

Compiled AASB Standard

AASB 2011-7

Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards

**[AASB 1, 2, 3, 5, 7, 101, 107, 112, 118, 121,
124, 132, 133, 136, 138, 139, 1023 & 1038 and
Interpretations 5, 9, 16 & 17]**

This compiled Standard applies to annual reporting periods beginning on or after 1 January 2013 for for-profit entities. For not-for-profit entities it applies to annual reporting periods beginning on or after 1 January 2014. Early application is permitted. It incorporates relevant amendments made up to and including 18 December 2012.

Prepared on 29 April 2013 by the staff of the Australian Accounting Standards Board.



Australian Government

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Australian Accounting Standard AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards* (as amended) is set out in paragraphs 1 – 66 and the Appendix. All the paragraphs have equal authority.

COMPILATION DETAILS

Accounting Standard AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards as amended

This compiled Standard applies to annual reporting periods beginning on or after 1 January 2013 for for-profit entities. For not-for-profit entities it applies to annual reporting periods beginning on or after 1 January 2014. It takes into account amendments up to and including 18 December 2012 and was prepared on 29 April 2013 by the staff of the Australian Accounting Standards Board (AASB).

This compilation is not a separate Accounting Standard made by the AASB. Instead, it is a representation of AASB 2011-7 (August 2011) as amended by other Accounting Standards, which are listed in the Table below.

Table of Standards

Standard	Date made	Application date (annual reporting periods ... on or after ...)	Application, saving or transitional provisions
AASB 2011-7	29 Aug 2011	(beginning) 1 Jan 2013	see (a) below
AASB 2012-6	10 Sep 2012	(beginning) 1 Jan 2013	see (b) below
AASB 2012-10	18 Dec 2012	(beginning) 1 Jan 2013	see (c) below

- (a) Entities may elect to apply this Standard to annual reporting periods beginning on or after 1 January 2005 but before 1 January 2013, with certain exceptions. This early application provision was subsequently amended by AASB 2012-6 and AASB 2012-10.
- (b) Entities may elect to apply this Standard to annual reporting periods ending on or after 31 December 2009 that begin before 1 January 2013, with certain exceptions.
- (c) Entities may elect to apply this Standard to annual reporting periods beginning on or after 1 January 2005 but before 1 January 2013, subject to the early application requirements of AASB 2011-7. For example, not-for-profit entities may elect to apply AASB 2011-7 to annual reporting periods beginning on or after 1 January 2013 but before 1 January 2014.

Table of Amendments

Paragraph affected	How affected	By ... [paragraph]
1	amended	AASB 2012-6 [29]
6	amended	AASB 2012-10 [74]
7	amended amended	AASB 2012-6 [30] AASB 2012-10 [74]
23	amended	AASB 2012-6 [31]
25-26	deleted	AASB 2012-6 [29]
27	amended	AASB 2012-6 [33]
45	amended	AASB 2012-6 [34]
51-52	amended	AASB 2012-6 [36]
52A	added	AASB 2012-6 [36]
55	amended	AASB 2012-6 [38]
A1	amended	AASB 2012-6 [29]
A2	deleted	AASB 2012-6 [29]
A4	deleted	AASB 2012-6 [32]
A5-A7	deleted	AASB 2012-6 [29]
A9	amended	AASB 2012-6 [35]
A10-A12	deleted	AASB 2012-6 [37]

ACCOUNTING STANDARD AASB 2011-7

The Australian Accounting Standards Board made Accounting Standard AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards* under section 334 of the *Corporations Act 2001* on 29 August 2011.

This compiled version of AASB 2011-7 applies to annual reporting periods beginning on or after 1 January 2013 for for-profit entities. For not-for-profit entities it applies to annual reporting periods beginning on or after 1 January 2014. It incorporates relevant amendments contained in other AASB Standards made by the AASB up to and including 18 December 2012 (see Compilation Details).

ACCOUNTING STANDARD AASB 2011-7

AMENDMENTS TO AUSTRALIAN ACCOUNTING STANDARDS ARISING FROM THE CONSOLIDATION AND JOINT ARRANGEMENTS STANDARDS

Objective

- 1 The objective of this Standard is to make amendments to:
 - (a) AASB 1 *First-time Adoption of Australian Accounting Standards*;
 - (b) AASB 2 *Share-based Payment*;
 - (c) AASB 3 *Business Combinations*;
 - (d) AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*;
 - (e) AASB 7 *Financial Instruments: Disclosures*;
 - (f)-(h) [Deleted]
 - (i) AASB 101 *Presentation of Financial Statements*;
 - (j) AASB 107 *Statement of Cash Flows*;

- (k) AASB 112 *Income Taxes*;
- (l) AASB 118 *Revenue*;
- (m) AASB 121 *The Effects of Changes in Foreign Exchange Rates*;
- (n) AASB 124 *Related Party Disclosures*;
- (o) AASB 132 *Financial Instruments: Presentation*;
- (p) AASB 133 *Earnings per Share*;
- (q) AASB 136 *Impairment of Assets*;
- (r) AASB 138 *Intangible Assets*;
- (s) AASB 139 *Financial Instruments: Recognition and Measurement*;
- (t) AASB 1023 *General Insurance Contracts*;
- (u) AASB 1038 *Life Insurance Contracts*;
- (v) Interpretation 5 *Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds*;
- (w) Interpretation 9 *Reassessment of Embedded Derivatives*;
- (x) Interpretation 16 *Hedges of a Net Investment in a Foreign Operation*; and
- (y) Interpretation 17 *Distributions of Non-cash Assets to Owners*;

as a consequence of the issuance of AASB 10 *Consolidated Financial Statements*, AASB 11 *Joint Arrangements*, AASB 12 *Disclosure of Interests in Other Entities*, AASB 127 *Separate Financial Statements* and AASB 128 *Investments in Associates and Joint Ventures* in August 2011.

