Agenda Paper 3.6

Comparison of RDR disclosures and SDR proposals in ITC 39 with the disclosures in the new Tier 2 Standard

Comparison of the Specified Disclosure Requirements (SDR) proposals in ITC 39 with the disclosures in the new Tier 2 Standard

Feedback received for ITC 39	Staff analysis
Too much disclosures for the standards that were proposed to be mandatory	As explained in the analysis below this new disclosure standard does not include all the disclosures required by full IFRS in the following standards: • AASB 101 *Presentation of Financial Statements* • AASB 107 *Statement of Cash Flows* • AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* • AASB 1048 Interpretation of Standards • AASB 1054 Australian Additional Disclosures • AASB 124 *Related Party Disclosures* • AASB 136 *Impairment of Assets* • AASB 15 *Revenue from Contracts with Customers* • AASB 112 *Income Taxes*
Too little disclosures (as only 9 standards are covered)	All AAS applicable to Tier 2 entities are covered in this Standard.

Comparison of RDR disclosures with the disclosures in the new Tier 2 Standard

All sections in the IFRS for SMEs standard are generally simplified in terms of the language used and extent of the disclosure required. Thus, simplification of a particular standard has not been identified as a difference in the table below.

Legend		
Category	**Conclusion**	**AASB standards**
When disclosures have been significantly reduced compared to RDR	***Disclosures have been significantly reduced***	AASB 7, AASB 12, AASB 16, AASB 123

Legend		
When disclosures have been reduced to some extent compared to RDR	***Disclosures have been reduced to some extent***	AASB 3, AASB 12 (Parts covering section 14 and 15) AASB 13, AASB 15, AASB 101, AASB 127, AASB 136,
Where disclosures are essentially the same	***No significant difference***	AASB 2 , AASB 102, AASB 107, AASB 108, AASB 112 , AASB 116, AASB 120, AASB 121,AASB 129, AASB 137, AASB 138, AASB 140, AASB 141
Generally no significant differences, but IFRS for SMEs additional disclosures retained	***No significant differences, but additional IFRS for SMEs disclosures are included***	AASB 1, AASB 110, AASB 119, AASB 124

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
AASB 101 *Presentation of Financial Statements*[1]	**AASB 101 is replaced in its entirety by Section 3,4,5,6,8**	***Disclosures have been reduced to some extent***
Objective 1 This Standard prescribes the basis for presentation of general purpose financial statements to ensure comparability both with the entity's financial statements of previous periods and with the financial statements of other entities. It sets out overall requirements for the presentation of financial statements, guidelines for their structure and minimum requirements for their content.		*Provides guidance. No impact on disclosures*
Scope		*Provides guidance. No impact on disclosures*

1 Sections 3,4,5,6,8 of *IFRS for SMEs* Standard set out the overall requirements for preparing financial statements, including how they should be structured and minimum requirement of what it should contain. AASB 101 sets out requirements on the preparation of complete set of financial statements to comprise a statement of financial position, a statement of profit or loss and other comprehensive income and a statement of changes in equity under a single Standard. All these requirements have been simplified and separated into five different sections in the *IFRS for SMEs* Standard therefore, AASB 101 will be replaced by the simplified versions of the standard i.e Sections 3,4,5,6,8 for the benefit of Tier 2 entities.

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
2 [Deleted by the AASB] 3 Other Australian Accounting Standards set out the recognition, measurement and disclosure requirements for specific transactions and other events. 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 in accordance with AASB 127 Separate Financial Statements. 5 This Standard uses terminology that is suitable for profit-oriented entities, including public sector business entities. If entities with not-for-profit activities in the private sector or the public sector apply this Standard, they may need to amend the descriptions used for particular line items in the financial statements and for the financial statements themselves. 6 Similarly, entities that do not have equity as defined in AASB 132 Financial Instruments: Presentation (eg some mutual funds) and entities whose share capital is not equity (eg some co-operative entities) may need to adapt		

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
the financial statement presentation of members' or unitholders' interests.		
	Compliance with Australian Accounting Standards, including this Standard ~~the IFRS for SMEs~~ 3.3 An entity whose financial statements comply with Australian Accounting Standards and the disclosure requirements in this Standard ~~IFRS for SMEs~~ shall make an explicit and unreserved statement of such compliance in the notes. Financial statements shall not be described as complying with Australian Accounting Standards, including this Standard, ~~the IFRS for SMEs~~ unless they comply with all the requirements of these ~~is~~ Standards.	*AASB 1054 para RDR7.1 is equivalent disclosure*
	Aus3.3.1 An entity shall disclose in the notes: (a) the statutory basis or other reporting framework, if any, under which the financial statements are prepared; and (b) whether, for the purposes of preparing the financial statements, it is a for-profit or not-for-profit entity.	*This disclosure is covered in AASB 1054 for RDR entities.* ***Reporting Framework*** 8 An entity shall disclose in the notes: (a) the statutory basis or other reporting framework, if any, under which the financial statements are prepared; and (b) whether, for the purposes of preparing the financial statements, it is a for-profit or not-for-profit entity.
Definitions		*Provides guidance. No impact on disclosures*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
7 The following terms are used in this Standard with the meanings specified: *General purpose financial statements* (referred to as 'financial statements') are those intended to meet the needs of users who are not in a position to require an entity to prepare reports tailored to their particular information needs. *Impracticable* Applying a requirement is impracticable when the entity cannot apply it after making every reasonable effort to do so. *International Financial Reporting Standards (IFRSs) a*re Standards and Interpretations issued by the International Accounting Standards Board (IASB). They comprise: (a) International Financial Reporting Standards; (b) International Accounting Standards; (c) IFRIC Interpretations; and (d) SIC Interpretations.		
Material Omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions that users make on the basis of the financial statements. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances. The size or nature of	3.16 ~~Omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions of users made on the basis of the financial statements. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances. The~~	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
the item, or a combination of both, could be the determining factor.	~~size or nature of the item, or a combination of both, could be the determining factor.~~ Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.	
Assessing whether an omission or misstatement could influence economic decisions of users, and so be material, requires consideration of the characteristics of those users. The *Framework for the Preparation and Presentation of Financial Statements* states in paragraph 252 that 'users are assumed to have a reasonable knowledge of business and economic activities and accounting and a willingness to study the information with reasonable diligence.' Therefore, the assessment needs to take into account how users with such attributes could reasonably be expected to be influenced in making economic decisions.		*Provides guidance. No impact on disclosures*
Notes contain information in addition to that presented in the statement of financial position, statement(s) of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows. Notes provide narrative descriptions or disaggregations of items presented in those statements and		*Provides guidance. No impact on disclosures*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
information about items that do not qualify for recognition in those statements. *Other comprehensive income* comprises items of income and expense (including reclassification adjustments) that are not recognised in profit or loss as required or permitted by other Australian Accounting Standards.		
The components of other comprehensive income include: (a) changes in revaluation surplus (see AASB 116 *Property, Plant and Equipment* and AASB 138 Intangible Assets);	5.4 b (iv) changes in the revaluation surplus ~~for property, plant and equipment measured in accordance with the revaluation model~~ (see ~~Section 17~~ AASB 116 *Property, Plant and Equipment* and AASB 138 *Intangible Assets*);	
(b) remeasurements of defined benefit plans (see AASB 119 Employee Benefits);	5.4 b (ii) ~~some actuarial gains and losses~~ remeasurements of defined benefit plans (see ~~Section 28~~ AASB 119 *Employee Benefits*);	
(c) gains and losses arising from translating the financial statements of a foreign operation (see AASB 121 *The Effects of Changes in Foreign Exchange Rates*);	5.4b (i) ~~some~~ gains and losses arising on translating the financial statements of a foreign operation (see ~~Section 30 Foreign Currency Translation~~ AASB 121*;*	
(d) gains and losses from investments in equity instruments designated at fair value through other comprehensive income in	Aus5.4.b.(v) gains and losses from investments in equity instruments designated at fair value through other comprehensive income in accordance with paragraph 5.7.5 of AASB 9;	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
accordance with paragraph 5.7.5 of AASB 9 *Financial Instruments*;		
(da) gains and losses on financial assets measured at fair value through other comprehensive income in accordance with paragraph 4.1.2A of AASB 9.	Aus5.4.b (vi) gains and losses on financial assets measured at fair value through other comprehensive income in accordance with paragraph 4.1.2A of AASB 9.	
(e) the effective portion of gains and losses on hedging instruments in a cash flow hedge and the gains and losses on hedging instruments that hedge investments in equity instruments measured at fair value through other comprehensive income in accordance with paragraph 5.7.5 of AASB 9 (see Chapter 6 of AASB 9);	5.4 b (iii) ~~some changes in fair values of hedging instruments (see Section 12 Other Financial Instrument Issues)~~ the effective portion of gains and losses on hedging instruments in a cash flow hedge and the gains and losses on hedging instruments that hedge investments in equity instruments measured at fair value through other comprehensive income in accordance with paragraph 5.7.5 of AASB 9 (see Chapter 6 of AASB 9);	
(f) for particular liabilities designated as at fair value through profit or loss, the amount of the change in fair value that is attributable to changes in the liability's credit risk (see paragraph 5.7.7 of AASB 9);	Aus5.4.b(vii) for particular liabilities designated as at fair value through profit or loss, the amount of the change in fair value that is attributable to changes in the liability's credit risk (see paragraph 5.7.7 of AASB 9);	
(g) changes in the value of the time value of options when separating the intrinsic value and time value of an option contract and designating as the hedging instrument only	Aus5.4.b.(viii) changes in the value of the time value of options when separating the intrinsic value and time value of an option contract and designating as the hedging instrument only the changes in	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
the changes in the intrinsic value (see Chapter 6 of AASB 9); and	the intrinsic value (see Chapter 6 of AASB 9);	
(h) changes in the value of the forward elements of forward contracts when separating the forward element and spot element of a forward contract and designating as the hedging instrument only the changes in the spot element, and changes in the value of the foreign currency basis spread of a financial instrument when excluding it from the designation of that financial instrument as the hedging instrument (see Chapter 6 of AASB 9).	Aus5.4.b.(ix) changes in the value of the forward elements of forward contracts when separating the forward element and spot element of a forward contract and designating as the hedging instrument only the changes in the spot element, and changes in the value of the foreign currency basis spread of a financial instrument when excluding it from the designation of that financial instrument as the hedging instrument (see Chapter 6 of AASB 9);	
Owners are holders of instruments classified as equity. *Profit or loss* is the total of income less expenses, excluding the components of other comprehensive income. *Reclassification adjustments* are amounts reclassified to profit or loss in the current period that were recognised in other comprehensive income in the current or previous periods. *Total comprehensive income* is the change in equity during a period resulting from transactions and other events, other than those changes resulting from transactions with owners in their capacity as owners.		*Provides guidance. No impact on disclosures*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
Total comprehensive income comprises all components of 'profit or loss' and of 'other comprehensive income'.		
8 Although this Standard uses the terms 'other comprehensive income', 'profit or loss' and 'total comprehensive income', an entity may use other terms to describe the totals as long as the meaning is clear. For example, an entity may use the term 'net income' to describe profit or loss.		*Provides guidance. No impact on disclosures*
8A The following terms are described in AASB 132 *Financial Instruments: Presentation* and are used in this Standard with the meaning specified in AASB 132: (a) puttable financial instrument classified as an equity instrument (described in paragraphs 16A and 16B of AASB 132)		*Provides guidance. No impact on disclosures*
(b) an instrument that imposes on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation and is classified as an equity instrument (described in paragraphs 16C and 16D of AASB 132).		*Provides guidance. No impact on disclosures*
Financial statements **Purpose of financial statements** 9 Financial statements are a structured representation of the financial position and financial performance of an entity. The objective of financial statements is to provide information		*Provides guidance. No impact on disclosures*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
about the financial position, financial performance and cash flows of an entity that is useful to a wide range of users in making economic decisions. Financial statements also show the results of the management's stewardship of the resources entrusted to it. To meet this objective, financial statements provide information about an entity's: (a) assets; (b) liabilities; (c) equity; (d) income and expenses, including gains and losses; (e) contributions by and distributions to owners in their capacity as owners; and (f) cash flows. This information, along with other information in the notes, assists users of financial statements in predicting the entity's future cash flows and, in particular, their timing and certainty.		
Complete set of financial statements 10 A complete set of financial statements comprises: (a) a statement of financial position as at the end of the period;	**Complete set of financial statements** 3.17 A complete set of financial statements of an entity shall include all of the following: (a) a statement of financial position as at the reporting date; (b) either:	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
(b) a statement of profit or loss and other comprehensive income for the period;	(i) a single statement of comprehensive income for the reporting period displaying all items of income and expense recognised during the period including those items recognised in determining profit or loss (which is a subtotal in the statement of comprehensive income) and items of other comprehensive income.	
(c) a statement of changes in equity for the period; (d) a statement of cash flows for the period; (e) notes, comprising significant accounting policies and other explanatory information;	(c) a statement of changes in equity for the reporting period; (d) a statement of cash flows for the reporting period; and (e) notes, comprising a summary of significant accounting policies and other explanatory information	
(ea) comparative information in respect of the preceding period as specified in paragraphs 38 and 38A; and An entity may use titles for the statements other than those used in this Standard. For example, an entity may use the title 'statement of comprehensive income' instead of 'statement of profit or loss and other comprehensive income'.	3.20 Because paragraph 3.14 requires comparative amounts in respect of the previous period for all amounts presented in the financial statements, a complete set of financial statements means that an entity shall present, as a minimum, two of each of the required financial statements and related notes. 3.22 An entity may use titles for the financial statements other than those used in this Standard as long as they are not misleading.	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
10A An entity may present a single statement of profit or loss and other comprehensive income, with profit or loss and other comprehensive income presented in two sections. The sections shall be presented together, with the profit or loss section presented first followed directly by the other comprehensive income section. An entity may present the profit or loss section in a separate statement of profit or loss. If so, the separate statement of profit or loss shall immediately precede the statement presenting comprehensive income, which shall begin with profit or loss.	3.17(b)(ii) a separate income statement and a separate statement of comprehensive income. If an entity chooses to present both an income statement and a statement of comprehensive income, the statement of comprehensive income begins with profit or loss and then displays the items of other comprehensive income. 5.2 An entity shall present its total comprehensive income for a period either: (a) in a single statement of comprehensive income, in which case the statement of comprehensive income presents all items of income and expense recognised in the period; or (b) in two statements—an income statement and a statement of comprehensive income—in which case the income statement presents all items of income and expense recognised in the period except those that are recognised in total comprehensive income outside of profit or loss as permitted or required by this Standard.	
	3.18 If the only changes to equity during the periods for which financial statements are presented arise from profit or loss, payment of dividends, corrections of prior period errors, and changes in accounting policy, the entity may present a single statement of income and retained	*Optional relief from presenting a separate statement of changes in equity permitted in the new Tier 2 Standard*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
	earnings in place of the statement of comprehensive income and statement of changes in equity (see paragraph 6.4). 3.19 If an entity has no items of other comprehensive income in any of the periods for which financial statements are presented, it may present only an income statement or it may present a statement of comprehensive income in which the 'bottom line' is labelled 'profit or loss'.	
11 An entity shall present with equal prominence all of the financial statements in a complete set of financial statements.	3.21 In a complete set of financial statements, an entity shall present each financial statement with equal prominence.	
12 [Deleted] 13 Many entities present, outside the financial statements, a financial review by management that describes and explains the main features of the entity's financial performance and financial position, and the principal uncertainties it faces. Such a report may include a review of: (a) the main factors and influences determining financial performance, including changes in the environment in which the entity operates, the entity's response to those changes and their effect, and the entity's policy for investment to maintain and enhance financial performance, including its dividend policy;		*Provides guidance. No impact on disclosures*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
(b) the entity's sources of funding and its targeted ratio of liabilities to equity; and (c) the entity's resources not recognised in the statement of financial position in accordance with Australian Accounting Standards.		
14 Many entities also present, outside the financial statements, reports and statements such as environmental reports and value added statements, particularly in industries in which environmental factors are significant and when employees are regarded as an important user group. Reports and statements presented outside financial statements are outside the scope of Australian Accounting Standards.		*Provides guidance. No impact on disclosures*
General features **Fair presentation and compliance with Standards** RDR15.1 Financial statements shall present fairly the financial position, financial performance and cash flows of an entity applying Australian Accounting Standards – Reduced Disclosure Requirements. Fair presentation requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the Framework. The application of Australian	**Fair presentation** 3.2 Financial statements shall present fairly the financial position, financial performance and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in ~~Section 2 Concepts and Pervasive Principles:~~ the *Conceptual Framework for Financial Reporting*: (a) the application of the recognition and measurement requirements in the Australian Accounting Standards and the	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
Accounting Standards – Reduced Disclosure Requirements, with additional disclosure when necessary, is presumed to result in financial statements that achieve a fair presentation.	disclosures in ~~the IFRS for SMEs~~ this Standard, with additional disclosure when necessary, is presumed to result in financial statements that achieve a fair presentation of the financial position, financial performance and cash flows of Tier 2 entities ~~of SMEs~~.	
	(b) ~~as explained as in paragraph 1.5, the application of this Standard by an entity with public accountability does not result in a fair presentation in accordance with this Standard.~~ As explained in paragraph 13 of AASB 1053 *Application of Tiers of Australian Accounting Standards*, this Standard does not apply to an entity with public accountability. The additional disclosures referred to in (a) are necessary when compliance with the specific requirements in this Standard is insufficient to enable users to understand the effect of particular transactions, other events and conditions on the entity's financial position and financial performance.	*Provides guidance. No impact on disclosures*
RDR16.1 Entities applying Australian Accounting Standards – Reduced Disclosure Requirements would not be able to state compliance with IFRSs.		*Provides guidance. No impact on disclosures*
Aus16.1 [Deleted by the AASB] Aus16.2 [Deleted by the AASB]		

