



**Australian Government**  
**Australian Accounting Standards Board**

# Cover Memo

<b>Project:</b>	<b>Australian Financial Reporting Framework</b>	<b>Meeting:</b>	AASB June 2016 (M152)
<b>Topic:</b>	<b>Update</b>	<b>Agenda Item:</b>	7.0
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		<b>Project Priority:</b>	High
		<b>Decision-Making:</b>	Medium
		<b>Project Status:</b>	In progress

## Introduction and objective of the meeting

- 1 The objective of this meeting is to update the Board in relation to the following matters:
  - (a) the benchmarking report re for-profit private sector companies; and
  - (b) an updated project plan.

## Attachments

Agenda Paper 7.1 AASB Research Report, *When to Publicly Lodge Financial Statements? International Benchmarking of For-Profit Private Sector Company Requirements* [BOARD ONLY]; and

Agenda Paper 7.2 Project Plan (June 2016).

## Background

- 2 The overall objective of the project is to clarify and simplify the Australian financial reporting framework, so that objective criteria determine which entities would be required to prepare general purpose financial statements and the level of the reporting requirements. The criteria should ensure that only those entities that should prepare general purpose financial reports are identified as public lodgers. The project aims to cover both corporate and non-corporate entities, in conjunction with policymakers and regulators. Simple and clear legislative wording that could be used by all regulators would be one outcome.

## Overview of agenda papers

- 3 Paper 7.1 is the benchmarking report in respect of the reporting requirements for for-profit, private sector companies. Although this has been completed, it has not yet been

published (and hence is a Board Only agenda paper). It will be published in conjunction with the expected Consultation Paper regarding requirements for public lodgement of financial statements by companies under the *Corporations Act 2001*. This Consultation Paper is expected to be finalised only after the federal election has taken place.

- 4 Paper 7.2 is an updated project plan in respect of developing benchmarking reports and consultation papers across the various sectors: for-profit private sector, not-for-profit private sector, and not-for-profit public sector. These publications will form the foundation for future consultation with policymakers and regulators, preparers and users of financial statements and other stakeholders.
- 5 The project plan does not cover the segment of the broader project that is addressing the revision of the Reduced Disclosure Requirements (Tier 2 general purpose financial statements). Refer to agenda item 11 for this meeting for the latest deliberations. An Exposure Draft on RDR is expected to be finalised after discussion at the August 2016 Board meeting.

#### **Staff recommendations**

- 6 The staff recommend that the Board note the materials provided and advise staff of any suggestions or comments in response.

#### **Question for the Board**

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| Q1 | Does the Board have any comments on the benchmarking report re for-profit private sector companies (agenda paper 7.1)? |
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