Application

2 Subject to paragraphs 3-5, 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 In respect of AASB 101 and 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 statements of each reporting entity; and
- (c) financial statements that are, or are held out to be, general purpose financial statements.

4 In respect of AASB 133, this Standard applies to each entity that is required to prepare financial reports in accordance with Part 2M.3 of the Corporations Act and that is:

- (a) a reporting entity whose ordinary shares or potential ordinary shares are publicly traded; or
- (b) a reporting entity that is in the process of issuing ordinary shares or potential ordinary shares in public markets; or
- (c) an entity that discloses earnings per share.

5 In respect of AASB 1038, this Standard applies to each entity that is:

- (a) a life insurer; or
- (b) the parent in a group that includes a life insurer;

when the entity:

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

- 6 This Standard applies to annual reporting periods beginning on or after 1 January 2013, except that for not-for-profit entities it applies to annual reporting periods beginning on or after 1 January 2014.**

[Note: For application dates of paragraphs changed or added by an amending Standard, see Compilation Details.]

- 7 This Standard shall be applied when AASB 10, AASB 11, AASB 12, AASB 127 (August 2011) and AASB 128 (August 2011) are applied. This Standard may be applied by:**
- (a) for-profit entities to annual reporting periods beginning on or after 1 January 2005 but before 1 January 2013, except that the amendments to AASB 3 may be applied early only to annual reporting periods beginning on or after 30 June 2007 but before 1 January 2013; and**
 - (b) not-for-profit entities to annual reporting periods beginning on or after 1 January 2013 but before 1 January 2014.**

If an entity applies this Standard to such an annual reporting period in accordance with paragraph (a) or (b), it shall disclose that fact and apply AASB 10, AASB 11, AASB 12, AASB 127 (August 2011) and AASB 128 (August 2011) at the same time.

- 8 This Standard uses underlining, striking out and other typographical material to identify some of the amendments to a Standard or an Interpretation, 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

- 9 In paragraphs 31, D1(g), D14 and D15 and in the headings before paragraphs 31 and D14, ‘jointly controlled entity’ is amended to ‘joint venture’ and ‘jointly controlled entities’ is amended to ‘joint ventures’.**

- 10 Paragraph 39I is added as follows:**

39I AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards*, issued in August 2011, amended paragraphs 31, B7, C1, D1, D14 and D15 and added paragraph D31. An entity shall apply those amendments when it applies AASB 10 *Consolidated Financial Statements* and AASB 11 *Joint Arrangements*.

- 11 Paragraph B7 is amended as follows (new text is underlined and deleted text is struck through):

B7 A first-time adopter shall apply the following requirements of ~~AASB 127 Consolidated and Separate Financial Statements (as amended in 2008)~~ AASB 10 prospectively from the date of transition to Australian Accounting Standards:

- (a) the requirement in paragraph ~~28~~ B94 that total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance;
- (b) the requirements in paragraphs ~~30 and 31~~ 23 and B93 for accounting for changes in the parent's ownership interest in a subsidiary that do not result in a loss of control; and
- (c) the requirements in paragraphs ~~34–37~~ B97–B99 for accounting for a loss of control over a subsidiary, and the related requirements of paragraph 8A of AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*.

However, if a first-time adopter elects to apply AASB 3 ~~Business Combinations (as revised in 2008)~~ retrospectively to past business combinations, it ~~also~~ shall also apply ~~AASB 127 (as amended in 2008)~~ AASB 10 in accordance with paragraph C1 of this Standard.

- 12 Paragraph C1 is amended as follows (new text is underlined and deleted text is struck through):

C1 A first-time adopter may elect not to apply AASB 3 ~~Business Combinations (as revised in 2008)~~ retrospectively to past business combinations (business combinations that occurred before the date of transition to Australian Accounting Standards). However, if a first-time adopter restates any business combination to comply with AASB 3 ~~(as revised in 2008)~~, it shall restate all later business combinations and shall also apply ~~AASB 127 Consolidated and Separate Financial Statements (as amended in 2008)~~ AASB 10 from that same date. For example, if a first-time adopter elects to restate a business combination that occurred on 30 June 20X6, it shall restate all business combinations that occurred on 30 June 20X6 and the date of transition to Australian Accounting Standards, and it

shall also apply ~~AASB 127 (amended 2008)~~ AASB 10 from 30 June 20X6.

- 13 Paragraph D1 is amended as follows (new text is underlined and deleted text is struck through):

D1 An entity may elect to use one or more of the following exemptions:

- (a) ...
- (p) extinguishing financial liabilities with equity instruments (paragraph D25); ~~and~~
- (q) severe hyperinflation (paragraphs D26-D30)-; and
- (r) joint arrangements (paragraph D31).

An entity shall not apply these exemptions by analogy to other items.

- 14 After paragraph D30, a heading and paragraph D31 are added as follows:

Joint arrangements

D31 A first-time adopter may apply the transition provisions in AASB 11 with the following exception. When changing from proportionate consolidation to the equity method, a first-time adopter shall test for impairment the investment in accordance with AASB 136 as at the beginning of the earliest period presented, regardless of whether there is any indication that the investment may be impaired. Any resulting impairment shall be recognised as an adjustment to retained earnings at the beginning of the earliest period presented.

Amendments to AASB 2

- 15 In paragraph 5, 'AASB 131 *Interests in Joint Ventures*' is amended to 'AASB 11 *Joint Arrangements*'.

- 16 Paragraph 63A is added as follows:

63A *AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards*, issued in August 2011, amended paragraph 5 and

Appendix A. An entity shall apply those amendments when it applies AASB 10 *Consolidated Financial Statements* and AASB 11.

- 17 In Appendix A, the footnote to the definition of ‘share-based payment arrangement’ is amended as follows (new text is underlined and deleted text is struck through):

- 3 A ‘group’ is defined in ~~paragraph 4~~ Appendix A of ~~AASB 127~~ AASB 10 Consolidated and Separate Financial Statements as ‘a parent and all its subsidiaries’ from the perspective of the reporting entity’s ultimate parent.