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
17 In virtually all circumstances, an entity achieves a fair presentation by compliance with applicable Australian Accounting Standards. A fair presentation also requires an entity: (a) to select and apply accounting policies in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. AASB 108 sets out a hierarchy of authoritative guidance that management considers in the absence of an Australian Accounting Standard that specifically applies to an item. (b) to present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information. (c) to provide additional disclosures when compliance with the specific requirements in Australian Accounting Standards is insufficient to enable users to understand the impact of particular		*Provides guidance. No impact on disclosures [additional disclosure referred to in para (c) is covered in 3.5 below)*
18 An entity cannot rectify inappropriate accounting policies either by disclosure of the accounting policies used or by notes or explanatory material.		*Provides guidance. No impact on disclosures*
19 In the extremely rare circumstances in which management concludes that compliance with a requirement in an Australian Accounting Standard would be so misleading that it would conflict with	3.4 In the extremely rare circumstances when management concludes that compliance with <u>Australian Accounting Standards, including this Standard,</u> would be so misleading that it would	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
the objective of financial statements set out in the *Framework*, the entity shall depart from that requirement in the manner set out in paragraph 20 if the relevant regulatory framework requires, or otherwise does not prohibit, such a departure.	conflict with the objective of financial statements ~~of SMEs~~ set out in ~~Section 2~~ the *Conceptual Framework for Financial Reporting*, the entity shall depart from that requirement in the manner set out in paragraph 3.5 unless the relevant regulatory framework prohibits such a departure.	
Aus19.1 In relation to paragraph 19, the following shall not depart from a requirement in an Australian Accounting Standard: (a) entities required to prepare financial reports under Part 2M.3 of the Corporations Act; (b) private and public sector not-for-profit entities; and (c) entities applying Australian Accounting Standards – Reduced Disclosure Requirements.	Aus3.4.1 In relation to paragraph 3.4, the following shall not depart from a requirement in an Australian Accounting Standard: (a) entities required to prepare financial reports under Part 2M.3 of the Corporations Act; (b) private and public sector not-for-profit entities; and (c) entities applying Australian Accounting Standards – Simplified Disclosure Requirements.	
20 When an entity departs from a requirement of an Australian Accounting Standard in accordance with paragraph 19, it shall disclose:	3.5 When an entity departs from a requirement of Australian Accounting Standards, including this Standard, in accordance with paragraph 3.4, it shall disclose the following:	
(a) that management has concluded that the financial statements present fairly the entity's financial position, financial performance and cash flows;	(a) that management has concluded that the financial statements present fairly the entity's financial position, financial performance and cash flows	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
(b) that it has complied with applicable Australian Accounting Standards, except that it has departed from a particular requirement to achieve a fair presentation;	(b) that it has complied with applicable Australian Accounting Standards, including ~~the IFRS for SMEs~~ this Standard, except that it has departed from a particular requirement to achieve a fair presentation; and	
(c) the title of the Australian Accounting Standard from which the entity has departed, the nature of the departure, including the treatment that the Australian Accounting Standard would require, the reason why that treatment would be so misleading in the circumstances that it would conflict with the objective of financial statements set out in the Framework, and the treatment adopted; and	(c) the title of the Australian Accounting Standard from which the entity has departed, the nature of the departure, including the treatment that ~~the IFRS for SMEs~~ the Australian Accounting Standard would require, the reason why that treatment would be so misleading in the circumstances that it would conflict with the objective of financial statements set out in ~~Section 2~~ the *Conceptual Framework for Financial Reporting* and the treatment adopted.	
(d) for each period presented, the financial effect of the departure on each item in the financial statements that would have been reported in complying with the requirement.		*Reduced compared to RDR*
21 When an entity has departed from a requirement of an Australian Accounting Standard in a prior period, and that departure affects the amounts recognised in the financial statements for the current period, it shall make	3.6 When an entity has departed from a requirement of an Australian Accounting Standard, including this Standard, in a prior period, and that departure affects the amounts recognised in the financial statements for the	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
the disclosures set out in paragraph 20(c) and (d).	current period, it shall make the disclosures set out in paragraph 3.5(c).	
22 Paragraph 21 applies, for example, when an entity departed in a prior period from a requirement in an Australian Accounting Standard for the measurement of assets or liabilities and that departure affects the measurement of changes in assets and liabilities recognised in the current period's financial statements.		*Provides guidance. No impact on disclosures*
23 In the extremely rare circumstances in which management concludes that compliance with a requirement in an Australian Accounting Standard would be so misleading that it would conflict with the objective of financial statements set out in the *Framework*, but the relevant regulatory framework prohibits departure from the requirement, the entity shall, to the maximum extent possible, reduce the perceived misleading aspects of compliance by disclosing:	3.7 In the extremely rare circumstances when management concludes that compliance with a requirement in an Australian Accounting Standard, including this Standard, would be so misleading that it would conflict with the objective of financial statements of ~~SMEs~~ set out in ~~Section 2~~ the *Conceptual Framework for Financial Reporting*, but the relevant regulatory framework prohibits departure from the requirement, the entity shall, to the maximum extent possible, reduce the perceived misleading aspects of compliance by disclosing the following:	
(a) the title of the Australian Accounting Standard in question, the nature of the requirement, and the reason why management has concluded that complying with that requirement is so misleading in the circumstances that it	(a) the title of the Australian Accounting Standard in question, the nature of the requirement, ~~in this Standard~~ and the reason why management has concluded that complying with that requirement is so misleading in the circumstances that it conflicts with the objective of financial	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
conflicts with the objective of financial statements set out in the *Framework*; and	statements set out in ~~Section 2~~ the *Conceptual Framework for Financial Reporting*; and	
(b) for each period presented, the adjustments to each item in the financial statements that management has concluded would be necessary to achieve a fair presentation.	(b) for each period presented, the adjustments to each item in the financial statements that management has concluded would be necessary to achieve a fair presentation	
24 For the purpose of paragraphs 19–23, an item of information would conflict with the objective of financial statements when it does not represent faithfully the transactions, other events and conditions that it either purports to represent or could reasonably be expected to represent and, consequently, it would be likely to influence economic decisions made by users of financial statements. When assessing whether complying with a specific requirement in an Australian Accounting Standard would be so misleading that it would conflict with the objective of financial statements set out in the *Framework*, management considers: (a) why the objective of financial statements is not achieved in the particular circumstances; and (b) how the entity's circumstances differ from those of other entities that comply with the requirement. If other entities in similar circumstances comply with the		*Provides guidance. No impact on disclosures*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
requirement, there is a rebuttable presumption that the entity's compliance with the requirement would not be so misleading that it would conflict with the objective of financial statements set out in the *Framework.*		
Going concern 25 When preparing financial statements, management shall make an assessment of an entity's ability to continue as a going concern. An entity shall prepare financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so. When management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern, the entity shall disclose those uncertainties. When an entity does not prepare financial statements on a going concern basis, it shall disclose that fact, together with the basis on which it prepared the financial statements and the reason why the entity is not regarded as a going concern.	**Going concern** 3.8 When preparing financial statements, the management of an entity using this Standard shall make an assessment of the entity's ability to continue as a going concern. An entity is a going concern unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so…	
26 In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to,	3.8…In assessing whether the going concern assumption is appropriate, management takes into account all available information about	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
twelve months from the end of the reporting period. The degree of consideration depends on the facts in each case. When an entity has a history of profitable operations and ready access to financial resources, the entity may reach a conclusion that the going concern basis of accounting is appropriate without detailed analysis. In other cases, management may need to consider a wide range of factors relating to current and expected profitability, debt repayment schedules and potential sources of replacement financing before it can satisfy itself that the going concern basis is appropriate	the future, which is at least, but is not limited to, twelve months from the reporting date. 3.9 When management is aware, in making its assessment, of material uncertainties related to events or conditions that cast significant doubt upon the entity's ability to continue as a going concern, the entity shall disclose those uncertainties. When an entity does not prepare financial statements on a going concern basis, it shall disclose that fact, together with the basis on which it prepared the financial statements and the reason why the entity is not regarded as a going concern.	
Accrual basis of accounting 27 An entity shall prepare its financial statements, except for cash flow information, using the accrual basis of accounting. 28 When the accrual basis of accounting is used, an entity recognises items as assets, liabilities, equity, income and expenses (the elements of financial statements) when they satisfy the definitions and recognition criteria for those elements in the *Framework*.		*Provides guidance. No impact on disclosures*
Materiality and aggregation 29 An entity shall present separately each material class of similar items. An entity shall present separately items of a dissimilar nature or function unless they are immaterial.	**Materiality and aggregation** 3.15 An entity shall present separately each material class of similar items. An entity shall present separately items of a dissimilar nature or function unless they are immaterial.	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
30 Financial statements result from processing large numbers of transactions or other events that are aggregated into classes according to their nature or function. The final stage in the process of aggregation and classification is the presentation of condensed and classified data, which form line items in the financial statements. If a line item is not individually material, it is aggregated with other items either in those statements or in the notes. An item that is not sufficiently material to warrant separate presentation in those statements may warrant separate presentation in the notes. 30A When applying this and other Australian Accounting Standards an entity shall decide, taking into consideration all relevant facts and circumstances, how it aggregates information in the financial statements, which include the notes. An entity shall not reduce the understandability of its financial statements by obscuring material information with immaterial information or by aggregating material items that have different natures or functions.		*Provides guidance. No impact on disclosures*
31 Some Australian Accounting Standards specify information that is required to be included in the financial statements, which include the notes. An entity need not provide a specific disclosure required by an Australian Accounting Standard if the information resulting from that disclosure is not material. This is the case even if the		*Provides guidance. No impact on disclosures*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
Australian Accounting Standard contains a list of specific requirements or describes them as minimum requirements. An entity shall also consider whether to provide additional disclosures when compliance with the specific requirements in Australian Accounting Standards is insufficient to enable users of financial statements to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.		
Offsetting 32 An entity shall not offset assets and liabilities or income and expenses, unless required or permitted by an Australian Accounting Standard. 33 An entity reports separately both assets and liabilities, and income and expenses. Offsetting in the statement(s) of profit or loss and other comprehensive income or financial position, except when offsetting reflects the substance of the transaction or other event, detracts from the ability of users both to understand the transactions, other events and conditions that have occurred and to assess the entity's future cash flows. Measuring assets net of valuation allowances—for example, obsolescence allowances on inventories and doubtful debts allowances on receivables—is not offsetting.	**Offsetting** Aus3.16.1 An entity shall not offset assets and liabilities or income and expenses, unless required or permitted by an Australian Accounting Standard.	*Provides guidance. No impact on disclosures*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
34 AASB 15 *Revenue from Contracts with Customers* requires an entity to measure revenue from contracts with customers at the amount of consideration to which the entity expects to be entitled in exchange for transferring promised goods or services. For example, the amount of revenue recognised reflects any trade discounts and volume rebates the entity allows. An entity undertakes, in the course of its ordinary activities, other transactions that do not generate revenue but are incidental to the main revenue-generating activities. An entity presents the results of such transactions, when this presentation reflects the substance of the transaction or other event, by netting any income with related expenses arising on the same transaction. For example: (a) an entity presents gains and losses on the disposal of non-current assets, including investments and operating assets, by deducting from the amount of consideration on disposal the carrying amount of the asset and related selling expenses; and (b) an entity may net expenditure related to a provision that is recognised in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* and reimbursed under a contractual arrangement with a third party (for		

