



Kris Peach
Chair
Australian Accounting Standards Board
PO Box 204
Collins Street West VIC 8007
via email: standard@asb.gov.au

8 August 2018

Dear Kris

Re: Invitation to Comment ITC 39 *Applying the IASB's Revised Conceptual Framework and Solving the Reporting Entity and Special Purpose Financial Statement problems (Phase 1)*

PwC welcomes the opportunity to comment on the AASB's short-term approach (phase 1) to applying the IASB's revised conceptual framework and solving the reporting entity and special purpose financial statement problems.

We fully support the adoption of the revised conceptual framework for publicly accountable for-profit entities and other entities wishing to state compliance with International Financial Reporting Standards (IFRS), as this is essential to allow these entities to maintain compliance with IFRS.

We also agree with the changes to the definition of 'public accountability' in AASB 1053 *Application of Tiers of Australian Accounting Standards*, as this ensures the same types of entities report under tier 1 of the Australian reporting framework that are required to comply with full IFRS globally. We have no comments on the proposed amendments to the accounting standards and to SAC 1 *Definition of the Reporting Entity* that are set out in Appendix A.

In relation to phase 2 of the adoption of the revised conceptual framework, we encourage the AASB to work together with the ACNC in developing additional simplified (tier 3) reporting requirements for smaller not-for-profit entities. A cash and commitments based approach could be worth investigating.

I would welcome the opportunity to discuss our firm's views at your convenience. Please contact me on (02) 8266 8350 or regina.fikkers@pwc.com if you would like to discuss our comments further.

Yours sincerely,

A handwritten signature in black ink that reads 'Regina Fikkers'.

Regina Fikkers
Partner, PricewaterhouseCoopers

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