



# Memorandum

<b>To:</b>	AASB members	<b>Date:</b>	13 May 2014
<b>From:</b>	Nikole Gyles and Robert Keys	<b>Agenda Item:</b>	17.1 (M138)
<b>Subject:</b>	<b>Consideration of feedback received on ED 248 <i>Amendments to AASB 1053 – Transition to and between Tiers, and related Tier 2 Disclosure Requirements</i></b>	<b>File:</b>	

## Action

Consider feedback received on ED 248 *Amendments to AASB 1053 – Transition to and between Tiers, and related Tier 2 Disclosure Requirements* with a view to finalising the proposed amendments.

## Attachments

Agenda Paper 17.2 ED 248 comment letter analysis (to be tabled)

Agenda Paper 17.3 Comment letters received on ED 248 (to be tabled)

Agenda Paper 17.4 ED 248 *Amendments to AASB 1053 – Transition to and between Tiers, and related Tier 2 Disclosure Requirements*

Agenda Paper 17.5 AASB Staff Paper *Transitioning to and between Tiers of General Purpose Financial Reporting*

## Background

In March 2014 the AASB issued ED 248<sup>1</sup> for comment by 19 May 2014. In addition to amending AASB 1053 to clarify that it relates only to general purpose financial statements, to make it consistent with the availability of the AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* option in AASB 1 *First-time Adoption of Australian Accounting Standards* and to clarify certain circumstances in which an entity applying Tier 2 reporting requirements can avail itself of that option, the Exposure Draft proposes that:

- (a) an entity applying **Tier 2** reporting requirements for the **first time** be permitted to do so directly using the requirements in AASB 108 (rather than applying AASB 1) when, and only when, the entity had not applied, or only selectively applied, applicable recognition and measurement requirements in its most recent previous annual special purpose financial statements;

<sup>1</sup> [http://www.aasb.gov.au/admin/file/content105/c9/ACCED248\\_3-14.pdf](http://www.aasb.gov.au/admin/file/content105/c9/ACCED248_3-14.pdf) (accessed 8 May 2014)

# Memorandum

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- (b) an entity that **resumes** the application of **Tier 2** reporting requirements through AASB 1 (whether or not it uses the AASB 108 option in AASB 1) because it had not continued to apply all applicable recognition and measurement requirements (i.e. the circumstances addressed in proposed paragraph 19B(d) of AASB 1053) be required to disclose:
  - (i) the reason it stopped applying Tier 2 reporting requirements;
  - (ii) the reason it is resuming the application of Tier 2 reporting requirements; and
  - (iii) when the AASB 108 option in AASB 1 is used, the reasons for electing to resume the application of Tier 2 reporting requirements as if it had never stopped applying them; and
- (c) an entity that **resumes** the application of **Tier 2** reporting requirements without applying AASB 1 or the AASB 108 option in AASB 1 because it had continued to apply all applicable recognition and measurement requirements (i.e. the circumstances addressed in proposed paragraph 19B(e) of AASB 1053) be required to disclose:
  - (i) the reason it stopped applying Tier 2 reporting requirements; and
  - (ii) the reason it is resuming the application of Tier 2 reporting requirements.

## **May 2014 AASB meeting**

At the May 2014 AASB meeting, staff will provide the Board with any feedback received on ED 248 (tabled Agenda Papers 17.2 and 17.3) with a view to seeking final Board decisions on the proposed amendments, to enable staff to prepare a ballot draft of an Amending Standard for Board voting.

Depending on the nature of the comments received on ED 248 and the consequential Board decisions, it might be possible to finalise the revised standard in time for application to years beginning on or after 1 July 2014 (as proposed in ED 248).