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
example, a supplier's warranty agreement) against the related reimbursement. 35 In addition, an entity presents on a net basis gains and losses arising from a group of similar transactions, for example, foreign exchange gains and losses or gains and losses arising on financial instruments held for trading. However, an entity presents such gains and losses separately if they are material.		
Frequency of reporting 36 An entity shall present a complete set of financial statements (including comparative information) at least annually. When an entity changes the end of its reporting period and presents financial statements for a period longer or shorter than one year, an entity shall disclose, in addition to the period covered by the financial statements: (a) the reason for using a longer or shorter period, and (b) the fact that amounts presented in the financial statements are not entirely comparable.	**Frequency of reporting** 3.10 An entity shall present a complete set of financial statements (including comparative information–see paragraph 3.14) at least annually. When the end of an entity's reporting period changes and the annual financial statements are presented for a period longer or shorter than one year, the entity shall disclose the following: (a) that fact; (b) the reason for using a longer or shorter period; and (c) the fact that comparative amounts presented in the financial statements (including the related notes) are not entirely comparable	
37 Normally, an entity consistently prepares financial statements for a one-year period. However, for practical reasons, some entities		*Provides guidance. No impact on disclosures.*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
prefer to report, for example, for a 52-week period. This Standard does not preclude this practice.		
Comparative information *Minimum comparative information* 38 Except when Australian Accounting Standards permit or require otherwise, an entity shall present comparative information in respect of the preceding period for all amounts reported in the current period's financial statements. An entity shall include comparative information for narrative and descriptive information if it is relevant to understanding the current period's financial statements.	**Comparative information** 3.14 Except when this Standard permits or requires otherwise, an entity shall disclose comparative information in respect of the previous comparable period for all amounts presented in the current period's financial statements. An entity shall include comparative information for narrative and descriptive information when it is relevant to an understanding of the current period's financial statements	
38A An entity shall present, as a minimum, two statements of financial position, two statements of profit or loss and other comprehensive income, two separate statements of profit or loss (if presented), two statements of cash flows and two statements of changes in equity, and related notes. 38B In some cases, narrative information provided in the financial statements for the preceding period(s) continues to be relevant in the current period. For example, an entity discloses in the current period details of a legal dispute, the outcome of which was uncertain at the end of the preceding period and is yet to be resolved. Users may benefit from the disclosure of		*Provides guidance. No impact on disclosures*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
information that the uncertainty existed at the end of the preceding period and from the disclosure of information about the steps that have been taken during the period to resolve the uncertainty.		
Additional comparative information 38C An entity may present comparative information in addition to the minimum comparative financial statements required by Australian Accounting Standards, as long as that information is prepared in accordance with Australian Accounting Standards. This comparative information may consist of one or more statements referred to in paragraph 10, but need not comprise a complete set of financial statements. When this is the case, the entity shall present related note information for those additional statements. 38D For example, an entity may present a third statement of profit or loss and other comprehensive income (thereby presenting the current period, the preceding period and one additional comparative period). However, the entity is not required to present a third statement of financial position, a third statement of cash flows or a third statement of changes in equity (ie an additional financial statement comparative). The entity is required to present, in the notes to the financial statements, the comparative information		*Provides guidance. No impact on disclosures*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
related to that additional statement of profit or loss and other comprehensive income. 39– 40 [Deleted]		
Change in accounting policy, retrospective restatement or reclassification 41 If an entity changes the presentation or classification of items in its financial statements, it shall reclassify comparative amounts unless reclassification is impracticable. When an entity reclassifies comparative amounts, it shall disclose (including as at the beginning of the preceding period): (a) the nature of the reclassification; (b) the amount of each item or class of items that is reclassified; and (c) the reason for the reclassification. 42 When it is impracticable to reclassify comparative amounts, an entity shall disclose: (a) the reason for not reclassifying the amounts, and	3.12 When the presentation or classification of items in the financial statements is changed, an entity shall reclassify comparative amounts unless the reclassification is impracticable. When comparative amounts are reclassified, an entity shall disclose the following: (a) the nature of the reclassification; (b) the amount of each item or class of items that is reclassified; and (c) the reason for the reclassification. 3.13 If it is impracticable to reclassify comparative amounts, an entity shall disclose why reclassification was not practicable.	
43 Enhancing the inter-period comparability of information assists users in making economic decisions, especially by allowing the assessment of trends in financial information for predictive purposes. In some circumstances, it is impracticable to reclassify comparative information for a particular prior period to		*Provides guidance. No impact on disclosures*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
achieve comparability with the current period. For example, an entity may not have collected data in the prior period(s) in a way that allows reclassification, and it may be impracticable to recreate the information. 44 AASB 108 sets out the adjustments to comparative information required when an entity changes an accounting policy or corrects an error.		
Consistency of presentation 45 An entity shall retain the presentation and classification of items in the financial statements from one period to the next unless: (a) it is apparent, following a significant change in the nature of the entity's operations or a review of its financial statements, that another presentation or classification would be more appropriate having regard to the criteria for the selection and application of accounting policies in AASB 108; or (b) an Australian Accounting Standard requires a change in presentation.	**Consistency of presentation** 3.11 An entity shall retain the presentation and classification of items in the financial statements from one period to the next unless: (a) it is apparent, following a significant change in the nature of the entity's operations or a review of its financial statements, that another presentation or classification would be more appropriate having regard to the criteria for the selection and application of accounting policies in ~~Section 10 *Accounting Policies, Estimates and Errors*~~ AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*; or (b) this Standard requires a change in presentation.	
46 For example, a significant acquisition or disposal, or a review of the presentation of the		*Provides guidance. No impact on disclosures*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
financial statements, might suggest that the financial statements need to be presented differently. An entity changes the presentation of its financial statements only if the changed presentation provides information that is reliable and more relevant to users of the financial statements and the revised structure is likely to continue, so that comparability is not impaired. When making such changes in presentation, an entity reclassifies its comparative information in accordance with paragraphs 41 and 42.		
Structure and content **Introduction** 47 This Standard requires particular disclosures in the statement of financial position or the statement(s) of profit or loss and other comprehensive income, or in the statement of changes in equity and requires disclosure of other line items either in those statements or in the notes. AASB 107 *Statement of Cash Flows* sets out requirements for the presentation of cash flow information. 48 This Standard sometimes uses the term 'disclosure' in a broad sense, encompassing items presented in the financial statements. Disclosures are also required by other Australian Accounting Standards. Unless specified to the contrary elsewhere in this Standard or in		*Provides guidance. No impact on disclosures*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
another Australian Accounting Standard, such disclosures may be made in the financial statements		
Identification of the financial statements 49 An entity shall clearly identify the financial statements and distinguish them from other information in the same published document. 50 Australian Accounting Standards apply only to financial statements, and not necessarily to other information presented in an annual report, a regulatory filing, or another document. Therefore, it is important that users can distinguish information that is prepared using Australian Accounting Standards from other information that may be useful to users but is not the subject of those requirements.		*Provides guidance. No impact on disclosures*
51 An entity shall clearly identify each financial statement and the notes. In addition, an entity shall display the following information prominently, and repeat it when necessary for the information presented to be understandable: (a) the name of the reporting entity or other means of identification, and any change in that information from the end of the preceding reporting period; (b) whether the financial statements are of an individual entity or a group of entities;	**Identification of the financial statements** 3.23 An entity shall clearly identify each of the financial statements and the notes and distinguish them from other information in the same document. In addition, an entity shall display the following information prominently and repeat it when necessary for an understanding of the information presented: (a) the name of the reporting entity and any change in its name since the end of the preceding reporting period;	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
(c) the date of the end of the reporting period or the period covered by the set of financial statements or notes; (d) the presentation currency, as defined in AASB 121; and (e) the level of rounding used in presenting amounts in the financial statements.	(b) whether the financial statements cover the individual entity or a group of entities; (c) the date of the end of the reporting period and the period covered by the financial statements; (d) the presentation currency, as defined in ~~Section 30 Foreign Currency Translation~~ AASB 121 *The Effects of Changes in Foreign Exchange Rates*; and (e) the level of rounding, if any, used in presenting amounts in the financial statements	
	3.24 An entity shall disclose the following in the notes: (a) the domicile and legal form of the entity, its country of incorporation and the address of its registered office (or principal place of business, if different from the registered office); and (b) a description of the nature of the entity's operations and its principal activities.	*Additional disclosure* *(not required for RDR entities)*
	Presentation of information not required by this Standard 3.25 This Standard does not address presentation of segment information (AASB 8 *Operating Segments*), earnings per share (AASB 133 *Earnings per Share*) , or interim financial	*Provides guidance. No impact on disclosures* *(Added to explain status of AASB standards not covered in new Tier 2 Standard where disclosures are made on a voluntary basis.)*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
	reports (AASB 134 *Interim Financial Reporting*) ~~by a small or medium-sized entity~~. An entity making such disclosures shall apply the relevant standards in ~~describe the basis for~~ preparing and presenting the information.	
52 An entity meets the requirements in paragraph 51 by presenting appropriate headings for pages, statements, notes, columns and the like. Judgement is required in determining the best way of presenting such information. For example, when an entity presents the financial statements electronically, separate pages are not always used; an entity then presents the above items to ensure that the information included in the financial statements can be understood. 53 An entity often makes financial statements more understandable by presenting information in thousands or millions of units of the presentation currency. This is acceptable as long as the entity discloses the level of rounding and does not omit material information.		*Provides guidance. No impact on disclosures*
Statement of financial position Information to be presented in the statement of financial position 54 The statement of financial position shall include line items that present the following amounts:	**Information to be presented in the statement of financial position** 4.2 As a minimum, the statement of financial position shall include line items that present the following amounts:	
(a) property, plant and equipment;	(e) property, plant and equipment;	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
(b) investment property;	(ea) investment property ~~carried at cost less accumulated depreciation and impairment;~~ (f) ~~investment property carried at fair value through profit or loss;~~ Deleted by the AASB	
(c) intangible assets;	(g) intangible assets;	
(d) financial assets (excluding amounts shown under (e), (h) and (i));	(c) financial assets (excluding amounts shown under (a), (b), (j) and (k));	
(e) investments accounted for using the equity method;	(j) investments in associates; (k) investments in joint ventures	
(f) biological assets within the scope of AASB 141 Agriculture;	(h) biological assets ~~carried at cost less accumulated depreciation and impairment;~~ (i) ~~biological assets carried at fair value through profit or loss;~~ Deleted by the AASB	
(g) inventories;	(d) inventories;	
(h) trade and other receivables;	(b) trade and other receivables;	
(i) cash and cash equivalents;	(a) cash and cash equivalents;	
(j) the total of assets classified as held for sale and assets included in disposal groups classified as held for sale in accordance		*Reduced compared to RDR*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*;		
(k) trade and other payables;	(l) trade and other payables;	
(l) provisions;	(p) provisions;	
(m) financial liabilities (excluding amounts shown under (k) and (l));	(m) financial liabilities (excluding amounts shown under (l) and (p));	
(n) liabilities and assets for current tax, as defined in AASB 112 *Income Taxes*;	(n) liabilities and assets for current tax;	
(o) deferred tax liabilities and deferred tax assets, as defined in AASB 112;	(o) deferred tax liabilities and deferred tax assets (these shall always be classified as non-current);	
(p) liabilities included in disposal groups classified as held for sale in accordance with AASB 5;		*Reduced compared to RDR*
(q) non-controlling interests, presented within equity; and	(q) non-controlling interest, presented within equity separately from the equity attributable to the owners of the parent;	
(r) issued capital and reserves attributable to owners of the parent.	(r) equity attributable to the owners of the parent	
55 An entity shall present additional line items (including by disaggregating the line items listed in paragraph 54), headings and subtotals in the statement of financial position when such	4.3 An entity shall present additional line items, headings and subtotals in the statement of financial position when such presentation is relevant to an understanding of the entity's financial position	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
presentation is relevant to an understanding of the entity's financial position.		
55A When an entity presents subtotals in accordance with paragraph 55, those subtotals shall: (a) be comprised of line items made up of amounts recognised and measured in accordance with Australian Accounting Standards; (b) be presented and labelled in a manner that makes the line items that constitute the subtotal clear and understandable; (c) be consistent from period to period, in accordance with paragraph 45; and (d) not be displayed with more prominence than the subtotals and totals required in Australian Accounting Standards for the statement of financial position.		*Provides guidance. No impact on disclosures*
56 When an entity presents current and non-current assets, and current and non-current liabilities, as separate classifications in its statement of financial position, it shall not classify deferred tax assets (liabilities) as current assets (liabilities).	[…4.2(o): deferred tax liabilities and deferred tax assets (these shall always be classified as non-current);]	
57 This Standard does not prescribe the order or format in which an entity presents items. Paragraph 54 simply lists items that are sufficiently different in nature or function to	**Sequencing of items and format of items in the statement of financial position**	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
warrant separate presentation in the statement of financial position. In addition: (a) line items are included when the size, nature or function of an item or aggregation of similar items is such that separate presentation is relevant to an understanding of the entity's financial position; and (b) the descriptions used and the ordering of items or aggregation of similar items may be amended according to the nature of the entity and its transactions, to provide information that is relevant to an understanding of the entity's financial position. For example, a financial institution may amend the above descriptions to provide information that is relevant to the operations of a financial institution.	4.9 This Standard does not prescribe the sequence or format in which items are to be presented. Paragraph 4.2 simply provides a list of items that are sufficiently different in nature or function to warrant separate presentation in the statement of financial position. In addition: (a) line items are included when the size, nature or function of an item or aggregation of similar items is such that separate presentation is relevant to an understanding of the entity's financial position; and (b) the descriptions used and the sequencing of items or aggregation of similar items may be amended according to the nature of the entity and its transactions, to provide information that is relevant to an understanding of the entity's financial position	
58 An entity makes the judgement about whether to present additional items separately on the basis of an assessment of: (a) the nature and liquidity of assets; (b) the function of assets within the entity; and (c) the amounts, nature and timing of liabilities.	4.10 The judgement on whether additional items are presented separately is based on an assessment of all of the following: (a) the amounts, nature and liquidity of assets; (b) the function of assets within the entity; and (c) the amounts, nature and timing of liabilities.	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
59 The use of different measurement bases for different classes of assets suggests that their nature or function differs and, therefore, that an entity presents them as separate line items. For example, different classes of property, plant and equipment can be carried at cost or at revalued amounts in accordance with AASB 116.		*Provides guidance. No impact on disclosures*
Current/non-current distinction 60 An entity shall present current and non-current assets, and current and non-current liabilities, as separate classifications in its statement of financial position in accordance with paragraphs 66–76 except when a presentation based on liquidity provides information that is reliable and more relevant. When that exception applies, an entity shall present all assets and liabilities in order of liquidity.	**Current/non-current distinction** 4.4 An entity shall present current and non-current assets, and current and non-current liabilities, as separate classifications in its statement of financial position in accordance with paragraphs 4.5–4.8, except when a presentation based on liquidity provides information that is reliable and more relevant. When that exception applies, all assets and liabilities shall be presented in order of approximate liquidity (ascending or descending).	
62 When an entity supplies goods or services within a clearly identifiable operating cycle, separate classification of current and non-current assets and liabilities in the statement of financial position provides useful information by distinguishing the net assets that are continuously circulating as working capital from those used in the entity's long-term operations. It also highlights assets that are expected to be realised within the current operating cycle, and		*Provides guidance. No impact on disclosures*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
liabilities that are due for settlement within the same period.		
63 For some entities, such as financial institutions, a presentation of assets and liabilities in increasing or decreasing order of liquidity provides information that is reliable and more relevant than a current/noncurrent presentation because the entity does not supply goods or services within a clearly identifiable operating cycle. 64 In applying paragraph 60, an entity is permitted to present some of its assets and liabilities using a current/non-current classification and others in order of liquidity when this provides information that is reliable and more relevant. The need for a mixed basis of presentation might arise when an entity has diverse operations.		*Provides guidance. No impact on disclosures*
Current assets 66 An entity shall classify an asset as current when: (a) it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle; (b) it holds the asset primarily for the purpose of trading; (c) it expects to realise the asset within twelve months after the reporting period; or	**Current assets** 4.5 An entity shall classify an asset as current when: (a) it expects to realise the asset, or intends to sell or consume it, in the entity's normal operating cycle; (b) it holds the asset primarily for the purpose of trading;	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
(d) the asset is cash or a cash equivalent (as defined in AASB 107) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.	(c) it expects to realise the asset within twelve months after the reporting date; or (d) the asset is cash or a cash equivalent, unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.	
An entity shall classify all other assets as non-current.	4.6 An entity shall classify all other assets as non-current.....	
67 This Standard uses the term 'non-current' to include tangible, intangible and financial assets of a long-term nature. It does not prohibit the use of alternative descriptions as long as the meaning is clear.		*Provides guidance. No impact on disclosures*
68 The operating cycle of an entity is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. When the entity's normal operating cycle is not clearly identifiable, it is assumed to be twelve months. Current assets include assets (such as inventories and trade receivables) that are sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within twelve months after the reporting period. Current assets also include assets held primarily for the purpose of trading (examples include some financial assets that meet the definition of held for trading in	4.6 When the entity's normal operating cycle is not clearly identifiable, its duration is assumed to be twelve months.	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
AASB 9) and the current portion of non-current financial assets.		
Current liabilities 69 An entity shall classify a liability as current when: (a) it expects to settle the liability in its normal operating cycle; (b) it holds the liability primarily for the purpose of trading; (c) the liability is due to be settled within twelve months after the reporting period; or (d) it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period (see paragraph 73). Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. An entity shall classify all other liabilities as non-current.	**Current liabilities** 4.7 An entity shall classify a liability as current when: (a) it expects to settle the liability in the entity's normal operating cycle; (b) it holds the liability primarily for the purpose of trading; (c) the liability is due to be settled within twelve months after the reporting date; or (d) the entity does not have an unconditional right to defer settlement of the liability for at least twelve months after reporting date. 4.8 An entity shall classify all other liabilities as non-current.	
70 Some current liabilities, such as trade payables and some accruals for employee and other operating costs, are part of the working capital used in the entity's normal operating cycle. An entity classifies such operating items as current		*Provides guidance. No impact on disclosures*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
liabilities even if they are due to be settled more than twelve months after the reporting period. The same normal operating cycle applies to the classification of an entity's assets and liabilities. When the entity's normal operating cycle is not clearly identifiable, it is assumed to be twelve months.		
71 Other current liabilities are not settled as part of the normal operating cycle, but are due for settlement within twelve months after the reporting period or held primarily for the purpose of trading. Examples are some financial liabilities that meet the definition of held for trading in AASB 9, bank overdrafts, and the current portion of non-current financial liabilities, dividends payable, income taxes and other non-trade payables. Financial liabilities that provide financing on a long-term basis (ie are not part of the working capital used in the entity's normal operating cycle) and are not due for settlement within twelve months after the reporting period are non-current liabilities, subject to paragraphs 74 and 75.		*Provides guidance. No impact on disclosures*
72 An entity classifies its financial liabilities as current when they are due to be settled within twelve months after the reporting period, even if: (a) the original term was for a period longer than twelve months, and		*Provides guidance. No impact on disclosures*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
(b) an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the financial statements are authorised for issue.		
73 If an entity expects, and has the discretion, to refinance or roll over an obligation for at least twelve months after the reporting period under an existing loan facility, it classifies the obligation as non-current, even if it would otherwise be due within a shorter period. However, when refinancing or rolling over the obligation is not at the discretion of the entity (for example, there is no arrangement for refinancing), the entity does not consider the potential to refinance the obligation and classifies the obligation as current.		*Provides guidance. No impact on disclosures*
74 When an entity breaches a provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand, it classifies the liability as current, even if the lender agreed, after the reporting period and before the authorisation of the financial statements for issue, not to demand payment as a consequence of the breach. An entity classifies the liability as current because, at the end of the reporting period, it does not have an unconditional right to defer its settlement for at least twelve months after that date.		*Provides guidance. No impact on disclosures*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
75 However, an entity classifies the liability as non-current if the lender agreed by the end of the reporting period to provide a period of grace ending at least twelve months after the reporting period, within which the entity can rectify the breach and during which the lender cannot demand immediate repayment.		*Provides guidance. No impact on disclosures*
76 In respect of loans classified as current liabilities, if the following events occur between the end of the reporting period and the date the financial statements are authorised for issue, those events are disclosed as non-adjusting events in accordance with AASB 110 *Events after the Reporting Period*: (a) refinancing on a long-term basis; (b) rectification of a breach of a long-term loan arrangement; and (c) the granting by the lender of a period of grace to rectify a breach of a long-term loan arrangement ending at least twelve months after the reporting period.		*Provides guidance. No impact on disclosures*
Information to be presented either in the statement of financial position or in the notes 77 An entity shall disclose, either in the statement of financial position or in the notes, further subclassifications of the line items presented, classified in a manner appropriate to the entity's operations.	**Information to be presented either in the statement of financial position or in the notes** 4.11 An entity shall disclose, either in the statement of financial position or in the notes, the following subclassifications of the line items presented:	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
78 The detail provided in subclassifications depends on the requirements of Australian Accounting Standards and on the size, nature and function of the amounts involved. An entity also uses the factors set out in paragraph 58 to decide the basis of subclassification. The disclosures vary for each item, for example:		*Provides guidance. No impact on disclosures*
(a) items of property, plant and equipment are disaggregated into classes in accordance with AASB 116;	(a) property, plant and equipment in classifications appropriate to the entity;	
(b) receivables are disaggregated into amounts receivable from trade customers, receivables from related parties, prepayments and other amounts;	(b) trade and other receivables showing separately amounts due from related parties, amounts due from other parties and receivables arising from accrued income not yet billed;	
(c) inventories are disaggregated, in accordance with AASB 102 Inventories, into classifications such as merchandise, production supplies, materials, work in progress and finished goods;	(c) inventories, showing separately amounts of inventories: (i) held for sale in the ordinary course of business; (ii) in the process of production for such sale; and (iii) in the form of materials or supplies to be consumed in the production process or in the rendering of services.	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
(d) provisions are disaggregated into provisions for employee benefits and other items; and	(d) trade and other payables, showing separately amounts payable to trade suppliers, payable to related parties, deferred income and accruals; (e) provisions for employee benefits and other provisions; and	
(e) equity capital and reserves are disaggregated into various classes, such as paid-in capital, share premium and reserves.	(f) classes of equity, such as paid-in capital, share premium, retained earnings and items of income and expense that, as required by this Standard, are recognised in other comprehensive income and presented separately in equity	
79 An entity shall disclose the following, either in the statement of financial position or the statement of changes in equity, or in the notes:	4.12 An entity with share capital shall disclose the following, either in the statement of financial position or in the notes:	
(a) for each class of share capital: (i) the number of shares authorised;	(a) for each class of share capital: (i) the number of shares authorised.	
(ii) the number of shares issued and fully paid, and issued but not fully paid;	(ii) the number of shares issued and fully paid, and issued but not fully paid.	
(iii) par value per share, or that the shares have no par value;	(iii) par value per share or that the shares have no par value.	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
(iv) a reconciliation of the number of shares outstanding at the beginning and at the end of the period;	(iv) a reconciliation of the number of shares outstanding at the beginning and at the end of the period.	
	This reconciliation need not be presented for prior periods.	*Reduced compared to RDR*
(v) the rights, preferences and restrictions attaching to that class including restrictions on the distribution of dividends and the repayment of capital;	(v) the rights, preferences and restrictions attaching to that class including restrictions on the distribution of dividends and the repayment of capital.	
(vi) shares reserved for issue under options and contracts for the sale of shares, including terms and amounts; and (b) a description of the nature and purpose of each reserve within equity.	(vii) shares reserved for issue under options and contracts for the sale of shares, including the terms and amounts.	
(vi) shares in the entity held by the entity or by its subsidiaries or associates; and	(vi) shares in the entity held by the entity or by its subsidiaries or associates.	
(b) a description of the nature and purpose of each reserve within equity.	(b) a description of each reserve within equity.	
80 An entity without share capital, such as a partnership or trust, shall disclose information equivalent to that required by paragraph 79(a), showing changes during the period in each category of equity interest, and the rights,	4.13 An entity without share capital, such as a partnership or trust, shall disclose information equivalent to that required by paragraph 4.12(a), showing changes during the period in each category of equity, and the rights,	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
preferences and restrictions attaching to each category of equity interest.	preferences and restrictions attaching to each category of equity.	
	4.14 If, at the reporting date, an entity has a binding sale agreement for a major disposal of assets, or a group of assets and liabilities, the entity shall disclose the following information: (a) a description of the asset(s) or the group of assets and liabilities; (b) a description of the facts and circumstances of the sale or plan; and (c) the carrying amount of the assets or, if the disposal involves a group of assets and liabilities, the carrying amounts of those assets and liabilities	***This has been covered in AASB 5 Non-current Assets Held for Sale and Discontinued Operations in paragraph 41*** 41 An entity shall disclose the following information in the notes in the period in which a non-current asset (or disposal group) has been either classified as held for sale or sold: (a) a description of the non-current asset (or disposal group); (b) a description of the facts and circumstances of the sale, or leading to the expected disposal, and the expected manner and timing of that disposal; (c) the gain or loss recognised in accordance with paragraphs 20–22 and, if not separately presented in the statement of comprehensive income, the caption in the statement of comprehensive income that includes that gain or loss;
Statement of profit or loss and other comprehensive income	**Presentation of total comprehensive income** **Two-statement approach**	*Provides guidance. No impact on disclosures*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
81 [Deleted] 81A The statement of profit or loss and other comprehensive income (statement of comprehensive income) shall present, in addition to the profit or loss and other comprehensive income sections: (a) profit or loss; (b) total other comprehensive income; (c) comprehensive income for the period, being the total of profit or loss and other comprehensive income. If an entity presents a separate statement of profit or loss it does not present the profit or loss section in the statement presenting comprehensive income.	5.7 Under the two-statement approach, the income statement shall display, as a minimum, line items that present the amounts in paragraph 5.5(a)–5.5(f) for the period, with profit or loss as the last line. The statement of comprehensive income shall begin with profit or loss as its first line and shall display, as a minimum, line items that present the amounts in paragraph 5.5(g)–5.5(i) and paragraph 5.6 for the period. 5.5 (f) profit or loss (if an entity has no items of other comprehensive income, this line need not be presented). (i) total comprehensive income (if an entity has no items of other comprehensive income, it may use another term for this line such as profit or loss). 5.2 An entity shall present its total comprehensive income for a period either: (a) in a single statement of comprehensive income, in which case the statement of comprehensive income presents all items of income and expense recognised in the period; or (b) in two statements—an income statement and a statement of comprehensive income—in which case the income statement presents all items	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
	of income and expense recognised in the period except those that are recognised in total comprehensive income outside of profit or loss as permitted or required by this Standard. 5.3 A change from the single-statement approach to the two-statement approach, or vice versa, is a change in accounting policy to which ~~Section 10 *Accounting Policies, Estimates and Errors*~~ AASB 108 applies.	
81B An entity shall present the following items, in addition to the profit or loss and other comprehensive income sections, as allocation of profit or loss and other comprehensive income for the period: (a) profit or loss for the period attributable to: (i) non-controlling interests, and (ii) owners of the parent. (b) comprehensive income for the period attributable to: (i) non-controlling interests, and (ii) owners of the parent. If an entity presents profit or loss in a separate statement it shall present (a) in that statement	5.6 An entity shall disclose separately the following items in the statement of comprehensive income as allocations for the period: (a) profit or loss for the period attributable to (i) non-controlling interest; and (ii) owners of the parent. (b) total comprehensive income for the period attributable to (i) non-controlling interest; and (ii) owners of the parent.	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
Information to be presented in the profit or loss section or the statement of profit or loss 82 In addition to items required by other Australian Accounting Standards, the profit or loss section or the statement of profit or loss shall include line items that present the following amounts for the period:	5.5 As a minimum, an entity shall include, in the statement of comprehensive income, line items that present the following amounts for the period:	
(a) revenue, presenting separately interest revenue calculated using the effective interest method;	(a) revenue.	
(b) finance costs;	(b) finance costs.	
(ba) impairment losses (including reversals of impairment losses or impairment gains) determined in accordance with Section 5.5 of AASB 9;	11.48 (c) the amount of any impairment loss for each class of financial asset.	*Covered in section 11.* *(Disclosure required, but not on face of the statement of profit or loss)*
(c) share of the profit or loss of associates and joint venture	5.5 (c) share of the profit or loss of investments in associates ~~(see Section 14 Investments in Associates)~~ and ~~jointly controlled entities (see Section 15 Investments in Joint Ventures)~~ and joint ventures accounted for using the equity method (see AASB 128 *Investments in Associates and Joint Ventures*.)	
(ca) if a financial asset is reclassified out of the amortised cost measurement category so that it is measured at fair value through profit or loss, any gain or loss arising from		*Reduced compared to RDR*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
a difference between the previous amortised cost of the financial asset and its fair value at the reclassification date (as defined in AASB 9);		
(cb) if a financial asset is reclassified out of the fair value through other comprehensive income measurement category so that it is measured at fair value through profit or loss, any cumulative gain or loss previously recognised in other comprehensive income that is reclassified to profit or loss;		*Reduced compared to RDR*
(d) tax expense; (e) [deleted]	5.5 (d) tax expense ~~excluding tax allocated to items (e), (g) and (h) (see paragraph 29.35).~~	
(ea) a single amount for the total of discontinued operations (see AASB 5). (f)–(i) [deleted]	5.5 (e) a single amount for the total of ~~comprising the total of:~~ ~~(i) the post-tax profit or loss of a~~ discontinued operations (see AASB 5 *Non-current Assets Held for Sale and Discontinued Operations)*; and (ii) the post-tax gain or loss attributable to an impairment, or reversal of an impairment, of the assets in the discontinued operation (see AASB 5 ~~Section 27 Impairment of Assets~~), both at the	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
	time and subsequent to being classified as a discontinued operation and to the disposal of the net assets constituting the discontinued operation.	
	Requirements applicable to both approaches 5.8 Under this Standard, the effects of corrections of errors and changes in accounting policies are presented as retrospective adjustments of prior periods instead of as part of profit or loss in the period in which they arise (see AASB 108 ~~Section 10~~).	*Provides guidance. No impact on disclosures.*
Information to be presented in the other comprehensive income section 82A The other comprehensive income section shall present line items for the amounts for the period of: (a) items of other comprehensive income (excluding amounts in paragraph (b)), classified by nature and grouped into those that, in accordance with other Australian Accounting Standards: (i) will not be reclassified subsequently to profit or loss; and (ii) will be reclassified subsequently to profit or loss when specific conditions are met	5.5 (g) each item of other comprehensive income (see paragraph 5.4(b)) classified by nature (excluding amounts in (h)). Such items shall be grouped into those that, in accordance with this Standard: (i) will not be reclassified subsequently to profit or loss—ie those in paragraph ~~5.4(b)(i)–(ii) and (iv)~~ 5.4(b)(i), 5.4(b)(iii) and Aus5.4.(b).(vi) and (ii) will be reclassified subsequently to profit or loss when specific conditions are met—ie those in paragraph ~~5.4(b)(iii)~~ 5.4(b)(ii), 5.4(b)(iv), Aus5.4.(b).(v),	*Reduced compared to RDR* *(As no requirement to allocate the share of the other comprehensive income of equity-accounted investments into amounts that will not be reclassified and those that will be subsequently reclassified to profit or loss.)*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
(b) the share of the other comprehensive income of associates and joint ventures accounted for using the equity method, separated into the share of items that, in accordance with other Australian Accounting Standards: (i) will not be reclassified subsequently to profit or loss; and (ii) will be reclassified subsequently to profit or loss when specific conditions are met.	Aus5.4.(b).(vii), Aus5.4.(b).(viii) and Aus5.4.(b).(ix). (h) share of the other comprehensive income of associates and ~~jointly controlled entities~~ joint ventures accounted for by the equity method~~.~~	
83– 84 [Deleted] 85 An entity shall present additional line items (including by disaggregating the line items listed in paragraph 82), headings and subtotals in the statement(s) presenting profit or loss and other comprehensive income when such presentation is relevant to an understanding of the entity's financial performance.	5.9 An entity shall present additional line items, headings and subtotals in the statement of comprehensive income (and in the income statement, if presented), when such presentation is relevant to an understanding of the entity's financial performance.	
85A When an entity presents subtotals in accordance with paragraph 85, those subtotals shall: (a) be comprised of line items made up of amounts recognised and measured in accordance with Australian Accounting Standards; (b) be presented and labelled in a manner that makes the line items that constitute the subtotal clear and understandable;		*Provides guidance. No impact on disclosures*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
(c) be consistent from period to period, in accordance with paragraph 45; and (d) not be displayed with more prominence than the subtotals and totals required in Australian Accounting Standards for the statement(s) presenting profit or loss and other comprehensive income.		
86 Because the effects of an entity's various activities, transactions and other events differ in frequency, potential for gain or loss and predictability, disclosing the components of financial performance assists users in understanding the financial performance achieved and in making projections of future financial performance. An entity includes additional line items in the statement(s) presenting profit or loss and other comprehensive income and it amends the descriptions used and the ordering of items when this is necessary to explain the elements of financial performance. An entity considers factors including materiality and the nature and function of the items of income and expense. For example, a financial institution may amend the descriptions to provide information that is relevant to the operations of a financial institution. An entity does not offset income and expense items unless the criteria in paragraph 32 are met.		*Provides guidance. No impact on disclosures*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
87 An entity shall not present any items of income or expense as extraordinary items, in the statement(s) presenting profit or loss and other comprehensive income or in the notes.	5.10 An entity shall not present or describe any items of income and expense as 'extraordinary items' in the statement of comprehensive income (or in the income statement, if presented) or in the notes.	
Profit or loss for the period 88 An entity shall recognise all items of income and expense in a period in profit or loss unless an Australian Accounting Standard requires or permits otherwise.		*Provides guidance. No impact on disclosures*
89 Some Australian Accounting Standards specify circumstances when an entity recognises particular items outside profit or loss in the current period. AASB 108 specifies two such circumstances: the correction of errors and the effect of changes in accounting policies. Other Australian Accounting Standards require or permit components of other comprehensive income that meet the Framework's definition of income or expense to be excluded from profit or loss (see paragraph 7).	**5.4(a) Single-statement approach** 5.4 Under the single-statement approach, the statement of comprehensive income shall include all items of income and expense recognised in a period unless ~~this Standard~~ other Australian Accounting Standards require~~s~~ otherwise. ~~This Standard~~ The Australian Accounting Standards provide~~s~~ different treatment for the following circumstances: (a) the effects of corrections of errors and changes in accounting policies are presented as retrospective adjustments of prior periods instead of as part of profit or loss in the period in which they arise (see ~~Section 10~~ AASB 108)	
Other comprehensive income for the period		*Provides guidance. No impact on disclosures*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
91 An entity may present items of other comprehensive income either: (a) net of related tax effects, or (b) before related tax effects with one amount shown for the aggregate amount of income tax relating to those items		
If an entity elects alternative (b), it shall allocate the tax between the items that might be reclassified subsequently to the profit or loss section and those that will not be reclassified subsequently to the profit or loss section.		*Provides guidance. No impact on disclosures*
93 Other Australian Accounting Standards specify whether and when amounts previously recognised in other comprehensive income are reclassified to profit or loss. Such reclassifications are referred to in this Standard as reclassification adjustments. A reclassification adjustment is included with the related component of other comprehensive income in the period that the adjustment is reclassified to profit or loss. These amounts may have been recognised in other comprehensive income as unrealised gains in the current or previous periods. Those unrealised gains must be deducted from other comprehensive income in the period in which the realised gains are reclassified to profit or loss to avoid including them in total comprehensive income twice.		*Provides guidance. No impact on disclosures*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
95 Reclassification adjustments arise, for example, on disposal of a foreign operation (see AASB 121) and when some hedged forecast cash flows affect profit or loss (see paragraph 6.5.11(d) of AASB 9 in relation to cash flow hedges)		*Provides guidance. No impact on disclosures*
96 Reclassification adjustments do not arise on changes in revaluation surplus recognised in accordance with AASB 116 or AASB 138 or on remeasurements of defined benefit plans recognised in accordance with AASB 119. These components are recognised in other comprehensive income and are not reclassified to profit or loss in subsequent periods. Changes in revaluation surplus may be transferred to retained earnings in subsequent periods as the asset is used or when it is derecognised (see AASB 116 and AASB 138). In accordance with AASB 9, reclassification adjustments do not arise if a cash flow hedge or the accounting for the time value of an option (or the forward element of a forward contract or the foreign currency basis spread of a financial instrument) result in amounts that are removed from the cash flow hedge reserve or a separate component of equity, respectively, and included directly in the initial cost or other carrying amount of an asset or a liability. These amounts are directly transferred to assets or liabilities.		*Provides guidance. No impact on disclosures*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
Information to be presented in the statement(s) of profit or loss and other comprehensive income or in the notes 97 When items of income or expense are material, an entity shall disclose their nature and amount separately. 98 Circumstances that would give rise to the separate disclosure of items of income and expense include: (a) write-downs of inventories to net realisable value or of property, plant and equipment to recoverable amount, as well as reversals of such write-downs; (b) restructurings of the activities of an entity and reversals of any provisions for the costs of restructuring; (c) disposals of items of property, plant and equipment; (d) disposals of investments; (e) discontinued operations; (f) litigation settlements; and (g) other reversals of provisions		*Reduced compared to RDR*
99 An entity shall present an analysis of expenses recognised in profit or loss using a classification based on either their nature or their function	**Analysis of expenses** 5.11 An entity shall present an analysis of expenses using a classification based on either the nature of expenses or the function of expenses	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
within the entity, whichever provides information that is reliable and more relevant.	within the entity, whichever provides information that is reliable and more relevant.	
100 Entities are encouraged to present the analysis in paragraph 99 in the statement(s) presenting profit or loss and other comprehensive income.		*Provides guidance. No impact on disclosures*
101 Expenses are subclassified to highlight components of financial performance that may differ in terms of frequency, potential for gain or loss and predictability. This analysis is provided in one of two forms.		*Provides guidance. No impact on disclosures*
102 The first form of analysis is the 'nature of expense' method. An entity aggregates expenses within profit or loss according to their nature (for example, depreciation, purchases of materials, transport costs, employee benefits and advertising costs), and does not reallocate them among functions within the entity. This method may be simple to apply because no allocations of expenses to functional classifications are necessary. An example of a classification using the nature of expense method is as follows:[Example]	**Analysis by nature of expense** (a) Under this method of classification, expenses are aggregated in the statement of comprehensive income according to their nature (for example, depreciation, purchases of materials, transport costs, employee benefits and advertising costs) and are not reallocated among various functions within the entity.	
103 The second form of analysis is the 'function of expense' or 'cost of sales' method and classifies expenses according to their function as part of cost of sales or, for example, the costs of distribution or administrative activities. At a minimum, an entity discloses its cost of sales under this method separately from other	**Analysis by function of expense** (b) Under this method of classification, expenses are aggregated according to their function as part of cost of sales or, for example, the costs of distribution or administrative activities. At a minimum, an entity discloses its cost of sales under	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
expenses. This method can provide more relevant information to users than the classification of expenses by nature, but allocating costs to functions may require arbitrary allocations and involve considerable judgement. An example of a classification using the function of expense method is as follows: [Example]	this method separately from other expenses.	
105 The choice between the function of expense method and the nature of expense method depends on historical and industry factors and the nature of the entity. Both methods provide an indication of those costs that might vary, directly or indirectly, with the level of sales or production of the entity. Because each method of presentation has merit for different types of entities, this Standard requires management to select the presentation that is reliable and more relevant. However, because information on the nature of expenses is useful in predicting future cash flows, additional disclosure is required when the function of expense classification is used. In paragraph 104, 'employee benefits' has the same meaning as in AASB 119.		*Provides guidance. No impact on disclosures*
Statement of changes in equity **Information to be presented in the statement of changes in equity** 106 An entity shall present a statement of changes in equity as required by paragraph 10. The	**Statement of changes in equity** **Purpose** 6.2 The statement of changes in equity presents an entity's profit or loss for a reporting period, other comprehensive income for the period,	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
statement of changes in equity includes the following information:	the effects of changes in accounting policies and corrections of errors recognised in the period and the amounts of investments by, and dividends and other distributions to, owners in their capacity as owners during the period. 6.3 The statement of changes in equity includes the following information:	