Amendments to AASB 3

- 18 Paragraph 7 is amended (new text is underlined and deleted text is struck through) and paragraph 64E is added as follows:

- 7 The guidance in ~~AASB 127~~ AASB 10 Consolidated Financial Statements shall be used to identify the acquirer – the entity that obtains control of ~~another entity, i.e.~~ the acquiree. If a business combination has occurred but applying the guidance in ~~AASB 127~~ AASB 10 does not clearly indicate which of the combining entities is the acquirer, the factors in paragraphs B14-B18 shall be considered in making that determination.

- 64E AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards*, issued in August 2011, amended paragraphs 7, B13, B63(e) and Appendix A. An entity shall apply those amendments when it applies AASB 10.

- 19 In Appendix A, the definition of ‘control’ is deleted.

- 20 Paragraphs B13 and B63(e) are amended as follows (new text is underlined and deleted text is struck through):

- B13 The guidance in ~~AASB 127~~ AASB 10 Consolidated and Separate Financial Statements shall be used to identify the acquirer – the entity that obtains control of the acquiree. If a business combination has occurred but applying the guidance in ~~AASB 127~~ AASB 10 does not clearly indicate which of the combining entities is the acquirer, the factors in paragraphs B14-B18 shall be considered in making that determination.

B63 Examples of other Australian Accounting Standards that provide guidance on subsequently measuring and accounting for assets acquired and liabilities assumed or incurred in a business combination include:

- (a) ...
- (e) ~~AASB 127 (as amended in March 2008)~~ AASB 10 provides guidance on accounting for changes in a parent's ownership interest in a subsidiary after control is obtained.

Amendments to AASB 5

21 Paragraph 28 is amended as follows (new text is underlined):

28 The entity shall include any required adjustment to the carrying amount of a non-current asset that ceases to be classified as held for sale in profit or loss [footnote omitted] from continuing operations in the period in which the criteria in paragraphs 7-9 are no longer met. Financial statements for the periods since classification as held for sale shall be amended accordingly if the disposal group or non-current asset that ceases to be classified as held for sale is a subsidiary, joint operation, joint venture, associate, or a portion of an interest in a joint venture or an associate. The entity shall present that adjustment in the same caption in the statement of comprehensive income used to present a gain or loss, if any, recognised in accordance with paragraph 37.

22 Paragraph 44G is added as follows:

44G *AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards*, issued in August 2011, amended paragraph 28. An entity shall apply that amendment when it applies AASB 11 *Joint Arrangements*.

Amendments to AASB 7

23 Paragraph 3(a) is amended as follows (new text is underlined and deleted text is struck through):

3 This Standard shall be applied by all entities to all types of financial instruments, except:

- (a) those interests in subsidiaries, associates or joint ventures that are accounted for in accordance with AASB 10 Consolidated Financial Statements, ~~AASB 127 Consolidated and Separate Financial Statements~~, or AASB 128 Investments in Associates and Joint Ventures ~~or AASB 131 Interests in Joint Ventures~~. However, in some cases, AASB 127, or AASB 128 or AASB 131 permits an entity to account for an interest in a subsidiary, associate or joint venture using AASB 139; in those cases, ...

24 Paragraph 44O is added as follows:

44O AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards*, issued in August 2011, amended paragraph 3. An entity shall apply that amendment when it applies AASB 10 and AASB 11 *Joint Arrangements*.

Amendments to AASB 9 (December 2010)

25-26 [Deleted]

Amendments to AASB 101

27 Paragraphs 4, 119, 123 and 124 are amended (new text is underlined and deleted text is struck through) and paragraph 139H is added as follows:

4 This Standard does not apply to the structure and content of condensed interim financial statements prepared in accordance with AASB 134 *Interim Financial Reporting*. However, paragraphs 15-35 apply to such financial statements. This Standard applies equally to all entities, including those that present consolidated financial statements in accordance with AASB 10 Consolidated Financial Statements and those that present separate financial statements ~~as defined in accordance with AASB 127 Consolidated and Separate Financial Statements~~.

119 ... An example is disclosure of whether a venturer recognises its ~~interest in a jointly controlled entity using proportionate consolidation or the equity method (see AASB 131 Interests in Joint Ventures)~~ an entity applies the fair value or cost model to its investment property (see AASB 140 Investment Property). Some Australian Accounting Standards specifically require

disclosure of particular accounting policies, including choices made by management between different policies they allow. ...

- 123 In the process of applying the entity's accounting policies, management makes various judgements, apart from those involving estimations, that can significantly affect the amounts it recognises in the financial statements. For example, management makes judgements in determining:
- (a) whether financial assets are held-to-maturity investments;
 - (b) when substantially all the significant risks and rewards of ownership of financial assets and lease assets are transferred to other entities; and
 - (c) whether, in substance, particular sales of goods are financing arrangements and therefore do not give rise to revenue; and
 - ~~(d) whether the substance of the relationship between the entity and a special purpose entity indicates that the entity controls the special purpose entity.~~
- 124 Some of the disclosures made in accordance with paragraph 122 are required by other Australian Accounting Standards. For example, ~~AASB 127 requires an entity to disclose the reasons why the entity's ownership interest does not constitute control, in respect of an investee that is not a subsidiary even though more than half of its voting or potential voting power is owned directly or indirectly through subsidiaries~~ AASB 12 *Disclosure of Interests in Other Entities* requires an entity to disclose the judgements it has made in determining whether it controls another entity. AASB 140 *Investment Property* requires ...
- 139H AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards*, issued in August 2011, amended paragraphs 4, 119, 123 and 124. An entity shall apply those amendments when it applies AASB 10 and AASB 12.

