



AASB Action Alert

From the Australian Accounting Standards Board

Issue No: 191

14 May 2018

Welcome to the AASB Action Alert

The AASB Board met in public on 10 May 2018. At the meeting the Board made key decisions in relation to:

[Revised Conceptual Framework – Reporting Entity/Special Purpose Reporting](#)

The Board also discussed the following topics:

[IASB ED/2018/1 Accounting Policy Changes](#)

[Revenue from Licences in the Public Sector](#)

Revised Conceptual Framework – Reporting Entity/Special Purpose Reporting

The Board approved its Consultation Paper *Applying the IASB's Revised Conceptual Framework and Solving the Reporting Entity and Special Purpose Financial Statement Problems*. The Consultation Paper:

- (a) explains the AASB's objective, consistent with the Financial Reporting Council's strategic direction, to make the IASB's revised *Conceptual Framework for Financial Reporting* (RCF) applicable in Australia so that:
 - (i) publicly accountable for-profit entities and other entities voluntarily reporting compliance with IFRS Standards will be able to maintain compliance with IFRS Standards; and
 - (ii) all other entities will apply reporting requirements based on IFRS Standards, modified as appropriate;
- (b) describes a two-phase approach to solving the following two problems:
 - (i) the clash between the current 'reporting entity' concept in Australia and the concept as used by the IASB in the RCF; and

Contact us: Australian Accounting Standards Board, PO Box 204, Collins Street West, Victoria 8007
Phone (03) 9617 7600 **Email** standard@asb.gov.au **Website** www.asb.gov.au

The AASB Action Alert is issued by the Australian Accounting Standards Board (AASB). It reports on meetings of the AASB as a service to its constituents. Decisions reported are tentative and may be changed or modified by the AASB. Decisions become final only after completion of the formal processes required to issue documents. No responsibility is taken for the results of actions or omissions to act taken on the basis of any information in this report, or for any errors or omissions. © Australian Accounting Standards Board, 2018.



AASB Action Alert

Issue No: 191
14 May 2018

- (ii) the lack of comparability, trust and transparency in financial reporting resulting from entities being able to self-assess that they are not a reporting entity and therefore preparing special purpose financial statements as they see fit; and
- (c) presents five options considered by the Board for addressing the two problems, including:
 - (i) summaries of the impact, benefits and barriers for each option; and
 - (ii) the AASB's preferred option of a two-phase implementation of the RCF.

The Consultation Paper has now been published on the AASB's website as Invitation to Comment ITC 39. It is open for comment until 9 August 2018 (Phase 1) and 9 November 2018 (Phase 2). ITC 39 can be accessed on the AASB website [here](#).

IASB ED/2018/1 *Accounting Policy Changes*

The Board decided to prepare a submission to the IASB in response to its Exposure Draft ED/2018/1 *Accounting Policy Changes*. The ED proposes a lower practicability threshold for voluntary accounting policy changes resulting from IFRS Interpretations Committee agenda decisions in comparison with other voluntary changes. Some Board members support the proposals and others are concerned that the distinction appears arbitrary. Submissions from stakeholders on AASB ED 285, which incorporates the IASB ED, are requested by 27 June.

Revenue from Licences in the Public Sector

The Board noted the feedback received from stakeholders on Exposure Draft ED 283 *Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Public Sector Licensors*. No decisions were made.

Recently Approved Documents

Since last reported (23 March 2018), the Board has approved the following Standards, Exposure Drafts or other documents:

Date Approved	Document	Effective Date (Standards) Due Date for Submissions (EDs)
5 April 2018	Exposure Draft ED 285 <i>Accounting Policy Changes</i>	27 June 2018



AASB Action Alert

Issue No: 191
14 May 2018

Date Approved	Document	Effective Date (Standards) Due Date for Submissions (EDs)
10 May 2018	Invitation to Comment ITC 39 <i>Applying the IASB's Revised Conceptual Framework and Solving the Reporting Entity and Special Purpose Financial Statement Problems</i>	9 August 2018 (Phase 1); 9 November 2018 (Phase 2)

Documents Open for Comment

The following documents are open for comment. AASB submissions to the IASB, IFRS Interpretations Committee, IFRS Foundation or IPSASB are published on the AASB website.

Originating Organisation	Document	AASB No.	AASB Due Date	Other Organisation Due Date
IPSASB	Consultation Paper <i>Proposed Strategy and Work Plan 2019–2023</i>	–	–	15 June 2018
IASB	Exposure Draft ED 285 <i>Accounting Policy Changes</i>	ED 285	27 June 2018	27 July 2018
IPSASB	Exposure Draft 64 <i>Leases</i>	–	–	30 June 2018
AASB	Invitation to Comment ITC 39 <i>Applying the IASB's Revised Conceptual Framework and Solving the Reporting Entity and Special Purpose Financial Statement Problems</i>	ITC 39	9 August 2018 (Phase 1) 9 November 2018 (Phase 2)	–

AASB 2018 Scheduled Board Meeting Dates	14 June 2018 AASB meeting
	At the next Board meeting, it is expected the Board will address the following items:
14 June 2018 (Sydney)	Revenue from licences in the public sector
3 – 5 September 2018	Australian financial reporting framework – relevance of subsidiaries' individual financial statements
13 – 14 November 2018	Reduced disclosure requirements – recent Standards
	IASB ED/2018/1 <i>Accounting Policy Changes</i>
	Impairment of goodwill