

**Amendments to Australian Accounting
Standards – Effective Date of
Amendments to AASB 10 and AASB 128
and Editorial Corrections**



Australian Government

**Australian Accounting
Standards Board**

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ISSN 1036-4803

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ACCOUNTING STANDARD

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Australian Accounting Standard AASB 2017-5 *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections* is set out in paragraphs 1 – 29. All the paragraphs have equal authority.

Preface

Standards amended by AASB 2017-5

This Standard makes amendments to AASB 10 *Consolidated Financial Statements* (July 2015), AASB 128 *Investments in Associates and Joint Ventures* (August 2015) and the other Standards and Interpretation listed in paragraph 1 of the Standard.

These amendments relate to International Financial Reporting Standard *Effective Date of Amendments to IFRS 10 and IAS 28*, issued by the International Accounting Standards Board (IASB) in December 2015, as well as a range of editorial corrections.

Main features of this Standard

Main requirements

This Standard defers the mandatory effective date (application date) of amendments to AASB 10 and AASB 128 that were originally made in AASB 2014-10 *Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2022 instead of 1 January 2018.

The amendments in AASB 2014-10 originally applied to annual reporting periods beginning on or after 1 January 2016, but were later deferred by the IASB indefinitely. Due to legal implications, the AASB is unable to defer the amendments indefinitely, and instead deferred the amendments to apply to annual reporting periods beginning on or after 1 January 2018 through AASB 2015-10 *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128*. As the IASB's amendments continue to be deferred indefinitely, this Standard further defers the amendments to annual reporting periods beginning on or after 1 January 2022.

This Standard also makes various editorial corrections to Australian Accounting Standards.

Application date

This Standard applies to annual periods beginning on or after 1 January 2018. Earlier application is permitted.

Accounting Standard AASB 2017-5

The Australian Accounting Standards Board makes Accounting Standard AASB 2017-5 *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections* under section 334 of the *Corporations Act 2001*.

Dated 12 December 2017

Kris Peach
Chair – AASB

Accounting Standard AASB 2017-5 *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*

Objective

1 This Standard amends:

- (a) AASB 1 *First-time Adoption of Australian Accounting Standards* (July 2015);
- (b) AASB 2 *Share-based Payment* (July 2015);
- (c) AASB 7 *Financial Instruments: Disclosures* (August 2015);
- (d) AASB 10 *Consolidated Financial Statements* (July 2015);
- (e) AASB 101 *Presentation of Financial Statements* (July 2015);
- (f) AASB 110 *Events after the Reporting Period* (August 2015);
- (g) AASB 128 *Investments in Associates and Joint Ventures* (August 2015);
- (h) AASB 134 *Interim Financial Reporting* (August 2015);
- (i) AASB 1023 *General Insurance Contracts* (July 2004); and
- (j) Interpretation 12 *Service Concession Arrangements* (August 2015);

as a consequence of International Financial Reporting Standard *Effective Date of Amendments to IFRS 10 and IAS 28*, issued by the International Accounting Standards Board in December 2015, and various editorial corrections.

Application

- 2 The amendments set out in this Standard apply to entities and financial statements in accordance with the application of the other Standards and Interpretations set out in AASB 1057 *Application of Australian Accounting Standards* (as amended).
- 3 This Standard applies to annual periods beginning on or after 1 January 2018.
- 4 This Standard may be applied to annual periods beginning before 1 January 2018. When an entity applies this Standard to such an annual 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. Ellipses (...) are used to help provide the context within which amendments are made and also to indicate text that is not amended.

Amendments to AASB 10 *Consolidated Financial Statements*

- 6 The amendments originally set out in paragraphs 8–10 of AASB 2014-10 are reversed from AASB 10 (July 2015) for annual periods beginning on or after 1 January 2018 but before 1 January 2022. However, the amendments may be applied to annual periods beginning on or after 1 January 2014 but before 1 January 2022 when applying AASB 10 (July 2015).

- 7 The following amendment to AASB 10 (July 2015) applies to annual periods beginning on or after 1 January 2018, with earlier application permitted.
- 8 In Appendix C, paragraph C1C is amended as follows (new text is underlined and deleted text is struck through):
- C1C AASB 2014-10 *Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*, issued in December 2014, in conjunction with AASB 2015-10 *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128* and AASB 2017-5 *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*, amended paragraphs 25–26 and added paragraph B99A. An entity shall apply those amendments prospectively to transactions occurring in annual periods beginning on or after 1 January ~~2018~~ 2022. Earlier application is permitted. If an entity applies those amendments earlier, it shall disclose that fact.

Amendments to AASB 128 Investments in Associates and Joint Ventures

- 9 The amendments originally set out in paragraph 11 of AASB 2014-10 are reversed from AASB 128 (August 2015) for annual periods beginning on or after 1 January 2018 but before 1 January 2022. However, the amendments may be applied to annual periods beginning on or after 1 January 2014 but before 1 January 2022 when applying AASB 128 (August 2015).
- 10 The following amendment to AASB 128 (August 2015) applies to annual periods beginning on or after 1 January 2018, with earlier application permitted.
- 11 Paragraph 45C is amended as follows (new text is underlined and deleted text is struck through):
- 45C AASB 2014-10 *Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*, issued in December 2014, in conjunction with AASB 2015-10 *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128* and AASB 2017-5 *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*, amended paragraphs 28 and 30 and added paragraphs 31A–31B. An entity shall apply those amendments prospectively to the sale or contribution of assets occurring in annual periods beginning on or after 1 January ~~2018~~ 2022. Earlier application is permitted. If an entity applies those amendments earlier, it shall disclose that fact.