Amendments to AASB 107

- 28 Paragraphs 37, 38 and 42B are amended as follows (new text is underlined and deleted text is struck through):

- 37 When accounting for an investment in an associate, a joint venture or a subsidiary accounted for by use of the equity or cost method, an investor restricts its reporting in the statement of cash flows to the cash flows between itself and the investee, for example, to dividends and advances.
- 38 ~~An entity which reports its interest in a jointly controlled entity (see AASB 131 *Interests in Joint Ventures*) using proportionate consolidation, includes in its consolidated statement of cash flows its proportionate share of the jointly controlled entity's cash flows.~~ An entity ~~which that~~ reports ~~its such an~~ interest in an associate or a joint venture using the equity method includes in its statement of cash flows the cash flows in respect of its investments in the ~~jointly controlled entity~~ associate or joint venture, and distributions and other payments or receipts between it and the ~~jointly controlled entity~~ associate or joint venture.
- 42B Changes in ownership interests in a subsidiary that do not result in a loss of control, such as the subsequent purchase or sale by a parent of a subsidiary's equity instruments, are accounted for as equity transactions (see ~~AASB 127~~ AASB 10 *Consolidated and Separate Financial Statements* (as amended in March 2008)). Accordingly, ...
- 29 Paragraph 50(b) is deleted and a note added as follows:
- 50 Additional information ...
- (a) ...
- (b) [deleted by the IASB]
- (c) ...
- 30 Paragraph 57 is added as follows:
- 57 *AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards*, issued in August 2011, amended paragraphs 37, 38 and 42B and deleted paragraph 50(b). An entity shall apply those amendments when it applies AASB 10 and AASB 11 *Joint Arrangements*.

Amendments to AASB 112

- 31 In paragraphs 2, 15, 18(e), 24, 38, 44, 45, 81(f), 87 and 87C and the heading before paragraph 38, 'joint venture' is amended to 'joint arrangement' and 'joint ventures' is amended to 'joint arrangements'.
- 32 Paragraph 39 is amended as follows (new text is underlined and deleted text is struck through):
- 39 **An entity shall recognise a deferred tax liability for all taxable temporary differences associated with investments in subsidiaries, branches and associates, and interests in joint ~~ventures~~ arrangements, except to the extent that both of the following conditions are satisfied:**
- (a) **the parent, investor, ~~or joint venturer or joint operator~~ is able to control the timing of the reversal of the temporary difference; and**
- (b) ...
- 33 Paragraph 43 is amended as follows (new text is underlined and deleted text is struck through):
- 43 The arrangement between the parties to a joint ~~venture arrangement~~ usually deals with the sharing distribution of the profits and identifies whether decisions on such matters require the consent of all the ~~venturers parties~~ or a specified majority group of the venturers parties. When the joint venturer or joint operator can control the timing of the distribution of its share of the sharing of profits of the joint arrangement and it is probable that its share of the profits will not be distributed in the foreseeable future, a deferred tax liability is not recognised.
- 34 Paragraph 98A is added as follows:
- 98A AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards*, issued in August 2011, amended paragraphs 2, 15, 18(e), 24, 38, 39, 43-45, 81(f), 87 and 87C. An entity shall apply those amendments when it applies AASB 11 *Joint Arrangements*.

Amendments to AASB 118

35 Paragraph 6(b) is amended as follows (new text is underlined and deleted text is struck through):

6 This Standard does not deal with revenue arising from:

- (a) ...
- (b) dividends arising from investments which are accounted for under the equity method (see AASB 128 ~~Accounting for Investments in Associates~~ and Joint Ventures);
- (c) ...

36 Paragraph 41 is added as follows:

41 AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards*, issued in August 2011, amended paragraph 6(b). An entity shall apply that amendment when it applies AASB 11 *Joint Arrangements*.

Amendments to AASB 121

37 In the definition of 'foreign operation' in paragraph 8 and in paragraphs 11 and 18, 'joint venture' is amended to 'joint arrangement' and 'joint ventures' is amended to 'joint arrangements'.

38 In paragraphs 3(b) and 44 'proportionate consolidation' and in paragraph 33 'proportionately consolidated' are deleted.

39 Paragraphs 19, 45, 46 and 48A are amended (new text is underlined and deleted text is struck through) and paragraph 60F is added as follows:

19 This Standard also permits a stand-alone entity preparing financial statements or an entity preparing separate financial statements in accordance with AASB 127 ~~Consolidated and Separate Financial Statements~~ to present its financial statements in any currency (or currencies). If the ...

45 The incorporation of the results and financial position of a foreign operation with those of the reporting entity follows normal consolidation procedures, such as the elimination of intragroup balances and intragroup transactions of a subsidiary

(see ~~AASB 127~~ AASB 10 Consolidated Financial Statements and ~~AASB 131~~ Interests in Joint Ventures). However, ...

- 46 When the financial statements of a foreign operation are as of a date different from that of the reporting entity, the foreign operation often prepares additional statements as of the same date as the reporting entity's financial statements. When this is not done, ~~AASB 127~~ AASB 10 allows the use of a different date provided that the difference is no greater than three months and adjustments are made for the effects of any significant transactions or other events that occur between the different dates. In such a case, the assets and liabilities of the foreign operation are translated at the exchange rate at the end of the reporting period of the foreign operation. Adjustments are made for significant changes in exchange rates up to the end of the reporting period of the reporting entity in accordance with ~~AASB 127~~ AASB 10. The same approach is used in applying the equity method to associates and joint ventures ~~and in applying proportionate consolidation to joint ventures in accordance with AASB 128 Investments in Associates and AASB 131~~ (August 2011).
- 48A In addition to the disposal of an entity's entire interest in a foreign operation, the following partial disposals are accounted for as disposals ~~even if the entity retains an interest in the former subsidiary, associate or jointly controlled entity:~~
- (a) when the partial disposal involves the loss of control of a subsidiary that includes a foreign operation, regardless of whether the entity retains a non-controlling interest in its former subsidiary after the partial disposal; and
 - (b) when the retained interest after the partial disposal of an interest in the loss of significant influence over an a joint arrangement or a partial disposal of an interest in an associate that includes a foreign operation is a financial asset that includes a foreign operation; and
 - (c) ~~the loss of joint control over a jointly controlled entity that includes a foreign operation.~~
- 60F AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards*, issued in August 2011, amended paragraphs 3(b), 8, 11, 18, 19, 33, 44-46 and 48A. An entity shall apply those amendments when it applies AASB 10 and AASB 11 *Joint Arrangements*.

