


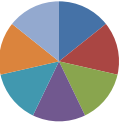

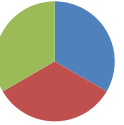
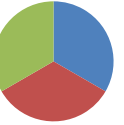
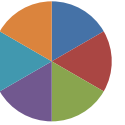
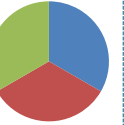
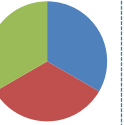
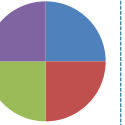


	Australia	New Zealand	Canada	United Kingdom	Singapore	South Africa	Hong Kong	Japan	Korea	Malaysia	United States of America
Number of reporting frameworks (public & private sectors)	 3	 6	 5	 7	 4	 3	 3	 6 <sup>1</sup>	 3	 3	 4
What types of entity are required to prepare financial statements in accordance with a framework (if not carved out)? <sup>2</sup>											
• Company (FP & NFP)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	⊘ <sup>3</sup>
• Liability Limited Partnership											
○ FP	n/a	✗	✗	✓	✗	✗	✗	✓	✗	✗	✗
○ NFP	n/a	✗	✗	✓		⊘ <sup>4</sup>			✗	n/a <sup>5</sup>	✗

1 Japan – Staff have not been able to obtain information regarding potential reporting frameworks/requirements for not-for-profit entities.

2 Not all jurisdictions use the same names for the same types of entity. Accordingly, AASB staff have used familiar labels to group entities with similar characteristics. For example, a “company” includes a South African “close corporation” and a Japanese “Stock Company”.

3 USA – Company incorporation is governed by state legislation. Generally, state legislation requires special purpose tax reports but not general purpose financial reports. If a company offers securities for sale publicly, it will be subject to the *Securities Act of 1933* and the *Securities Exchange Act of 1934*, which are federal instruments prescribing general purpose financial reporting requirements and Securities and Exchange Commission registration requirements.

4 South Africa – If a non-profit organisation (NPO) voluntarily registers as a NPO with the South African government, it will be required to apply Generally Accepted Accounting Practices, which comprises IFRS or *IFRS for SMEs*.

5 Malaysia – Legislation limits the LLP business structure to only those entities that have a view to make profit.

	Australia	New Zealand	Canada	United Kingdom	Singapore	South Africa	Hong Kong	Japan	Korea	Malaysia	United States of America
• Partnership											
○ FP	x	x	x	x	x	x	x	x	x	x	x
○ NFP	x	x	x	x		Q <sup>6</sup>			x	x	x
• Incorporated Associations (FP & NFP)	Q <sup>7</sup>	x	x	x		Q <sup>8</sup>			x	x	x
• Public Sector Entities	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
• Charities <sup>9</sup>	✓	✓	✓	✓		n/a <sup>10</sup>			n/a		x

6 South Africa – See footnote 4.

7 Australia – Some States require the application of AASB Standards for incorporated associations that meet size criteria in terms of total revenue and assets. Other States specify the reporting format without any requirement to apply Standards. Recent legislation in this area appears to be moving toward a tiered system with incorporated associations larger than a specified threshold being required to apply Standards.

8 South Africa – Incorporated associations generally are not required to apply an accounting framework. However, if that association is a NPO, it will be required to apply IFRS or *IFRS for SMEs*, see footnote 4.

9 Some jurisdictions specify requirements for charities, regardless of the entity structure.

10 South Africa – There is no single charity regulator. Instead, non-profit organisations may register with the South African government, as noted above.

	Australia	New Zealand	Canada	United Kingdom	Singapore	South Africa	Hong Kong	Japan	Korea	Malaysia	United States of America
Do entities identified positively above need to pass a threshold before being required to prepare financial statements? <sup>11</sup>	✓	✓	✗	✗	✗	✓	✗	✗	✓	✗	✗
When is compliance with full IFRS (or equivalent top tier) required (if not carved out)? <sup>12</sup>											
• Listed entities	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
• “Reporting entity” / <i>public accountability</i> assessment	✓	✓	✓	✓	✓	✓	✓	✓	✗	✓	✗
• Prescribed / “deemed” entities	✓						✓				

11 The specific thresholds will be covered in the future research report.

12 This measure highlights in which circumstances an entity must apply the most onerous level of reporting requirements, such as Tier 1 Australian Accounting Standards or IFRSs.

	Australia	New Zealand	Canada	United Kingdom	Singapore	South Africa	Hong Kong	Japan	Korea	Malaysia	United States of America
<b>Simplified reporting framework available if not required to comply with full framework?<sup>13</sup></b>											
• Simplified R&M	✗	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓
○ <i>IFRS for SMEs</i> : <div style="display: inline-block; vertical-align: middle; margin-right: 5px;"> <span style="background-color: #f4a460; padding: 2px;">M</span>odified<sup>14</sup> /  <span style="background-color: #c8e6c9; padding: 2px;">V</span>erbatim                 </div>	n/a	n/a	✗	M	M	V	✗	✗	M	M	✗
• Simplified disclosure	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
○ RDR approach	✓	✓	✗	✓	✗	✗	✗	✗	✗	✗	✗

13 This measure highlights whether a jurisdiction has simplified reporting requirements for entities that are not required to apply the highest level of requirements, such as Tier 2 Australian Accounting Standards. This measure is disaggregated based on whether the simplified requirements apply to recognition and measurement (R&M) or disclosures, or both. Furthermore, the measure also reports whether these simplifications are based on an *IFRS for SMEs* approach or an RDR approach, or both.

14 In all cases, modifications to *IFRS for SMEs* do not prevent an entity from claiming compliance with *IFRS for SMEs* as published by the IASB.

	Australia	New Zealand	Canada	United Kingdom	Singapore	South Africa	Hong Kong	Japan	Korea	Malaysia	United States of America
<ul style="list-style-type: none"> <li>Threshold for eligibility to apply a simplified reporting framework or transition between tiers:</li> </ul> <p><b>P</b> rinciple<sup>15</sup> /</p> <p><b>Q</b> uantitative<sup>16</sup></p>	<b>P</b>	<b>P</b> <sup>17</sup>	<b>P</b>	<b>Q</b> <sup>18</sup>	<b>Q</b>	<b>P</b>	<b>Q</b>	<b>Q</b>	<b>Q</b>	<b>x</b> <sup>19</sup>	<b>x</b>

15 An example of a principle to be eligible for application of a simplified financial reporting framework is the IASB’s *public accountability* criterion. All jurisdictions surveyed used this criterion where the eligibility threshold was based on a principle.

16 Specific thresholds will be detailed in the future research report. Note, despite the quantitative threshold, an entity eligible to apply a simplified reporting framework must still determine whether it is publicly accountable and therefore required to apply a higher tier.

17 New Zealand – However, thresholds do exist for public sector public benefit entities.

18 United Kingdom – FRSSE is only available to small companies and small LLPs. All other frameworks are selected based on *public accountability*.

19 Malaysia – Only a *private entity* as defined in the Malaysian Private Entities Reporting Standard (MPERS) is permitted to apply that simplified reporting framework. The definition is based on whether the entity is incorporated as a *private company* under the *Companies Act 1965* and is not otherwise required by law administered by the Securities Commission or the Bank Negara Malaysia to prepare and lodge financial statements.