Editorial corrections

Amendments to AASB 1 *First-time Adoption of Australian Accounting Standards*

- 12 The word “assets” in the heading above paragraph B8 in Appendix B is amended to “instruments”.
- 13 The text “paragraphs 7.2.15 and 7.2.18–7.2.20 of that Standard” in paragraph B8D in Appendix B is amended to read “paragraphs B8E–B8G and E1–E2”
- 14 The text “paragraphs D19–D19D” in paragraph B12 in Appendix B is amended to read “paragraphs D19–D19C”; and
- 15 The text “paragraphs D14 and D15” in paragraph D1(g) is amended to read “paragraphs D14–D15A”.

Amendments to AASB 2 *Share-based Payment*

- 16 In the Implementation Guidance accompanying AASB 2, the comma after “share appreciation rights” in the third sentence of paragraph IG19 is deleted.

17 IG Example 12A in the Implementation Guidance is amended to read as follows:

IG Example 12A			
...			
Year	Calculation	Expense CU	Liability CU
1	SARs are not expected to vest: no expense is recognised	–	–
2	SARs are expected to vest: 500 employees × 100 SARs × CU15.50 × 2/3	516,667	516,667
3	(500–150) employees × 100 SARs × CU18.20 × 3/3–CU516,667		637,000
	+ 150 employees × 100 SARs × CU15.00	120,333	
		<u>225,000</u>	
	Total	345,333	
4	(350–150) employees × 100 SARs × CU21.40–CU637,000	(209,000)	428,000
	+ 150 employees × 100 SARs × CU20.00	<u>300,000</u>	
	Total	91,000	
5	(200–200) employees × 100 SARs × CU25.00–CU428,000	(428,000)	–
	+ 200 employees × 100 SARs × CU25.00	<u>500,000</u>	
	Total	<u>72,000</u>	
	Total	<u><u>1,025,000</u></u>	

18 The heading “Share-based payment transactions with a net settlement feature for withholding tax obligations” before paragraph IG19A in the Implementation Guidance is promoted to a section heading.

19 In IG Example 12B in the Implementation Guidance:

- (a) “CU1000” in the sixth background paragraph is amended to “CU1,000”; and
- (b) single underlining is added underneath the Year 4 amounts in the Expense and Equity columns and double underlining is added underneath the total figures in those columns.

20 In IG Example 12C in the Implementation Guidance:

- (a) a hyphen is inserted in the reference to “modification date” in the calculation column for Year 2; and
- (b) in the equity column:
 - (i) single underlining is added underneath the reference to 33,000 in Year 4; and
 - (ii) double underlining is added underneath the reference to 132,000.

Amendments to AASB 7 *Financial Instruments: Disclosures*

21 Paragraph B8B in Appendix B is amended as follows (new text is underlined and deleted text is struck through):

B8B ... policies, paragraph 35F(f)(~~ii~~) requires the disclosure of information about how an entity monitors the extent to which the loss allowance on financial assets previously disclosed in accordance with paragraph 35F(f)(~~ii~~) are subsequently measured ...

Amendments to AASB 101 *Presentation of Financial Statements*

22 The text “hedged forecast cash flow affect” in paragraph 95 is amended to read “hedged forecast cash flows affect”.

- 23 Paragraph Aus136.1 is amended as follows (new text is underlined and deleted text is struck through):
- Aus136.1 ~~The application of paragraphs 134–136 is limited to each~~ An entity that is required to prepare financial reports in accordance with Part 2M.3 of the Corporations Act and that is not a reporting entity need not present the disclosures required by paragraphs 134–136.

Amendments to AASB 110 *Events after the Reporting Period*

- 24 The word “and” is added after the semi-colon in paragraph 9(b)(i).

Amendments to AASB 128 *Investments in Associates and Joint Ventures*

- 25 Paragraph 37 is amended as follows (new text is underlined and deleted text is struck through):

37 ~~Except as described in paragraph 36A, if~~ If an associate

Amendments to AASB 134 *Interim Financial Reporting*

- 26 The reference to “IFRS 15” in paragraph 55 is amended to “AASB 15”.

Amendments to AASB 1023 *General Insurance Contracts*

- 27 The reference to “AAS 25 *Financial Reporting by Superannuation Plans*” in paragraph 2.2(c) is amended to “AASB 1056 *Superannuation Entities*”.

Amendments to Interpretation 12 *Service Concession Arrangements*

- 28 The text “An entity shall apply those amendments when it applies AASB 16” in paragraph 28F is amended to read “An entity shall apply that amendment when it applies AASB 16”.

Commencement of the legislative instrument

- 29 For legal purposes, this legislative instrument commences on 31 December 2017.