



Australian Government  
Australian Accounting Standards Board

# Memorandum

<b>To:</b>	<b>AASB Members</b>	<b>Date:</b>	20 August 2013
<b>From:</b>	<b>Evelyn Ling</b>	<b>Agenda Item:</b>	17.1 (M133)
<b>Subject:</b>	<b>Sweep issue arising on the revised AASB Framework</b>	<b>File:</b>	

## Action

To resolve a sweep issue arising from the fourth pre-ballot draft of a revised AASB Conceptual Framework incorporating the two Chapters of the revised IASB *Conceptual Framework for Financial Reporting* issued by the IASB in September 2010.

## Attachments

Agenda paper 17.2 Extracts from the minutes of previous AASB Board meetings

Agenda paper 17.3 AASB Staff Issues Paper – Manner in which the 2010 IASB Chapters should be incorporated into the Australian Framework

## Overview

The purpose of the Board's discussion at this meeting is to consider a sweep issue arising from the fourth pre-ballot draft circulated to Board members on 19 July 2013. If Board members would like a copy of the fourth pre-ballot draft, please contact Evelyn (evelynl@aasb.gov.au).

Accordingly, the focus of the discussion will be the issue noted in the attached staff issues paper. Drafting issues will be addressed out of session. Subsequent to the meeting, a revised pre-ballot draft or ballot draft (depending on the approach decided by the Board at this meeting) will be circulated to Board members.

## Background

The following is a brief timeline of the Board's project to revise the AASB Framework to incorporate the two new Chapters issued by the IASB in September 2010, and milestones in the IASB and IPSASB's own Conceptual Framework projects:

- June 2008 – the Board issues AASB Exposure Draft ED 164 *An Improved Conceptual Framework for Financial Reporting: The Objective of Financial Reporting and Qualitative Characteristics and Constraints of Decision-useful Financial Reporting Information* for comment, including requesting comments on the issues that would need to be considered if the proposed IASB concepts were also applied to not-for-profit entities and to for-profit entities in

the public sector (noting that the AASB planned to undertake additional consultation with constituents on not-for-profit issues).

- June 2010 – the Board makes the initial decision to adopt the new IASB chapters when issued by the IASB, and to include limited additional guidance necessary for their application by not-for-profit entities. The Board decided that the additional application guidance for not-for-profit entities in relation to the new Framework chapters does not require public exposure.
- September 2010 – the IASB issues its revised *Conceptual Framework for Financial Reporting*, including two new chapters, Chapter 1: The objective of general purpose financial reporting and Chapter 3: Qualitative characteristics of useful financial information.
- October 2010 – the Board considers sweep issues arising from the pre-ballot draft of the new chapters for a revised AASB Conceptual Framework, including the wording of not-for-profit specific paragraphs.
- December 2010 – the Board considers further sweep issues arising from the second pre-ballot draft, a third pre-ballot draft, and developments in the IPSASB Conceptual Framework project. Among other decisions, the Board decides to issue a revised AASB Conceptual Framework applicable to for-profit entities that is identical to the revised IASB Conceptual Framework, and, for the time being, to retain the existing text of the AASB Conceptual Framework (including its ‘Aus’ paragraphs) for application by not-for-profit entities.
- December 2010 – the IPSASB issues CF-ED 1 *Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities: Role, Authority and Scope, Objectives and Users, Qualitative Characteristics, and Reporting Entity*.
- January 2010–June 2013 – Due to staff resource constraints, work on a revised AASB Conceptual Framework is deferred.
- January 2013 – the IPSASB issues chapters addressing the role and authority of its conceptual framework, the objective and users of general purpose financial reports, qualitative characteristics and the reporting entity.
- July 2013 – a fourth pre-ballot draft incorporating the decisions made at the December 2010 meeting is circulated for comment to Board members.
- July 2013 – the IASB issues Discussion Paper A *Review of the Conceptual Framework for Financial Reporting* for comment by 14 January 2014.

Extracts from the minutes of the previous Board meetings are included as Agenda Paper 17.2.