

Accounting Standard

AASB 2008-4

June 2008

**Amendments to Australian
Accounting Standard – Key
Management Personnel
Disclosures by Disclosing
Entities**

[AASB 124]



Australian Government

**Australian Accounting
Standards Board**

Obtaining a Copy of this Accounting Standard

This Standard is available on the AASB website: www.aasb.gov.au.
Alternatively, printed copies of this Standard are available for purchase by contacting:

The Customer Service Officer
Australian Accounting Standards Board
Level 7
600 Bourke Street
Melbourne Victoria
AUSTRALIA

Postal address:
PO Box 204
Collins Street West Victoria 8007
AUSTRALIA

Phone: (03) 9617 7637
Fax: (03) 9617 7608
E-mail: publications@aaasb.gov.au
Website: www.aasb.gov.au

Other Enquiries

Phone: (03) 9617 7600
Fax: (03) 9617 7608
E-mail: standard@aaasb.gov.au

COPYRIGHT

© 2008 Commonwealth of Australia

This work is copyright. Reproduction in unaltered form (retaining this notice) is permitted for personal and non-commercial use subject to the inclusion of an acknowledgment of the source. Apart from any use as permitted under the *Copyright Act 1968*, no part may be reproduced by any process without prior written permission from the Australian Accounting Standards Board. Requests and enquiries concerning reproduction and rights for commercial purposes should be addressed to The Director of Finance and Administration, Australian Accounting Standards Board, PO Box 204, Collins Street West, Victoria 8007.

ISSN 1036-4803

AASB 2008-4

2

COPYRIGHT

CONTENTS

PREFACE

ACCOUNTING STANDARD
AASB 2008-4 AMENDMENTS TO AUSTRALIAN ACCOUNTING
STANDARD – KEY MANAGEMENT PERSONNEL DISCLOSURES BY
DISCLOSING ENTITIES

	<i>Paragraphs</i>
Objective	1
Application	2 – 6
Amendments to AASB 124	7 – 9
BASIS FOR CONCLUSIONS	<i>Page 7</i>

Australian Accounting Standard AASB 2008-4 *Amendments to Australian Accounting Standard – Key Management Personnel Disclosures by Disclosing Entities* is set out in paragraphs 1 – 9. All the paragraphs have equal authority.

PREFACE

Standard Amended by AASB 2008-4

This Standard makes amendments to Australian Accounting Standard AASB 124 *Related Party Disclosures*.

These amendments arise from Exposure Draft ED 162 *Proposed Amendments to Key Management Personnel Disclosures by Disclosing Entities*.

Main Features of this Standard

Application Date

This Standard is applicable to annual reporting periods ending on or after 30 June 2008, subject to such an annual reporting period not beginning before 30 June 2007.

This Standard may be applied to annual reporting periods beginning on or after 30 June 2007 that end before 30 June 2008.

Main Requirements

This Standard excludes disclosing entities that are companies from the application of AASB 124 paragraphs Aus25.2 to Aus25.6 and Aus25.7.1 and Aus25.7.2, as the requirements for these entities are now incorporated into the Corporations law. However, AASB 124 paragraphs Aus25.7 and Aus25.7.3 to Aus25.9.3 still apply to disclosing entities that are companies.

ACCOUNTING STANDARD AASB 2008-4

The Australian Accounting Standards Board makes Accounting Standard AASB 2008-4 *Amendments to Australian Accounting Standard – Key Management Personnel Disclosures by Disclosing Entities* under section 334 of the *Corporations Act 2001*.

Dated 6 June 2008

D.G. Boymal
Chair – AASB

ACCOUNTING STANDARD AASB 2008-4

AMENDMENTS TO AUSTRALIAN ACCOUNTING STANDARD – KEY MANAGEMENT PERSONNEL DISCLOSURES BY DISCLOSING ENTITIES

Objective

- 1 The objective of this Standard is to make amendments to AASB 124 *Related Party Disclosures*.

Application

- 2 **This Standard applies to:**
 - (a) **each entity that is required to prepare financial reports in accordance with Part 2M.3 of the *Corporations Act 2001* and that is a reporting entity;**
 - (b) **general purpose financial statements of each other reporting entity; and**
 - (c) **financial statements that are, or are held out to be, general purpose financial statements.**
- 3 **Subject to paragraph 4, this Standard applies to annual reporting periods ending on or after 30 June 2008.**
- 4 **This Standard does not apply to annual reporting periods beginning before 30 June 2007.**
- 5 **This Standard may be applied to annual reporting periods beginning on or after 30 June 2007 that end before 30 June 2008.**

- 6 The requirements specified in this Standard apply to the financial statements where information resulting from their application is material in accordance with AASB 1031 *Materiality*.

Amendments to AASB 124

- 7 Paragraph Aus1.4 is amended to read as follows:

Aus1.4 Subject to paragraphs Aus1.4.1 and Aus1.5, paragraphs Aus25.1 to Aus25.9.3 of this Standard apply to each disclosing entity, or group of which a disclosing entity is the parent, that is required to prepare financial reports in accordance with Part 2M.3 of the Corporations Act.

- 8 Paragraph Aus1.4.1 is added, to read as follows:

Aus1.4.1 Paragraphs Aus25.2 to Aus25.6 and Aus25.7.1 and Aus25.7.2 of this Standard do not apply to disclosing entities that are companies.

- 9 Paragraph Aus25.1 is amended to read as follows:

Aus25.1 Paragraphs Aus25.2 to Aus25.9.3 of this Standard apply to each disclosing entity (subject to parent entity relief) that is required to prepare financial reports in accordance with Part 2M.3 of the Corporations Act. However, paragraphs Aus25.2 to Aus25.6 and Aus25.7.1 and Aus25.7.2 of this Standard do not apply to disclosing entities that are companies. The disclosures required of disclosing entities by paragraphs Aus25.2 to Aus25.9.3 are in addition to those required by paragraphs 1 to 22.

BASIS FOR CONCLUSIONS

The Basis for Conclusions accompanies, but is not part of, AASB 2008-4.

Background

BC1 This Basis for Conclusions summarises the Australian Accounting Standards Board's considerations in reaching the conclusions in AASB 2008-4.

Significant Issue

BC2 As a result of the amendments to section 300A of the *Corporations Act 2001* and Regulation 2M.3.03 in 2007, disclosing entities that are companies are required to report remuneration information in the directors' report in accordance with the Corporations Act and Regulation 2M.3.03. The same remuneration information is required in the financial statements in accordance with AASB 124 *Related Party Disclosures* paragraphs Aus25.2 to Aus25.6 and Aus25.7.1 and Aus25.7.2.

BC3 Corporations Act Regulation 2M.6.04 permitted listed companies to avoid making the same disclosures twice. The Corporations Amendment Regulations 2007 (No. 2) has removed that regulation.

BC4 The Board has amended AASB 124 to relieve disclosing entities that are companies from complying with the paragraphs in AASB 124 that have been included in the Corporations Act and Regulation 2M.3.03 to avoid each disclosing entity that is a company having to disclose this information twice – in its directors' report and in its financial statements.

BC5 This Standard is applicable to annual reporting periods ending on or after 30 June 2008, subject to such an annual reporting period not beginning before 30 June 2007. The Board has decided to allow disclosing entities that are companies to apply this Standard to annual reporting periods beginning on or after 30 June 2007 that end before 30 June 2008.

BC6 A number of constituents who commented on ED 162 encouraged the Board to consider removing all the key management personnel disclosures required in the Aus paragraphs of AASB 124. The Board has not yet considered all the issues relating to the Aus paragraphs, which are the subject of ongoing discussions with Treasury.