



<b>To:</b>	<b>AASB members</b>	<b>Date:</b>	14 April 2010
<b>From:</b>	<b>Ahmad Hamidi &amp; Lisa Panetta</b>	<b>Agenda Item:</b>	10.1
<b>Subject:</b>	<b>Differential reporting – Update</b>	<b>File:</b>	P 52

## Action

Consider for discussion an update on the progress of the project, including:

- (a) the status of global adoption of the *IFRS for SMEs*;
- (b) the issues to be discussed at the forthcoming Roundtables; and
- (c) a verbal report on the number and the broad direction of comments received on ED 192 so far.

## Background

ED 192 *Revised Differential Reporting Framework* and AASB Consultation Paper *Differential Financial Reporting – Reduced Disclosure Requirements* were issued on 26 February 2010.

The closing date for comment on these documents is 23 April 2010.

## Roundtables

Roundtables on the proposed revised differential reporting framework are planned to be held in Sydney and Melbourne on 5<sup>th</sup> and 7<sup>th</sup> of May respectively. A summary of issues to be discussed at the Roundtables is attached as agenda paper 10.2. The Board will be updated on constituents' views expressed at the Roundtables at the 17 May meeting.

## Adoption of *IFRS for SMEs* in other jurisdictions

Staff continue to monitor the adoption of the *IFRS for SMEs* in other jurisdictions. An update has been prepared which is attached as Agenda paper 10.3.

The European Commission initiated consultation in November 2009 (with a closing comment date of 12 March 2010) seeking EU stakeholders' views on the *IFRS for SMEs*. AASB staff have prepared a brief summary of some of the comments made by European respondents to those questions relating to the adoption of the *IFRS for SMEs* in EU ( attached as Agenda paper10.4).

The UK ASB issued a consultation paper in August 2009 titled 'The Future of UK GAAP' with a closing date of 1 February 2010. The consultation paper proposes the use of the *IFRS for SMEs* as a second tier of reporting requirements in a 3-tier system. Two of the ASB paper's questions relate to the proposal to adopt the *IFRS for SMEs* and the effect on preparers and users of applying the

proposals in the consultation paper. AASB staff have prepared a brief summary of some of the comments by UK respondents to those questions (attached as Agenda paper 10.5).

## **Draft Standards**

ED 192 paragraph 9 notes that the differential reporting project is expected to result in:

- (a) a Standard setting out the application of Tier 1 and Tier 2 GPFS reporting requirements; and
- (b) changes to most existing Standards to show the disclosure requirements under Tier 2 (the RDR).

Staff are currently drafting an application Standard and an Amending Standard to implement the above. It is planned that the drafts of the two Standards be considered by the Subcommittee and then presented to the 17 May Board meeting.

## **Verbal report on comments received**

As the closing date of ED 192 (and related AASB Consultation Paper) is too near to the April Board meeting date, a verbal report of the nature of comments and their general direction will be provided at that meeting. A collation of feedback received through comment letters and Roundtables will be presented to the Board's 17 May meeting.

## **Attachments**

- Agenda paper 10.2 Issues to be Discussed at the Roundtables
- Agenda paper 10.3 Update on Global Adoption of the *IFRS for SMEs*
- Agenda paper 10.4 Brief Summary of Responses to EC Consultation on the *IFRS for SMEs*
- Agenda paper 10.5 Brief Summary of Comments by UK Responses on Proposed Adoption of the *IFRS for SMEs*