Amendments to AASB 124

- 40 Paragraph 3 is amended as follows (new text is underlined and deleted text is struck through):

3 This Standard requires disclosure of related party relationships, transactions and outstanding balances, including commitments, in the consolidated and separate financial statements of a parent, ~~venturer~~ or investors with joint control of, or significant influence over, an investee presented in accordance with AASB 10 Consolidated Financial Statements or AASB 127 ~~Consolidated and Separate Financial Statements~~. This Standard also applies to individual financial statements.

- 41 In paragraph 9, the definitions of ‘control’, ‘joint control’ and ‘significant influence’ are deleted and a sentence is added as follows:

The terms ‘control’, ‘joint control’ and ‘significant influence’ are defined in AASB 10, AASB 11 *Joint Arrangements* and AASB 128 *Investments in Associates and Joint Ventures* and are used in this Standard with the meanings specified in those Standards.

- 42 In paragraph 9, the definition of ‘related party’ is amended as follows (new text is underlined and deleted text is struck through):

A related party is a person or entity that is related to the entity that is preparing its financial statements (in this Standard referred to as the ‘reporting entity’).

- (a) A person or a close member of that person’s family is related to a reporting entity if that person:**
- (i) has control or joint control ~~over~~ of the reporting entity;**
 - (ii) ...**

- 43 Paragraph 11(b) is amended as follows (new text is underlined and deleted text is struck through):

11 In the context of this Standard, the following are not related parties:

- (a) ...**

- (b) two joint venturers simply because they share joint control ~~over of~~ a joint venture.
 - (c) ...
- 44 Paragraphs 15, 19 and 25 are amended (new text is underlined and deleted text is struck through) and paragraph 28A is added as follows:
- 15 The requirement to disclose related party relationships between a parent and its subsidiaries is in addition to the disclosure requirements in AASB 127 ~~and, AASB 128 Investments in Associates and AASB 131 Interests in Joint Ventures~~ AASB 12 Disclosure of Interests in Other Entities.
 - 19 **The disclosures required by paragraph 18 shall be made separately for each of the following categories:**
 - (a) the parent;
 - (b) entities with joint control of, or significant influence over, the entity;
 - (c) subsidiaries;
 - (d) associates;
 - (e) joint ventures in which the entity is a joint venturer;
 - (f) key management personnel of the entity or its parent; and
 - (g) other related parties.
 - 25 **A reporting entity is exempt from the disclosure requirements of paragraph 18 in relation to related party transactions and outstanding balances, including commitments, with:**
 - (a) a government that has control, or joint control of, or significant influence over, the reporting entity; and
 - (b) another entity that is a related party because the same government has control, or joint control of, or significant influence over, both the reporting entity and the other entity.

- 28A AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards*, issued in August 2011, amended paragraphs 3, 9, 11(b), 15, 19(b) and (e) and 25. An entity shall apply those amendments when it applies AASB 10, AASB 11 and AASB 12.

Amendments to AASB 132

- 45 Paragraph 4(a) is amended (new text is underlined and deleted text is struck through) and paragraph 97I is added as follows:
- 4 **This Standard shall be applied by all entities to all types of financial instruments except:**
- (a) **those interests in subsidiaries, associates or joint ventures that are accounted for in accordance with AASB 10 Consolidated Financial Statements, AASB 127 Consolidated and Separate Financial Statements, or AASB 128 Investments in Associates and Joint Ventures or AASB 131 Interests in Joint Ventures. However, in some cases, AASB 127, or AASB 128 or ~~AASB 131~~ permits an entity to account for an interest in a subsidiary, associate or joint venture using AASB 139; in those cases, ...**
- 97I AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards*, issued in August 2011, amended paragraphs 4(a) and AG29. An entity shall apply those amendments when it applies AASB 10 and AASB 11 *Joint Arrangements*.
- 46 In the Appendix, paragraph AG29 is amended as follows:
- AG29 In consolidated financial statements, an entity presents non-controlling interests – that is, the interests of other parties in the equity and income of its subsidiaries – in accordance with AASB 101 and ~~AASB 127~~ AASB 10. When ...

Amendments to AASB 133

- 47 Paragraphs 4, 40 and A11 are amended (new text is underlined and deleted text is struck through) and paragraph 74B is added as follows:
- 4 **When an entity presents both consolidated financial statements and separate financial statements prepared in accordance with AASB 10 Consolidated Financial Statements**

and AASB 127 Consolidated and Separate Financial Statements, respectively, the disclosures required by this Standard need be presented only on the basis of the consolidated information. An ...

- 40 A subsidiary, joint venture or associate may issue to parties other than the parent, ~~venturer~~ or investors with joint control of, or significant influence over, the investee potential ordinary shares that are convertible into either ordinary shares of the subsidiary, joint venture or associate, or ordinary shares of the parent; or investors with joint control of, or significant influence (the reporting entity) over, the investee ~~venturer or investor~~. If these potential ordinary shares of the subsidiary, joint venture or associate have a dilutive effect on the basic earnings per share of the reporting entity, they are included in the calculation of diluted earnings per share.
- 74B AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards*, issued in August 2011, amended paragraphs 4, 40 and A11. An entity shall apply those amendments when it applies AASB 10 and AASB 11 *Joint Arrangements*.
- A11 Potential ordinary shares of a subsidiary, joint venture or associate convertible into either ordinary shares of the subsidiary, joint venture or associate, or ordinary shares of the parent; or investors with joint control of, or significant influence (the reporting entity) over, the investee ~~venturer or investor~~ are included in the calculation of diluted earnings per share as follows: ...

