

AASB Standard

AASB 2010-1

February 2010

**Amendments to Australian
Accounting Standards –
Limited Exemption from
Comparative AASB 7
Disclosures for First-time
Adopters**

[AASB 1 & AASB 7]



Australian Government

**Australian Accounting
Standards Board**

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ACCOUNTING STANDARD

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Australian Accounting Standard AASB 2010-1 *Amendments to Australian Accounting Standards – Limited Exemption from Comparative AASB 7 Disclosures for First-time Adopters* is set out in paragraphs 1 – 8. All the paragraphs have equal authority.

PREFACE

Standards Amended by AASB 2010-1

This Standard makes amendments to the following Australian Accounting Standards:

1. AASB 1 *First-time Adoption of Australian Accounting Standards*; and
2. AASB 7 *Financial Instruments: Disclosures*.

These amendments principally give effect to extending the transition provisions of AASB 2009-2 *Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments* to first-time adopters of Australian Accounting Standards.

Main Features of this Standard

Application Date

This Standard is applicable to annual reporting periods beginning on or after 1 July 2010. Early adoption is permitted for annual reporting periods beginning on or after 1 January 2005 but before 1 July 2010. If an entity applies this Standard to such an annual reporting period, it shall disclose that fact.

Main Requirements

First-time adopters of Australian Accounting Standards are permitted to use the same transition provisions permitted for existing preparers of financial statements prepared in accordance with Australian Accounting Standards that are included in AASB 2009-2.

ACCOUNTING STANDARD AASB 2010-1

The Australian Accounting Standards Board makes Accounting Standard AASB 2010-1 *Amendments to Australian Accounting Standards – Limited Exemption from Comparative AASB 7 Disclosures for First-time Adopters* under section 334 of the *Corporations Act 2001*.

Dated 3 February 2010

Kevin M. Stevenson
Chair – AASB

ACCOUNTING STANDARD AASB 2010-1

AMENDMENTS TO AUSTRALIAN ACCOUNTING STANDARDS – LIMITED EXEMPTION FROM COMPARATIVE AASB 7 DISCLOSURES FOR FIRST-TIME ADOPTERS

Objective

- 1 The objective of this Standard is to make amendments to:
 - (a) AASB 1 *First-time Adoption of Australian Accounting Standards*; and
 - (b) AASB 7 *Financial Instruments: 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* 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 This Standard applies to annual reporting periods beginning on or after 1 July 2010.

- 4 **This Standard may be applied to annual reporting periods beginning on or after 1 January 2005 but before 1 July 2010. If an entity applies this Standard to such an annual reporting period, it shall disclose that fact.**
- 5 **This Standard uses underlining, striking out and other typographical material to identify some of the amendments to a Standard, in order to make the amendments more understandable. However, the amendments made by this Standard do not include that underlining, striking out or other typographical material.**

Amendments to AASB 1

- 6 Paragraph 39C is added:

39C *AASB 2010-1 Amendments to Australian Accounting Standards – Limited Exemption from Comparative AASB 7 Disclosures for First-time Adopters*, issued in February 2010, added paragraph E3. An entity shall apply that amendment for annual reporting periods beginning on or after 1 July 2010. Earlier application is permitted. If an entity applies the amendment for an earlier period, it shall disclose that fact.
- 7 A heading, paragraph E3 and a footnote are added:

Disclosures about financial instruments

- E3 A first-time adopter may apply the transition provisions in paragraph 44G of AASB 7.¹

1 Paragraph E3 was added as a consequence of *AASB 2010-1 Amendments to Australian Accounting Standards – Limited Exemption from Comparative AASB 7 Disclosures for First-time Adopters* issued in February 2010. To avoid the potential use of hindsight and to ensure that first-time adopters are not disadvantaged as compared with current Australian Accounting Standards preparers, the AASB decided that first-time adopters should be permitted to use the same transition provisions permitted for existing preparers of financial statements prepared in accordance with Australian Accounting Standards that are included in *AASB 2009-2 Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments*.

Amendment to AASB 7

- 8 Paragraph 44G is amended (new text is underlined and deleted text is struck through) and footnoted:

44G *AASB 2009-2 Amendments to Australian Accounting Standards – Improving Disclosures about Financial*

Instruments, issued in April 2009, amended paragraphs 27, 39 and B11 and added paragraphs 27A, 27B, B10A and B11A-B11F. An entity shall apply those amendments for annual reporting periods beginning on or after 1 January 2009 that end on or after 30 April 2009. ~~In the first year of application, an~~ An entity need not provide ~~comparative information for the~~ disclosures required by the amendments for:

- (a) any annual or interim period, including any statement of financial position, presented within an annual comparative period ending before 31 December 2009, or
- (b) any statement of financial position as at the beginning of the earliest comparative period as at a date before 31 December 2009.

Earlier application is permitted. If an entity applies the amendments for an earlier period, it shall disclose that fact.¹

¹ Paragraph 44G was amended as a consequence of AASB 2010-1 *Amendments to Australian Accounting Standards – Limited Exemption from Comparative AASB 7 Disclosures for First-time Adopters* issued in February 2010. The AASB amended paragraph 44G to clarify its conclusions and intended transition for AASB 2009-2 *Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments*.