(a) total comprehensive income for the period, showing separately the total amounts attributable to owners of the parent and to non-controlling interests;	(a) total comprehensive income for the period, showing separately the total amounts attributable to owners of the parent and to non-controlling interests;	
(b) for each component of equity, the effects of retrospective application or retrospective restatement recognised in accordance with AASB 108; and (c) [deleted]	(b) for each component of equity, the effects of retrospective application or retrospective restatement recognised in accordance with ~~Section 10 *Accounting Policies, Estimates and Errors*~~ <u>AASB 108</u>; and	
(d) for each component of equity, a reconciliation between the carrying amount at the beginning and the end of the period, separately (as a minimum) disclosing changes resulting from: (i) profit or loss; (ii) other comprehensive income; and (iii) transactions with owners in their capacity as owners, showing separately contributions by and	(c) for each component of equity, a reconciliation between the carrying amount at the beginning and the end of the period, separately disclosing changes resulting from: (i) profit or loss; (ii) other comprehensive income; and (iii) the amounts of investments by, and dividends and other distributions to, owners in their	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
distributions to owners and changes in ownership interests in subsidiaries that do not result in a loss of control. 107 An entity shall present, either in the statement of changes in equity or in the notes, the amount of dividends recognised as distributions to owners during the period	capacity as owners, showing separately issues of shares, treasury share transactions, dividends and other distributions to owners and changes in ownership interests in subsidiaries that do not result in a loss of control.	
Information to be presented in the statement of changes in equity or in the notes 106A For each component of equity an entity shall present, either in the statement of changes in equity or in the notes, an analysis of other comprehensive income by item (see paragraph 106(d)(ii)).		*Provides guidance. No impact on disclosures.*
108 In paragraph 106, the components of equity include, for example, each class of contributed equity, the accumulated balance of each class of other comprehensive income and retained earnings. 109 Changes in an entity's equity between the beginning and the end of the reporting period reflect the increase or decrease in its net assets during the period. Except for changes resulting from transactions with owners in their capacity as owners (such as equity contributions, reacquisitions of the entity's own equity instruments and dividends) and transaction costs directly related to such transactions, the overall change in equity during a period		*Provides guidance. No impact on disclosures.*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
represents the total amount of income and expense, including gains and losses, generated by the entity's activities during that period. 110 AASB 108 requires retrospective adjustments to effect changes in accounting policies, to the extent practicable, except when the transition provisions in another Australian Accounting Standard require otherwise. AASB 108 also requires restatements to correct errors to be made retrospectively, to the extent practicable. Retrospective adjustments and retrospective restatements are not changes in equity but they are adjustments to the opening balance of retained earnings, except when an Australian Accounting Standard requires retrospective adjustment of another component of equity. Paragraph 106(b) requires disclosure in the statement of changes in equity of the total adjustment to each component of equity resulting from changes in accounting policies and, separately, from corrections of errors. These adjustments are disclosed for each prior period and the beginning of the period.		
	Statement of income and retained earnings **Purpose** 6.4 The statement of income and retained earnings presents an entity's profit or loss and changes in retained earnings for a reporting period. Paragraph 3.18 permits an entity to present a statement of income and retained	*Disclosure relief.* *(This option is only available in IFRS for SMEs standard)*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
	earnings in place of a statement of comprehensive income and a statement of changes in equity if the only changes to its equity during the periods for which financial statements are presented arise from profit or loss, payment of dividends, corrections of prior period errors, and changes in accounting policy.	
	Information to be presented in the statement of income and retained earnings 6.5 An entity shall present, in the statement of income and retained earnings, the following items in addition to the information required by Section 5 Statement of Comprehensive Income and Income Statement: (a) retained earnings at the beginning of the reporting period; (b) dividends declared and paid or payable during the period; (c) restatements of retained earnings for corrections of prior period errors; (d) restatements of retained earnings for changes in accounting policy; and (e) retained earnings at the end of the reporting period.	*Additional disclosure* *(Additional disclosure where an entity has elected not to include a separate statement of changes in equity as permitted under paragraph 3.18.)*
Statement of cash flows		*Provides guidance. No impact on disclosures*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
111 Cash flow information provides users of financial statements with a basis to assess the ability of the entity to generate cash and cash equivalents and the needs of the entity to utilise those cash flows. AASB 107 sets out requirements for the presentation and disclosure of cash flow information.		
Notes **Structure** 112 The notes shall: (a) present information about the basis of preparation of the financial statements and the specific accounting policies used in accordance with paragraphs 117–124; (b) disclose the information required by Australian Accounting Standards that is not presented elsewhere in the financial statements; and (c) provide information that is not presented elsewhere in the financial statements, but is relevant to an understanding of any of them.	8.2 The notes shall: (a) present information about the basis of preparation of the financial statements and the specific accounting policies used, in accordance with paragraphs 8.5–8.7; (b) disclose the information required by this Standard that is not presented elsewhere in the financial statements; and (c) provide information that is not presented elsewhere in the financial statements but is relevant to an understanding of any of them.	
113 An entity shall, as far as practicable, present notes in a systematic manner. In determining a systematic manner, the entity shall consider the effect on the understandability and comparability of its financial statements. An entity shall cross-reference each item in the	8.3 An entity shall, as far as practicable, present the notes in a systematic manner. An entity shall cross-reference each item in the financial statements to any related information in the notes.	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
statements of financial position and in the statement(s) of profit or loss and other comprehensive income, and in the statements of changes in equity and of cash flows to any related information in the notes.		
114 Examples of systematic ordering or grouping of the notes include: (a) giving prominence to the areas of its activities that the entity considers to be most relevant to an understanding of its financial performance and financial position, such as grouping together information about particular operating activities; (b) grouping together information about items measured similarly such as assets measured at fair value; or		*Provides guidance. No impact on disclosures*
(c) following the order of the line items in the statement(s) of profit or loss and other comprehensive income and the statement of financial position, such as:	8.4 An entity normally presents the notes in the following order:	
(i) statement of compliance with IFRSs (see paragraph 16);	(a) a statement that the financial statements have been prepared in compliance with ~~the IFRS for SMEs~~ this Standard (see paragraph 3.3);	
(ii) significant accounting policies applied (see paragraph 117);	(b) a summary of significant accounting policies applied (see paragraph 8.5);	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
(iii) supporting information for items presented in the statements of financial position and in the statement(s) of profit or loss and other comprehensive income, and in the statements of changes in equity and of cash flows, in the order in which each statement and each line item is presented; and	(c) supporting information for items presented in the financial statements, in the sequence in which each statement and each line item is presented; and	
(iv) other disclosures, including: (1) contingent liabilities (see AASB 137) and unrecognised contractual commitments; and (2) non-financial disclosures, eg the entity's financial risk management objectives and policies (see AASB 7).	(d) any other disclosures	
115 [Deleted] 116 An entity may present notes providing information about the basis of preparation of the financial statements and specific accounting policies as a separate section of the financial statements.		*Provides guidance. No impact on disclosures*
Disclosure of accounting policies 117 An entity shall disclose its significant accounting policies comprising:	**Disclosure of accounting policies** 8.5 An entity shall disclose the following in the summary of significant accounting policies:	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
(a) the measurement basis (or bases) used in preparing the financial statements; and (b) the other accounting policies used that are relevant to an understanding of the financial statements.	(a) the measurement basis (or bases) used in preparing the financial statements; and (b) the other accounting policies used that are relevant to an understanding of the financial statements.	
118 It is important for an entity to inform users of the measurement basis or bases used in the financial statements (for example, historical cost, current cost, net realisable value, fair value or recoverable amount) because the basis on which an entity prepares the financial statements significantly affects users' analysis. When an entity uses more than one measurement basis in the financial statements, for example when particular classes of assets are revalued, it is sufficient to provide an indication of the categories of assets and liabilities to which each measurement basis is applied.		*Provides guidance. No impact on disclosures*
119 In deciding whether a particular accounting policy should be disclosed, management considers whether disclosure would assist users in understanding how transactions, other events and conditions are reflected in reported financial performance and financial position. Each entity considers the nature of its operations and the policies that the users of its financial statements would expect to be disclosed for that type of entity. Disclosure of particular accounting policies is especially useful to users when those		*Provides guidance. No impact on disclosures*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
policies are selected from alternatives allowed in Australian Accounting Standards. An example is disclosure of whether 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. For example, AASB 116 requires disclosure of the measurement bases used for classes of property, plant and equipment		
121 An accounting policy may be significant because of the nature of the entity's operations even if amounts for current and prior periods are not material. It is also appropriate to disclose each significant accounting policy that is not specifically required by Australian Accounting Standards but the entity selects and applies in accordance with AASB 108.		*Provides guidance. No impact on disclosures.*
122 An entity shall disclose, along with its significant accounting policies or other notes, the judgements, apart from those involving estimations (see paragraph 125), that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.	**Information about judgements** 8.6 An entity shall disclose, in the summary of significant accounting policies or other notes, the judgements, apart from those involving estimations (see paragraph 8.7), that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
	amounts recognised in the financial statements.	
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) [deleted] (b) when substantially all the significant risks and rewards of ownership of financial assets and, for lessors, assets subject to leases are transferred to other entities; (c) whether, in substance, particular sales of goods are financing arrangements and therefore do not give rise to revenue; and (d) whether the contractual terms of a financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.		*Provides guidance. No impact on disclosures*
124 Some of the disclosures made in accordance with paragraph 122 are required by other Australian Accounting Standards. For example, AASB 12 *Disclosure of Interests in Other Entities* requires an entity to disclose the judgements it has made in determining whether it controls		*Provides guidance. No impact on disclosures*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
another entity. AASB 140 *Investment Property* requires disclosure of the criteria developed by the entity to distinguish investment property from owner-occupied property and from property held for sale in the ordinary course of business, when classification of the property is difficult.		
Sources of estimation uncertainty 125 An entity shall disclose information about the assumptions it makes about the future, and other major sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year. In respect of those assets and liabilities, the notes shall include details of: (a) their nature, and (b) their carrying amount as at the end of the reporting period.	**Information about key sources of estimation uncertainty** 8.7 An entity shall disclose in the notes information about the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. In respect of those assets and liabilities, the notes shall include details of: (a) their nature; and (b) their carrying amount as at the end of the reporting period.	
126 Determining the carrying amounts of some assets and liabilities requires estimation of the effects of uncertain future events on those assets and liabilities at the end of the reporting period. For example, in the absence of recently observed market prices, future-oriented estimates are necessary to measure the recoverable amount of classes of property, plant		*Provides guidance. No impact on disclosures*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
and equipment, the effect of technological obsolescence on inventories, provisions subject to the future outcome of litigation in progress, and long-term employee benefit liabilities such as pension obligations. These estimates involve assumptions about such items as the risk adjustment to cash flows or discount rates, future changes in salaries and future changes in prices affecting other costs.		
127 The assumptions and other sources of estimation uncertainty disclosed in accordance with paragraph 125 relate to the estimates that require management's most difficult, subjective or complex judgements. As the number of variables and assumptions affecting the possible future resolution of the uncertainties increases, those judgements become more subjective and complex, and the potential for a consequential material adjustment to the carrying amounts of assets and liabilities normally increases accordingly.		*Provides guidance. No impact on disclosures*
128 The disclosures in paragraph 125 are not required for assets and liabilities with a significant risk that their carrying amounts might change materially within the next financial year if, at the end of the reporting period, they are measured at fair value based on a quoted price in an active market for an identical asset or liability. Such fair values might change materially within the next financial year but these changes		*Provides guidance. No impact on disclosures*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
would not arise from assumptions or other sources of estimation uncertainty at the end of the reporting period.		
129 An entity presents the disclosures in paragraph 125 in a manner that helps users of financial statements to understand the judgements that management makes about the future and about other sources of estimation uncertainty. The nature and extent of the information provided vary according to the nature of the assumption and other circumstances. Examples of the types of disclosures an entity makes are: (a) the nature of the assumption or other estimation uncertainty; (b) the sensitivity of carrying amounts to the methods, assumptions and estimates underlying their calculation, including the reasons for the sensitivity; (c) the expected resolution of an uncertainty and the range of reasonably possible outcomes within the next financial year in respect of the carrying amounts of the assets and liabilities affected; and (d) an explanation of changes made to past assumptions concerning those assets and liabilities, if the uncertainty remains unresolved.		*Provides guidance. No impact on disclosures*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
130 This Standard does not require an entity to disclose budget information or forecasts in making the disclosures in paragraph 125.		*Provides guidance. No impact on disclosures*
132 The disclosures in paragraph 122 of particular judgements that management made in the process of applying the entity's accounting policies do not relate to the disclosures of sources of estimation uncertainty in paragraph 125. 133 Other Australian Accounting Standards require the disclosure of some of the assumptions that would otherwise be required in accordance with paragraph 125. For example, AASB 137 requires disclosure, in specified circumstances, of major assumptions concerning future events affecting classes of provisions. AASB 13 *Fair Value Measurement* requires disclosure of significant assumptions (including the valuation technique(s) and inputs) the entity uses when measuring the fair values of assets and liabilities that are carried at fair value.		*Provides guidance. No impact on disclosures*
Capital Aus136.1 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.		*Provides guidance. No impact on disclosures.*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
Aus136.2 Notwithstanding paragraph Aus136.1, a not-for-profit entity need not present the disclosures required by paragraphs 134–136.		
AASB 107 *Statement of Cash Flows*	**Section 7 *Statement of Cash flows.*** ***(AASB 107 will be entirely replaced by Section 7)***	***No significant differences***
Objective Information about the cash flows of an entity is useful in providing users of financial statements with a basis to assess the ability of the entity to generate cash and cash equivalents and the needs of the entity to utilise those cash flows. The economic decisions that are taken by users require an evaluation of the ability of an entity to generate cash and cash equivalents and the timing and certainty of their generation. The objective of this Standard is to require the provision of information about the historical changes in cash and cash equivalents of an entity by means of a statement of cash flows which classifies cash flows during the period from operating, investing and financing activities.		*Provides guidance. No impact on disclosures*
Scope 1 An entity shall prepare a statement of cash flows in accordance with the requirements of this Standard and shall present it as an integral part of its financial statements for each period for which financial statements are presented. 2 [Deleted by the AASB]		*Provides guidance. No impact on disclosures*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
3 Users of an entity's financial statements are interested in how the entity generates and uses cash and cash equivalents. This is the case regardless of the nature of the entity's activities and irrespective of whether cash can be viewed as the product of the entity, as may be the case with a financial institution. Entities need cash for essentially the same reasons however different their principal revenue-producing activities might be. They need cash to conduct their operations, to pay their obligations, and to provide returns to their investors.		
Benefits of cash flow information 4 A statement of cash flows, when used in conjunction with the rest of the financial statements, provides information that enables users to evaluate the changes in net assets of an entity, its financial structure (including its liquidity and solvency) and its ability to affect the amounts and timing of cash flows in order to adapt to changing circumstances and opportunities. Cash flow information is useful in assessing the ability of the entity to generate cash and cash equivalents and enables users to develop models to assess and compare the present value of the future cash flows of different entities. It also enhances the comparability of the reporting of operating performance by different entities because it eliminates the effects of using different		*Provides guidance. No impact on disclosures*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
accounting treatments for the same transactions and events. 5 Historical cash flow information is often used as an indicator of the amount, timing and certainty of future cash flows. It is also useful in checking the accuracy of past assessments of future cash flows and in examining the relationship between profitability and net cash flow and the impact of changing prices.		
Definitions 6 The following terms are used in this Standard with the meanings specified: *Cash* comprises cash on hand and demand deposits. *Cash equivalents* are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. *Cash flows* are inflows and outflows of cash and cash equivalents. *Operating activities* are the principal revenue-producing activities of the entity and other activities that are not investing or financing activities. *Investing activities* are the acquisition and disposal of long-term assets and other investments not included in cash equivalents.		*Provides guidance. No impact on disclosures*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
Financing activities are activities that result in changes in the size and composition of the contributed equity and borrowings of the entity.		
Cash and cash equivalents 7 Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. For an investment to qualify as a cash equivalent it must be readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value. Therefore, an investment normally qualifies as a cash equivalent only when it has a short maturity of, say, three months or less from the date of acquisition. Equity investments are excluded from cash equivalents unless they are, in substance, cash equivalents, for example in the case of preferred shares acquired within a short period of their maturity and with a specified redemption date.	**Cash equivalents** 7.2 Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value. They are held to meet short-term cash commitments instead of for investment or other purposes. Consequently, an investment normally qualifies as a cash equivalent only when it has a short maturity of, say, three months or less from the date of acquisition…	
8 Bank borrowings are generally considered to be financing activities. However, in some countries, bank overdrafts which are repayable on demand form an integral part of an entity's cash management. In these circumstances, bank overdrafts are included as a component of cash and cash equivalents. A characteristic of such banking arrangements is that the bank balance often fluctuates from being positive to overdrawn.	7.2 Bank overdrafts are normally considered financing activities similar to borrowings. However, if they are repayable on demand and form an integral part of an entity's cash management, bank overdrafts are a component of cash and cash equivalents.	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
9 Cash flows exclude movements between items that constitute cash or cash equivalents because these components are part of the cash management of an entity rather than part of its operating, investing and financing activities. Cash management includes the investment of excess cash in cash equivalents.		*Provides guidance. No impact on disclosures*
Presentation of a statement of cash flows 10 The statement of cash flows shall report cash flows during the period classified by operating, investing and financing activities.	**Information to be presented in the statement of cash flows** 7.3 An entity shall present a statement of cash flows that presents cash flows for a reporting period classified by operating activities, investing activities and financing activities.	
11 An entity presents its cash flows from operating, investing and financing activities in a manner which is most appropriate to its business. Classification by activity provides information that allows users to assess the impact of those activities on the financial position of the entity and the amount of its cash and cash equivalents. This information may also be used to evaluate the relationships among those activities. 12 A single transaction may include cash flows that are classified differently. For example, when the cash repayment of a loan includes both interest and capital, the interest element may be classified as an operating activity and the capital element is classified as a financing activity.		*Provides guidance. No impact on disclosures*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
Operating activities 13 The amount of cash flows arising from operating activities is a key indicator of the extent to which the operations of the entity have generated sufficient cash flows to repay loans, maintain the operating capability of the entity, pay dividends and make new investments without recourse to external sources of financing. Information about the specific components of historical operating cash flows is useful, in conjunction with other information, in forecasting future operating cash flows.		*Provides guidance. No impact on disclosures*
14 Cash flows from operating activities are primarily derived from the principal revenue-producing activities of the entity. Therefore, they generally result from the transactions and other events that enter into the determination of profit or loss. Examples of cash flows from operating activities are:	**Operating activities** 7.4 Operating activities are the principal revenue-producing activities of the entity. Consequently, cash flows from operating activities generally result from the transactions and other events and conditions that enter into the determination of profit or loss. Examples of cash flows from operating activities are:	
(a) cash receipts from the sale of goods and the rendering of services;	(a) cash receipts from the sale of goods and the rendering of services;	
(b) cash receipts from royalties, fees, commissions and other revenue;	(b) cash receipts from royalties, fees, commissions and other revenue;	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
(c) cash payments to suppliers for goods and services;	(c) cash payments to suppliers for goods and services;	
(d) cash payments to and on behalf of employees;	(d) cash payments to and on behalf of employees;	
(e) cash receipts and cash payments of an insurance entity for premiums and claims, annuities and other policy benefits;		*Example of operating cash flow only. No impact on disclosures.*
(f) cash payments or refunds of income taxes unless they can be specifically identified with financing and investing activities; and	(e) cash payments or refunds of income tax, unless they can be specifically identified with financing and investing activities; and	
(g) cash receipts and payments from contracts held for dealing or trading purposes.	(f) cash receipts and payments from investments, loans and other contracts held for dealing or trading purposes, which are similar to inventory acquired specifically for resale.	
Some transactions, such as the sale of an item of plant, may give rise to a gain or loss that is included in recognised profit or loss. The cash flows relating to such transactions are cash flows from investing activities. However, cash payments to manufacture or acquire assets held for rental to others and subsequently held for sale as described in paragraph 68A of AASB 116	7.4 …Some transactions, such as the sale of an item of plant by a manufacturing entity, may give rise to a gain or loss that is included in profit or loss. However, the cash flows relating to such transactions are cash flows from investing activities.	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
Property, Plant and Equipment are cash flows from operating activities. The cash receipts from rents and subsequent sales of such assets are also cash flows from operating activities.		
15 An entity may hold securities and loans for dealing or trading purposes, in which case they are similar to inventory acquired specifically for resale. Therefore, cash flows arising from the purchase and sale of dealing or trading securities are classified as operating activities. Similarly, cash advances and loans made by financial institutions are usually classified as operating activities since they relate to the main revenue producing activity of that entity.		*Provides guidance. No impact on disclosures*
Investing activities 16 The separate disclosure of cash flows arising from investing activities is important because the cash flows represent the extent to which expenditures have been made for resources intended to generate future income and cash flows. Only expenditures that result in a recognised asset in the statement of financial position are eligible for classification as investing activities. Examples of cash flows arising from investing activities are:	**Investing activities** 7.5 Investing activities are the acquisition and disposal of long-term assets and other investments not included in cash equivalents. Examples of cash flows arising from investing activities are:	
(a) cash payments to acquire property, plant and equipment, intangibles and other long-term assets. These payments include those relating to capitalised development	(a) cash payments to acquire property, plant and equipment (including self-constructed property, plant and	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
costs and self-constructed property, plant and equipment;	equipment), intangible assets and other long-term assets;	
(b) cash receipts from sales of property, plant and equipment, intangibles and other long-term assets;	(a) cash payments to acquire property, plant and equipment (including self-constructed property, plant and equipment), intangible assets and other long-term assets;	
(c) cash payments to acquire equity or debt instruments of other entities and interests in joint ventures (other than payments for those instruments considered to be cash equivalents or those held for dealing or trading purposes);	(c) cash payments to acquire equity or debt instruments of other entities and interests in joint ventures (other than payments for those instruments classified as cash equivalents or held for dealing or trading);	
(d) cash receipts from sales of equity or debt instruments of other entities and interests in joint ventures (other than receipts for those instruments considered to be cash equivalents and those held for dealing or trading purposes);	(d) cash receipts from sales of equity or debt instruments of other entities and interests in joint ventures (other than receipts for those instruments classified as cash equivalents or held for dealing or trading);	
(e) cash advances and loans made to other parties (other than advances and loans made by a financial institution);	(e) cash advances and loans made to other parties;	
(f) cash receipts from the repayment of advances and loans made to other parties (other than advances and loans of a financial institution);	(f) cash receipts from the repayment of advances and loans made to other parties;	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
(g) cash payments for futures contracts, forward contracts, option contracts and swap contracts except when the contracts are held for dealing or trading purposes, or the payments are classified as financing activities; and	(g) cash payments for futures contracts, forward contracts, option contracts and swap contracts, except when the contracts are held for dealing or trading, or the payments are classified as financing activities; and	
(h) cash receipts from futures contracts, forward contracts, option contracts and swap contracts except when the contracts are held for dealing or trading purposes, or the receipts are classified as financing activities. When a contract is accounted for as a hedge of an identifiable position the cash flows of the contract are classified in the same manner as the cash flows of the position being hedged	(h) cash receipts from futures contracts, forward contracts, option contracts and swap contracts, except when the contracts are held for dealing or trading, or the receipts are classified as financing activities. When a contract is accounted for as a hedge (see ~~Section 12 Other *Financial* Issues~~ AASB 9 *Financial Instruments* and AASB 139 *Financial Instruments: Recognition and Measurements*), an entity shall classify the cash flows of the contract in the same manner as the cash flows of the item being hedged.	
Financing activities 17 The separate disclosure of cash flows arising from financing activities is important because it is useful in predicting claims on future cash flows by providers of capital to the entity. Examples of cash flows arising from financing activities are:	**Financing activities** 7.6 Financing activities are activities that result in changes in the size and composition of the contributed equity and borrowings of an entity. Examples of cash flows arising from financing activities are:	
(a) cash proceeds from issuing shares or other equity instruments;	(a) cash proceeds from issuing shares or other equity instruments;	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
(b) cash payments to owners to acquire or redeem the entity's shares;	(b) cash payments to owners to acquire or redeem the entity's shares;	
(c) cash proceeds from issuing debentures, loans, notes, bonds, mortgages and other short-term or long-term borrowings;	(c) cash proceeds from issuing debentures, loans, notes, bonds, mortgages and other short-term or long-term borrowings;	
(d) cash repayments of amounts borrowed; and	(d) cash repayments of amounts borrowed; and	
(e) cash payments by a lessee for the reduction of the outstanding liability relating to a lease.	(e) cash payments by a lessee for the reduction of the outstanding liability relating to a ~~finance~~ lease.	
Reporting cash flows from operating activities 18 An entity shall report cash flows from operating activities using either: (a) the direct method, whereby major classes of gross cash receipts and gross cash payments are disclosed; or (b) the indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.	**Reporting cash flows from operating activities** 7.7 An entity shall present cash flows from operating activities using either: (a) the indirect method, whereby profit or loss is adjusted for the effects of non-cash transactions, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows; or (b) the direct method, whereby major classes of gross cash receipts and gross cash payments are disclosed.	
19 Entities are encouraged to report cash flows from operating activities using the direct method. The direct method provides	**Direct method** 7.9 Under the direct method, net cash flow from operating activities is presented by disclosing	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
information which may be useful in estimating future cash flows and which is not available under the indirect method. Under the direct method, information about major classes of gross cash receipts and gross cash payments may be obtained either: (a) from the accounting records of the entity; or (b) by adjusting sales, cost of sales (interest and similar income and interest expense and similar charges for a financial institution) and other items in the statement of comprehensive income for: (i) changes during the period in inventories and operating receivables and payables; (ii) other non-cash items; and (iii) other items for which the cash effects are investing or financing cash flows	information about major classes of gross cash receipts and gross cash payments. Such information may be obtained either: (a) from the accounting records of the entity; or (b) by adjusting sales, cost of sales and other items in the statement of comprehensive income (or the income statement, if presented) for: (i) changes during the period in inventories and operating receivables and payables; (ii) other non-cash items; and (iii) other items for which the cash effects are investing or financing cash flows.	
20 Under the indirect method, the net cash flow from operating activities is determined by adjusting profit or loss for the effects of: (a) changes during the period in inventories and operating receivables and payables; (b) non-cash items such as depreciation, provisions, deferred taxes, unrealised	**Indirect method** 7.8 Under the indirect method, the net cash flow from operating activities is determined by adjusting profit or loss for the effects of: (a) changes during the period in inventories and operating receivables and payables;	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
foreign currency gains and losses, and undistributed profits of associates; and (c) all other items for which the cash effects are investing or financing cash flows.	(b) non-cash items such as depreciation, provisions, deferred tax, accrued income (expenses) not yet received (paid) in cash, unrealised foreign currency gains and losses, undistributed profits of associates and non-controlling interests; and (c) all other items for which the cash effects relate to investing or financing.	
Alternatively, the net cash flow from operating activities may be presented under the indirect method by showing the revenues and expenses disclosed in the statement of comprehensive income and the changes during the period in inventories and operating receivables and payables. Aus20.1 [Deleted]		*Option not available in the new Tier 2 Standard.*
Reporting cash flows from investing and financing activities 21 An entity shall report separately major classes of gross cash receipts and gross cash payments arising from investing and financing activities, except to the extent that cash flows described in paragraphs 22 and 24 are reported on a net basis.	**Reporting cash flows from investing and financing activities** 7.10 An entity shall present separately major classes of gross cash receipts and gross cash payments arising from investing and financing activities. The aggregate cash flows arising from acquisitions and from disposals of subsidiaries or other business units shall be presented separately and classified as investing activities.	
Reporting cash flows on a net basis		*Option not available in the new Tier 2 Standard.*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
22 Cash flows arising from the following operating, investing or financing activities may be reported on a net basis: (a) cash receipts and payments on behalf of customers when the cash flows reflect the activities of the customer rather than those of the entity; and (b) cash receipts and payments for items in which the turnover is quick, the amounts are large, and the maturities are short.		
23 Examples of cash receipts and payments referred to in paragraph 22(a) are: (a) the acceptance and repayment of demand deposits of a bank; (b) funds held for customers by an investment entity; and (c) rents collected on behalf of, and paid over to, the owners of properties		*Provides guidance. No impact on disclosures*
23A Examples of cash receipts and payments referred to in paragraph 22(b) are advances made for, and the repayment of: (a) principal amounts relating to credit card customers; (b) the purchase and sale of investments; and (c) other short-term borrowings, for example, those which have a maturity period of three months or less		*Provides guidance. No impact on disclosures*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
24 Cash flows arising from each of the following activities of a financial institution may be reported on a net basis: (a) cash receipts and payments for the acceptance and repayment of deposits with a fixed maturity date; (b) the placement of deposits with and withdrawal of deposits from other financial institutions; and (c) cash advances and loans made to customers and the repayment of those advances and loans		*Option not available in the new Tier 2 Standard.*
Foreign currency cash flows 25 Cash flows arising from transactions in a foreign currency shall be recorded in an entity's functional currency by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the cash flow.	**Foreign currency cash flows** 7.11 An entity shall record cash flows arising from transactions in a foreign currency in the entity's functional currency by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the cash flow…	
26 The cash flows of a foreign subsidiary shall be translated at the exchange rates between the functional currency and the foreign currency at the dates of the cash flows.	7.12 The entity shall translate cash flows of a foreign subsidiary at the exchange rates between the entity's functional currency and the foreign currency at the dates of the cash flows	
27 Cash flows denominated in a foreign currency are reported in a manner consistent with AASB 121 *The Effects of Changes in Foreign Exchange*	…7.11 <u>Paragraph ~~30.19~~ 40 in AASB 121</u> explains when an exchange rate that approximates the actual rate can be used.	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
Rates. This permits the use of an exchange rate that approximates the actual rate. For example, a weighted average exchange rate for a period may be used for recording foreign currency transactions or the translation of the cash flows of a foreign subsidiary. However, AASB 121 does not permit use of the exchange rate at the end of the reporting period when translating the cash flows of a foreign subsidiary.		
28 Unrealised gains and losses arising from changes in foreign currency exchange rates are not cash flows. However, the effect of exchange rate changes on cash and cash equivalents held or due in a foreign currency is reported in the statement of cash flows in order to reconcile cash and cash equivalents at the beginning and the end of the period. This amount is presented separately from cash flows from operating, investing and financing activities and includes the differences, if any, had those cash flows been reported at end of period exchange rates. 29 [Deleted] 30 [Deleted]	7.13 Unrealised gains and losses arising from changes in foreign currency exchange rates are not cash flows. However, to reconcile cash and cash equivalents at the beginning and the end of the period, the effect of exchange rate changes on cash and cash equivalents held or due in a foreign currency must be presented in the statement of cash flow. Consequently, the entity shall remeasure cash and cash equivalents held during the reporting period (such as amounts of foreign currency held and foreign currency bank accounts) at period-end exchange rates. The entity shall present the resulting unrealised gain or loss separately from cash flows from operating, investing and financing activities.	
Interest and dividends 31 Cash flows from interest and dividends received and paid shall each be disclosed separately. Each shall be classified in a consistent manner from	**Interest and dividends** 7.14 An entity shall present separately cash flows from interest and dividends received and paid. The entity shall classify cash flows consistently	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
period to period as either operating, investing or financing activities.	from period to period as operating, investing or financing activities.	
32 The total amount of interest paid during a period is disclosed in the statement of cash flows whether it has been recognised as an expense in profit or loss or capitalised in accordance with AASB 123 *Borrowing Costs.*		*Provides guidance. No impact on disclosures*
33 Interest paid and interest and dividends received are usually classified as operating cash flows for a financial institution. However, there is no consensus on the classification of these cash flows for other entities. Interest paid and interest and dividends received may be classified as operating cash flows because they enter into the determination of profit or loss. Alternatively, interest paid and interest and dividends received may be classified as financing cash flows and investing cash flows respectively, because they are costs of obtaining financial resources or returns on investments.	7.15 An entity may classify interest paid and interest and dividends received as operating cash flows because they are included in profit or loss. Alternatively, the entity may classify interest paid and interest and dividends received as financing cash flows and investing cash flows respectively, because they are costs of obtaining financial resources or returns on investments.	
34 Dividends paid may be classified as a financing cash flow because they are a cost of obtaining financial resources. Alternatively, dividends paid may be classified as a component of cash flows from operating activities in order to assist users to determine the ability of an entity to pay dividends out of operating cash flows.	7.16 An entity may classify dividends paid as a financing cash flow because they are a cost of obtaining financial resources. Alternatively, the entity may classify dividends paid as a component of cash flows from operating activities because they are paid out of operating cash flows.	
Taxes on income	**Income tax**	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
35 Cash flows arising from taxes on income shall be separately disclosed and shall be classified as cash flows from operating activities unless they can be specifically identified with financing and investing activities	7.17 An entity shall present separately cash flows arising from income tax and shall classify them as cash flows from operating activities unless they can be specifically identified with financing and investing activities...	
36 Taxes on income arise on transactions that give rise to cash flows that are classified as operating, investing or financing activities in a statement of cash flows. While tax expense may be readily identifiable with investing or financing activities, the related tax cash flows are often impracticable to identify and may arise in a different period from the cash flows of the underlying transaction. Therefore, taxes paid are usually classified as cash flows from operating activities. However, when it is practicable to identify the tax cash flow with an individual transaction that gives rise to cash flows that are classified as investing or financing activities the tax cash flow is classified as an investing or financing activity as appropriate. When tax cash flows are allocated over more than one class of activity, the total amount of taxes paid is disclosed.	7.17.When tax cash flows are allocated over more than one class of activity, the entity shall disclose the total amount of taxes paid	
Investments in subsidiaries, associates and joint ventures 37 When accounting for an investment in an associate, a joint venture or a subsidiary accounted for by use of the equity or cost		*Provides guidance. No impact on disclosures*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
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 that reports its 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 associate or joint venture, and distributions and other payments or receipts between it and the associate or joint venture.		*Provides guidance. No impact on disclosures*
Changes in ownership interests in subsidiaries and other businesses 39 The aggregate cash flows arising from obtaining or losing control of subsidiaries or other businesses shall be presented separately and classified as investing activities.		*Reduced compared to RDR*
40A An investment entity, as defined in AASB 10 *Consolidated Financial Statements*, need not apply paragraphs 40(c) or 40(d) to an investment in a subsidiary that is required to be measured at fair value through profit or loss.		*Provides guidance. No impact on disclosures*
42 The aggregate amount of the cash paid or received as consideration for obtaining or losing control of subsidiaries or other businesses is reported in the statement of cash flows net of cash and cash equivalents acquired or disposed		*Provides guidance. No impact on disclosures*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
of as part of such transactions, events or changes in circumstances.		
42A Cash flows arising from changes in ownership interests in a subsidiary that do not result in a loss of control shall be classified as cash flows from financing activities, unless the subsidiary is held by an investment entity, as defined in AASB 10, and is required to be measured at fair value through profit or loss.		*Provides guidance. No impact on disclosures*
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 10), unless the subsidiary is held by an investment entity and is required to be measured at fair value through profit or loss. Accordingly, the resulting cash flows are classified in the same way as other transactions with owners described in paragraph 17.		*Provides guidance. No impact on disclosures*
Non-cash transactions 43 Investing and financing transactions that do not require the use of cash or cash equivalents shall be excluded from a statement of cash flows. Such transactions shall be disclosed elsewhere in the financial statements in a way that provides all the relevant information about these investing and financing activities.	**Non-cash transactions** 7.18 An entity shall exclude from the statement of cash flows investing and financing transactions that do not require the use of cash or cash equivalents. An entity shall disclose such transactions elsewhere in the **financial statements** in a way that provides all	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
	the relevant information about those investing and financing activities.	
44 Many investing and financing activities do not have a direct impact on current cash flows although they do affect the capital and asset structure of an entity. The exclusion of non-cash transactions from the statement of cash flows is consistent with the objective of a statement of cash flows as these items do not involve cash flows in the current period. Examples of non-cash transactions are: (a) the acquisition of assets either by assuming directly related liabilities or by means of a lease; (b) the acquisition of an entity by means of an equity issue; and (c) the conversion of debt to equity.	7.19 Many investing and financing activities do not have a direct impact on current cash flows even though they affect the capital and asset structure of an entity. The exclusion of non-cash transactions from the statement of cash flows is consistent with the objective of a statement of cash flows because these items do not involve cash flows in the current period. Examples of non-cash transactions are: (a) the acquisition of assets either by assuming directly related liabilities or by means of a ~~finance~~ lease; (b) the acquisition of an entity by means of an equity issue; and (c) the conversion of debt to equity.	
Components of cash and cash equivalents 45 An entity shall disclose the components of cash and cash equivalents and shall present a reconciliation of the amounts in its statement of cash flows with the equivalent items reported in the statement of financial position.	**Components of cash and cash equivalents** 7.20 An entity shall present the components of cash and cash equivalents and shall present a reconciliation of the amounts presented in the statement of cash flows to the equivalent items presented in the **statement of financial position**. However, an entity is not required to present this reconciliation if the amount of cash and cash equivalents presented in the statement of cash flows is identical to the	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
	amount similarly described in the statement of financial position.	
47 The effect of any change in the policy for determining components of cash and cash equivalents, for example, a change in the classification of financial instruments previously considered to be part of an entity's investment portfolio, is reported in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*.		*Provides guidance. No impact on disclosures*
Other disclosures 48 An entity shall disclose, together with a commentary by management, the amount of significant cash and cash equivalent balances held by the entity that are not available for use by the group.	**Other disclosures** 7.21 An entity shall disclose, together with a commentary by management the amount of significant cash and cash equivalent balances held by the entity that are not available for use by the entity. Cash and cash equivalents held by an entity may not be available for use by the entity because of, among other reasons, foreign exchange controls or legal restrictions.	
49 There are various circumstances in which cash and cash equivalent balances held by an entity are not available for use by the group. Examples include cash and cash equivalent balances held by a subsidiary that operates in a country where exchange controls or other legal restrictions apply when the balances are not available for general use by the parent or other subsidiaries.		*Provides guidance. No impact on disclosures*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
50 Additional information may be relevant to users in understanding the financial position and liquidity of an entity. Disclosure of this information, together with a commentary by management, is encouraged and may include: (a) the amount of undrawn borrowing facilities that may be available for future operating activities and to settle capital commitments, indicating any restrictions on the use of these facilities; (b) [deleted by IASB] (c) the aggregate amount of cash flows that represent increases in operating capacity separately from those cash flows that are required to maintain operating capacity; and		*Reduced compared to RDR*
51 The separate disclosure of cash flows that represent increases in operating capacity and cash flows that are required to maintain operating capacity is useful in enabling the user to determine whether the entity is investing adequately in the maintenance of its operating capacity. An entity that does not invest adequately in the maintenance of its operating capacity may be prejudicing future profitability for the sake of current liquidity and distributions to owners.		*Provides guidance. No impact on disclosures*
AASB 3 *Business Combinations*		*AASB 3 has been covered under Section 19*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
AASB 10 *Consolidated Financial Statements*	**Section 9 *Consolidated and Separate Financial Statements***	*There are no disclosures in this Standard*
AASB 12 *Disclosure of Interests in Other Entities*[2]		***Disclosures have been significantly reduced*** *(Paragraphs 20-23 covered in section 14 and 15)*
AASB 127 *Separate Financial Statements*		***Disclosures have been reduced to some extent***
	9.23 The following disclosures shall be made in consolidated financial statements: (a) the fact that the statements are consolidated financial statements;	*Covered under AASB 101*
AASB 12 **(Replaced in its entirety by section 9,14 and 15)** **Objective** 1 The objective of this Standard is to require an entity to disclose information that enables users of its financial statements to evaluate: (a) the nature of, and risks associated with, its interests in other entities; and (b) the effects of those interests on its financial position, financial performance and cash flows.		*Provides guidance. No impact on disclosures*
Meeting the objective		*Reduced compared to RDR*

