating unit has changed since the previous estimate of the cash-generating unit's recoverable amount (if any), a description of the current and former way of aggregating assets and the**	Paragraph 130(d)(iii) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 130(d)(iii) is reduced for Tier 2 entities.

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reasons for changing the way the cash-generating unit is identified.	**reasons for changing the way the cash-generating unit is identified.**	
(e) the recoverable amount of the asset (cash-generating unit) and whether the recoverable amount of the asset (cash-generating unit) is its fair value less costs of disposal or its value in use.	**(e) the recoverable amount of the asset (cash-generating unit) and whether the recoverable amount of the asset (cash-generating unit) is its fair value less costs of disposal or its value in use.**	Paragraph 130(e) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 130(e) is reduced for Tier 2 entities.
(f) if the recoverable amount is fair value less costs of disposal, the entity shall disclose the following information: **(i) the level of the fair value hierarchy (see AASB 13/NZ IFRS 13) within which the fair value measurement of the asset (cash-generating unit) is categorised in its entirety (without taking into account whether the 'costs of disposal' are observable);**	**(f) if the recoverable amount is fair value less costs of disposal, the entity shall disclose the following information:** **(i) the level of the fair value hierarchy (see AASB 13/NZ IFRS 13) within which the fair value measurement of the asset (cash-generating unit) is categorised in its entirety (without taking into account whether the 'costs of disposal' are observable);**	Paragraph 130(f)(i) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore paragraph 130(f)(i) is reduced for Tier 2 entities.
(ii) for fair value measurements categorised within Level 2 and Level 3 of the fair value hierarchy, a description of the valuation technique(s) used to measure fair value less costs of disposal. If there has been a change in valuation technique, the entity shall disclose that change and the reason(s) for making it; and	**(ii) for fair value measurements categorised within Level 2 and Level 3 of the fair value hierarchy, a description of the valuation technique(s) used to measure fair value less costs of disposal. If there has been a change in valuation technique, the entity shall disclose that change and the reason(s) for making it; and**	Paragraph 130(f)(ii) refers indirectly to paragraph 93(d) of AASB 13/NZ IFRS 13 which is reduced for Tier 2 entities. Therefore paragraph 130(f)(ii) is reduced for Tier 2 entities.

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(iii) for fair value measurements categorised within Level 2 and Level 3 of the fair value hierarchy, each key assumption on which management has based its determination of fair value less costs of disposal. Key assumptions are those to which the asset's (cash-generating unit's) recoverable amount is most sensitive. The entity shall also disclose the discount rate(s) used in the current measurement and previous measurement if fair value less costs of disposal is measured using a present value technique.	**(iii) for fair value measurements categorised within Level 2 and Level 3 of the fair value hierarchy, each key assumption on which management has based its determination of fair value less costs of disposal. Key assumptions are those to which the asset's (cash-generating unit's) recoverable amount is most sensitive. The entity shall also disclose the discount rate(s) used in the current measurement and previous measurement if fair value less costs of disposal is measured using a present value technique.**	Paragraph 130(f)(iii) is a Key Disclosure Area (associated risks specific to a transaction or event) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 130(f)(iii) is kept for Tier 2 entities.
(g) if recoverable amount is value in use, the discount rate(s) used in the current estimate and previous estimate (if any) of value in use.	**(g) if recoverable amount is value in use, the discount rate(s) used in the current estimate and previous estimate (if any) of value in use.**	Paragraph 130(g) is a Key Disclosure Area (associated significant estimates and judgements specific to a transaction or event) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 130(g) is kept for Tier 2 entities.
131 An entity shall disclose the following information for the aggregate impairment losses and the aggregate reversals of impairment losses recognised during the period for which no information is disclosed in accordance with paragraph 130: **(a) the main classes of assets affected by impairment losses and the main classes**	**131 An entity shall disclose the following information for the aggregate impairment losses and the aggregate reversals of impairment losses recognised during the period for which no information is disclosed in accordance with paragraph 130:** **(a) the main classes of assets affected by impairment losses and the main classes**	Paragraph 131 is a Key Disclosure Area (impairment) – the benefits of providing the disclosure exceed the costs. However, the disclosure requirements in paragraph 130 are sufficient. Therefore, paragraph 131 is reduced for Tier 2 entities.

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of assets affected by reversals of impairment losses. **(b) the main events and circumstances that led to the recognition of these impairment losses and reversals of impairment losses.**	**of assets affected by reversals of impairment losses.** **(b) the main events and circumstances that led to the recognition of these impairment losses and reversals of impairment losses.**	
132 An entity is encouraged to disclose assumptions used to determine the recoverable amount of assets (cash-generating units) during the period. However, paragraph 134 requires an entity to disclose information about the estimates used to measure the recoverable amount of a cash-generating unit when goodwill or an intangible asset with an indefinite useful life is included in the carrying amount of that unit.	132 An entity is encouraged to disclose assumptions used to determine the recoverable amount of assets (cash-generating units) during the period. However, paragraph 134 requires an entity to disclose information about the estimates used to measure the recoverable amount of a cash-generating unit when goodwill or an intangible asset with an indefinite useful life is included in the carrying amount of that unit.	The first part of paragraph 132 encourages, rather than requires, disclosure. The second part of paragraph 132 explains that despite the first part of paragraph 132 encouraging disclosure, paragraph 134 specifies some disclosures that are required. Therefore, paragraph 132 is reduced for Tier 2 entities.
133 If, in accordance with paragraph 84, 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.	**133 If, in accordance with paragraph 84, 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.**	Paragraph 133 is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 133 is reduced for Tier 2 entities.
Estimates used to measure recoverable amounts of cash-generating units containing goodwill or intangible assets with indefinite useful lives **134 An entity shall disclose the information required by (a)–(f) for each cash-generating unit (group of units) for which the carrying**	**Estimates used to measure recoverable amounts of cash-generating units containing goodwill or intangible assets with indefinite useful lives** **134 An entity shall disclose the information required by (a)–(f) for each cash-generating unit (group of units) for which the carrying**	Paragraphs 134(a)–(c) are not a Key Disclosure Area –the costs of providing the disclosure exceed the benefits.

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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)**	**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)**	Therefore, paragraphs 134(a)–(c) are reduced for Tier 2 entities.
(b) the carrying amount of intangible assets with indefinite useful lives 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 (ie value in use or fair value less costs of disposal).	**(c) the basis on which the unit's (group of units') recoverable amount has been determined (ie 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: **(i) each key assumption on which management has based its cash flow projections for the period covered by the most recent budgets/forecasts. Key assumptions are those to which the unit's (group of units') recoverable amount is most sensitive.** **(ii) a description of management's approach to determining the**	**(d) if the unit's (group of units') recoverable amount is based on value in use:** **(i) each key assumption on which management has based its cash flow projections for the period covered by the most recent budgets/forecasts. Key assumptions are those to which the unit's (group of units') recoverable amount is most sensitive.** **(ii) a description of management's approach to determining the**	Paragraph 134(d) is a Key Disclosure Area (associated significant estimates and judgements specific to a transaction or event) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 134(d) is kept for Tier 2 entities.

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value(s) assigned to each key assumption, whether those value(s) reflect past experience or, if appropriate, are consistent with external sources of information, and, if not, how and why they differ from past experience or external sources of information.	**value(s) assigned to each key assumption, whether those value(s) reflect past experience or, if appropriate, are consistent with external sources of information, and, if not, how and why they differ from past experience or external sources of information.**	
(iii) the period over which management has projected cash flows based on financial budgets/forecasts approved by management and, when a period greater than five years is used for a cash-generating unit (group of units), an explanation of why that longer period is justified.	**(iii) the period over which management has projected cash flows based on financial budgets/forecasts approved by management and, when a period greater than five years is used for a cash-generating unit (group of units), an explanation of why that longer period is justified.**	
(iv) the growth rate used to extrapolate cash flow projections beyond the period covered by the most recent budgets/forecasts, and the justification for using any growth rate that exceeds the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market to which the unit (group of units) is dedicated.	**(iv) the growth rate used to extrapolate cash flow projections beyond the period covered by the most recent budgets/forecasts, and the justification for using any growth rate that exceeds the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market to which the unit (group of units) is dedicated.**	

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(v) the discount rate(s) applied to the cash flow projections.	**(v) the discount rate(s) applied to the cash flow projections.**	
(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 AASB 13/NZ IFRS 13. 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 the following information:	**(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 AASB 13/NZ IFRS 13. 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 the following information:**	Paragraph 134(e) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 134(e) is reduced for Tier 2 entities.
(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.	**(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) a description of management's approach to determining the value (or values) assigned to each key assumption, whether those values reflect past experience or, if appropriate, are consistent with external sources of information, and, if not, how and why they differ from past experience or	**(ii) a description of management's approach to determining the value (or values) assigned to each key assumption, whether those values reflect past experience or, if appropriate, are consistent with external sources of information, and, if not, how and why they differ from past experience or**	

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external sources of information.	**external sources of information.**	
(iiA) the level of the fair value hierarchy (see AASB 13/NZ IFRS 13) within which the fair value measurement is categorised in its entirety (without giving regard to the observability of 'costs of disposal'). **(iiB) if there has been a change in valuation technique, the change and the reason(s) for making it.**	**(iiA) the level of the fair value hierarchy (see AASB 13/NZ IFRS 13) within which the fair value measurement is categorised in its entirety (without giving regard to the observability of 'costs of disposal').** **(iiB) if there has been a change in valuation technique, the change and the reason(s) for making it.**	
If fair value less costs of disposal is measured using discounted cash flow projections, an entity shall disclose the following information: **(iii) the period over which management has projected cash flows.** **(iv) the growth rate used to extrapolate cash flow projections.** **(v) the discount rate(s) applied to the cash flow projections.**	**If fair value less costs of disposal is measured using discounted cash flow projections, an entity shall disclose the following information:** **(iii) the period over which management has projected cash flows.** **(iv) the growth rate used to extrapolate cash flow projections.** **(v) the discount rate(s) applied to the cash flow projections.**	
(f) if a reasonably possible change in a key assumption on which management has based its determination of the unit's (group of units') recoverable amount would cause the unit's (group of units') carrying amount to exceed its	**(f) if a reasonably possible change in a key assumption on which management has based its determination of the unit's (group of units') recoverable amount would cause the unit's (group of units') carrying amount to exceed its**	Paragraph 34(f) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 134(f) is reduced for Tier 2 entities.

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recoverable amount: **(i) the amount by which the unit's (group of units') recoverable amount exceeds its carrying amount.**	**recoverable amount:** **(i) the amount by which the unit's (group of units') recoverable amount exceeds its carrying amount.**	
(ii) the value assigned to the key assumption.	**(ii) the value assigned to the key assumption.**	
(iii) the amount by which the value assigned to the key assumption must change, after incorporating any consequential effects of that change on the other variables used to measure recoverable amount, in order for the unit's (group of units') recoverable amount to be equal to its carrying amount.	**(iii) the amount by which the value assigned to the key assumption must change, after incorporating any consequential effects of that change on the other variables used to measure recoverable amount, in order for the unit's (group of units') recoverable amount to be equal to its carrying amount.**	
135 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). In addition, if the recoverable amounts of any of	**135 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). In addition, if the recoverable amounts of any of**	Paragraphs 135 (a)–(e) are not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraphs 135(a)–(e) are reduced for Tier 2 entities.