Amendments to AASB 136

- 48 In the heading before paragraph 12(h) and in paragraph 12(h), 'jointly controlled entity' is amended to 'joint venture'.
- 49 Paragraph 4 is amended (new text is underlined and deleted text is struck through) and paragraph 140H is added as follows:
- 4 This Standard applies to financial assets classified as:
- (a) subsidiaries, as defined in ~~AASB 127~~ AASB 10 Consolidated and Separate Financial Statements;
 - (b) associates, as defined in AASB 128 *Investments in Associates and Joint Ventures*; and

- (c) joint ventures, as defined in ~~AASB 131 *Interests in Joint Ventures*~~ AASB 11 *Joint Arrangements*.

...

140H AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards*, issued in August 2011, amended paragraph 4, the heading above paragraph 12(h) and paragraph 12(h). An entity shall apply those amendments when it applies AASB 10 and AASB 11.

Amendments to AASB 138

50 Paragraph 3(e) is amended (new text is underlined and deleted text is struck through) and paragraph 130F is added as follows:

- 3 If another Standard prescribes the accounting for a specific type of intangible asset, an entity applies that Standard instead of this Standard. For example, this Standard does not apply to:

(a) ...

- (e) financial assets as defined in AASB 132. The recognition and measurement of some financial assets are covered by AASB 10 *Consolidated Financial Statements*, AASB 127 ~~*Consolidated and Separate Financial Statements*~~, and AASB 128 *Investments in Associates and Joint Ventures* ~~and AASB 131 *Interests in Joint Ventures*~~;

(f) ...

130F AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards*, issued in August 2011, amended paragraph 3(e). An entity shall apply that amendment when it applies AASB 10 and AASB 11 *Joint Arrangements*.

Amendments to AASB 139

51 Paragraphs 2(a) and AG36-AG38 are amended (new text is underlined and deleted text is struck through) and paragraph 103P is added as follows:

- 2 **This Standard shall be applied by all entities to all types of financial instruments except:**

- (a) those interests in subsidiaries, associates and joint ventures that are accounted for ~~under~~ in accordance with AASB 10 Consolidated Financial Statements, AASB 127 Consolidated and Separate Financial Statements; or AASB 128 Investments in Associates and Joint Ventures; or AASB 131 Interests in Joint Ventures. However, entities shall apply this Standard to an interest in a subsidiary, associate or joint venture that according to AASB 127, or AASB 128 or AASB 131 is accounted for under this Standard. ...

103P AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards*, issued in August 2011, amended paragraphs 2(a), 15, AG3, AG4I(a) and AG36-AG38. An entity shall apply those amendments when it applies AASB 10 and AASB 11.

In paragraph AG36, '(including any SPE)' in the first box of the flowchart is deleted.

AG37 The situation described in paragraph 18(b) (when an entity retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients) occurs, for example, if the entity is a ~~special purpose entity~~ or trust, and issues to investors beneficial interests in the underlying financial assets that it owns and provides servicing of those financial assets. In that case, the financial assets qualify for derecognition if the conditions in paragraphs 19 and 20 are met.

AG38 In applying paragraph 19, the entity could be, for example, the originator of the financial asset, or it could be a group that includes a ~~consolidated special purpose entity~~ subsidiary that has acquired the financial asset and passes on cash flows to unrelated third party investors.

52 Paragraphs 15 and AG3 are amended to read as follows:

15 In consolidated financial statements, paragraphs 16-23 and Appendix A paragraphs AG34-AG52 are applied at a consolidated level. Hence, an entity first consolidates all subsidiaries in accordance with AASB 10, and then applies paragraphs 16-23 and Appendix A paragraphs AG34-AG52 to the resulting group.

AG3 Sometimes, an entity makes what it views as a 'strategic investment' in equity instruments issued by another entity, with

the intention of establishing or maintaining a long-term operating relationship with the entity in which the investment is made. The investor or joint venturer entity uses AASB 128 to determine whether the equity method of accounting is appropriate for such an investment. If the equity method is not appropriate, the entity applies this Standard to that strategic investment.

52A Paragraph AG4I(a) is amended to read as follows:

AG4I The following examples show when this condition could be met.

...

- (a) The entity is a venture capital organisation, mutual fund, unit trust or similar entity whose business is investing in financial assets with a view to profiting from their total return in the form of interest or dividends and changes in fair value. AASB 128 allows such investments to be measured at fair value through profit or loss in accordance with this Standard. An entity may apply the same accounting policy to other investments managed on a total return basis but over which its influence is insufficient for them to be within the scope of AASB 128.

- (b) ...

Amendments to AASB 1023

53 Paragraph 15.5 is amended as follows (new text is underlined and deleted text is struck through):

15.5 When preparing *separate financial statements*, those investments in subsidiaries, ~~jointly controlled entities~~ joint ventures and associates that:

- (a) are defined by AASB 10 ~~AASB 127 Consolidated and Separate Financial Statements~~, AASB 11 Joint Arrangements and AASB 128 Investments in Associates and Joint Ventures and ~~AASB 131 Interests in Joint Ventures~~;

- (b) ...

54 In paragraphs 15.5.1 and 15.5.2, 'jointly controlled entities' is amended to 'joint ventures'.

Amendments to AASB 1038

- 55 Paragraphs 10.5-10.7 are amended as follows (new text is underlined and deleted text is struck through):

10.5 Investments in associates that:

- (a) are defined by AASB 128 *Investments in Associates* and *Joint Ventures*;
- (b) ...

10.5.1 An insurer applies AASB 128 to its investments in associates. AASB 128 requires investments in associates to be accounted for using the equity method. ~~When but it does not apply to investments in associates~~ are held by mutual funds, unit trusts and similar entities including investment-linked insurance funds, AASB 128 permits the investments in those associates to be measured at fair value through profit or loss in accordance with AASB 139 that are treated under AASB 139 and designated as “at fair value through profit or loss”.

10.6 Venturers’ interests in ~~jointly controlled entities~~ joint ventures that:

- (a) are defined by AASB 131 *Interests in Joint Ventures* AASB 11 *Joint Arrangements*;
- (b) ...