[2] AASB 12 only includes paragraph 1-19 and the rest of the paragraphs have been covered under section 14 and section 15.

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
2 To meet the objective in paragraph 1, an entity shall disclose: (a) the significant judgements and assumptions it has made in determining: (i) the nature of its interest in another entity or arrangement; (ii) the type of joint arrangement in which it has an interest (paragraphs 7–9); (iii) that it meets the definition of an investment entity, if applicable (paragraph 9A); and		
(b) information about its interests in: (i) subsidiaries (paragraphs 10–19); (ii) joint arrangements and associates (paragraphs 20–23); and (iii) *structured entities* that are not controlled by the entity (unconsolidated structured entities) (paragraphs 24–31).		*Reduced compared to RDR*
3 If the disclosures required by this Standard, together with disclosures required by other Standards, do not meet the objective in paragraph 1, an entity shall disclose whatever additional information is necessary to meet that objective.		*Provides guidance. No impact on disclosures*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
4 An entity shall consider the level of detail necessary to satisfy the disclosure objective and how much emphasis to place on each of the requirements in this Standard. It shall aggregate or disaggregate disclosures so that useful information is not obscured by either the inclusion of a large amount of insignificant detail or the aggregation of items that have different characteristics (see paragraphs B2–B6).		
Scope 5 This Standard shall be applied by an entity that has an interest in any of the following: (a) subsidiaries (b) joint arrangements (ie joint operations or joint ventures) (c) associates (d) unconsolidated structured entities.		*Provides guidance. No impact on disclosures*
5A Except as described in paragraph B17, the requirements in this Standard apply to an entity's interests listed in paragraph 5 that are classified (or included in a disposal group that is classified) as held for sale or discontinued operations in accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*.		*Provides guidance. No impact on disclosures*
6 This Standard does not apply to:		*Provides guidance. No impact on disclosures*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
(a) post-employment benefit plans or other long-term employee benefit plans to which AASB 119 *Employee Benefits* applies. (b) an entity's separate financial statements to which AASB 127 *Separate Financial Statements* applies. However: (i) if an entity has interests in unconsolidated structured entities and prepares separate financial statements as its only financial statements, it shall apply the requirements in paragraphs 24–31 when preparing those separate financial statements. (ii) an investment entity that prepares financial statements in which all of its subsidiaries are measured at fair value through profit or loss in accordance with paragraph 31 of AASB 10 shall present the disclosures relating to investment entities required by this Standard.		
(c) an interest held by an entity that participates in, but does not have joint control of, a joint arrangement unless that interest results in significant influence over the arrangement or is an interest in a structured entity.		*Provides guidance. No impact on disclosures*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
(d) an interest in another entity that is accounted for in accordance with AASB 9 *Financial Instruments*. However, an entity shall apply this Standard: (i) when that interest is an interest in an associate or a joint venture that, in accordance with AASB 128 *Investments in Associates and Joint Ventures*, is measured at fair value through profit or loss; or (ii) when that interest is an interest in an unconsolidated structured entity.		
Significant judgements and assumptions 7 An entity shall disclose information about significant judgements and assumptions it has made (and changes to those judgements and assumptions) in determining: (a) that it has control of another entity, ie an investee as described in paragraphs 5 and 6 of AASB 10 *Consolidated Financial Statements*;		*Reduced compared to RDR*
(b) that it has joint control of an arrangement or significant influence over another entity; and (c) the type of joint arrangement (ie joint operation or joint venture) when the		*Reduced compared to RDR*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
arrangement has been structured through a separate vehicle.		
8 The significant judgements and assumptions disclosed in accordance with paragraph 7 include those made by the entity when changes in facts and circumstances are such that the conclusion about whether it has control, joint control or significant influence changes during the reporting period.		*Provides guidance. No impact on disclosures.*
9 To comply with paragraph 7, an entity shall disclose, for example, significant judgements and assumptions made in determining that: (b) it controls another entity even though it holds less than half of the voting rights of the other entity.	9.23 (b) the basis for concluding that control exists when the parent does not own, directly or indirectly through subsidiaries, more than half of the voting power;	
(c) it is an agent or a principal (see paragraphs B58–B72 of AASB 10).		*Reduced compared to RDR*
Investment entity status 9A When a parent determines that it is an investment entity in accordance with paragraph 27 of AASB 10, the investment entity shall disclose information about significant judgements and assumptions it has made in determining that it is an investment entity. If the investment entity does not have one or more of the typical characteristics of an investment entity (see paragraph 28 of AASB 10), it shall		*Reduced compared to RDR*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
disclose its reasons for concluding that it is nevertheless an investment entity. 9B When an entity becomes, or ceases to be, an investment entity, it shall disclose the change of investment entity status and the reasons for the change. In addition, an entity that becomes an investment entity shall disclose the effect of the change of status on the financial statements for the period presented, including: (a) the total fair value, as of the date of change of status, of the subsidiaries that cease to be consolidated; (b) the total gain or loss, if any, calculated in accordance with paragraph B101 of AASB 10; and (c) the line item(s) in profit or loss in which the gain or loss is recognised (if not presented separately).		
Interests in subsidiaries 10 An entity shall disclose information that enables users of its consolidated financial statements (a) to understand: (i) the composition of the group; and (b) to evaluate: (i) the nature and extent of significant restrictions on its ability to access or		*Reduced compared to RDR*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
use assets, and settle liabilities, of the group (paragraph 13);		
11 When the financial statements of a subsidiary used in the preparation of consolidated financial statements are as of a date or for a period that is different from that of the consolidated financial statements (see paragraphs B92 and B93 of AASB 10), an entity shall disclose: (a) the date of the end of the reporting period of the financial statements of that subsidiary; and	9.23 (c) any difference in the reporting date of the financial statements of the parent and its subsidiaries used in the preparation of the consolidated financial statements; and	
The nature and extent of significant restrictions 13 An entity shall disclose: (a) significant restrictions (eg statutory, contractual and regulatory restrictions) on its ability to access or use the assets and settle the liabilities of the group, such as: (i) those that restrict the ability of a parent or its **subsidiaries** to transfer cash or other assets to (or from) other entities within the group.	9.23 (d) the nature and extent of any significant restrictions (for example resulting from borrowing arrangements or regulatory requirements) on the ability of subsidiaries to transfer funds to the parent in the form of cash dividends or to repay loans.	
(c) the carrying amounts in the consolidated financial statements of the assets and liabilities to which those restrictions apply.		*Reduced compared to RDR*
Nature of the risks associated with an entity's interests in consolidated structured entities		*Reduced compared to RDR*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
15 If during the reporting period a parent or any of its subsidiaries has, without having a contractual obligation to do so, provided financial or other support to a consolidated structured entity (eg purchasing assets of or instruments issued by the structured entity), the entity shall disclose: (a) the type and amount of support provided, including situations in which the parent or its subsidiaries assisted the structured entity in obtaining financial support; and (b) the reasons for providing the support. 17 An entity shall disclose any current intentions to provide financial or other support to a consolidated structured entity, including intentions to assist the structured entity in obtaining financial support.		
Interests in unconsolidated subsidiaries (investment entities) 19A An investment entity that, in accordance with AASB 10, is required to apply the exception to consolidation and instead account for its investment in a subsidiary at fair value through profit or loss shall disclose that fact. 19B For each unconsolidated subsidiary, an investment entity shall disclose: (a) the subsidiary's name;		*Reduced compared to RDR*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
(b) the principal place of business (and country of incorporation if different from the principal place of business) of the subsidiary; and (c) the proportion of ownership interest held by the investment entity and, if different, the proportion of voting rights held. 19C If an investment entity is the parent of another investment entity, the parent shall also provide the disclosures in 19B(a)–(c) for investments that are controlled by its investment entity subsidiary. The disclosure may be provided by including, in the financial statements of the parent, the financial statements of the subsidiary (or subsidiaries) that contain the above information. 19D An investment entity shall disclose: (a) the nature and extent of any significant restrictions (eg resulting from borrowing arrangements, regulatory requirements or contractual arrangements) on the ability of an unconsolidated subsidiary to transfer funds to the investment entity in the form of cash dividends or to repay loans or advances made to the unconsolidated subsidiary by the investment entity; and (b) any current commitments or intentions to provide financial or other support to an unconsolidated subsidiary, including		