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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).** **(c) a description of the key assumption(s).**	**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).** **(c) a description of the key assumption(s).**	
(d) a description of management's approach to determining the value(s) assigned to the key assumption(s), whether those value(s) reflect past experience or, if appropriate, are consistent with external sources of information, and, if not, how and why they differ from past experience or external sources of information.	**(d) a description of management's approach to determining the value(s) assigned to the key assumption(s), whether those value(s) reflect past experience or, if appropriate, are consistent with external sources of information, and, if not, how and why they differ from past experience or external sources of information.**	
(e) if a reasonably possible change in the key assumption(s) would cause the aggregate of the units' (groups of units') carrying amounts to exceed the aggregate of their recoverable amounts:	**(e) if a reasonably possible change in the key assumption(s) would cause the aggregate of the units' (groups of units') carrying amounts to exceed the aggregate of their recoverable amounts:**	

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(i) the amount by which the aggregate of the units' (groups of units') recoverable amounts exceeds the aggregate of their carrying amounts.	**(i) the amount by which the aggregate of the units' (groups of units') recoverable amounts exceeds the aggregate of their carrying amounts.**	
(ii) the value(s) assigned to the key assumption(s).	**(ii) the value(s) assigned to the key assumption(s).**	
(iii) the amount by which the value(s) assigned to the key assumption(s) must change, after incorporating any consequential effects of the change on the other variables used to measure recoverable amount, in order for the aggregate of the units' (groups of units') recoverable amounts to be equal to the aggregate of their carrying amounts.	**(iii) the amount by which the value(s) assigned to the key assumption(s) must change, after incorporating any consequential effects of the change on the other variables used to measure recoverable amount, in order for the aggregate of the units' (groups of units') recoverable amounts to be equal to the aggregate of their carrying amounts.**	
136 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, 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 134 and 135 relate to the carried forward calculation of recoverable amount.	136 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, 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 134 and 135 relate to the carried forward calculation of recoverable amount.	Paragraph 136 is guidance for paragraphs 134 and 135, both of which are reduced for Tier 2 entities. Therefore paragraph 136 is reduced for Tier 2 entities.

AASB 136/NZ IAS 36 *Impairment of Assets*		
Current RDR	**Proposed RDR**	**Comments**
137 Illustrative Example 9 illustrates the disclosures required by paragraphs 134 and 135.	137 Illustrative Example 9 illustrates the disclosures required by paragraphs 134 and 135.	Paragraph 137 is guidance for paragraphs 134 and 135, both of which are reduced for Tier 2 entities. Therefore, paragraph 137 is reduced for Tier 2 entities.

AASB 137/NZ IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*		
Current RDR	**Proposed RDR**	**Comments**
75 A management or board decision to restructure taken before the end of the reporting period does not give rise to a constructive obligation at the end of the reporting period unless the entity has, before the end of the reporting period: (a) started to implement the restructuring plan; or (b) announced the main features of the restructuring plan to those affected by it in a sufficiently specific manner to raise a valid expectation in them that the entity will carry out the restructuring. If an entity starts to implement a restructuring plan, or announces its main features to those affected, only after the reporting period, disclosure is required under AASB 110/NZ IAS 10 *Events after the Reporting Period*, if the restructuring is material and non-disclosure could influence the economic decisions that users make on the basis of the financial	75 A management or board decision to restructure taken before the end of the reporting period does not give rise to a constructive obligation at the end of the reporting period unless the entity has, before the end of the reporting period: (a) started to implement the restructuring plan; or (b) announced the main features of the restructuring plan to those affected by it in a sufficiently specific manner to raise a valid expectation in them that the entity will carry out the restructuring. If an entity starts to implement a restructuring plan, or announces its main features to those affected, only after the reporting period, disclosure is required under AASB 110/NZ IAS 10 *Events after the Reporting Period*, if the restructuring is material and non-disclosure could influence the economic decisions that users make on the basis	The AASB has decided that where the cross-referencing is of a general nature this is reduced in Australian Accounting Standards for Tier 2 entities.The last sentence is reduced in AASB 137 – general cross reference to other standards.

Comment [MS2/872]: This would be kept in NZ IAS 37. Paragraph 75 contains guidance for the application of the disclosure requirements of AASB 110/NZ IAS 10 if a decision to restructure is taken after the end of the reporting period.
Therefore, paragraph 75 is kept for Tier 2 entities.

AASB 137/NZ IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*		
Current RDR	**Proposed RDR**	**Comments**
statements.	of the financial statements.	
Disclosure **84 For each class of provision, an entity shall disclose:** **(a) the carrying amount at the beginning and end of the period;** **(b) additional provisions made in the period, including increases to existing provisions;** **(c) amounts used (ie incurred and charged against the provision) during the period;** **(d) unused amounts reversed during the period; and** **(e) the increase during the period in the discounted amount arising from the passage of time and the effect of any change in the discount rate.** **Comparative information is not required.**	**Disclosure** **84 For each class of provision, an entity shall disclose:** **(a) the carrying amount at the beginning and end of the period;** **(b) additional provisions made in the period, including increases to existing provisions;** **(c) amounts used (ie incurred and charged against the provision) during the period;** **(d) unused amounts reversed during the period; and** **(e) the increase during the period in the discounted amount arising from the passage of time and the effect of any change in the discount rate.** **Comparative information is not required.**	Paragraph 84 is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 84 is reduced for Tier 2 entities. (Paragraph(l) of AASB 101/NZ IAS 1 requires provisions to be presented as a separate line item in the statement of financial position)
RDR 85.1 A Tier 2 entity is not required to disclose the major assumptions concerning future events in accordance with paragraph 85(b).	**RDR 85.1** ~~**A Tier 2 entity is not required to disclose the major assumptions concerning future events in accordance with paragraph 85(b).**~~	Paragraph RDR 85.1 is now deleted because disclosure of major assumptions concerning future events is a Key Disclosure Area.
85 An entity shall disclose the following for each class of provision: **(a) a brief description of the nature of the obligation and the expected timing of any resulting outflows of economic benefits;**	**85 An entity shall disclose the following for each class of provision:** **(a) a brief description of the nature of the obligation and the expected timing of any resulting outflows of economic benefits;**	Paragraph 85(a) is a Key Disclosure Area (commitments and contingencies) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 85(a) is kept for Tier 2 entities.

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(b) an indication of the uncertainties about the amount or timing of those outflows. Where necessary to provide adequate information, an entity shall disclose the major assumptions made concerning future events, as addressed in paragraph 48; and	**(b) an indication of the uncertainties about the amount or timing of those outflows. Where necessary to provide adequate information, an entity shall disclose the major assumptions made concerning future events, as addressed in paragraph 48; and**	Paragraph 85(b) is a Key Disclosure Area (current liquidity and solvency, and significant estimates and judgements specific to a transaction or event) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 85(b) is kept for Tier 2 entities.
(c) the amount of any expected reimbursement, stating the amount of any asset that has been recognised for that expected reimbursement.	**(c) the amount of any expected reimbursement, stating the amount of any asset that has been recognised for that expected reimbursement.**	Paragraph 85(c) is a Key Disclosure Area (current liquidity and solvency) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 85(c) is kept for Tier 2 entities.
86 Unless the possibility of any outflow in settlement is remote, an entity shall disclose for each class of contingent liability at the end of the reporting period a brief description of the nature of the contingent liability and, where practicable:	**86 Unless the possibility of any outflow in settlement is remote, an entity shall disclose for each class of contingent liability at the end of the reporting period a brief description of the nature of the contingent liability and, where practicable:**	Paragraph 86 is a Key Disclosure Area (commitments and contingencies) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 86 is kept for Tier 2 entities.
(a) an estimate of its financial effect, measured under paragraphs 36–52;	**(a) an estimate of its financial effect, measured under paragraphs 36–52;**	Paragraph 86(a) is a Key Disclosure Area (significant estimates and judgements specific to a transaction or event) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 86(a) is kept for Tier 2 entities.
(b) an indication of the uncertainties relating to the amount or timing of any outflow; and	**(b) an indication of the uncertainties relating to the amount or timing of any outflow; and**	Paragraph 86(b) is a Key Disclosure Area (commitments and contingencies) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 86(b) is kept for Tier 2

AASB 137/NZ IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*		
Current RDR	**Proposed RDR**	**Comments**
		entities.
(c) the possibility of any reimbursement.	**(c) the possibility of any reimbursement.**	Paragraph 86(c) is a Key Disclosure Area (significant estimates and judgements specific to a transaction or event) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 86(c) is kept for Tier 2 entities.
87 In determining which provisions or contingent liabilities may be aggregated to form a class, it is necessary to consider whether the nature of the items is sufficiently similar for a single statement about them to fulfil the requirements of paragraphs 85(a) and (b) and 86(a) and (b). Thus, it may be appropriate to treat as a single class of provision amounts relating to warranties of different products, but it would not be appropriate to treat as a single class amounts relating to normal warranties and amounts that are subject to legal proceedings.	87 In determining which provisions or contingent liabilities may be aggregated to form a class, it is necessary to consider whether the nature of the items is sufficiently similar for a single statement about them to fulfil the requirements of paragraphs 85(a) and (b) and 86(a) and (b). Thus, it may be appropriate to treat as a single class of provision amounts relating to warranties of different products, but it would not be appropriate to treat as a single class amounts relating to normal warranties and amounts that are subject to legal proceedings.	Paragraph 87 is guidance for paragraphs 85(a) and (b) and paragraphs 86(a) and (b), which are kept for Tier 2 entities. Therefore paragraph 87 is kept for Tier 2 entities.
88 Where a provision and a contingent liability arise from the same set of circumstances, an entity makes the disclosures required by paragraphs 84–86 in a way that shows the link between the provision and the contingent liability.	88 Where a provision and a contingent liability arise from the same set of circumstances, an entity makes the disclosures required by paragraphs 84–86 in a way that shows the link between the provision and the contingent liability.	Paragraph 88 is guidance for paragraphs 84–86, most of which are kept for Tier 2 entities. Therefore, paragraph 88 is kept for Tier 2 entities.
89 Where an inflow of economic benefits is probable, an entity shall disclose a brief description of the nature of the contingent assets at the end of the reporting period, and,	**89 Where an inflow of economic benefits is probable, an entity shall disclose a brief description of the nature of the contingent assets at the end of the reporting period, and,**	Paragraph 89 is a Key Disclosure Area (commitments and contingencies) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 89 is kept for Tier 2 entities.

AASB 137/NZ IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*		
Current RDR	**Proposed RDR**	**Comments**
where practicable, an estimate of their financial effect, measured using the principles set out for provisions in paragraphs 36–52.	**where practicable, an estimate of their financial effect, measured using the principles set out for provisions in paragraphs 36–52.**	
90 It is important that disclosures for contingent assets avoid giving misleading indications of the likelihood of income arising.	90 It is important that disclosures for contingent assets avoid giving misleading indications of the likelihood of income arising.	Paragraph 90 is guidance for paragraph 89, which is kept for Tier 2 entities. Therefore, paragraph 90 is kept for Tier 2 entities.
91 Where any of the information required by paragraphs 86 and 89 is not disclosed because it is not practicable to do so, that fact shall be stated.	**91 Where any of the information required by paragraphs 86 and 89 is not disclosed because it is not practicable to do so, that fact shall be stated.**	Paragraph 91 is a Key Disclosure Area (commitments and contingencies) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 91 is kept for Tier 2 entities.
92 In extremely rare cases, disclosure of some or all of the information required by paragraphs 84–89 can be expected to prejudice seriously the position of the entity in a dispute with other parties on the subject matter of the provision, contingent liability or contingent asset. In such cases, an entity need not disclose the information, but shall disclose the general nature of the dispute, together with the fact that, and reason why, the information has not been disclosed.	**92 In extremely rare cases, disclosure of some or all of the information required by paragraphs 84–89 can be expected to prejudice seriously the position of the entity in a dispute with other parties on the subject matter of the provision, contingent liability or contingent asset. In such cases, an entity need not disclose the information, but shall disclose the general nature of the dispute, together with the fact that, and reason why, the information has not been disclosed.**	Paragraph 92 is a Key Disclosure Area (commitments and contingencies) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 92 is kept for Tier 2 entities.