10.6.1 ~~Entities apply AASB 131 to interests in joint ventures. AASB 131 requires investments in joint ventures to be proportionately consolidated or to be accounted for using the equity method. AASB 11 requires a joint venturer to recognise its interest in a joint venture as an investment and to account for that investment using the equity method in accordance with AASB 128 unless exempted from applying that method. However, AASB 131 does not apply to venturers’ interests in jointly controlled entities held by~~ AASB 128 permits mutual funds, unit trusts and similar entities including investment-linked insurance funds to measure investments in joint ventures at fair value through profit or loss in accordance with AASB 139 that are treated under AASB 139 and designated as “at fair value through profit or loss”.

10.7 When preparing *separate financial statements*, those investments in subsidiaries, ~~jointly controlled entities~~ joint ventures and associates that:

(a) **are within the scope of AASB 127 ~~Consolidated and Separate Financial Statements~~;**

(b) ...

56 In paragraphs 10.7.1 and 10.7.2, ‘jointly controlled entities’ is amended to ‘joint ventures’.

Amendments to Interpretation 5

57 Paragraphs 8 and 9 are amended as follows (new text is underlined and deleted text is struck through):

8 The contributor shall determine whether it has control, or joint control of, or significant influence over, the fund by reference to ~~AASB 127 AASB 10 Consolidated and Separate Financial Statements, AASB 11 Joint Arrangements and AASB 128 Investments in Associates and Joint Ventures, AASB 131 Interests in Joint Ventures and IIC Interpretation 112 Consolidation—Special Purpose Entities.~~ If it does, the contributor shall account for its interest in the fund in accordance with those Standards.

9 If a contributor does not have control, or joint control of, or significant influence over, the fund, the contributor shall recognise the right to receive reimbursement from the fund as a reimbursement in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*. This reimbursement shall be measured at the lower of:

(a) ...

58 The heading ‘Effective Date of IFRIC 5’ before paragraph 14 is amended to ‘Effective Date’.

59 Paragraph 14B is added as follows:

14B AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards*, issued in August 2011, amended paragraphs 8 and 9. An entity shall apply those amendments when it applies AASB 10 and AASB 11.

Amendments to Interpretation 9

- 60 In paragraph 5(c), ‘AASB 131 *Interests in Joint Ventures*’ is amended to ‘AASB 11 *Joint Arrangements*’.
- 61 Paragraph 12 is added as follows:
- 12 AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards*, issued in August 2011, amended paragraph 5(c). An entity shall apply that amendment when it applies AASB 11.

Amendment to Interpretation 16

- 62 The footnote to paragraph 2 is amended as follows (new text is underlined and deleted text is struck through):
- 1 This will be the case for consolidated financial statements, financial statements in which investments such as associates or joint ventures are accounted for using the equity method; ~~financial statements in which venturers’ interests in joint ventures are proportionately consolidated (subject to change as proposed in ED 157 *Joint Arrangements* published by the Australian Accounting Standards Board, being equivalent to ED 9 *Joint Arrangements* published by the International Accounting Standards Board in September 2007)~~ and financial statements that include a branch or a joint operation as defined in AASB 11 *Joint Arrangements*.

Amendments to Interpretation 17

- 63 Paragraph 7 is amended as follows (new text is underlined and deleted text is struck through):
- 7 In accordance with paragraph 5, this Interpretation does not apply when an entity distributes some of its ownership interests in a subsidiary but retains control of the subsidiary. The entity making a distribution that results in the entity recognising a non-controlling interest in its subsidiary accounts for the distribution in accordance with ~~AASB 127 (as amended in 2008)~~ AASB 10.
- 64 The heading ‘Effective Date of IFRIC 17’ before paragraph 18 is amended to ‘Effective Date’.
- 65 Paragraph 19 is added as follows:

- 19 *AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards*, issued in August 2011, amended paragraph 7. An entity shall apply that amendment when it applies AASB 10.
- 66 In the Illustrative Examples accompanying Interpretation 17, paragraph IE4 is amended as follows (new text is underlined and deleted text is struck through):
- IE4 However, if Company A distributes to its shareholders shares of Subsidiary B representing only a non-controlling interest in Subsidiary B and retains control of Subsidiary B, the transaction is not within the scope of the Interpretation. Company A accounts for the distribution in accordance with ~~AASB 127~~ AASB 10 Consolidated and Separate Financial Statements (as amended in 2008). Company A controls Company B both before and after the transaction.

APPENDIX

EARLY APPLICATION OF THE CONSOLIDATION AND JOINT ARRANGEMENTS STANDARDS

This Appendix is an integral part of this Standard.

A1 Australian Accounting Standards AASB 10 *Consolidated Financial Statements*, AASB 11 *Joint Arrangements*, AASB 12 *Disclosure of Interests in Other Entities*, AASB 127 *Separate Financial Statements* (August 2011) and AASB 128 *Investments in Associates and Joint Ventures* (August 2011) may be applied early to annual reporting periods beginning on or after 1 January 2005 but before 1 January 2013. The amendments set out in paragraphs 9-66 of this Standard also apply to all the versions of the pronouncements applicable to such periods when AASB 10, AASB 11, AASB 12, AASB 127 (August 2011) and AASB 128 (August 2011) are applied early, with the exception of:

- (a) AASB 3 *Business Combinations* (July 2004, as amended);
- (b) AASB 7 *Financial Instruments: Disclosures*;
- (c) AASB 132 *Financial Instruments: Presentation*;
- (d) [Deleted]
- (e) AASB 1023 *General Insurance Contracts*; and
- (f) AASB 1038 *Life Insurance Contracts*.

The early-application amendments to those Standards (other than AASB 3) are set out in this Appendix. The amendments are presented in relation to the annual reporting periods to which various versions of those Standards apply mandatorily. However, most versions may also be applied to earlier annual reporting periods as stated in each version.