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
commitments or intentions to assist the subsidiary in obtaining financial support. 19E If, during the reporting period, an investment entity or any of its subsidiaries has, without having a contractual obligation to do so, provided financial or other support to an unconsolidated subsidiary (eg purchasing assets of, or instruments issued by, the subsidiary or assisting the subsidiary in obtaining financial support), the entity shall disclose: (a) the type and amount of support provided to each unconsolidated subsidiary; and (b) the reasons for providing the support. 19F An investment entity shall disclose the terms of any contractual arrangements that could require the entity or its unconsolidated subsidiaries to provide financial support to an unconsolidated, controlled, structured entity, including events or circumstances that could expose the reporting entity to a loss (eg liquidity arrangements or credit rating triggers associated with obligations to purchase assets of the structured entity or to provide financial support). 19G If during the reporting period an investment entity or any of its unconsolidated subsidiaries has, without having a contractual obligation to do so, provided financial or other support to an unconsolidated, structured entity that the investment entity did not control, and if that		

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
provision of support resulted in the investment entity controlling the structured entity, the investment entity shall disclose an explanation of the relevant factors in reaching the decision to provide that support.		
Paragraphs 20-23 covered in section 14 and 15		
Interests in unconsolidated structured entities 24 An entity shall disclose information that enables users of its financial statements: (a) to understand the nature and extent of its interests in unconsolidated structured entities (paragraphs 26–28); and		*Reduced compared to RDR*
25A An investment entity need not provide the disclosures required by paragraph 24 for an unconsolidated structured entity that it controls and for which it presents the disclosures required by paragraphs 19A–19G.		*Provides guidance. No impact on disclosures*
Nature of interests 26 An entity shall disclose information about its interests in unconsolidated structured entities, including, but not limited to, the nature, purpose, size and activities of the structured entity and how the structured entity is financed.		*Reduced compared to RDR*
Nature of risks 30 If during the reporting period an entity has, without having a contractual obligation to do so,		*Reduced compared to RDR*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
provided financial or other support to an unconsolidated structured entity in which it previously had or currently has an interest (for example, purchasing assets of or instruments issued by the structured entity), the entity shall disclose: (a) the type and amount of support provided, including situations in which the entity assisted the structured entity in obtaining financial support; and (b) the reasons for providing the support. 31 An entity shall disclose any current intentions to provide financial or other support to an unconsolidated structured entity, including intentions to assist the structured entity in obtaining financial support.		
Appendix B Aggregation (paragraph 4) B2 An entity shall decide, in the light of its circumstances, how much detail it provides to satisfy the information needs of users, how much emphasis it places on different aspects of the requirements and how it aggregates the information. It is necessary to strike a balance between burdening financial statements with excessive detail that may not assist users of financial statements and obscuring information as a result of too much aggregation.		*Provides guidance. No impact on disclosure*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
B3 An entity may aggregate the disclosures required by this Standard for interests in similar entities if aggregation is consistent with the disclosure objective and the requirement in paragraph B4, and does not obscure the information provided. An entity shall disclose how it has aggregated its interests in similar entities. B4 An entity shall present information separately for interests in: (a) subsidiaries; (b) joint ventures; (c) joint operations; (d) associates; and (e) unconsolidated structured entities. B5 In determining whether to aggregate information, an entity shall consider quantitative and qualitative information about the different risk and return characteristics of each entity it is considering for aggregation and the significance of each such entity to the reporting entity. The entity shall present the disclosures in a manner that clearly explains to users of financial statements the nature and extent of its interests in those other entities.		*Provides guidance. No impact on disclosure*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
B6 Examples of aggregation levels within the classes of entities set out in paragraph B4 that might be appropriate are: (a) nature of activities (eg a research and development entity, a revolving credit card securitisation entity). (b) industry classification. (c) geography (eg country or region).		
Interests in other entities B7 An interest in another entity refers to contractual and non-contractual involvement that exposes the reporting entity to variability of returns from the performance of the other entity. Consideration of the purpose and design of the other entity may help the reporting entity when assessing whether it has an interest in that entity and, therefore, whether it is required to provide the disclosures in this Standard. That assessment shall include consideration of the risks that the other entity was designed to create and the risks the other entity was designed to pass on to the reporting entity and other parties.		*Provides guidance. No impact on disclosures*
B8 A reporting entity is typically exposed to variability of returns from the performance of another entity by holding instruments (such as equity or debt instruments issued by the other entity) or having another involvement that		*Provides guidance. No impact on disclosures*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
absorbs variability. For example, assume a structured entity holds a loan portfolio. The structured entity obtains a credit default swap from another entity (the reporting entity) to protect itself from the default of interest and principal payments on the loans. The reporting entity has involvement that		
B9 Some instruments are designed to transfer risk from a reporting entity to another entity. Such instruments create variability of returns for the other entity but do not typically expose the reporting entity to variability of returns from the performance of the other entity. For example, assume a structured entity is established to provide investment opportunities for investors who wish to have exposure to entity Z's credit risk (entity Z is unrelated to any party involved in the arrangement). The structured entity obtains funding by issuing to those investors notes that are linked to entity Z's credit risk (credit-linked notes) and uses the proceeds to invest in a portfolio of risk-free financial assets. The structured entity obtains exposure to entity Z's credit risk by entering into a credit default swap (CDS) with a swap counterparty. The CDS passes entity Z's credit risk to the structured entity in return for a fee paid by the swap counterparty. The investors in the structured entity receive a higher return that reflects both the structured entity's return from its asset portfolio and the CDS fee. The swap counterparty does not have		*Provides guidance. No impact on disclosures*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
involvement with the structured entity that exposes it to variability of returns from the performance of the structured entity because the CDS transfers variability to the structured entity, rather than absorbing variability of returns of the structured entity.		
Commitments for joint ventures (B18-B20 covered in Section 15)		
Interests in unconsolidated structured entities (paragraphs 24–31) **Structured entities** B21 A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. B22 A structured entity often has some or all of the following features or attributes: (a) restricted activities. (b) a narrow and well-defined objective, such as to effect a tax-efficient lease, carry out research and development activities, provide a source of capital or funding to an entity or provide investment opportunities for investors by passing on risks and		*Provides guidance. No impact on disclosures.*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
rewards associated with the assets of the structured entity to investors. (c) insufficient equity to permit the structured entity to finance its activities without subordinated financial support. (d) financing in the form of multiple contractually linked instruments to investors that create concentrations of credit or other risks (tranches). B23 Examples of entities that are regarded as structured entities include, but are not limited to: (a) securitisation vehicles. (b) asset-backed financings. (c) some investment funds. B24 An entity that is controlled by voting rights is not a structured entity simply because, for example, it receives funding from third parties following a restructuring.		
AASB 127 **Disclosure** 15 An entity shall apply all applicable Standards when providing disclosures in its separate financial statements, including the requirements in paragraphs 16–17.		*Reduced compared to RDR.*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
16A When an investment entity that is a parent (other than a parent covered by paragraphs 16–Aus16.1) prepares, in accordance with paragraph 8A, separate financial statements as its only financial statements, it shall disclose that fact. The investment entity shall also present the disclosures relating to investment entities required by AASB 12 *Disclosure of Interests in Other Entities.*		*Reduced compared to RDR.*
17 When a parent (other than a parent covered by paragraph 16A) or an investor with joint control of, or significant influence over, an investee prepares separate financial statements, the parent or investor shall identify the financial statements prepared in accordance with AASB 10, AASB 11 or AASB 128 to which they relate. The parent or investor shall also disclose in its separate financial statements: (a) the fact that the statements are separate financial statements. RDR17.1 A parent or an investor with joint control of, or significant influence over, an investee, that prepares separate financial statements applying Australian Accounting Standards – Reduced Disclosure Requirements, shall disclose the methods used to account for the investment when the investment is significant.	**Disclosures in separate financial statements** 9.27 When a parent, an investor in an associate or a venturer with an interest in a ~~jointly controlled entity~~ joint venture prepares separate financial statements, those separate financial statements shall disclose: (a) that the statements are separate financial statements; and (b) a description of the methods used to account for the investments in subsidiaries, ~~jointly controlled entities~~ joint ventures and associates, and shall identify the consolidated financial statements or other primary financial statements to which they relate	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*	**Section 10 *Accounting Policies, Estimates and Errors***	***No significant difference***
Accounting policies **Disclosure** 28 When initial application of an Australian Accounting Standard has an effect on the current period or any prior period, would have such an effect except that it is impracticable to determine the amount of the adjustment, or might have an effect on future periods, an entity shall disclose: (a) the title of the Australian Accounting Standard	**Disclosure of a change in accounting policy** 10.13 When an amendment to this Standard has an effect on the current period or any prior period, or might have an effect on future periods, an entity shall disclose the following:	
(c) the nature of the change in accounting policy;	(a) the nature of the change in accounting policy;	
(f) for the current period and each prior period presented, to the extent practicable, the amount of the adjustment: (i) for each financial statement line item affected; and	(b) for the current period and each prior period presented, to the extent practicable, the amount of the adjustment for each financial statement line item affected;	
(ii) if AASB 133 *Earnings per Share* applies to the entity, for basic and diluted earnings per share;		*Reduced compared to RDR* *(Disclosures related to EPS N/A to Tier 2 entities)*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
(g) the amount of the adjustment relating to periods before those presented, to the extent practicable; and	(c) the amount of the adjustment relating to periods before those presented to the extent practicable; and	
Financial statements of subsequent periods need not repeat these disclosures.	Financial statements of subsequent periods need not repeat these disclosures.	
RDR28.1 An entity applying Australian Accounting Standards – Reduced Disclosure Requirements shall disclose an explanation if it is impracticable to determine the amounts required to be disclosed by paragraph 28(f)(i) or 28(g).	(d) an explanation if it is impracticable to determine the amounts to be disclosed in (b) or (c).	
29 When a voluntary change in accounting policy has an effect on the current period or any prior period, would have an effect on that period except that it is impracticable to determine the amount of the adjustment, or might have an effect on future periods, an entity shall disclose: (a) the nature of the change in accounting policy; (b) the reasons why applying the new accounting policy provides reliable and more relevant information;	10.14 When a voluntary change in accounting policy has an effect on the current period or any prior period, an entity shall disclose the following: (a) the nature of the change in accounting policy; (b) the reasons why applying the new accounting policy provides reliable and more relevant information;	
(c) for the current period and each prior period presented, to the extent practicable, the amount of the adjustment:	(c) to the extent practicable, the amount of the adjustment for each financial statement line item affected, showing separately:	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
(i) for each financial statement line item affected; and	(i) the current period (ii) for each prior period presented; and	
(ii) if AASB 133 applies to the entity, for basic and diluted earnings per share;		*Reduced compared to RDR* *(Disclosures related to EPS N/A to Tier 2 entities)*
(d) the amount of the adjustment relating to periods before those presented, to the extent practicable; and	(iii) in the aggregate for periods before those presented.	
(e) if retrospective application is impracticable for a particular prior period, or for periods before those presented, the circumstances that led to the existence of that condition and a description of how and from when the change in accounting policy has been applied. Financial statements of subsequent periods need not repeat these disclosures.	(d) an explanation if it is impracticable to determine the amounts to be disclosed in (c). Financial statements of subsequent periods need not repeat these disclosures.	
Changes in accounting estimates Disclosure 39 An entity shall disclose the nature and amount of a change in an accounting estimate that has an effect in the current period or is expected to have an effect in future periods, except for the	**Disclosure of a change in estimate** 10.18 An entity shall disclose the nature of any change in an accounting estimate and the effect of the change on assets, liabilities, income and expense for the current period. If it is practicable for the entity to estimate the	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
disclosure of the effect on future periods when it is impracticable to estimate that effect.	effects of the change in on or more future periods, the entity shall disclose those estimates.	
Errors Disclosure of prior period errors 49 In applying paragraph 42, an entity shall disclose the following: (a) the nature of the prior period error;	**Disclosure of prior period errors** 10.23 An entity shall disclose the following about prior period errors: (a) the nature of the prior period error;	
(b) for each prior period presented, to the extent practicable, the amount of the correction: (i) for each financial statement line item affected; and	(b) for each prior period presented, to the extent practicable, the amount of the correction for each financial statement line item affected;	
(ii) if AASB 133 applies to the entity, for basic and diluted earnings per share;		*Reduced compared to RDR* *(Disclosures related to EPS N/A to Tier 2 entities.)*
(c) the amount of the correction at the beginning of the earliest prior period presented; and	(c) to the extent practicable, the amount of the correction at the beginning of the earliest prior period presented; and	
(d) if retrospective restatement is impracticable for a particular prior period, the circumstances that led to the existence of that condition and a description of how and from when the error has been corrected.	(d) an explanation if it is not practicable to determine the amounts to be disclosed in (b) or (c). Financial statements of subsequent periods need not repeat these disclosures.	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
Financial statements of subsequent periods need not repeat these disclosures.		
AASB 7 *Financial Instruments: Disclosures*	**Section 11 *Basic Financial Instruments* and Section 12 *Other Financial Instrument Issues*[3]** **AASB 7 is replaced in its entirety by section 11 and 12**	***Disclosures have been significantly reduced***
	Disclosures 11.39 The following disclosures make reference to disclosures for financial liabilities measured at fair value through profit or loss. Entities that have only basic financial instruments (and therefore do not apply Section 12) will not have any financial liabilities measured at fair value through profit or loss and hence will not need to provide such disclosures.	