AASB 138/NZ IAS 38 *Intangible Assets*		
Current RDR	**Proposed RDR**	**Comments**

AASB 138/NZ IAS 38 *Intangible Assets*		
Current RDR	**Proposed RDR**	**Comments**
Disclosure **General** **118 An entity shall disclose the following for each class of intangible assets, distinguishing between internally generated intangible assets and other intangible assets:** **(a) whether the useful lives are indefinite or finite and, if finite, the useful lives or the amortisation rates used;**	**Disclosure** **General** **118 An entity shall disclose the following for each class of intangible assets, distinguishing between internally generated intangible assets and other intangible assets:** **(a) whether the useful lives are indefinite or finite and, if finite, the useful lives or the amortisation rates used;**	Paragraph 118(a) is a Key Disclosure Area (nature of transaction or event that makes it significant) – the benefits of the providing the disclosure exceed the costs. Therefore, paragraph 118(a) is kept for Tier 2 entities.
(b) the amortisation methods used for intangible assets with finite useful lives;	**(b) the amortisation methods used for intangible assets with finite useful lives;**	The AASB has decided to rely on the requirement in AASB 101and AASB 108 for disclosures about accounting policies. This would be reduced in AASB 138 –the requirements of paragraph 117 of AASB 101 are sufficient.
(c) the gross carrying amount and any accumulated amortisation (aggregated with accumulated impairment losses) at the beginning and end of the period;	**(c) the gross carrying amount and any accumulated amortisation (aggregated with accumulated impairment losses) at the beginning and end of the period;**	Paragraph 118(c) is a Key Disclosure Area (current liquidity and solvency) – the benefits of the providing the disclosure exceed the costs. Therefore, paragraph 118(c) is kept for Tier 2 entities.
(d) the line item(s) of the statement of comprehensive income in which any amortisation of intangible assets is included;	**(d) the line item(s) of the statement of comprehensive income in which any amortisation of intangible assets is included;**	Paragraph 118(d) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 118(d) is reduced for Tier 2 entities.
(e) a reconciliation of the carrying amount at the beginning and end of the period	**(e) a reconciliation of the carrying amount at the beginning and end of the period**	Paragraph 118(e) requires a reconciliation. Reconciliations are not required under the Tier 2

Comment [VS73]: The NZASB has decided to not rely solely on the requirements in NZ IAS 1 and NZ IAS 8 for disclosures about accounting policies. This would be kept in NZ IAS 38. Paragraph 118(b) is a Key Disclosure Area (accounting policy on recognition and measurement) – the benefits of the providing the disclosure exceed the costs. Therefore, paragraph 118(b) is kept for Tier 2 entities.

AASB 138/NZ IAS 38 *Intangible Assets*		
Current RDR	**Proposed RDR**	**Comments**
showing: **(i) additions, indicating separately those from internal development, those acquired separately, and those acquired through business combinations;** **(ii) assets classified as held for sale or included in a disposal group classified as held for sale in accordance withAASB 5/NZ IFRS 5 and other disposals;**	**showing:** **(i) additions, indicating separately those from internal development, those acquired separately, and those acquired through business combinations;** **(ii) assets classified as held for sale or included in a disposal group classified as held for sale in accordance withAASB 5/NZ IFRS 5 and other disposals;**	Disclosure Principles. Therefore, paragraph 118(e) is reduced for Tier 2 entities.
(iii) increases or decreases during the period resulting from revaluations under paragraphs 5, 85 and 86 and from impairment losses recognised or reversed in other comprehensive income in accordance with AASB 136/NZ IAS 36 (if any);	**(iii) increases or decreases during the period resulting from revaluations under paragraphs 75, 85 and 86 and from impairment losses recognised or reversed in other comprehensive income in accordance with AASB 136/NZ IAS 36 (if any);**	This is reduced in AASB 138 – covered by AASB 136
(iv) impairment losses recognised in profit or loss during the period in accordance with AASB 136/NZ IAS 36 (if any); **(v) impairment losses reversed in profit or loss during the period in accordance with AASB 136/NZ IAS 36 (if any);** **(vi) any amortisation recognised**	**(iv) impairment losses recognised in profit or loss during the period in accordance with AASB 136/NZ IAS 36 (if any);** **(v) impairment losses reversed in profit or loss during the period in accordance with AASB 136/NZ IAS 36 (if any);** **(vi) any amortisation recognised**	Paragraphs 118(e)((iv)–(vi) are a Key Disclosure Area (impairment) – the benefits of providing the disclosure exceed the costs. Therefore, paragraphs 118(e)(iv)–(vi) are kept for Tier 2 entities. The AASB has decided where the cross-referencing is of a general nature this is reduced in Australian Accounting Standards for Tier 2 entities.Paragraphs 118(e)(iv)-(vi) are reduced in AASB 138 – covered

Comment [VS74]: This is kept in part in NZ IAS 36. Paragraph 118(e)((iii) is a Key Disclosure Area (impairment) except for the reference to increases or decreases resulting from revaluations – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 118(e)(iii) is kept for Tier 2 entities, except for the reference to increases or decreases resulting from revaluations, which is reduced for Tier 2 entities.

Comment [VS75]: Paragraphs 118(e)((iv)–(vi) are kept in NZ IAS 38. Paragraphs 118(e)((iv)–(vi) are Key Disclosure Area (impairment) – the benefits of providing the disclosure exceed the costs.
Therefore, paragraphs 118(e)(iv)–(vi) are kept for Tier 2 entities.

Comment [VS76]: The NZASB has decided that where the cross-referencing is of a general nature, this is kept in NZ IFRSs for Tier 2 entities.Paragraphs 118(e)((iv)–(vi) are kept in NZ IAS 38. Paragraphs 118(e)((iv)–(vi) are Key Disclosure Area (impairment) – the benefits of providing the disclosure exceed the costs.
Therefore, paragraphs 118(e)(iv)–(vi) are kept for Tier 2 entities.

Comment [VS77]: Paragraphs 118(e)((iv)–(vi) are kept in NZ IAS 38. Paragraphs 118(e)((iv)–(vi) are Key Disclosure Area (impairment) – the benefits of providing the disclosure exceed the costs.
Therefore, paragraphs 118(e)(iv)–(vi) are kept for Tier 2 entities.

AASB 138/NZ IAS 38 *Intangible Assets*		
Current RDR	**Proposed RDR**	**Comments**
during the period;	**during the period;**	by AASB 136 and general cross reference to other standards
(vii) net exchange differences arising on the translation of the financial statements into the presentation currency, and on the translation of a foreign operation into the presentation currency of the entity; and **(viii) other changes in the carrying amount during the period.**	**(vii) net exchange differences arising on the translation of the financial statements into the presentation currency, and on the translation of a foreign operation into the presentation currency of the entity; and** **(viii) other changes in the carrying amount during the period.**	Paragraphs 118(e)(vii) and (viii) are not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraphs 118(e)(vii) and (viii) are reduced for Tier 2 entities.
RDR 118.1 An entity applying Australian Accounting Standards – Reduced Disclosure Requirements/a Tier 2 entity is not required to disclose the reconciliation specified in paragraph 118(e) for prior periods.	**New Zealand** **RDR 118.1 A Tier 2 entity ~~is not required to~~ shall disclose ~~the reconciliation specified in paragraph 118(e) for prior periods.~~ shall disclose for each class of intangible assets: ~~the reconciliation specified in paragraph 118(e) for prior periods~~** **(a) impairment losses recognised or reversed in other comprehensive income in accordance with NZ IAS 36 (if any);** **(b) impairment losses recognised in profit or loss in accordance with NZ IAS 36 (if any);** **(c) impairment losses reversed in profit or loss in accordance with NZ IAS 36 (if any); and** **(d) any amortisation recognised during the period.**	Paragraph RDR 118.1 is deleted in AASB 138 .

Comment [MS2/878]: Paragraph RDR 118.1 is amended and kept in NZ IAS 38 to reduce the disclosure in paragraph 118(e)(iii) about increases and decreases during the period resulting from revaluations

AASB 138/NZ IAS 38 *Intangible Assets*		
Current RDR	**Proposed RDR**	**Comments**
119 A class of intangible assets is a grouping of assets of a similar nature and use in an entity's operations. Examples of separate classes may include: (a) brand names; (b) mastheads and publishing titles; (c) computer software; (d) licences and franchises; (e) copyrights, patents and other industrial property rights, service and operating rights; (f) recipes, formulae, models, designs and prototypes; and (g) intangible assets under development. The classes mentioned above are disaggregated (aggregated) into smaller (larger) classes if this results in more relevant information for the users of the financial statements.	119 A class of intangible assets is a grouping of assets of a similar nature and use in an entity's operations. Examples of separate classes may include: (a) brand names; (b) mastheads and publishing titles; (c) computer software; (d) licences and franchises; (e) copyrights, patents and other industrial property rights, service and operating rights; (f) recipes, formulae, models, designs and prototypes; and (g) intangible assets under development. The classes mentioned above are disaggregated (aggregated) into smaller (larger) classes if this results in more relevant information for the users of the financial statements.	Paragraph 119 is guidance for determining a class of intangible assets for the purpose of making the disclosures in paragraph 18, some of which is kept for Tier 2 entities. Therefore, paragraph 119 is kept for Tier 2 entities.
120 An entity discloses information on impaired intangible assets in accordance with AASB 136/NZ IAS 36 in addition to the information required by paragraph 118(e)(iii)–(v).	120 An entity discloses information on impaired intangible assets in accordance with AASB 136/NZ IAS 36 in addition to the information required by paragraph 118(e)(iii)–(v).	The AASB has decided that where the cross-referencing is of a general nature this is reduced in Australian Accounting Standards for Tier 2 entities.This would be reduced in AASB 138 – general cross reference to another standard
121 AASB 108/NZ IAS 8 requires an entity to disclose the nature and amount of a change in an accounting estimate that has a material effect in the current period or is expected to have a material effect in subsequent periods. Such	121 AASB 108/NZ IAS 8 requires an entity to disclose the nature and amount of a change in an accounting estimate that has a material effect in the current period or is expected to have a material effect in subsequent periods. Such	Paragraph 121 is guidance about intangible assets to meet the requirements in AASB 108/NZ IAS 8 about changes in accounting estimates. Therefore, paragraph 121 is kept for Tier 2 entities.

Comment [VS79]: the NZASB has decided that where the cross-referencing is of a general nature, this is kept in NZ IFRSs for Tier 2 entities.This would be kept in NZ IAS 38. Paragraph 120 is guidance which includes a reference to AASB 136/NZ IAS 36.
Therefore, paragraph 120 is kept for Tier 2 entities.

AASB 138/NZ IAS 38 *Intangible Assets*		
Current RDR	**Proposed RDR**	**Comments**
disclosure may arise from changes in: (a) the assessment of an intangible asset's useful life; (b) the amortisation method; or (c) residual values.	disclosure may arise from changes in: (a) the assessment of an intangible asset's useful life; (b) the amortisation method; or (c) residual values.	
122 **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. In giving these reasons, the entity shall describe the factor(s) 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):** **(i) the fair value initially recognised for these assets;** **(ii) their carrying amount; and** **(iii) whether they are measured after recognition under the cost model**	122 **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. In giving these reasons, the entity shall describe the factor(s) 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):** **(i) the fair value initially recognised for these assets;** **(ii) their carrying amount; and** **(iii) whether they are measured after recognition under the cost model**	Paragraphs 122(a)–(c) are not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraphs 122(a)–(c) are reduced for Tier 2 entities.

AASB 138/NZ IAS 38 *Intangible Assets*		
Current RDR	**Proposed RDR**	**Comments**
or the revaluation model.	**or the revaluation model.**	
(d) the existence and carrying amounts of intangible assets whose title is restricted and the carrying amounts of intangible assets pledged as security for liabilities.	**(d) the existence and carrying amounts of intangible assets whose title is restricted and the carrying amounts of intangible assets pledged as security for liabilities.**	Paragraph 122(d) is a Key Disclosure Area (current liquidity and solvency) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 122(d) is kept for Tier 2 entities.
(e) the amount of contractual commitments for the acquisition of intangible assets.	**(e) the amount of contractual commitments for the acquisition of intangible assets.**	Paragraph 122(e) is a Key Disclosure Area (commitments and contingencies) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 122(e) is kept for Tier 2 entities.
123 When an entity describes the factor(s) that played a significant role in determining that the useful life of an intangible asset is indefinite, the entity considers the list of factors in paragraph 90.	123 When an entity describes the factor(s) that played a significant role in determining that the useful life of an intangible asset is indefinite, the entity considers the list of factors in paragraph 90.	Paragraph 123 is guidance for paragraph 122(a), which is reduced for Tier 2 entities. Therefore, paragraph 123 is reduced for Tier 2 entities.
Intangible assets measured after recognition using the revaluation model **124 If intangible assets are accounted for at revalued amounts, an entity shall disclose the following:** **(a) by class of intangible assets:** **(i) the effective date of the revaluation;** **(ii) the carrying amount of revalued intangible assets; and** **(iii) the carrying amount that would have been recognised had the**	**Intangible assets measured after recognition using the revaluation model** **124 If intangible assets are accounted for at revalued amounts, an entity shall disclose the following:** **(a) by class of intangible assets:** **(i) the effective date of the revaluation;** **(ii) the carrying amount of revalued intangible assets; and** **(iii) the carrying amount that would have been recognised had the**	Paragraph 124(a) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 124(a) is reduced for Tier 2 entities.

