

29 November 2019

Ms Kris Peach

Chair Australian Accounting Standards Board

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Dear Kris

**Submission on Exposure Draft ED 295 General Purpose Financial Statements –  
Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities**

I am pleased to provide the Australian Accounting Standards Board (AASB) with my comments on Exposure Draft 295 (ED 295).

This submission reflects my position as a consultant to business including both For-Profits (FP) and Not-for-Profits (NFPs), and their own advisers including auditors. This submission has also benefited with input from discussions with key constituents.

I do not support the Proposals for the following reasons:

**1. Un-necessary additional costs**

It will add un-necessary compliance costs, as the disclosure requirements are in excess of those required by the International Accounting Standards Board's (IASB) IFRS for SMEs comprehensive accounting standard that is more suitable for Tier 2 entities (i.e. non-listed companies). The IFRS for SMEs accounting standard also has simplified recognition and measurement requirements, again more suitable for the non-listed market,

It is also contrary to the Government's mandate to reduce the costs of un-necessary business compliance costs. In particular, I note recent statements by the Prime Minister Scott Morrison on the need to reduce Government Red Tape (Australian Financial Review - AFR 21 November 2019), and the Assistant Minister Ben Morton on the need for congestion busting regulation (AFR 28 November 2019).

**2. Failure to comply with the AASB's own due process**

Given that the application date for these requirements is expected to apply once a Standard is issued (from 1 July 2020), there is insufficient time for those entities likely to be impacted by the ED 295 proposals to properly implement the disclosures. Why does the AASB wish to rush such disclosures through given that normal due process would require at least 2 years or more before the new requirements apply?

Additionally, a 3-month timeframe to consider the ED 295 proposals given the busy June reporting season, does restrict the ability of constituents who wish to make submissions and their ability to seek clients and other constituents' views.

I also question whether the AASB is really prepared to consider alternate views to the ones contained in ED 295 and find it telling that the AASB has stated that its 30 November 2019 deadline "is considered a 'hard deadline' and comments received after this due date will not be considered." Given the Christmas/New Year holiday period, it does seem odd that the AASB would need to finalise the ED 295 proposals that quickly, particularly as the next scheduled AASB meeting is 4 March 2020.

If you require any further information or comment, please contact me.

A handwritten signature in black ink that reads "Keith Reilly". The signature is written in a cursive, flowing style with a large loop at the end of the last name.

Keith Reilly

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