



To:	AASB members	Date:	13 May 2014
From:	Angus Thomson	Agenda Item:	18.1
Subject:	Research Centre activities update	File:	--

Action

Note significant Research Centre activities since the April 2014 meeting.

Attachment

AASB staff note on IASB Disclosure Initiative – agenda paper 18.2

Research Report on lodged financial statements

Staff have conducted a further review of a revised draft of the AASB Research Report on lodged financial statements and provided what we hope will be a last round of comments for the authors (contractors from Deakin and Melbourne Universities) to address. This follows feedback received from the ASIC and our contacts at regulators in the three states (Victoria, NSW and Queensland) that provided data for analysis in the Report.

By the time of the May Board meeting, we expect the Report to have been published.

Reporting entity

AASB Essay 2014-1 *The Critical Role of the Reporting Entity Concept in Australian Financial Reporting* has been published on the AASB website. The Essay:

- * outlines a history of the use of the reporting entity concept in Australia;
- * provides a brief overview of the forthcoming Research Report on lodged financial statements;
- * indicates the Board's intended greater focus on Standards applying to general purpose financial statements (also see agenda item 9 for this May AASB meeting); and
- * indicates the Board's current thinking on how it might use the reporting entity concept in future and about promoting its use by regulators in setting lodging requirements.

Amendments to AASB 1053

ED 248 *Amendments to AASB 1053 – Transition to and between Tiers, and related Tier 2 Disclosure Requirements* has been published and closed for comment on 19 May – please see agenda item 17 for this meeting. ED 248 is the subject of a March 2014 staff article [*Transitioning to, and between Tiers of General Purpose Financial Reporting*](#).

ED 248 relates to amendments made to AASB 1 via AASB 2012-5 *Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle*.

Service Performance Reporting

At its April 2014 meeting the Board decided on its comments on the IPSASB's ED 54 *Reporting Service Performance* (which it is proposed will form the basis of an IPSASB Recommended Practice Guide) and considered an AASB staff paper 'Future Directions of the AASB's Service Performance Reporting Project'.

In terms of the future of the AASB's project, the Board decided to use IPSASB ED 54, in combination with the AASB staff's research to date and the work of the NZASB as a basis for reorienting its work from 'green fields' research to developing an AASB ED of a proposed Standard. The Board agreed that its own work should not be tied to the IPSASB processes and should include within its scope both public sector and private sector not-for-profit entities.

This project will now be transferred to the standard-setting work program.

Superannuation Entities

The Board decided on a number of changes to the Draft Standard that arose from constituents' comments on a Draft AASB 105X *Superannuation Entities* that was open for 'fatal flaw' comment until 28 February 2014. Consistent with the Board's decisions, a revised Draft Standard has been cleared out-of-session with the superannuation entities subcommittee.

Staff have been through multiple versions of a Regulation Impact Statement (RIS) that must accompany the ballot Draft Standard on which the Board will vote. At the time of writing this memo, there are a few remaining issues on the RIS and its accompanying Business Cost Calculation that need to be cleared with the Office of Best Practice Regulation (OBPR) before the ballot Draft Standard can be sent to members for voting.

Conceptual Framework

The AASB's submission on the IASB's Discussion Paper *A Review of the Conceptual Framework for Financial Reporting* (incorporated in the AASB's ITC 29) was lodged with the IASB in mid-February. That submission addressed the key issues the AASB sought to raise.

Staff have been undertaking follow-up work to address all of the specific questions asked in the IASB's DP that will form the basis of a supplementary paper to the AASB's submission on the DP (made on 11 February 2014). The supplementary paper is nearing completion and it is intended that it be provided to the IASB later in May.

Business Combinations

The AASB conducted a roundtable on the post-implementation review of IFRS 3/AASB 3 *Business Combinations* on 29 April (also see agenda item 15 for this May AASB meeting).

Disclosure Initiative

The IASB has commenced a Disclosure Initiative – an AASB staff note on the project's planned scope and timing is attached as agenda paper 18.2.

Other matters

AASB research staff have also been engaged in monitoring the IASB's broader range of research projects and assisting in dealing with the complexities associated with the forthcoming omnibus standard.