AASB 138/NZ IAS 38 *Intangible Assets*		
Current RDR	**Proposed RDR**	**Comments**
revalued class of intangible assets been measured after recognition using the cost model in paragraph 74; and	**revalued class of intangible assets been measured after recognition using the cost model in paragraph 74; 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. (c) [deleted by IASB]	**(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.** (c) [deleted by IASB]	Paragraph 124(b) is a Key Disclosure Area (current liquidity and solvency), except for the amount that relates to intangible assets at the beginning and end of the period and changes to the revaluation surplus during the period – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 124(b), except for the shaded words, is kept for Tier 2 entities.
Aus124.1 Notwithstanding paragraph 124(a)(iii), in respect of not-for-profit entities, for each revalued class of intangible assets, the requirement to disclose the carrying amount that would have been recognised had the assets been carried under the cost model does not apply.	**Aus124.1 Notwithstanding paragraph 124(a)(iii), in respect of not-for-profit entities, for each revalued class of intangible assets, the requirement to disclose the carrying amount that would have been recognised had the assets been carried under the cost model does not apply.**	Paragraph Aus24.1 is reduced for Tier 2 entities because paragraph 124(a)(iii) is reduced for Tier 2 entities.
125 It may be necessary to aggregate the classes of revalued assets into larger classes for disclosure purposes. However, classes are not aggregated if this would result in the combination of a class of intangible assets that includes amounts measured under both the cost and revaluation models.	125 It may be necessary to aggregate the classes of revalued assets into larger classes for disclosure purposes. However, classes are not aggregated if this would result in the combination of a class of intangible assets that includes amounts measured under both the cost and revaluation models.	In general, guidance for disclosures that are required to be provided by Tier 2 entities is kept. The AASB has decided to reduce some of the guidance for disclosures that are kept for Tier 2 entities, in particular where the guidance is considered to be unnecessary for Tier 2 entities in meeting the related disclosure requirement.This would be reduced in AASB 138 – general guidance

Comment [VS80]: In general, guidance for disclosures that are required to be provided by Tier 2 entities is kept. The NZASB has decided to keep all of the guidance that relates to disclosures that Tier 2 entities are required to provide.This would be kept in NZ IAS 38.

AASB 138/NZ IAS 38 *Intangible Assets*		
Current RDR	**Proposed RDR**	**Comments**
Research and development expenditure **126 An entity shall disclose the aggregate amount of research and development expenditure recognised as an expense during the period**	**Research and development expenditure** **126 An entity shall disclose the aggregate amount of research and development expenditure recognised as an expense during the period**	Paragraph 126 is a Key Disclosure Area (nature of transaction or event that makes it significant or material) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 126 is kept for Tier 2 entities.
127 Research and development expenditure comprises all expenditure that is directly attributable to research or development activities (see paragraphs 66 and 67 for guidance on the type of expenditure to be included for the purpose of the disclosure requirement in paragraph 126).	127 Research and development expenditure comprises all expenditure that is directly attributable to research or development activities (see paragraphs 66 and 67 for guidance on the type of expenditure to be included for the purpose of the disclosure requirement in paragraph 126).	Paragraph 127 is guidance for paragraph 126, which is kept for Tier 2 entities. Therefore, paragraph 127 is kept for Tier 2 entities.
Other information 128 An entity is encouraged, but not required, to disclose the following information: (a) a description of any fully amortised intangible asset that is still in use; and (b) a brief description of significant intangible assets controlled by the entity but not recognised as assets because they did not meet the recognition criteria in this Standard or because they were acquired or generated before the version of AASB 138/NZ IAS 38 *Intangible Assets* issued in 1998 was effective.	**Other information** 128 An entity is encouraged, but not required, to disclose the following information: (a) a description of any fully amortised intangible asset that is still in use; and (b) a brief description of significant intangible assets controlled by the entity but not recognised as assets because they did not meet the recognition criteria in this Standard or because they were acquired or generated before the version of AASB 138/NZ IAS 38 *Intangible Assets* issued in 1998 was effective.	Paragraph 128 encourages disclosure of information. Therefore, paragraph 128 is reduced for Tier 2 entities.

AASB 140/NZ IAS 40 *Investment Property* (Paragraphs 74, 77 and 78 are amended and paragraph 75(b) deleted by AASB 16 and NZ IFRS 16 *Leases*)

Current RDR	Proposed RDR	Comments
Disclosure **Fair value model and cost model** 74 The disclosures below apply in addition to those in AASB 117/NZ IAS 17. In accordance with AASB 17/NZ IAS 17, the owner of an investment property provides lessors' disclosures about leases into which it has entered. An entity that holds an investment property under a finance or operating lease provides lessees' disclosures for finance leases and lessors' disclosures for any operating leases into which it has entered.	**Disclosure** **Fair value model and cost model** 74 The disclosures below apply in addition to those in ~~AASB 117/NZ IAS 17~~AASB 16/NZ IFRS 16. In accordance with ~~AASB 17/NZ IAS 17~~ AASB 16/NZ IFRS 16, the owner of an investment property provides lessors' disclosures about leases into which it has entered. ~~An entity~~ A lessee that holds an investment property as a right-of-use asset ~~under a finance or operating lease~~ provides lessees' disclosures as required by AASB 16/NZ IFRS 16 ~~for finance leases~~ and lessors' disclosures as required by AASB 16/NZ IFRS 16 for any operating leases into which it has entered.	Paragraph 74 requires disclosures about investment property in addition to the disclosures required by AASB 16 16 Leases. The second sentence would be reduced in AASB 140 – general cross reference to other standards
75 **An entity shall disclose:** **(a) whether it applies the fair value model or the cost model.**	75 **An entity shall disclose:** **(a) whether it applies the fair value model or the cost model.**	The AASB has decided that where the cross-referencing is of a general nature this is reduced in Australian Accounting Standards for Tier 2 entities. This would be reduced in AASB 140 – the requirements of paragraph 117 of AASB 101 are sufficient
(b) if it applies the fair value model, whether, and in what circumstances, property interests held under operating leases are classified and accounted for as investment property.	**(b)** [deleted by IASB]~~**if it applies the fair value model, whether, and in what circumstances, property interests held under operating leases are classified and accounted for as investment property.**~~	Paragraph 75(b) is deleted by AASB 16/NZ IFRS 16. Therefore, prior to its deletion, paragraph 75(b) is reduced for Tier 2 entities.
(c) when classification is difficult (see paragraph 14), the criteria it uses to distinguish investment property from owner-occupied property and from	**(c) when classification is difficult (see paragraph 14), the criteria it uses to distinguish investment property from owner-occupied property and from**	Paragraph 75(c) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 75(c) is reduced for Tier 2 entities.

Comment [MS2/881]: This would be kept in NZ IAS 40. Paragraph 74 requires disclosures about investment property in addition to the disclosures required by NZ IFRS 16 Leases.
Therefore, paragraph 74 is kept for Tier 2 entities

Comment [VS82]: The NZASB has decided that where the cross-referencing is of a general nature, this is kept in NZ IFRSs for Tier 2 entities.Where the cross-referencing is of a general nature, this is kept in NZ IFRSs for Tier 2 entities.This would be kept in NZ IAS 40. Paragraph 75(a) is a Key Disclosure Area (accounting policy on recognition and measurement) – the benefits of providing the disclosure exceed the costs.
Therefore, paragraph 75(a) is kept for Tier 2 entities.

AASB 140/NZ IAS 40 *Investment Property* (Paragraphs 74, 77 and 78 are amended and paragraph 75(b) deleted by AASB 16 and NZ IFRS 16 *Leases*)		
Current RDR	**Proposed RDR**	**Comments**
property held for sale in the ordinary course of business.	**property held for sale in the ordinary course of business.**	
(d) [deleted by IASB] **(e) the extent to which the fair value of investment property (as measured or disclosed in the financial statements) is based on a valuation by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued. If there has been no such valuation, that fact shall be disclosed.**	**(d)** [deleted by IASB] **(e) the extent to which the fair value of investment property (as measured or disclosed in the financial statements) is based on a valuation by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued. If there has been no such valuation, that fact shall be disclosed.**	Paragraph 75(e) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 75(e) is reduced for Tier 2 entities.
(f) the amounts recognised in profit or loss for: **(i) rental income from investment property;**	**(f) the amounts recognised in profit or loss for:** **(i) rental income from investment property;**	Paragraph 75(f)(i) is a Key Disclosure Area (nature of the transaction or event that makes it significant or material) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 75(f)(i) is kept for Tier 2 entities.
(ii) direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income during the period; **(iii) direct operating expenses (including repairs and maintenance) arising from investment property that did not generate rental income during**	**(ii) direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income during the period;** **(iii) direct operating expenses (including repairs and maintenance) arising from investment property that did not generate rental income during the**	Paragraphs 75(f)(ii) and (iii) are not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraphs 75(f)(ii) and (iii) are reduced for Tier 2 entities.

AASB 140/NZ IAS 40 *Investment Property* (Paragraphs 74, 77 and 78 are amended and paragraph 75(b) deleted by AASB 16 and NZ IFRS 16 *Leases*)		
Current RDR	**Proposed RDR**	**Comments**
the period; and	**period; and**	
(iv) 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).	**(iv) 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).**	Paragraph 75(f)(iv) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 75(f)(iv) is reduced for Tier 2 entities.
(g) the existence and amounts of restrictions on the realisability of investment property or the remittance of income and proceeds of disposal.	**(g) the existence and amounts of restrictions on the realisability of investment property or the remittance of income and proceeds of disposal.**	Paragraph 75(g) is a Key Disclosure Area (contingencies and commitments) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 75(g) is kept for Tier 2 entities.
(h) contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.	**(h) contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.**	Paragraph 75(h) is a Key Disclosure Area (contingencies and commitments) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 75(h) is kept for Tier 2 entities.
Fair value model **76 In addition to the disclosures required by paragraph 75, an entity that applies the fair value model in paragraphs 33–55 shall disclose a reconciliation between the carrying amounts of investment property at the beginning and end of the period, showing the following:** **(a) additions, disclosing separately those additions resulting from acquisitions and those resulting from subsequent expenditure recognised in the carrying amount of an asset;**	**Fair value model** **76 In addition to the disclosures required by paragraph 75, an entity that applies the fair value model in paragraphs 33–55 shall disclose a reconciliation between the carrying amounts of investment property at the beginning and end of the period, showing the following:** **(a) additions, disclosing separately those additions resulting from acquisitions and those resulting from subsequent expenditure recognised in the carrying amount of an asset;**	Paragraph 76 requires a reconciliation. Reconciliations are not required under the Tier 2 Disclosure Principles. Therefore, paragraph 76 is reduced for Tier 2 entities.

