

**Accounting Standard**

**AASB 2007-7**

June 2007

# **Amendments to Australian Accounting Standards**

**[AASB 1, AASB 2, AASB 4,  
AASB 5, AASB 107 & AASB 128]**



**Australian Government**

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**Australian Accounting  
Standards Board**

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Australian Accounting Standard AASB 2007-7 *Amendments to Australian Accounting Standards* is set out in paragraphs 1 – 13. All the paragraphs have equal authority.

## **PREFACE**

### **Standards Amended by AASB 2007-7**

This Standard makes amendments to the following Australian Accounting Standards:

1. AASB 1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standards*;
2. AASB 2 *Share-based Payment*;
3. AASB 4 *Insurance Contracts*;
4. AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*;
5. AASB 107 *Cash Flow Statements*; and
6. AASB 128 *Investments in Associates*.

### **Main Features of this Standard**

#### **Application Date**

This Standard is applicable to annual reporting periods beginning on or after 1 July 2007, with early adoption permitted for annual reporting periods beginning on or after 1 January 2005 but before 1 July 2007.

An entity adopting this Standard early must adopt the whole Standard early.

#### **Main Requirements**

These amendments follow the issuance, in April 2007, of AASB 2007-4 *Amendments to Australian Accounting Standards arising from ED 151 and Other Amendments*. That Standard implemented the AASB's decision that, in principle, all options that currently exist under International Financial Reporting Standards should be included in the Australian equivalents to IFRSs and additional Australian disclosures should be eliminated, other than those considered particularly relevant in the Australian reporting environment.

In addition to editorial amendments, this Standard removes the encouragement in paragraph Aus12.1 of AASB 107 to adopt a particular

format for the cash flow statement, as it is no longer relevant due to the amendments made to AASB 107 by AASB 2007-4. The superseded implementation guidance accompanying AASB 4 is also deleted.

## **ACCOUNTING STANDARD AASB 2007-7**

The Australian Accounting Standards Board makes Accounting Standard AASB 2007-7 *Amendments to Australian Accounting Standards* under section 334 of the *Corporations Act 2001*.

Dated 28 June 2007

D.G. Boymal  
Chair – AASB

## **ACCOUNTING STANDARD AASB 2007-7 AMENDMENTS TO AUSTRALIAN ACCOUNTING STANDARDS**

### **Objective**

- 1 The objective of this Standard is to make amendments to:
  - (a) AASB 1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standards*;
  - (b) AASB 2 *Share-based Payment*;
  - (c) AASB 4 *Insurance Contracts*;
  - (d) AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*;
  - (e) AASB 107 *Cash Flow Statements*; and
  - (f) AASB 128 *Investments in Associates*;

as a consequence of a review of Australian equivalents to International Financial Reporting Standards.

### **Application**

- 2 **In respect of AASB 1, AASB 2, AASB 4, AASB 5 and AASB 128, this Standard applies to:**
  - (a) **each entity that is required to prepare financial reports in accordance with Part 2M.3 of the Corporations Act and that is a reporting entity;**

- (b) **general purpose financial reports of each other reporting entity; and**
- (c) **financial reports that are, or are held out to be, general purpose financial reports.**

**3 In respect of AASB 107, this Standard applies to:**

- (a) **each entity that is required to prepare financial reports in accordance with Part 2M.3 of the Corporations Act;**
- (b) **general purpose financial reports of each reporting entity; and**
- (c) **financial reports that are, or are held out to be, general purpose financial reports.**

**4 This Standard applies to annual reporting periods beginning on or after 1 July 2007.**

**5 This Standard may be applied to annual reporting periods beginning on or after 1 January 2005 but before 1 July 2007.**

### **Amendments to AASB 1**

6 In paragraph 12(b), the reference to ‘paragraphs 26-34’ is amended to ‘paragraphs 26-34B’.

7 In paragraph 34A, the reference to ‘effective date’ is amended to ‘application date’ (twice occurring).

### **Amendment to AASB 2**

8 Paragraph IG8 of the Implementation Guidance accompanying AASB 2 is amended to read as follows:

IG8 In paragraph 54 of AASB 2, the entity is encouraged, but not required, to apply the requirements of the Standard to other grants of equity instruments (i.e. grants other than those specified in paragraph 53 of the Standard), if the entity has disclosed publicly the fair value of those equity instruments, measured at the measurement date. For example, such equity instruments include equity instruments for which the entity has disclosed in the notes to its financial statements the information required in the US by SFAS 123 *Accounting for Stock-based Compensation*.

### **Amendment to AASB 4**

- 9 The Implementation Guidance accompanying AASB 4 is deleted.

### **Amendment to AASB 5**

- 10 At the end of the first sentence of paragraph 43, the reference to 'the effective date of the Standard' is amended to 'the application date of the Standard'.

### **Amendments to AASB 107**

- 11 Paragraph Aus12.1 is deleted.
- 12 In the Direct Method Cash Flow Statement in Appendix A, the caption '*Net cash used in operating activities*' is amended to '*Net cash from operating activities*'.

### **Amendment to AASB 128**

- 13 Paragraph 35 is amended to read as follows:
- 35. An investment in an associate shall be accounted for in the investor's separate financial statements in accordance with paragraphs 37–42 of AASB 127.**