



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

AASB 13-14 July 2011  
Agenda paper 3.13 - tabled

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

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Mark Sewell  
Manager  
Corporate Reporting and Accountability Unit  
Corporations and Capital Markets Division  
The Treasury  
Langton Crescent  
Parkes ACT 2600

Dear Mark

**Removal of Individual KMP disclosure requirements from standards**

The AASB made AASB 2011-4 *Amendments to Australian Accounting Standards to Remove Individual Key Management Disclosure Requirements* on 7 July 2011.

AASB 2011-4 amends AASB 124 *Related Party Disclosures* with effect for periods beginning on or after 1 July 2013. Early adoption is not permitted.

The removal of the requirements to disclose information about individual key management personnel compensation, equity holdings and loans has been made after due process involving two Exposure Drafts. These were ED 162 *Proposed Amendments to Key Management Personnel Disclosures by Disclosing Entities* issued in April 2008 and, as part of the AASB's efforts to converge with New Zealand standards, ED 200A *Proposals to Harmonise Australian and New Zealand Standards in Relation to Entities Applying IFRSs as Adopted in Australia and New Zealand* issued in July 2010.

The view of Australian constituents and of the AASB is that requirements to disclose information about individual key management personnel is a governance matter best dealt with through Acts of Parliament and in accordance with public policy objectives.

International Financial Reporting Standards (IFRSs) that are adopted in Australia include only aggregate disclosure requirements about key management personnel in the context of IAS 24 *Related Party Disclosures*. Accordingly, removing the individual key management personnel disclosure requirements means that Australian Accounting Standards are better aligned with IFRSs and with New Zealand accounting standards, which is consistent with the policies of the Australian and New Zealand governments on trans-Tasman convergence.

In the period up to 2013, when AASB 2011-4 takes effect, the Australian government may wish to consider amending the Corporations Act requirements on individual key management personnel disclosures in light of the removal of disclosure requirements from AASB 124, and in the context of other executive remuneration matters it has before it.

If you wish to discuss this matter further, please contact me or Angus Thomson [athomson@asb.gov.au; 03 9617 7618].

Yours sincerely

Kevin M. Stevenson  
Chairman and CEO