AASB 140/NZ IAS 40 *Investment Property* (Paragraphs 74, 77 and 78 are amended and paragraph 75(b) deleted by AASB 16 and NZ IFRS 16 *Leases*)		
Current RDR	**Proposed RDR**	**Comments**
(b) additions resulting from acquisitions through business combinations;	**(b) additions resulting from acquisitions through business combinations;**	
(c) assets classified as held for sale or included in a disposal group classified as held for sale in accordance with AASB 5/NZ IFRS 5 and other disposals;	**(c) assets classified as held for sale or included in a disposal group classified as held for sale in accordance with AAASB 5/NZ IFRS 5 and other disposals;**	
(d) net gains or losses from fair value adjustments; **(e) the net exchange differences arising on the translation of the financial statements into a different presentation currency, and on translation of a foreign operation into the presentation currency of the reporting entity;** **(f) transfers to and from inventories and owner-occupied property; and** (g) other changes.	**(d) net gains or losses from fair value adjustments;** **(e) the net exchange differences arising on the translation of the financial statements into a different presentation currency, and on translation of a foreign operation into the presentation currency of the reporting entity;** **(f) transfers to and from inventories and owner-occupied property; and** **(g) other changes.**	
RDR 76.1 A Tier 2 entity is not required to disclose the reconciliation specified in paragraph 76 for prior periods. **RDR 76.2 A Tier 2 entity is not required to disclose separately those additions resulting from acquisitions and those resulting from subsequent expenditure recognised in the carrying amount of an asset in accordance with paragraph 76(a).**	**RDR 76.1** ~~**A Tier 2 entity is not required to disclose the reconciliation specified in paragraph 76 for prior periods.**~~ **RDR 76.2** ~~**A Tier 2 entity is not required to disclose separately those additions resulting from acquisitions and those resulting from subsequent expenditure recognised in the carrying amount of an asset in accordance with paragraph 76(a).**~~	Paragraphs RDR 76.1 and RDR 76.2 are deleted because they are no longer needed. Tier 2 entities are not required to prepare reconciliations.
77 When a valuation obtained for investment	**77 When a valuation obtained for investment**	Paragraph 77 requires a reconciliation.

AASB 140/NZ IAS 40 *Investment Property* (Paragraphs 74, 77 and 78 are amended and paragraph 75(b) deleted by AASB 16 and NZ IFRS 16 *Leases*)		
Current RDR	**Proposed RDR**	**Comments**
property is adjusted significantly for the purpose of the financial statements, for example to avoid double-counting of assets or liabilities that are recognised as separate assets and liabilities as described in paragraph 50, the entity shall disclose a reconciliation between the valuation obtained and the adjusted valuation included in the financial statements, showing separately the aggregate amount of any recognised lease obligations that have been added back, and any other significant adjustments.	**property is adjusted significantly for the purpose of the financial statements, for example to avoid double-counting of assets or liabilities that are recognised as separate assets and liabilities as described in paragraph 50, the entity shall disclose a reconciliation between the valuation obtained and the adjusted valuation included in the financial statements, showing separately the aggregate amount of any recognised lease ~~obligations~~ liabilities that have been added back, and any other significant adjustments.**	Reconciliations are not required under the Tier 2 Disclosure Principles. Therefore, paragraph 77 is reduced for Tier 2 entities.
78 In the exceptional cases referred to in paragraph 53, when an entity measures investment property using the cost model in AASB 116/NZ IAS 16, the reconciliation required by paragraph 76 shall disclose amounts relating to that investment property separately from amounts relating to other investment property. In addition, an entity shall disclose: **(a) a description of the investment property;** **(b) an explanation of why fair value cannot be measured reliably;**	**78 In the exceptional cases referred to in paragraph 53, when an entity measures investment property using the cost model in AASB 116/NZ IAS 16 or in accordance with AASB 16/NZ IFRS 16, the reconciliation required by paragraph 76 shall disclose amounts relating to that investment property separately from amounts relating to other investment property. In addition, an entity shall disclose:** **(a) a description of the investment property;** **(b) an explanation of why fair value cannot be measured reliably;**	Paragraphs 78(a) and (b) are not a Key Disclosure Area. However, the presumption that the costs of providing the disclosure exceed the benefits is rebutted (except for the reference to the reconciliation in paragraph 76 which is reduced for Tier 2 entities) because the disclosure provides information about why the investment property is not measured at fair value. Therefore, paragraphs 78(a) and (b), except for the reference to the reconciliation in paragraph 76, are kept for Tier 2 entities.
(c) if possible, the range of estimates within which fair value is highly likely to lie; and	**(c) if possible, the range of estimates within which fair value is highly likely to lie; and**	Paragraph 78(c) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 78(c) is reduced for Tier 2 entities.

AASB 140/NZ IAS 40 *Investment Property* (Paragraphs 74, 77 and 78 are amended and paragraph 75(b) deleted by AASB 16 and NZ IFRS 16 *Leases*)		
Current RDR	**Proposed RDR**	**Comments**
(d) on disposal of investment property not carried at fair value: **(i) the fact that the entity has disposed of investment property not carried at fair value;** **(ii) the carrying amount of that investment property at the time of sale; and** **(iii) the amount of gain or loss recognised.**	**(d) on disposal of investment property not carried at fair value:** **(i) the fact that the entity has disposed of investment property not carried at fair value;** **(ii) the carrying amount of that investment property at the time of sale; and** **(iii) the amount of gain or loss recognised.**	Paragraph 75(d) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 75(d) is reduced for Tier 2 entities.
Cost model 79 **In addition to the disclosures required by paragraph 75, an entity that applies the cost model in paragraph 56 shall disclose:** **(a) the depreciation methods used;** **(b) the useful lives or the depreciation rates used;**	**Cost model** 79 **In addition to the disclosures required by paragraph 75, an entity that applies the cost model in paragraph 56 shall disclose:** **(a) the depreciation methods used;** **(b) the useful lives or the depreciation rates used;**	Paragraph 79(a) is a Key Disclosure Area (accounting policy on recognition and measurement, and significant estimates and judgements significant to a transaction or event) – the benefits of providing the disclosure exceed the costs. Therefore, paragraphs 79(a) is kept for Tier 2 entities. The AASB has decided to rely on the requirement in AASB 101and AASB 108 for disclosures about accounting policies. Paragraph 79(b) would be reduced in AASB 140 – the requirements of paragraph 117 of AASB 101 are sufficient
(c) the gross carrying amount and the accumulated depreciation (aggregated with accumulated impairment losses) at	**(c) the gross carrying amount and the accumulated depreciation (aggregated with accumulated impairment losses) at**	Paragraph 79(c) is a Key Disclosure Area (current liquidity and solvency) – the benefits of providing the disclosure exceed the costs.

Comment [MS2/883]: Paragraph 79(b) is kept for NZ IAS 40. Paragraph 79(b) is a Key Disclosure Area (accounting policy on recognition and measurement, and significant estimates and judgements significant to a transaction or event) – the benefits of providing the disclosure exceed the costs.
Therefore, paragraphs 79 (b) is kept for Tier 2 entities. The NZASB has decided to not rely solely on the requirements in NZ IAS 1 and NZ IAS 8 for disclosures about accounting policies.

AASB 140/NZ IAS 40 *Investment Property* (Paragraphs 74, 77 and 78 are amended and paragraph 75(b) deleted by AASB 16 and NZ IFRS 16 *Leases*)		
Current RDR	**Proposed RDR**	**Comments**
the beginning and end of the period;	**the beginning and end of the period;**	Therefore, paragraph 79(c) is kept for Tier 2 entities.
(d) a reconciliation of the carrying amount of investment property at the beginning and end of the period, showing the following: **(i) additions, disclosing separately those additions resulting from acquisitions and those resulting from subsequent expenditure recognised as an asset;** **(ii) additions resulting from acquisitions through business combinations;**	**(d) a reconciliation of the carrying amount of investment property at the beginning and end of the period, showing the following:** **(i) additions, disclosing separately those additions resulting from acquisitions and those resulting from subsequent expenditure recognised as an asset;** **(ii) additions resulting from acquisitions through business combinations;**	Paragraph 79(d) requires a reconciliation. Reconciliations are not required under the Tier 2 Disclosure Principles. Therefore, paragraph 79(d)(i) and (ii) are reduced for Tier 2 entities.
(iii) assets classified as held for sale or included in a disposal group classified as held for sale in accordance with AASB 5/NZ IFRS 5 and other disposals;	**(iii) assets classified as held for sale or included in a disposal group classified as held for sale in accordance with AASB 5/NZ IFRS 5 and other disposals;**	The AASB has decided that where the cross-referencing is of a general nature this is reduced in Australian Accounting Standards for Tier 2 entities.This would be reduced in AASB 140 – general cross reference to other standards
(iv) depreciation;	**(iv) depreciation;**	Paragraph 79(d)(iv) is a Key Disclosure Area (nature of transaction or event that make it significant or material) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 79(d)(iv) is kept for Tier 2 entities.
(v) the amount of impairment losses recognised, and the amount of impairment losses reversed,	**(v) the amount of impairment losses recognised, and the amount of impairment losses reversed,**	The AASB has decided that where the cross-referencing is of a general nature this is reduced in Australian Accounting Standards for Tier 2 entities.

Comment [VS84]: The NZASB has decided that where the cross-referencing is of a general nature, this is kept in NZ IFRSs for Tier 2 entities.This would be kept in NZ IAS 40. Paragraph 79(d)(iii) refers to AASB 5/NZ IFRS 5 regarding investment property measured at costs that is classified as held for sale or included in a disposal group classified as held for sale. Therefore paragraph 79(d)(iii) is kept for Tier 2 entities.

Comment [VS85]: The NZASB has decided that where the cross-referencing is of a general nature, this is kept in NZ IFRSs for Tier 2 entities.This would be kept in NZ IAS 40. Paragraph 79(d)(v) is a Key Disclosure Area (impairment) the benefits of providing the disclosure exceed the costs. Therefore, paragraph 79(d)(v) is kept for Tier 2 entities.

AASB 140/NZ IAS 40 *Investment Property* (Paragraphs 74, 77 and 78 are amended and paragraph 75(b) deleted by AASB 16 and NZ IFRS 16 *Leases*)		
Current RDR	**Proposed RDR**	**Comments**
during the period in accordance with AASB 136/NZ IAS 36;	**during the period in accordance with AASB 136/NZ IAS 36;**	This would be reduced in AASB 140 – general cross reference to other standards
(vi) the net exchange differences arising on the translation of the financial statements into a different presentation currency, and on translation of a foreign operation into the presentation currency of the reporting entity; **(vii) transfers to and from inventories and owner-occupied property; and** **(viii) other changes.**	**(vi) the net exchange differences arising on the translation of the financial statements into a different presentation currency, and on translation of a foreign operation into the presentation currency of the reporting entity;** **(vii) transfers to and from inventories and owner-occupied property; and** **(viii) other changes.**	Paragraphs 79(d)(vi)–(viii) are not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraphs 79(d)(vi)–(viii) are reduced for Tier 2 entities.
(e) the fair value of investment property. **In the exceptional cases described in paragraph 53, when an entity cannot measure the fair value of the investment property reliably, it shall disclose:** **(i) a description of the investment property;** **(ii) an explanation of why fair value cannot be measured reliably; and** **(iii) if possible, the range of estimates within which fair value is highly likely to lie.**	**(e) the fair value of investment property.** **In the exceptional cases described in paragraph 53, when an entity cannot measure the fair value of the investment property reliably, it shall disclose:** **(i) a description of the investment property;** **(ii) an explanation of why fair value cannot be measured reliably; and** **(iii) if possible, the range of estimates within which fair value is highly likely to lie.**	Paragraph 79(e) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 79(e) is reduced for Tier 2 entities.