[3] Section 11 *Basic Financial Instruments* and Section 12 *Other Financial Instrument Issues* have been combined in this comparison as AASB 7 *Financial Instruments: Disclosures* is the equivalent AASB Standard for both Sections.

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
Accounting Standard AASB 7 **Financial Instruments: *Disclosures*** **Objective** 1 The objective of this Standard is to require entities to provide disclosures in their financial statements that enable users to evaluate: (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the end of the reporting period, and how the entity manages those risks. 2 The principles in this Standard complement the principles for recognising, measuring and presenting financial assets and financial liabilities in AASB 132 Financial Instruments: Presentation and AASB 9 Financial Instruments.		*Provides guidance. No impact on disclosures*

Scope 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 *Separate Financial Statements* or AASB 128 *Investments in Associates and Joint Ventures*. However, in some cases, AASB 10, AASB 127 or AASB 128 require or permit an entity to account for an interest in a subsidiary, associate or joint venture using AASB 9; in those cases, entities shall apply the requirements of this Standard and, for those measured at fair value, the requirements of AASB 13 *Fair Value Measuremen*t. Entities shall also apply this Standard to all derivatives linked to interests in subsidiaries, associates or joint ventures unless the derivative meets the definition of an equity instrument in AASB 132. (b) employers' rights and obligations arising from employee benefit plans, to which AASB 119 *Employee Benefits* applies. (c) [deleted] (d) insurance contracts as defined in AASB 4 Insurance Contracts. However, this Standard applies to derivatives that are embedded in insurance contracts if AASB 9		*Provides guidance. No impact on disclosures*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
requires the entity to account for them separately. Moreover, an issuer shall apply this Standard to financial guarantee contracts if the issuer applies AASB 9 in recognising and measuring the contracts, but shall apply AASB 4 if the issuer elects, in accordance with paragraph 4(d) of AASB 4, to apply AASB 4 in recognising and measuring them. (e) financial instruments, contracts and obligations under share-based payment transactions to which AASB 2 *Share-based Payment* applies, except that this Standard applies to contracts within the scope of AASB 9. (f) instruments that are required to be classified as equity instruments in accordance with paragraphs 16A and 16B or paragraphs 16C and 16D of AASB 132.		
4 This Standard applies to recognised and unrecognised financial instruments. Recognised financial instruments include financial assets and financial liabilities that are within the scope of AASB 9. Unrecognised financial instruments include some financial instruments that, although outside the scope of AASB 9, are within the scope of this Standard.		*Provides guidance. No impact on disclosures*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
5 This Standard applies to contracts to buy or sell a non-financial item that are within the scope of AASB 9.		*Provides guidance. No impact on disclosures*
5A The credit risk disclosure requirements in paragraphs 35A–35N apply to those rights that AASB *15 Revenue from Contracts with Customers* specifies are accounted for in accordance with AASB 9 for the purposes of recognising impairment gains or losses. Any reference to financial assets or financial instruments in these paragraphs shall include those rights unless otherwise specified.		*Provides guidance. No impact on disclosures* *(credit risk disclosure requirements do not apply to RDR entities)*
Significance of financial instruments for financial position and performance 7 An entity shall disclose information that enables users of its financial statements to evaluate the significance of financial instruments for its financial position and performance.	11.42 An entity shall disclose information that enables users of its financial statements to evaluate the significance of financial instruments for its financial position and performance. For example, for long-term debt such information would normally include the terms and conditions of the debt instrument (such as interest rate, maturity, repayment schedule, and restrictions that the debt instrument imposes on the entity).	
Statement of financial position **Categories of financial assets and financial liabilities** 8 The carrying amounts of each of the following categories, as specified in AASB 9, shall be disclosed either in the statement of financial position or in the notes:	**Statement of financial position—categories of financial assets and financial liabilities** 11.41 An entity shall disclose the carrying amounts of each of the following categories of financial assets and financial liabilities at the reporting date, in total, either in the statement of financial position or in the notes:	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
(a) financial assets measured at fair value through profit or loss	(a) financial assets measured at fair value through profit or loss ~~(paragraph 11.14(c)(i) and paragraphs 12.8 and 12.9)~~;	
(b)–(d) [deleted]		
(e) financial liabilities at fair value through profit or loss.	(d) financial liabilities measured at fair value through profit or loss ~~(paragraphs 12.8 and 12.9)~~;	
(f) financial assets measured at amortised cost.	(b) financial assets ~~that are debt instruments~~ measured at amortised cost ~~(paragraph 11.14(a));~~	
(g) financial liabilities measured at amortised cost.	(e) financial liabilities measured at amortised cost ~~(paragraph 11.14(a))~~; and	
(h) financial assets measured at fair value through other comprehensive income, showing separately (i) financial assets that are measured at fair value through other comprehensive income in accordance with paragraph 4.1.2A of AASB 9; and (ii) investments in equity instruments designated as such upon initial recognition in accordance with paragraph 5.7.5 of AASB 9.	Aus11.41.(g) financial assets measured at fair value through other comprehensive income shall also be disclosed, showing separately: (i) financial assets that are measured at fair value through other comprehensive income in accordance with paragraph 4.1.2A of AASB 9; and (ii) investments in equity instruments designated as such upon initial recognition in accordance with paragraph 5.7.5 of AASB 9	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
Financial assets or financial liabilities at fair value through profit or loss 10 If the entity has designated a financial liability as at fair value through profit or loss in accordance with paragraph 4.2.2 of AASB 9 and is required to present the effects of changes in that liability's credit risk in other comprehensive income (see paragraph 5.7.7 of AASB 9), it shall disclose: (d) if a liability is derecognised during the period, the amount (if any) presented in other comprehensive income that was realised at derecognition.		*Reduced compared to RDR.*
Reclassification 12–12A [Deleted] 12B An entity shall disclose if, in the current or previous reporting periods, it has reclassified any financial assets in accordance with paragraph 4.4.1 of AASB 9. For each such event, an entity shall disclose: (a) the date of reclassification. (b) a detailed explanation of the change in business model and a qualitative description of its effect on the entity's financial statements. (c) the amount reclassified into and out of each category.		*Reduced compared to RDR.*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
12D If, since its last annual reporting date, an entity has reclassified financial assets out of the fair value through other comprehensive income category so that they are measured at amortised cost or out of the fair value through profit or loss category so that they are measured at amortised cost or fair value through other comprehensive income it shall disclose: (a) the fair value of the financial assets at the end of the reporting period; and (b) the fair value gain or loss that would have been recognised in profit or loss or other comprehensive income during the reporting period if the financial assets had not been reclassified. 13 [Deleted]		
Collateral 14 An entity shall disclose:	**Collateral** 11.46 When an entity has pledged financial assets as collateral for liabilities or contingent liabilities, it shall disclose the following:	
(a) the carrying amount of financial assets it has pledged as collateral for liabilities or contingent liabilities, including amounts that have been reclassified in accordance with paragraph 3.2.23(a) of AASB 9; and (b) the terms and conditions relating to its pledge.	(a) the carrying amount of the financial assets pledged as collateral; and (b) the terms and conditions relating to its pledge.	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
Allowance account for credit losses 16 [Deleted] 16A The carrying amount of financial assets measured at fair value through other comprehensive income in accordance with paragraph 4.1.2A of AASB 9 is not reduced by a loss allowance and an entity shall not present the loss allowance separately in the statement of financial position as a reduction of the carrying amount of the financial asset. However, an entity shall disclose the loss allowance in the notes to the financial statements.		*Reduced compared to RDR.*
Compound financial instruments with multiple embedded derivatives 17 If an entity has issued an instrument that contains both a liability and an equity component (see paragraph 28 of AASB 132) and the instrument has multiple embedded derivatives whose values are interdependent (such as a callable convertible debt instrument), it shall disclose the existence of those features.		*Reduced compared to RDR.*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
Statement of comprehensive income **Items of income, expense, gains or losses** 20 An entity shall disclose the following items of income, expense, gains or losses either in the statement of comprehensive income or in the notes: (a) net gains or net losses on:	Items of income, expense, gains or losses 11.48 An entity shall disclose the following items of income, expense, gains or losses: (a) income, expense, gains or losses, including changes in fair value, recognised on:	
(i) financial assets or financial liabilities measured at fair value through profit or loss. For financial liabilities designated as at fair value through profit or loss, an entity shall show separately the amount of gain or loss recognised in other comprehensive income and the amount recognised in profit or loss.	(i) financial assets measured at fair value through profit or loss; (ii) financial **liabilities measured at fair value through profit or loss;**	
(ii)–(iv) [deleted]		
(v) financial liabilities measured at amortised cost.	(iv) financial liabilities measured at amortised cost.	
(vi) financial assets measured at amortised cost.	**(**iii) financial assets measured at amortised cost; and	
(vii) investments in equity instruments designated at fair value through other comprehensive income in accordance with paragraph 5.7.5 of AASB 9.	<u>Aus11.48.(v)</u> <u>investments in equity instruments designated at fair value through other comprehensive income in</u>	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
(viii) financial assets measured at fair value through other comprehensive income in accordance with paragraph 4.1.2A of AASB 9, showing separately the amount of gain or loss recognised in other comprehensive income during the period and the amount reclassified upon derecognition from accumulated other comprehensive income to profit or loss for the period.	accordance with paragraph 5.7.5 of AASB 9 Aus11.48.(vi) financial assets measured at fair value through other comprehensive income in accordance with paragraph 4.1.2A of AASB 9, showing separately the amount of gain or loss recognised in other comprehensive income during the period and the amount reclassified upon derecognition from accumulated other comprehensive income to profit or loss for the period.	
(b) total interest revenue and total interest expense (calculated using the effective interest method) for financial assets that are measured at amortised cost or that are measured at fair value through other comprehensive income in accordance with paragraph 4.1.2A of AASB 9 (showing these amounts separately); or financial liabilities that are not measured at fair value through profit or loss. (d) [deleted] (e) [deleted]	(b) total interest income and total interest expense (calculated using the effective interest method) for financial assets or financial liabilities that are not measured at fair value through profit or loss; and	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
Equivalent disclosure is in AASB 101 para 82(ba) impairment losses (including reversals of impairment losses or impairment gains) determined in accordance with Section 5.5 of AASB 9;	(c) the amount of any impairment loss for each class of financial asset.	
Other disclosures **Accounting policies** 21 In accordance with paragraph 117 of AASB 101 *Presentation of Financial Statements*, an entity discloses its significant accounting policies comprising the measurement basis (or bases) used in preparing the financial statements and the other accounting policies used that are relevant to an understanding of the financial statements.	**Disclosure of accounting policies for financial instruments** 11.40 In accordance with paragraph 8.5, an entity shall disclose, in the summary of significant accounting policies, the measurement basis (or bases) used for financial instruments and the other accounting policies used for financial instruments that are relevant to an understanding of the financial statements.	
	Disclosures 12.26 The ~~An entity applying this section shall make all of the~~ disclosures required in Section 11 apply to all financial instruments within the scope of AASB 9. ~~incorporating in those disclosures financial instruments that are within the scope of this section as well as those within the scope of Section 11.~~ In addition, if the entity uses hedge accounting, it shall make the additional disclosures in paragraphs 12.27–12.29	*Provides guidance. No impact on disclosures*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
Hedge accounting 21A An entity shall apply the disclosure requirements in paragraphs 21B–24F for those risk exposures that an entity hedges and for which it elects to apply hedge accounting. Hedge accounting disclosures shall provide information about: (a) an entity's risk management strategy and how it is applied to manage risk; (b) how the entity's hedging activities may affect the amount, timing and uncertainty of its future cash flows; and (c) the effect that hedge accounting has had on the entity's statement of financial position, statement of comprehensive income and statement of changes in equity.		*Reduced compared to RDR.*
21D To meet the objectives in paragraph 21A, an entity shall (except as otherwise specified below) determine how much detail to disclose, how much emphasis to place on different aspects of the disclosure requirements, the appropriate level of aggregation or disaggregation, and whether users of financial statements need additional explanations to evaluate the quantitative information disclosed. However, an entity shall use the same level of aggregation or disaggregation it uses for disclosure requirements		*Provides guidance. No impact on disclosures*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
of related information in this Standard and AASB 13 *Fair Value Measurement*.		
The risk management strategy 22 [Deleted] 22A An entity shall explain its risk management strategy for each risk category of risk exposures that it decides to hedge and for which hedge accounting is applied. This explanation should enable users of financial statements to evaluate (for example):	12.27 An entity shall disclose the following separately for <u>each category of risk exposures that it decides to</u> hedge~~s~~ <u>and for which hedge accounting is applied:</u> ~~of each of the four types of risks described in paragraph 12.17:~~	
(a) how each risk arises. (b) how the entity manages each risk; this includes whether the entity hedges an item in its entirety for all risks or hedges a risk component (or components) of an item and why. (c) the extent of risk exposures that the entity manages.	12.27 (a) a description of the hedge**;** (c) the nature of the risks being hedged, including a description of the hedged item	*Reduced compared to RDR.*
22B To meet the requirements in paragraph 22A, the information should include (but is not limited to) a description of:		*No impact on disclosures.*
(a) the hedging instruments that are used (and how they are used) to hedge risk exposures;	12.27(b) a description of the financial instruments designated as hedging instruments and…	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
(b) how the entity determines the economic relationship between the hedged item and the hedging instrument for the purpose of assessing hedge effectiveness; and (c) how the entity establishes the hedge ratio and what the sources of hedge ineffectiveness are.		*Reduced compared to RDR.*
22C When an entity designates a specific risk component as a hedged item (see paragraph 6.3.7 of AASB 9) it shall provide, in addition to the disclosures required by paragraphs 22A and 22B, qualitative or quantitative information about: (a) how the entity determined the risk component that is designated as the hedged item (including a description of the nature of the relationship between the risk component and the item as a whole); and (b) how the risk component relates to the item in its entirety (for example, the designated risk component historically covered on average 80 per cent of the changes in fair value of the item as a whole).		*Reduced compared to RDR.*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
The amount, timing and uncertainty of future cash flows *[Deleted]*		
23C In situations in which an entity frequently resets (ie discontinues and restarts) hedging relationships because both the hedging instrument and the hedged item frequently change (ie the entity uses a dynamic process in which both the exposure and the hedging instruments used to manage that exposure do not remain the same for long—such as in the example in paragraph B6.5.24(b) of AASB 9) the entity: (b) shall disclose: (i) information about what the ultimate risk management strategy is in relation to those hedging relationships; (ii) a description of how it reflects its risk management strategy by using hedge accounting and designating those particular hedging relationships; and (iii) an indication of how frequently the hedging relationships are discontinued and restarted as part of the entity's process in relation to those hedging relationships.		*Reduced compared to RDR.*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
	12.29~~If an entity uses hedge accounting for a hedge of variable interest rate risk, foreign exchange risk, commodity price risk in a firm commitment or highly probable forecast transaction or a net investment in a foreign operation (paragraphs 12.23–12.25), it~~ For cash flow hedges, entity shall disclose the following: (a) the periods when the cash flows are expected to occur and when they are expected to affect profit or loss;	*Additional disclosure*
23F For cash flow hedges, an entity shall disclose a description of any forecast transaction for which hedge accounting had been used in the previous period, but which is no longer expected to occur.	(b) a description of any forecast transaction for which hedge accounting had previously been used, but which is no longer expected to occur;	
The effects of hedge accounting on financial position and performance 24 [Deleted] 24A An entity shall disclose, the following amounts related to items designated as hedging instruments separately by risk category for each type of hedge (fair value hedge, cash flow hedge or hedge of a net investment in a foreign operation):		*Provides guidance. No impact on disclosures.*
(a) the carrying amount of the hedging instruments (financial assets separately from financial liabilities);	12.27 (b) …their fair values at the reporting date; and	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
(c) the change in fair value of the hedging instrument used as the basis for recognising hedge ineffectiveness for the period; and	12.29 (c) the amount of the change in fair value of the hedging instrument that was recognised in other comprehensive income during the period ~~(paragraph 12.23);~~	
24B An entity shall disclose the following amounts related to hedged items separately by risk category for the types of hedges as follows: (a) for fair value hedges: (i) the carrying amount of the hedged item recognised in the statement of financial position (presenting assets separately from liabilities); (iv) the change in value of the hedged item used as the basis for recognising hedge ineffectiveness for the period; and (b) for cash flow hedges and hedges of a net investment in a foreign operation: (i) the change in value of the hedged item used as the basis for recognising hedge ineffectiveness for the period (ie for cash flow hedges the change in value used to determine the recognised hedge ineffectiveness in		*Reduced compared to RDR.*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
accordance with paragraph 6.5.11(c) of AASB 9);		
24C An entity shall disclose the following amounts separately by risk category for the types of hedges as follows: (a) for fair value hedges: (i) hedge ineffectiveness—ie the difference between the hedging gains or losses of the hedging instrument and the hedged item—recognised in profit or loss (or other comprehensive income for hedges of an equity instrument for which an entity has elected to present changes in fair value in other comprehensive income in accordance with paragraph 5.7.5 of AASB 9); and	12.28 ~~If an entity uses hedge accounting for a hedge of fixed interest rate risk or commodity price risk of a commodity held (paragraphs 12.19–12.22) it~~ For fair value hedges, the entity shall disclose the following: (a) the amount of the change in fair value of the hedging instrument recognised in profit or loss for the period; and (b) the amount of the change in fair value of the hedged item recognised in profit or loss for the period.	*Additional disclosure in IFRS for SMEs*
(b) for cash flow hedges and hedges of a net investment in a foreign operation: (i) hedging gains or losses of the reporting period that were recognised in other comprehensive income;		*Reduced compared to RDR.*
(ii) hedge ineffectiveness recognised in profit or loss;	12.29 (e) the amount of any excess of the cumulative change in fair value of the hedging instrument over the cumulative	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
	change in the fair value of the expected cash flows that was recognised in profit or loss for the period ~~(paragraph 12.23).~~	
(iv) the amount reclassified from the cash flow hedge reserve or the foreign currency translation reserve into profit or loss as a reclassification adjustment;	12.29 (d) the amount that was reclassified to profit or loss for the period ~~(paragraphs 12.23 and 12.25);~~ and	
(vi) for hedges of net positions, the hedging gains or losses recognised in a separate line item in the statement of comprehensive income (see paragraph 6.6.4 of AASB 9).		*Reduced compared to RDR.*
Option to designate a credit exposure as measured at fair value through profit or loss 24G If an entity designated a financial instrument, or a proportion of it, as measured at fair value through profit or loss because it uses a credit derivative to manage the credit risk of that financial instrument it shall disclose: (c) on discontinuation of measuring a financial instrument, or a proportion of it, at fair value through profit or loss, that financial instrument's fair value that has become the new carrying amount in accordance with paragraph 6.7.4 of AASB 9 and the related nominal or principal amount (except for providing comparative		*Reduced compared to RDR*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
information in accordance with AASB 101, an entity does not need to continue this disclosure in subsequent periods). **Fair value** **27–27B [Deleted]**		
Transfers of financial assets 42A The disclosure requirements in paragraphs 42B–42H relating to transfers of financial assets supplement the other disclosure requirements of this Standard. An entity shall present the disclosures required by paragraphs 42B–42H in a single note in its financial statements. An entity shall provide the required disclosures for all transferred financial assets that are not derecognised and for any continuing involvement in a transferred asset, existing at the reporting date, irrespective of when the related transfer transaction occurred. For the purposes of applying the disclosure requirements in those paragraphs, an entity transfers all or a part of a financial asset (the transferred financial asset) if, and only if, it either: (a) transfers the contractual rights to receive the cash flows of that financial asset; or (b) retains the contractual rights to receive the cash flows of that financial asset, but assumes a contractual obligation to pay		*Reduced compared to RDR*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
the cash flows to one or more recipients in an arrangement. 42B An entity shall disclose information that enables users of its financial statements: (a) to understand the relationship between transferred financial assets that are not derecognised in their entirety and the associated liabilities; and (b) to evaluate the nature of, and risks associated with, the entity's continuing involvement in derecognised financial assets.		
Transferred financial assets that are not derecognised in their entirety 42D An entity may have transferred financial assets in such a way that part or all of the transferred financial assets do not qualify for derecognition. To meet the objectives set out in paragraph 42B(a), the entity shall disclose at each reporting date for each class of transferred financial assets that are not derecognised in their entirety: (a) the nature of the transferred assets. (b) the nature of the risks and rewards of ownership to which the entity is exposed.	**Derecognition** 11.45 If an entity has transferred financial assets to another party in a transaction that does not qualify for derecognition (see paragraph~~s~~ ~~11.33–11.35~~ 3.2 of AASB 9), the entity shall disclose the following for each class of such financial assets: (a) the nature of the assets; (b) the nature of the risks and rewards of ownership to which the entity remains exposed; and	
(c) a description of the nature of the relationship between the transferred assets and the associated liabilities,		*Reduced compared to RDR.*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
including restrictions arising from the transfer on the reporting entity's use of the transferred assets.		
(f) when the entity continues to recognise the assets to the extent of its continuing involvement (see paragraphs 3.2.6(c)(ii) and 3.2.16 of AASB 9),the carrying amount of the assets that the entity continues to recognise, and the carrying amount of the associated liabilities.	(c) the carrying amounts of the assets and of any associated liabilities that the entity continues to recognise.	
Transferred financial assets that are derecognised in their entirety 42E To meet the objectives set out in paragraph 42B(b), when an entity derecognises transferred financial assets in their entirety (see paragraph 3.2.6(a) and (c)(i) of AASB 9) but has continuing involvement in them, the entity shall disclose, as a minimum, for each type of continuing involvement at each reporting date: (c) the amount that best represents the entity's maximum exposure to loss from its continuing involvement in the derecognised financial assets, and information showing how the maximum exposure to loss is determined.		*Reduced compared to RDR*
Initial application of AASB 9	*Only relevant in year of adoption of AASB 9 for the first time. This will be no longer relevant for entities adopting to the new Tier 2 standard.*	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
42I-42S[4]		
Other disclosure – accounting policies (paragraph 21) B5 Paragraph 21 requires disclosure of the measurement basis (or bases) used in preparing the financial statements and the other accounting policies used that are relevant to an understanding of the financial statements. For financial instruments, such disclosure may include: (a) for financial liabilities designated as at fair value through profit or loss: (i) the nature of the financial liabilities the entity has designated as at fair value through profit or loss; (ii) the criteria for so designating such financial liabilities on initial recognition; and (iii) how the entity has satisfied the conditions in paragraph 4.2.2 of AASB 9 for such designation.		*Reduced compared to RDR.*
(aa) for financial assets designated as measured at fair value through profit or loss:		*Reduced compared to RDR.*