A2 [Deleted]

Amendments to AASB 7

A3 Paragraph 3(a) is amended (new text is underlined and deleted text is struck through) and paragraph 44O is added to the versions of AASB 7

that apply to annual reporting periods beginning on or after 1 January 2007 but before 1 January 2009, as follows:

- 3 This Standard shall be applied by all entities to all types of financial instruments, except:**
- (a) those interests in subsidiaries, associates or joint ventures that are accounted for in accordance with AASB 10 Consolidated Financial Statements, AASB 127 Consolidated and Separate Financial Statements, or AASB 128 Investments in Associates and Joint Ventures ~~or AASB 131 Interests in Joint Ventures~~. However, in some cases, AASB 127, or AASB 128 ~~or AASB 131~~ permits an entity to account for an interest in a subsidiary, associate or joint venture using AASB 139; in those cases, entities shall apply the disclosure requirements in AASB 12 Disclosure of Interests in Other Entities or AASB 127, ~~AASB 128 or AASB 131~~ in addition to those in this Standard. ...

44O AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards*, issued in August 2011, amended paragraph 3. An entity shall apply that amendment when it applies AASB 10 and AASB 11 *Joint Arrangements*.

A4 [Deleted]

Amendment to AASB 9 (December 2009)

A5 [Deleted]

Amendments to AASB 2009-11

A6-A7 [Deleted]

Amendments to AASB 132

A8 Paragraphs 4(a) and AG29 are amended to read as follows and paragraph 97I is added to the versions of AASB 132 that apply to annual reporting periods beginning on or after 1 January 2005 but before 1 January 2009:

- 4 This Standard shall be applied by all entities to all types of financial instruments except:**

- (a) **those interests in subsidiaries, associates or joint ventures that are accounted for in accordance with AASB 10 *Consolidated Financial Statements*, AASB 127 *Separate Financial Statements* or AASB 128 *Investments in Associates and Joint Ventures*. However, in some cases, AASB 127 or AASB 128 permits an entity to account for an interest in a subsidiary, associate or joint venture using AASB 139; in those cases, entities shall apply the disclosure requirements in AASB 12 *Disclosure of Interests in Other Entities* or AASB 127 in addition to those in this Standard. ...**

97I AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards*, issued in August 2011, amended paragraphs 4(a) and AG29. An entity shall apply those amendments when it applies AASB 10 and AASB 11 *Joint Arrangements*.

AG29 In consolidated financial statements, an entity presents minority interests – that is, the interests of other parties in the equity and income of its subsidiaries – in accordance with AASB 101 and AASB 10. When classifying a financial instrument ...

A9 Paragraphs 4(a) and AG29 are amended to read as follows and paragraph 97I is added to the versions of AASB 132 that apply to annual reporting periods beginning on or after 1 January 2009 but before 1 July 2009, as follows:

4 This Standard shall be applied by all entities to all types of financial instruments except:

- (a) **those interests in subsidiaries, associates or joint ventures that are accounted for in accordance with AASB 10 *Consolidated Financial Statements*, AASB 127 *Separate Financial Statements* or AASB 128 *Investments in Associates and Joint Ventures*. However, in some cases, AASB 127 or AASB 128 permits an entity to account for an interest in a subsidiary, associate or joint venture using AASB 139; in those cases, ...**

97I AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards*, issued in August 2011, amended paragraphs 4(a) and AG29. An entity shall apply those amendments when it applies AASB 10 and AASB 11 *Joint Arrangements*.

AG29 In consolidated financial statements, an entity presents ...
the interests of other parties in the equity and income of its
subsidiaries – in accordance with AASB 101 and AASB 10.
When classifying a financial instrument ...

Amendments to AASB 139

A10-A12 [Deleted]

Amendments to AASB 1023

A13 Paragraph 15.5 is amended to read as follows in the versions of
AASB 1023 that apply to annual reporting periods beginning on or
after 1 January 2005 but before 1 January 2013:

**15.5 When preparing *separate financial statements*, those
investments in subsidiaries, joint ventures and associates
that:**

- (a) are defined by AASB 10 *Consolidated Financial
Statements*, AASB 11 *Joint Arrangements* and
AASB 128 *Investments in Associates and Joint
Ventures*;**
- (b) ...**

A14 In paragraphs 15.5.1 and 15.5.2 in the versions of AASB 1023 that
apply to annual reporting periods beginning on or after 1 January 2005
but before 1 January 2013, ‘jointly controlled entities’ is amended to
‘joint ventures’.

Amendments to AASB 1038

A15 Paragraphs 10.5-10.7 are amended to read as follows in the versions of
AASB 1038 that apply to annual reporting periods beginning on or
after 1 January 2005 but before 1 January 2013:

10.5 Investments in associates that:

- (a) are defined by AASB 128 *Investments in Associates and
Joint Ventures*;**
- (b) ...**

10.5.1 An insurer applies AASB 128 to its investments in
associates. AASB 128 requires investments in associates to be

accounted for using the equity method. When investments in associates are held by mutual funds, unit trusts and similar entities including investment-linked insurance funds, the investments in those associates are permitted to be measured at fair value through profit or loss in accordance with AASB 139.

10.6 Venturers' interests in joint ventures that:

- (a) are defined by AASB 11 *Joint Arrangements*;
- (b) ...

10.6.1 AASB 11 requires a joint venturer to recognise its interest in a joint venture as an investment and to account for that investment using the equity method in accordance with AASB 128 unless exempted from applying that method. Mutual funds, unit trusts and similar entities including investment-linked insurance funds are permitted to measure investments in joint ventures at fair value through profit or loss in accordance with AASB 139.

10.7 When preparing *separate financial statements*, those investments in subsidiaries, joint ventures and associates that:

- (a) are within the scope of AASB 127 *Separate Financial Statements*;
- (b) ...

A16 In paragraphs 10.7.1 and 10.7.2 in the versions of AASB 1038 that apply to annual reporting periods beginning on or after 1 January 2005 but before 1 January 2013, 'jointly controlled entities' is amended to 'joint ventures'.