AASB 141/NZ IAS 41 *Agriculture*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
Disclosure 39 [Deleted by IASB]	**Disclosure** 39 [Deleted by IASB]	
General **40 An entity shall disclose the aggregate gain or loss arising during the current period on initial recognition of biological assets and agricultural produce and from the change in fair value less costs to sell of biological assets.**	**General** **40 An entity shall disclose the aggregate gain or loss arising during the current period on initial recognition of biological assets and agricultural produce and from the change in fair value less costs to sell of biological assets.**	Paragraph 40 is a Key Disclosure Area (nature of the transaction or event that makes it significant or material) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 40 is kept for Tier 2 entities.
41 An entity shall provide a description of each group of biological assets.	**41 An entity shall provide a description of each group of biological assets.**	Paragraph 41 is a Key Disclosure Area (nature of the transaction or event that makes it significant or material) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 41 is kept for Tier 2 entities.
42 The disclosure required by paragraph 41 may take the form of a narrative or quantified description.	42 The disclosure required by paragraph 41 may take the form of a narrative or quantified description.	Paragraph 42 is guidance about the form of the disclosure required by paragraph 41, which is kept for Tier 2 entities. Therefore, paragraph 42 is kept for Tier 2 entities.
43 An entity is encouraged to provide a quantified description of each group of biological assets, distinguishing between consumable and bearer biological assets or between mature and immature biological assets, as appropriate. For example, an entity may disclose the carrying amounts of consumable biological assets and bearer biological assets by group. An entity may further divide those carrying amounts between mature and immature assets. These distinctions provide information that may be	43 An entity is encouraged to provide a quantified description of each group of biological assets, distinguishing between consumable and bearer biological assets or between mature and immature biological assets, as appropriate. For example, an entity may disclose the carrying amounts of consumable biological assets and bearer biological assets by group. An entity may further divide those carrying amounts between mature and immature assets. These distinctions provide information that may be	Paragraph 43 is a disclosure that is encouraged. Therefore, paragraph 43 is reduced for Tier 2 entities.

AASB 141/NZ IAS 41 *Agriculture*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
helpful in assessing the timing of future cash flows. An entity discloses the basis for making any such distinctions.	helpful in assessing the timing of future cash flows. An entity discloses the basis for making any such distinctions.	
44 Consumable biological assets are those that are to be harvested as agricultural produce or sold as biological assets. Examples of consumable biological assets are livestock intended for the production of meat, livestock held for sale, fish in farms, crops such as maize and wheat, produce on a bearer plant and trees being grown for lumber. Bearer biological assets are those other than consumable biological assets; for example, livestock from which milk is produced and trees from which fruit is harvested. Bearer biological assets are not agricultural produce but, rather, are held to bear produce.	44 Consumable biological assets are those that are to be harvested as agricultural produce or sold as biological assets. Examples of consumable biological assets are livestock intended for the production of meat, livestock held for sale, fish in farms, crops such as maize and wheat, produce on a bearer plant and trees being grown for lumber. Bearer biological assets are those other than consumable biological assets; for example, livestock from which milk is produced and trees from which fruit is harvested. Bearer biological assets are not agricultural produce but, rather, are held to bear produce.	Paragraph 44 is guidance for paragraph 43, which is reduced for Tier 2 entities. Therefore, paragraph 44 is reduced for Tier 2 entities.
45 Biological assets may be classified either as mature biological assets or immature biological assets. Mature biological assets are those that have attained harvestable specifications (for consumable biological assets) or are able to sustain regular harvests (for bearer biological assets).	45 Biological assets may be classified either as mature biological assets or immature biological assets. Mature biological assets are those that have attained harvestable specifications (for consumable biological assets) or are able to sustain regular harvests (for bearer biological assets).	Paragraph 45 is guidance for paragraph 43, which is reduced for Tier 2 entities. Therefore, paragraph 45 is reduced for Tier 2 entities.
46 If not disclosed elsewhere in information published with the financial statements, an entity shall describe: **(a) the nature of its activities involving each group of biological assets; and**	**46 If not disclosed elsewhere in information published with the financial statements, an entity shall describe:** **(a) the nature of its activities involving each group of biological assets; and**	Paragraph 46(a) is a Key Disclosure Area (nature of transaction or event that makes it significant or material). Therefore, paragraph 46(a) is kept for Tier 2 entities.

AASB 141/NZ IAS 41 *Agriculture*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
(b) non-financial measures or estimates of the physical quantities of: **(i) each group of the entity's biological assets at the end of the period; and** **(ii) output of agricultural produce during the period.**	**(b) non-financial measures or estimates of the physical quantities of:** **(i) each group of the entity's biological assets at the end of the period; and** **(ii) output of agricultural produce during the period.**	Paragraph 46(b) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 46(b) is reduced for Tier 2 entities.
47–48 [Deleted by IASB]	**47–48** [Deleted by IASB]	
49 An entity shall disclose: **(a) the existence and carrying amounts of biological assets whose title is restricted, and the carrying amounts of biological assets pledged as security for liabilities;** **(b) the amount of commitments for the development or acquisition of biological assets; and**	**49 An entity shall disclose:** **(a) the existence and carrying amounts of biological assets whose title is restricted, and the carrying amounts of biological assets pledged as security for liabilities;** **(b) the amount of commitments for the development or acquisition of biological assets; and**	Paragraphs 49(a) and (b) are a Key Disclosure Area (commitments and contingencies) – the benefits of providing the disclosure exceed the costs. Therefore, paragraphs 49(a) and (b) are kept for Tier 2 entities.
(c) financial risk management strategies related to agricultural activity.	**(c) financial risk management strategies related to agricultural activity.**	Paragraph 49(c) is a Key Disclosure Area (associated risks specific to a transaction or event) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 49(c) is kept for Tier 2 entities.
50 An entity shall present a reconciliation of changes in the carrying amount of biological assets between the beginning and the end of the current period. The reconciliation shall include: **(a) the gain or loss arising from changes**	**50 An entity shall present a reconciliation of changes in the carrying amount of biological assets between the beginning and the end of the current period. The reconciliation shall include:** **(a) the gain or loss arising from changes**	Paragraph 50 requires a reconciliation. Reconciliations are not required under the Tier 2 Disclosure Principles. Therefore, paragraph 50 is reduced for Tier 2 entities.

AASB 141/NZ IAS 41 *Agriculture*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
in fair value less costs to sell; **(b) increases due to purchases;** **(c) 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 AASB 5/NZ IFRS 5;** **(d) decreases due to harvest;** **(e) increases resulting from business combinations;** **(f) net exchange differences arising on the translation of financial statements into a different presentation currency, and on the translation of a foreign operation into the presentation currency of the reporting entity; and** **(g) other changes.**	**in fair value less costs to sell;** **(b) increases due to purchases;** **(c) 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 AASB 5/NZ IFRS 5;** **(d) decreases due to harvest;** **(e) increases resulting from business combinations;** **(f) net exchange differences arising on the translation of financial statements into a different presentation currency, and on the translation of a foreign operation into the presentation currency of the reporting entity; and** **(g) other changes.**	
RDR 50.1 An entity applying Australian Accounting Standards – Reduced Disclosure Requirements/a Tier 2 entity is not required to disclose the reconciliation specified in paragraph 50 for prior periods.	~~**RDR 50.1 An entity applying Australian Accounting Standards – Reduced Disclosure Requirements/a Tier 2 entity is not required to disclose the reconciliation specified in paragraph 50 for prior periods.**~~	Paragraph RDR 50.1 is no longer needed because Tier 2 entities are not required to prepare reconciliations under the Tier 2 Disclosure Principles.
51 The fair value less costs to sell of a biological asset can change due to both physical changes and price changes in the market. Separate disclosure of physical and price changes is useful in appraising current period performance and future prospects, particularly when there is a production cycle of more than one year. In such cases, an entity is encouraged to disclose,	51 The fair value less costs to sell of a biological asset can change due to both physical changes and price changes in the market. Separate disclosure of physical and price changes is useful in appraising current period performance and future prospects, particularly when there is a production cycle of more than one year. In such cases, an entity is encouraged to disclose,	Paragraph 51 provides guidance for paragraph 50(a), which is reduced for Tier 2 entities. Therefore, paragraph 51 is reduced for Tier 2 entities.

AASB 141/NZ IAS 41 *Agriculture*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
by group or otherwise, the amount of change in fair value less costs to sell included in profit or loss due to physical changes and due to price changes. This information is generally less useful when the production cycle is less than one year (for example, when raising chickens or growing cereal crops).	by group or otherwise, the amount of change in fair value less costs to sell included in profit or loss due to physical changes and due to price changes. This information is generally less useful when the production cycle is less than one year (for example, when raising chickens or growing cereal crops).	
52 Biological transformation results in a number of types of physical change—growth, degeneration, production, and procreation, each of which is observable and measurable. Each of those physical changes has a direct relationship to future economic benefits. A change in fair value of a biological asset due to harvesting is also a physical change.	52 Biological transformation results in a number of types of physical change—growth, degeneration, production, and procreation, each of which is observable and measurable. Each of those physical changes has a direct relationship to future economic benefits. A change in fair value of a biological asset due to harvesting is also a physical change.	Paragraph 52 provides guidance for paragraph 50, which is reduced for Tier 2 entities. Therefore, paragraph 52 is reduced for Tier 2 entities.
53 Agricultural activity is often exposed to climatic, disease and other natural risks. If an event occurs that gives rise to a material item of income or expense, the nature and amount of that item are disclosed in accordance with AASB 101/NZ IAS 1 *Presentation of Financial Statements*. Examples of such an event include an outbreak of a virulent disease, a flood, a severe drought or frost, and a plague of insects.	53 Agricultural activity is often exposed to climatic, disease and other natural risks. If an event occurs that gives rise to a material item of income or expense, the nature and amount of that item are disclosed in accordance with AASB 101/NZ IAS 1 *Presentation of Financial Statements*. Examples of such an event include an outbreak of a virulent disease, a flood, a severe drought or frost, and a plague of insects.	The AASB has decided that where here the cross-referencing is of a general nature this is reduced in Australian Accounting Standards for Tier 2 entities. This would be reduced in AASB 141 – general cross-reference to another standard
Additional disclosures for biological assets where fair value cannot be measured reliably **54 If an entity measures biological assets at their cost less any accumulated depreciation and any accumulated impairment losses (see paragraph 30) at the end of the period, the**	**Additional disclosures for biological assets where fair value cannot be measured reliably** **54 If an entity measures biological assets at their cost less any accumulated depreciation and any accumulated impairment losses (see paragraph 30) at the end of the period, the**	The AASB has decided to rely on the requirement in AASB 101and AASB 108 for disclosures about accounting policies. This would be reduced in AASB 141 – the requirements of paragraph 117 of

Comment [VS86]: The NZASB has decided that where the cross-referencing is of a general nature, this is kept in NZ IFRSs for Tier 2 entities.This would be kept in NZ IAS 41. Paragraph 53 provides guidance about what comprises a material item of income or expense in relation to agricultural activities for the purpose of the disclosure required in NZ IAS 1
Therefore, paragraph 53 is kept for Tier 2 entities.

AASB 141/NZ IAS 41 *Agriculture*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
entity shall disclose for such biological assets: **(a) a description of the biological assets;** **(b) an explanation of why fair value cannot be measured reliably;**	**entity shall disclose for such biological assets:** **(a) a description of the biological assets;** **(b) an explanation of why fair value cannot be measured reliably;**	AASB 101 are sufficient
(c) if possible, the range of estimates within which fair value is highly likely to lie;	**(c) if possible, the range of estimates within which fair value is highly likely to lie;**	Paragraph 54(c) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 54(c) is reduced for Tier 2 entities.
(d) the depreciation method used; **(e) the useful lives or the depreciation rates used; and**	**(d) the depreciation method used;** **(e) the useful lives or the depreciation rates used; and**	The AASB has decided to rely on the requirement in AASB 101and AASB 108 for disclosures about accounting policies. Paragraphs 54(d) and (e} are reduced in AASB 141 – the requirements of paragraph 117 of AASB 101 are sufficient
(f) the gross carrying amount and the accumulated depreciation (aggregated with accumulated impairment losses) at the beginning and end of the period.	**(f) the gross carrying amount and the accumulated depreciation (aggregated with accumulated impairment losses) at the beginning and end of the period.**	Paragraph 57(f) is a Key Disclosure Area (assessment of current liquidity and solvency) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 57(f) is kept for Tier 2 entities.

