



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

AASB 9-10 February 2011  
Agenda paper 13.9

Level 7, 600 Bourke Street  
MELBOURNE VIC 3000  
**Postal Address**  
PO Box 204  
Collins Street West VIC 8007  
Telephone: (03) 9617 7600  
Facsimile: (03) 9617 7608

21 December 2010

Mr Kevin Simpkin  
Chairman  
Accounting Standards Review Board  
PO Box 12197  
Thorndon  
Wellington 6144

Dear Kevin

**New Zealand Plans for Differential Reporting**

In relation to your letter of 18 November, 2010, I can report that the AASB considered it at their meeting on 8-9 December, 2010. They very much welcomed the prospect that New Zealand would be considering introducing, for for-profit entities, a compatible framework to that employed in Australia. They noted the matters set out in paragraph 5 of your letter and expressed the view that co-operation on this topic would be consistent with the successful model currently employed between the AASB and FRSB.

You mention that IFRS for SME's should continue to be considered as a future option for Tier 2 reporting. The AASB has indicated in the past that it has not ruled out adoption in the future of IFRS for SME's. However, the AASB does not want that possibility to be disruptive in the next few years as RDR is bedded down. Also, the AASB has previously decided that it would not favour adding IFRS for SME's as an option to RDR. In other words, they do not support the concept of having alternative models open to the tier 2 entities (except that a tier 2 entity can always choose to report as if a tier 1 entity).

Attached is a copy of the letter recently sent to the Chairman of the IASB seeking some level of recognition for RDR.

Yours faithfully

A handwritten signature in black ink that reads "K.M. Stevenson".

Kevin M. Stevenson  
Chairman and CEO

cc: AASB members  
Mr Jeffrey Lucy