Comment [VS87]: The NZASB has decided to not rely solely on the requirements in NZ IAS 1 and NZ IAS 8 for disclosures about accounting policies. This would be kept in NZ IAS 41. Paragraphs 54(a) and (b) are a Key Disclosure Area (accounting policy on recognition or measurement) – the benefits of providing the disclosure exceed the costs.
Therefore, paragraphs 54(a) and (b) are kept for Tier 2 entities.

Comment [VS88]: The NZASB has decided to not rely solely on the requirements in NZ IAS 1 and NZ IAS 8 for disclosures about accounting policies. This would be kept in NZ IAS 41. Paragraphs 54(d) and (e) are a Key Disclosure Area (accounting policy on recognition or measurement) – the benefits of providing the disclosure exceed the costs.
Therefore, paragraphs 54(d) and (e) are kept for Tier 2 entities.

Comment [VS89]: The NZASB has decided to not rely solely on the requirements in NZ IAS 1 and NZ IAS 8 for disclosures about accounting policies. This would be kept in NZ IAS 41. Paragraphs 54(d) and (e) are a Key Disclosure Area (accounting policy on recognition or measurement) – the benefits of providing the disclosure exceed the costs.
Therefore, paragraphs 54(d) and (e) are kept for Tier 2 entities.

AASB 141/NZ IAS 41 *Agriculture*		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
55 If, during the current period, an entity measures biological assets at their cost less any accumulated depreciation and any accumulated impairment losses (see paragraph 30), an entity shall disclose any gain or loss recognised on disposal of such biological assets and the reconciliation required by paragraph 50 shall disclose amounts related to such biological assets separately. In addition, the reconciliation shall include the following amounts included in profit or loss related to those biological assets: **(a) impairment losses;** **(b) reversals of impairment losses; and**	**55 If, during the current period, an entity measures biological assets at their cost less any accumulated depreciation and any accumulated impairment losses (see paragraph 30), an entity shall disclose any gain or loss recognised on disposal of such biological assets and the reconciliation required by paragraph 50 shall disclose amounts related to such biological assets separately. In addition, the reconciliation shall include the following amounts included in profit or loss related to those biological assets:** **(a) impairment losses;** **(b) reversals of impairment losses; and**	Paragraph 55 is a Key Disclosure Area (nature of the transaction or event that makes it significant or material) – the benefits of providing the disclosure exceed the costs. However, paragraph 50 is reduced for Tier 2 entities, therefore the reference to paragraph 50 is reduced for Tier 2 entities. Paragraphs 55, except for the reference to paragraph 50 is kept for Tier 2 entities. Paragraphs 55(a) and (b) in AASB 141 are reduced – the requirements of AASB 136 are sufficient.
(c) depreciation.	**(c) depreciation.**	Paragraph 55(c) is a Key Disclosure Area (accounting policy on recognition or measurement) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 55(c) is kept for Tier 2 entities.
56 If the fair value of biological assets previously measured at their cost less any accumulated depreciation and any accumulated impairment losses becomes reliably measurable during the current period, an entity shall disclose for those biological assets: **(a) a description of the biological assets;** **(b) an explanation of why fair value has become reliably measurable; and** **(c) the effect of the change.**	**56 If the fair value of biological assets previously measured at their cost less any accumulated depreciation and any accumulated impairment losses becomes reliably measurable during the current period, an entity shall disclose for those biological assets:** **(a) a description of the biological assets;** **(b) an explanation of why fair value has become reliably measurable; and** **(c) the effect of the change.**	Paragraph 56 is a Key Disclosure Area (nature of the transaction or event that makes it significant or material to the entity) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 56 is kept for Tier 2 entities.

Comment [VS90]: Paragraphs 55(a) in NZ IAS 41 is kept. Paragraphs 55(a) is a Key Disclosure Area (impairment) – the benefits of providing the disclosure exceed the costs.
Therefore, paragraphs 55 (a) are kept for Tier 2 entities.

Comment [VS91]: Paragraphs 55(b) in NZ IAS 41 is kept. Paragraphs 55 (b) is a Key Disclosure Area (impairment) – the benefits of providing the disclosure exceed the costs.
Therefore, paragraphs 55(b) is kept for Tier 2 entities

AASB 141/NZ IAS 41 ***Agriculture***		
Current RDR (shaded)	**Proposed RDR (shaded)**	**Comments**
Government grants 57 **An entity shall disclose the following related to agricultural activity covered by this Standard:** **(a) the nature and extent of government grants recognised in the financial statements;** **(b) unfulfilled conditions and other contingencies attaching to government grants; and** **(c) significant decreases expected in the level of government grants.**	**Government grants** **57** **An entity shall disclose the following related to agricultural activity covered by this Standard:** **(a) the nature and extent of government grants recognised in the financial statements;** (b) **unfulfilled conditions and other contingencies attaching to government grants; and** **(c) significant decreases expected in the level of government grants.**	Paragraph 57 is a Key Disclosure Area (assessment of current liquidity and solvency) – the benefits of providing the disclosures exceed the costs. Therefore, paragraph 57 is kept for Tier 2 entities.

AASB 1054/FRS-44 ***Australian/New Zealand Additional Disclosures***		
Current RDR	**Proposed RDR**	**Comments**
Compliance with Australian Accounting Standards/NZ IFRS **7/5** **An entity whose financial statements comply with Australian Accounting Standards/New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) shall make an explicit and unreserved statement of such compliance in the notes. An entity shall not describe financial statements as complying with Australian Accounting Standards/NZ IFRS unless they comply with all the requirements of**	**Compliance with Australian Accounting Standards/NZ IFRS** 7/5 An entity whose financial statements comply with Australian Accounting Standards/New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) shall make an explicit and unreserved statement of such compliance in the notes. An entity shall not describe financial statements as complying with Australian Accounting Standards/NZ IFRS unless they comply with all the requirements of Australian Accounting Standards/NZ IFRS.	Paragraph 7/5 is not a Key Disclosure Area. The paragraph is the domestic equivalent of the assertion of compliance with IFRS for Tier 1 entities in paragraph 16 of AASB 101/NZ IAS 1. Tier 2 entities do not assert compliance with Australian Accounting Standards/NZ IFRS. Therefore paragraph 7/5 is reduced for Tier 2 entities.

AASB 1054/FRS-44 ***Australian/New Zealand Additional Disclosures***		
Current RDR	**Proposed RDR**	**Comments**
Australian Accounting Standards/NZ IFRS.		
RDR 7.1/5.1 An entity whose financial statements comply with Australian Accounting Standards – Reduced Disclosure Requirements/New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Regime (NZ IFRS RDR) shall make an explicit and unreserved statement of such compliance in the notes. An entity shall not describe financial statements as complying with Australian Accounting Standards – Reduced Disclosure Requirements/NZ IFRS RDR unless they comply with all the requirements of Australian Accounting Standards – Reduced Disclosure Requirements/NZ IFRS RDR.	RDR 7.1/5.1 An entity whose financial statements comply with Australian Accounting Standards – Reduced Disclosure Requirements/New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Regime (NZ IFRS RDR) shall make an explicit and unreserved statement of such compliance in the notes. An entity shall not describe financial statements as complying with Australian Accounting Standards – Reduced Disclosure Requirements/NZ IFRS RDR unless they comply with all the requirements of Australian Accounting Standards – Reduced Disclosure Requirements/NZ IFRS RDR.	Paragraph RDR 7.1/5.1 is not a Key Disclosure Area. However, the presumption that the costs of providing the disclosure outweigh the benefits is rebutted because the disclosure provides information about the framework under which the entity is reporting. Therefore paragraph RDR 7.1/5.1 is kept for Tier 2 entities.
Reporting Framework **AASB 1054** 8 An entity shall disclose in the notes: (a) the statutory basis or other reporting framework, if any, under which the financial statements are prepared; and (b) whether, for the purposes of preparing the financial statements, it is a for-profit or not-for-profit entity. **FRS-44** 7 An entity shall disclose in the notes: (a) the statutory basis or other reporting framework, if any, under which the financial statements have been prepared; (b) a statement whether the financial	**Reporting Framework** **AASB 1054** 8 An entity shall disclose in the notes: (a) the statutory basis or other reporting framework, if any, under which the financial statements are prepared; and (b) whether, for the purposes of preparing the financial statements, it is a for-profit or not-for-profit entity. **FRS-44** 7 An entity shall disclose in the notes: (a) the statutory basis or other reporting framework, if any, under which the financial statements have been prepared; (b) a statement whether the financial	Paragraph 8 is not a Key Disclosure Area. However, the presumption that the costs of providing the disclosure outweigh the benefits is rebutted because the disclosure provides information about the type of entity reporting and the statutory basis under which the financial statements have been prepared. Therefore, paragraph 8 is kept for Tier 2 entities. Paragraphs 7 and RDR 7.1 are not a Key Disclosure Area. However, the presumption that the costs of providing the disclosure outweigh the benefits is rebutted because the disclosure provides information about type of entity reporting, the statutory basis under

AASB 1054/FRS-44 ***Australian/New Zealand Additional Disclosures***		
Current RDR	**Proposed RDR**	**Comments**
statements have been prepared in accordance with GAAP; and. (c) that, for the purposes of complying with GAAP, it is a for-profit entity. RDR 7.1 In an entity elects to report in accordance with NZ IFRS RDR, it shall disclose in the notes the criteria that establish the entity as eligible to report in accordance with NZ IFRS RDR.	statements have been prepared in accordance with GAAP; and. (c) that, for the purposes of complying with GAAP, it is a for-profit entity. RDR 7.1 In an entity elects to report in accordance with NZ IFRS RDR, it shall disclose in the notes the criteria that establish the entity as eligible to report in accordance with NZ IFRS RDR.	which the financial statements have been prepared, whether those financial statements have been prepared in accordance with GAAP and, for Tier 2 entities, the criteria that establish the entity as eligible to report in accordance with NZ IFRS RDR. Therefore, paragraphs 7 and RDR 7.1 are kept for Tier 2 entities.
AASB 1054 **General Purpose or Special Purpose Financial Statements** 9 An entity shall disclose in the notes whether the financial statements are general purpose financial statements or *special purpose financial statements*.	**AASB 1054** **General Purpose or Special Purpose Financial Statements** 9 An entity shall disclose in the notes whether the financial statements are general purpose financial statements or *special purpose financial statements*.	Paragraph 9 is not a Key Disclosure Area. However, the presumption that the costs of providing the disclosure exceed the benefits is rebutted because the disclosure provides information about the type of financial statements that have been prepared. Therefore, paragraph 9 is kept for Tier 2 entities.
Audit Fees 10/8.1 An entity shall disclose fees to each auditor or reviewer, including any network firm, separately for: (a) the audit or review of the financial statements; and (b) all other services performed during the reporting period.	**Audit Fees** 10/8.1 An entity shall disclose fees to each auditor or reviewer, including any network firm, separately for: (a) the audit or review of the financial statements; and (b) all other services performed during the reporting period.	Paragraph 10/8.1 is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 10/8.1 is reduced for Tier 2 entities.
11/8.2 For 10(b)/8.1(b) above, an entity shall describe the nature of other services.	11/8.2 For 10(b)/8.1(b) above, an entity shall describe the nature of other services.	Paragraph 11/8.2 is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 11/8.2 is reduced for Tier 2 entities.

AASB 1054/FRS-44 *Australian/New Zealand Additional Disclosures*		
Current RDR	**Proposed RDR**	**Comments**
Imputation Credits 12/9.1 The term 'imputation credits' is used in paragraphs 13–15/9.2–9.4 to also mean 'franking credits'. The disclosures required by paragraphs 13/9.2 and 15/9.4 shall be made separately in respect of any New Zealand imputation credits and any Australian imputation credits.	**Imputation Credits** 12/9.1 The term 'imputation credits' is used in paragraphs 13–15/9.2–9.4 to also mean 'franking credits'. The disclosures required by paragraphs 13/9.2 and 15/9.4 shall be made separately in respect of any New Zealand imputation credits and any Australian imputation credits.	Paragraph 12/9.1 is guidance for paragraphs 13–15/ 9.2–9.4, which are reduced for Tier 2 entities. Therefore, paragraph 12/9.1 is reduced for Tier 2 entities.
13/9.2 An entity shall disclose the amount of imputation credits available for use in subsequent reporting periods.	13/9.2 An entity shall disclose the amount of imputation credits available for use in subsequent reporting periods.	This paragraph is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 13/9.2 is reduced for Tier 2 entities.
14/9.3 For the purposes of determining the amount required to be disclosed in accordance with paragraph 13/9.2, entities may have: (a) imputation credits that will arise from the payment of the amount of the provision for income tax; (b) imputation debits that will arise from the payment of dividends recognised as a liability at the reporting date; and (c) imputation credits that will arise from the receipt of dividends recognised as receivables at the reporting date.	14/9.3 For the purposes of determining the amount required to be disclosed in accordance with paragraph 13/9.2, entities may have: (a) imputation credits that will arise from the payment of the amount of the provision for income tax; (b) imputation debits that will arise from the payment of dividends recognised as a liability at the reporting date; and (c) imputation credits that will arise from the receipt of dividends recognised as receivables at the reporting date.	Paragraph 14/9.3 is guidance for paragraph 13/9.2, which is reduced for Tier 2 entities. Therefore, paragraph 14/9.3 is reduced for Tier 2 entities.
15/9.4 Where there are different classes of investors with different entitlements to imputation credits, disclosures shall be made about the nature of those entitlements for each class where this is relevant to an understanding of them.	15/9.4 Where there are different classes of investors with different entitlements to imputation credits, disclosures shall be made about the nature of those entitlements for each class where this is relevant to an understanding of them.	Paragraph 15/9.4 is guidance for paragraph 13–15/ 9.2–9.4, which are reduced for Tier 2 entities. Therefore, paragraph 15/9.4 is reduced for Tier 2 entities.

AASB 1054/FRS-44 *Australian/New Zealand Additional Disclosures*		
Current RDR	**Proposed RDR**	**Comments**
Reconciliation of Net Operating Cash Flow to Profit (Loss) 16/10 When an entity uses the direct method to present its statement of cash flows, the financial statements shall provide a reconciliation of the net cash flow from operating activities to profit (loss).	**Reconciliation of Net Operating Cash Flow to Profit (Loss)** 16/10 When an entity uses the direct method to present its statement of cash flows, the financial statements shall provide a reconciliation of the net cash flow from operating activities to profit (loss).	Paragraph 16/10 requires a reconciliation. Reconciliations are not required under the Tier 2 Disclosure Principles. Therefore, paragraph 16/10 is reduced for Tier 2 entities. 2

AASB Interpretation 2/NZ IFRIC 2 *Members' Shares in Co-operative Entities and Similar Instruments*		
Current RDR	**Proposed RDR**	**Comments**
Disclosure 13 When a change in the redemption prohibition leads to a transfer between financial liabilities and equity, the entity shall disclose separately the amount, timing and reason for the transfer.	**Disclosure** 13 When a change in the redemption prohibition leads to a transfer between financial liabilities and equity, the entity shall disclose separately the amount, timing and reason for the transfer.	Paragraph 13 is a Key Disclosure Area (assessment of current liquidity and solvency) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 13 is kept for Tier 2 entities.

AASB Interpretation 5/NZ IFRIC 5 *Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds*		
Current RDR	**Proposed RDR**	**Comments**

Disclosure	**Disclosure**	Paragraph 11 is a Key Disclosure Area (assessment of current liquidity and solvency) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 11 is kept for Tier 2 entities.
11 A contributor shall disclose the nature of its interest in a fund and any restrictions on access to the assets in the fund.	11 A contributor shall disclose the nature of its interest in a fund and any restrictions on access to the assets in the fund.	
12 When a contributor has an obligation to make potential additional contributions that is not recognised as a liability (see paragraph 10), it shall make the disclosures required by paragraph 86 of AASB 137/NZ IAS 37.	12 When a contributor has an obligation to make potential additional contributions that is not recognised as a liability (see paragraph 10), it shall make the disclosures required by paragraph 86 of AASB 137/NZ IAS 37.	Paragraph 12 is a Key Disclosure Area (commitments and contingencies) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 12 is kept for Tier 2 entities.
13 When a contributor accounts for its interest in the fund in accordance with paragraph 9, it shall make the disclosures required by paragraphs 85(c) of AASB 137/NZ IAS 37.	13 When a contributor accounts for its interest in the fund in accordance with paragraph 9, it shall make the disclosures required by paragraphs 85(c) of AASB 137/NZ IAS 37.	Paragraph 13 is a Key Disclosure Area (commitments and contingencies) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 13 is kept for Tier 2 entities.

AASB Interpretation 14/NZ IFRIC 14 ***NZ IAS 19—The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction***

Current RDR	**Proposed RDR**	**Comments**
Consensus **Availability of a refund or reduction in future contributions** 10 In accordance with AASB 1/NZ IAS 1, the entity shall disclose information about the key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amount of the net asset or liability recognised in the statement of financial position. This might include disclosure of an y restrictions on the current realisability of the surplus or disclosure of the basis used to determine the amount of the	**Consensus** **Availability of a refund or reduction in future contributions** 10 In accordance with AASB 1/NZ IAS 1, the entity shall disclose information about the key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amount of the net asset or liability recognised in the statement of financial position. This might include disclosure of any restrictions on the current realisability of the surplus or disclosure of the basis used to determine the amount of the	Paragraph 10 is a Key Disclosure Area (significant estimates and judgments specific to a transaction or event) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 10 is kept for Tier 2 entities.

AASB Interpretation 14/NZ IFRIC 14 *NZ IAS 19—The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*		
Current RDR	**Proposed RDR**	**Comments**
economic benefit available.	economic benefit available.	

AASB Interpretation 17/NZ IFRIC 17 *Distributions of Non-cash Assets to Owners*		
Current RDR	**Proposed RDR**	**Comments**
Presentation and disclosures 15 An entity shall present the difference described in paragraph 14 as a separate line item in profit or loss.	**Presentation and disclosures** 15 An entity shall present the difference described in paragraph 14 as a separate line item in profit or loss.	Paragraph 15 is a presentation requirement under the Tier 2 Disclosure Principles because the presentation of line items on the face of the financial statements is considered to be presentation requirements. Presentation requirements are not subjected to analysis. Therefore, paragraph 15 is kept for Tier 2 entities.
16 An entity shall disclose the following information if applicable: (a) the carrying amount of the dividend payable at the beginning and end of the period; and	16 An entity shall disclose the following information if applicable: (a) the carrying amount of the dividend payable at the beginning and end of the period; and	Paragraph 16(a) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 16(a) is reduced for Tier 2 entities.
(b) the increase or decrease in the carrying amount recognised in the period in accordance with paragraph 13 as a result of a change in the fair value of the assets distributed.	(b) the increase or decrease in the carrying amount recognised in the period in accordance with paragraph 13 as a result of a change in the fair value of the asses distributed.	Paragraph 16(b) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 16(b) is reduced for Tier 2 entities.

AASB Interpretation 17/NZ IFRIC 17 *Distributions of Non-cash Assets to Owners*		
Current RDR	**Proposed RDR**	**Comments**
17 If, after the end of the reporting period but before the financial statements are authorised for issue, an entity declares a dividend to distribute a non-cash asset, it shall disclose: (a) the nature of the asset to be distributed;	17 If, after the end of the reporting period but before the financial statements are authorised for issue, an entity declares a dividend to distribute a non-cash asset, it shall disclose: (a) the nature of the asset to be distributed;	Paragraph 17(a) is a Key Disclosure Area (subsequent events) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 17(a) is kept for Tier 2 entities.
(b) the carrying amount of the asset to be distributed as of the end of the reporting period; and	(b) the carrying amount of the asset to be distributed as of the end of the reporting period; and	Paragraph 17(b) is a Key Disclosure Area (assessment of current liquidity and solvency) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 17(b) is kept for Tier 2 entities.
(c) the fair value of the asset to be distributed as of the end of the reporting period, if it is different from its carrying amount, and the information about the method(s) used to measure that fair value required by paragraphs 93(b), (d), (g) and (i) and 99 of AASB 13/NZ IFRS 13.	(c) the fair value of the asset to be distributed as of the end of the reporting period, if it is different from its carrying amount, and the information about the method(s) used to measure that fair value required by paragraphs 93(b), (d), (g) and (i) and 99 of AASB 13/NZ IFRS 13.	Paragraph 17(c) is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 17(c) is reduced for Tier 2 entities.

AASB Interpretation 129/NZ SIC-29 *Service Concession Arrangements: Disclosures*	**AASB Interpretation 129/NZ SIC-29 *Service Concession Arrangements: Disclosures***	
Consensus 6 All aspects of a service concession arrangement shall be considered in determining the appropriate disclosures in the notes. An operator and a grantor shall disclose the following in each period: (a) a description of the arrangement;	**Consensus** 6 All aspects of a service concession arrangement shall be considered in determining the appropriate disclosures in the notes. An operator and a grantor shall disclose the following in each period: (a) a description of the arrangement;	Paragraph 6(a) is a Key Disclosure Area (nature of the transaction or event that makes it significant or material) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 6(a) is kept for Tier 2 entities.

(b) significant terms of the arrangement that may affect the amount, timing and certainty of future cash flows (eg the period of the concession, re-pricing dates and the basis upon which re-pricing or re-negotiation is determined);	(b) significant terms of the arrangement that may affect the amount, timing and certainty of future cash flows (eg the period of the concession, re-pricing dates and the basis upon which re-pricing or re-negotiation is determined);	Paragraph 6(b) is a Key Disclosure Area (assessment of current liquidity and solvency) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 6(b) is kept for Tier 2 entities.
(c) the nature and extent (eg quantity, time period or amount as appropriate) of: (i) rights to use specified assets; (ii) obligations to provide or rights to expect provision of services; (iii) obligations to acquire or build items of property, plant and equipment; (iv) obligations to deliver or rights to receive specified assets at the end of the concession period; (v) renewal and termination options; and (vi) other rights and obligations (eg major overhauls);	(c) the nature and extent (eg quantity, time period or amount as appropriate) of: (i) rights to use specified assets; (ii) obligations to provide or rights to expect provision of services; (iii) obligations to acquire or build items of property, plant and equipment; (iv) obligations to deliver or rights to receive specified assets at the end of the concession period; (v) renewal and termination options; and (vi) other rights and obligations (eg major overhauls);	Paragraph 6(c) is a Key Disclosure Area (nature of the transaction or event that makes it significant or material) – the benefits of providing the disclosure exceed the costs. Therefore, paragraph 6(c) is kept for Tier 2 entities.
(d) changes in the arrangement occurring during the period; and (e) how the service arrangement has been classified.	(d) changes in the arrangement occurring during the period; and (e) how the service arrangement has been classified.	Paragraphs 6(d) and (e) are not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraphs 6(d) and (e) are reduced for Tier 2 entities.
6A An operator shall disclose the amount of revenue and profits or losses recognised in the period on exchanging construction services for a financial asset or an intangible asset.	6A An operator shall disclose the amount of revenue and profits or losses recognised in the period on exchanging construction services for a financial asset or an intangible asset.	Paragraph 6A is not a Key Disclosure Area – the costs of providing the disclosure exceed the benefits. Therefore, paragraph 6A is reduced for Tier 2 entities.
7 The disclosures required in accordance with paragraph 6 of this Interpretation shall be	7 The disclosures required in accordance with paragraph 6 of this Interpretation shall be	Paragraph 7 requires disaggregation of the disclosures in accordance with paragraph 6 – the costs of providing

provided individually for each service concession arrangement or in aggregate for each class of service concession arrangements. A class is a grouping of service concession arrangements involving services of a similar nature (eg toll collections, telecommunications and water treatment services).	provided individually for each service concession arrangement or in aggregate for each class of service concession arrangements. A class is a grouping of service concession arrangements involving services of a similar nature (eg toll collections, telecommunications and water treatment services).	the disclosure exceed the benefits. Therefore, paragraph 7 is reduced for Tier 2 entities.