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Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
(i) the nature of the financial assets the entity has designated as measured at fair value through profit or loss; and (ii) how the entity has satisfied the criteria in paragraph 4.1.5 of AASB 9 for such designation		
(b) [deleted] (c) whether regular way purchases and sales of financial assets are accounted for at trade date or at settlement date (see paragraph 3.1.2 of AASB 9). (d) [deleted] (e) how net gains or net losses on each category of financial instrument are determined (see paragraph 20(a)), for example, whether the net gains or net losses on items at fair value through profit or loss include interest or dividend income. (f) [deleted] (g) [deleted]		*Reduced compared to RDR.*
Paragraph 122 of AASB 101 also requires entities to disclose, along with its significant accounting policies or other notes, the judgements, apart from those involving estimations, that management has made in the process of applying the entity's accounting policies		*Provides guidance. No impact on disclosures*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
and that have the most significant effect on the amounts recognised in the financial statements.		
Derecognition (paragraphs 42C–42H) Continuing involvement (paragraph 42C)		*Provides guidance. No impact on disclosures*
B30 An entity does not have a continuing involvement in a transferred financial asset if, as part of the transfer, it neither retains any of the contractual rights or obligations inherent in the transferred financial asset nor acquires any new contractual rights or obligations relating to the transferred financial asset. An entity does not have continuing involvement in a transferred financial asset if it has neither an interest in the future performance of the transferred financial asset nor a responsibility under any circumstances to make payments in respect of the transferred financial asset in the future. The term 'payment' in this context does not include cash flows of the transferred financial asset that an entity collects and is required to remit to the transferee		*Provides guidance. No impact on disclosures*
B30A When an entity transfers a financial asset, the entity may retain the right to service that financial asset for a fee that is included in, for example, a servicing contract. The entity assesses the servicing contract in accordance with the guidance in paragraphs 42C and B30 to decide whether the entity has continuing		*Provides guidance. No impact on disclosures*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
involvement as a result of the servicing contract for the purposes of the disclosure requirements. For example, a servicer will have continuing involvement in the transferred financial asset for the purposes of the disclosure requirements if the servicing fee is dependent on the amount or timing of the cash flows collected from the transferred financial asset. Similarly, a servicer has continuing involvement for the purposes of the disclosure requirements if a fixed fee would not be paid in full because of non-performance of the transferred financial asset. In these examples, the servicer has an interest in the future performance of the transferred financial asset. This assessment is independent of whether the fee to be received is expected to compensate the entity adequately for performing the servicing.		
B31 Continuing involvement in a transferred financial asset may result from contractual provisions in the transfer agreement or in a separate agreement with the transferee or a third party entered into in connection with the transfer.		*Provides guidance. No impact on disclosures*
Transferred financial assets that are not derecognised in their entirety (paragraph 42D) B32 Paragraph 42D requires disclosures when part or all of the transferred financial assets do not qualify for derecognition1. Those disclosures are required at each reporting date at which the		*Provides guidance. No impact on disclosures.*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
entity continues to recognise the transferred financial assets, regardless of when the transfers occurred.		
RDR18.1 For loans payable recognised at the end of the reporting period for which there is a breach of terms or default of principal, interest, sinking fund, or redemption terms that has not been remedied by the end of the reporting period, an entity applying Australian Accounting Standards – Reduced Disclosure Requirements shall disclose the following: (a) details of that breach or default; (b) the carrying amount of the related loans payable at the end of the reporting period; and (c) whether the breach or default was remedied, or the terms of the loans payable were renegotiated, before the financial statements were authorised for issue.	**Defaults and breaches on loans payable** 11.47 For loans payable recognised at the reporting date for which there is a breach of terms or a default of principal, interest, sinking fund or redemption terms that have not been remedied by the reporting date, an entity shall disclose the following: (a) details of that breach or default; (b) the carrying amount of the related loans payable at the reporting date; and (c) whether the breach or default was remedied, or the terms of the loans payable were renegotiated, before the financial statements were authorised for issue.	
AASB 102 *Inventories*	**Section 13 *Inventories***	***No significant differences***
Disclosure 36 The financial statements shall disclose: (a) the accounting policies adopted in measuring inventories, including the cost formula used;	13.22 An entity shall disclose the following: (a) the **accounting policies** adopted in measuring inventories, including the cost formula used;	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
(b) the total carrying amount of inventories and the carrying amount in classifications appropriate to the entity;	(b) the total carrying amount of inventories and the carrying amount in classifications appropriate to the entity;	
(d) the amount of inventories recognised as an expense during the period;	(c) the amount of inventories recognised as an expense during the period;	
(e) the amount of any write-down of inventories recognised as an expense in the period in accordance with paragraph 34; (f) the amount of any reversal of any write-down that is recognised as a reduction in the amount of inventories recognised as expense in the period in accordance with paragraph 34;	(d) impairment losses recognised or reversed in profit or loss in accordance with ~~Section 27~~ ~~*Impairment of Assets*~~ <u>*AASB 102 Inventories*</u>; and	
(h) the carrying amount of inventories pledged as security for liabilities.	(e) the total carrying amount of inventories pledged as security for **liabilities**.	
37 Information about the carrying amounts held in different classifications of inventories and the extent of the changes in these assets is useful to financial statement users. Common classifications of inventories are merchandise, production supplies, materials, work in progress and finished goods. The inventories of a service provider may be described as work in progress.		*Provides guidance. No impact on disclosures*
38 The amount of inventories recognised as an expense during the period, which is often		*Provides guidance. No impact on disclosures*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
referred to as cost of sales, consists of those costs previously included in the measurement of inventory that has now been sold and unallocated production overheads and abnormal amounts of production costs of inventories. The circumstances of the entity may also warrant the inclusion of other amounts, such as distribution costs.		
39 Some entities adopt a format for profit or loss that results in amounts being disclosed other than the cost of inventories recognised as an expense during the period. Under this format, an entity presents an analysis of expenses using a classification based on the nature of expenses. In this case, the entity discloses the costs recognised as an expense for raw materials and consumables, labour costs and other costs together with the amount of the net change in inventories for the period.		*Provides guidance. No impact on disclosures*
AASB 12 *Disclosure of Interests in Other Entities*	**Section 14 *Investment in Associates and*** **Section 15 *Investments in Joint Ventures***[5]	***Disclosures have been reduced to some extent*** *(Para 1 to 19 and 24-31 not included in this section as they have already been covered above: Interests in subsidiaries)*
Interests in joint arrangements and associates		*Reduced compared to RDR*

[5] Section 14 *Investment in Associates* and Section 15 *Investments in Joint Ventures* have been combined in this comparison as AASB 12 *Disclosure of Interests in Other Entities* is the equivalent AASB Standard for both Sections.

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
20 An entity shall disclose information that enables users of its financial statements to evaluate: (a) the nature, extent and financial effects of its interests in joint arrangements and associates, including the nature and effects of its contractual relationship with the other investors with joint control of, or significant influence over, joint arrangements and associates (paragraphs 21 and 22); and		
21 An entity shall disclose: (a) for each joint arrangement and associate that is material to the reporting entity: (i) the name of the joint arrangement or associate.		*Reduced compared to RDR*
(iii) the principal place of business (and country of incorporation, if applicable and different from the principal place of business) of the joint arrangement or associate.		*Reduced compared to RDR*
(iv) the proportion of ownership interest or participating share held by the entity and, if different, the proportion of voting rights held (if applicable).		*Reduced compared to RDR*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
(b) for each joint venture and associate that is material to the reporting entity: (i) whether the investment in the joint venture or associate is measured using the equity method or at fair value.	14.12 (a) its accounting policy for investments in associates; 15.19 (a) the accounting policy it uses for recognising its interests in ~~jointly controlled entities~~ joint ventures;	
(iii) if the joint venture or associate is accounted for using the equity method, the fair value of its investment in the joint venture or associate, if there is a quoted market price for the investment.	14.12 (c) the fair value of investments in associates accounted for using the equity method for which there are published price quotations. 15.19 (c) the fair value of investments in joint ventures ~~ly controlled entities~~ accounted for using the equity method for which there are published price quotations; and	
21A An investment entity need not provide the disclosures required by paragraphs 21(b)–21(c).		*Provides guidance. No impact on disclosures*
	14.12 (b) the carrying amount of investments in associates (see paragraph 4.2(j)); and	*Disclosure required under AASB 101 54(e)*
	14.13 For investments in associates accounted for by the cost model, an investor shall disclose the	*Additional disclosure*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
	amount of dividends and other distributions recognised as income.	
	14.14 For investments in associates accounted for by the equity method, an investor shall disclose separately its share of the profit or loss of such associates and its share of any discontinued operations of such associates.	*Disclosure required under AASB 101 para 82(C)*
	14.15 For investments in associates accounted for by the fair value model, an investor shall make the disclosures required by paragraphs 11.41–11.43 ~~11.44~~. ~~If an investor applies the undue cost or effort exemption in paragraph 14.10 for any associates it shall disclose that fact, the reasons why fair value measurement would involve undue cost or effort and the carrying amount of investments in associates accounted for under the cost model~~	*Covered in paragraph 7 and 8 of AASB 7*
	15.19 (b) the carrying amount of investments in ~~jointly controlled entities~~ joint ventures (see paragraph 4.2(k));	*Disclosure required under AASB 101 para 54(e)*
	15.20 For joint ventures~~y controlled entities~~ accounted for in accordance with the equity method, the venturer shall also make the disclosures required by paragraph 14.14 for equity method investments.	*Disclosure required under AASB 101 para 82(c)*
	15.21 For joint ventures~~ly controlled entities~~ accounted for in accordance with the fair value	*Covered in paragraph 7 and 8 of AASB 7*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
	model, the venturer shall make the disclosures required by paragraphs 11.41-11.43 ~~–11.44. If a venturer applies the undue cost or effort exemption in paragraph 15.15 for any jointly controlled entity it shall disclose that fact, the reasons why fair value measurement would involve undue cost or effort and the carrying amount of investments in jointly controlled entities accounted for under the cost model~~	
Risks associated with an entity's interests in joint ventures and associates 23 An entity shall disclose: (a) commitments that it has relating to its joint ventures separately from the amount of other commitments as specified in paragraphs B18–B20. (b) in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*, unless the probability of loss is remote, contingent liabilities incurred relating to its interests in joint ventures or associates (including its share of contingent liabilities incurred jointly with other investors with joint control of, or significant influence over, the joint ventures or associates), separately from the amount of other contingent liabilities.	15.19 (d) the aggregate amount of its commitments relating to joint ventures, including its share in the capital commitments that have been incurred jointly with other venturers, as well as its share of the capital commitments of the joint ventures themselves.	*Reduced compared to RDR* *(re contingent liabilities)*
Appendix B: B18-B20 **Commitments for joint ventures (paragraph 23(a))**		*Provides guidance. No impact on disclosures*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
B18 An entity shall disclose total commitments it has made but not recognised at the reporting date (including its share of commitments made jointly with other investors with joint control of a joint venture) relating to its interests in joint ventures. Commitments are those that may give rise to a future outflow of cash or other resources.		
B19 Unrecognised commitments that may give rise to a future outflow of cash or other resources include: (a) unrecognised commitments to contribute funding or resources as a result of, for example: (i) the constitution or acquisition agreements of a joint venture (that, for example, require an entity to contribute funds over a specific period). (ii) capital-intensive projects undertaken by a joint venture. (iii) unconditional purchase obligations, comprising procurement of equipment, inventory or services that an entity is committed to purchasing from, or on behalf of, a joint venture.		*Provides guidance. No impact on disclosures*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
(iv) unrecognised commitments to provide loans or other financial support to a joint venture. (v) unrecognised commitments to contribute resources to a joint venture, such as assets or services. (vi) other non-cancellable unrecognised commitments relating to a joint venture.		
(b) unrecognised commitments to acquire another party's ownership interest (or a portion of that ownership interest) in a joint venture if a particular event occurs or does not occur in the future. B20 The requirements and examples in paragraphs B18 and B19 illustrate some of the types of disclosure required by paragraph 18 of AASB 124 *Related Party Disclosures.*		*Provides guidance. No impact on disclosures*
AASB 140 Investment Property	**Section 16 *Investment Property***	***No Significant Difference***
Disclosure **Fair value model and cost model** 74 The disclosures below apply in addition to those in AASB 16. In accordance with AASB 16, the owner of an investment property provides lessors' disclosures about leases into which it has entered. A lessee that holds an investment property as a right-of-use asset provides lessees' disclosures as required by AASB 16 and lessors'	16.11 In accordance with Section 20 the owner of an investment property provides lessors' disclosures about leases into which it has entered. ~~An entity that holds an investment property under a finance lease or operating lease provides lessees' disclosures for finance leases and lessors' disclosures for any operating leases into which it has entered.~~ <u>A lessee that holds an investment property as a right-of-use asset provides lessees' disclosures</u>	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
disclosures as required by AASB 16 for any operating leases into which it has entered.	<u>as required by Section 20 leases for any leases into which it has entered.</u>	
75 An entity shall disclose: (a) whether it applies the fair value model or the cost model. (d) [deleted]		*No explicit requirement, but covered in general requirement to disclose accounting policies applied.*
	16.10 An entity shall disclose the following for all investment property accounted for at fair value through profit or loss ~~(paragraph 16.7)~~ <u>(paragraph 33 of IAS 40 *Investment Property*)</u>: (a) the methods and significant assumptions applied in determining the fair value of investment property.	***Covered under AASB 13 comparison*** *Equivalent disclosures are under AASB 13 – but significantly reduced compared to RDR.*
(e) the extent to which the fair value of investment property (as measured or disclosed in the financial statements) is based on a valuation by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued. If there has been no such valuation, that fact shall be disclosed.	(b) the extent to which the fair value of investment property (as measured or disclosed in the financial statements) is based on a valuation by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and class of the investment property being valued. If there has been no such valuation, that fact shall be disclosed.	
(g) the existence and amounts of restrictions on the realisability of investment property or the remittance of income and proceeds of disposal.	(c) the existence and amounts of restrictions on the realisability of investment	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
	property or the remittance of income and proceeds of disposal	
(h) contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.	(d) contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements	
Fair value model 76 In addition to the disclosures required by paragraph 75, an entity that applies the fair value model in paragraphs 33–55 shall disclose a reconciliation between the carrying amounts of investment property at the beginning and end of the period, showing the following:	(e) a reconciliation between the carrying amounts of investment property at the beginning and end of the period, showing separately:	
(a) additions (b) additions resulting from acquisitions through business combinations;	e(i) additions, disclosing separately those additions resulting from acquisitions through business combinations;	
(c) assets classified as held for sale or included in a disposal group classified as held for sale in accordance with AASB 5 and other disposals;		*Reduced compared to RDR.*
(d) net gains or losses from fair value adjustments;	(ii) net gains or losses from fair value adjustments;	
(e) transfers to and from inventories and owner-occupied property; and (f) other changes.	(iii) transfers to and from investment property carried at cost less accumulated depreciation and	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
	impairment (see paragraph ~~16.8~~ 57 of IAS 40 *Investment property*); (iv) transfers to and from inventories and owner-occupied property; and (v) other changes.	
RDR76.1 An entity applying Australian Accounting Standards – Reduced Disclosure Requirements is not required to disclose the reconciliation specified in paragraph 76 for prior periods.	This reconciliation need not to be presented for prior periods.	
78 In the exceptional cases referred to in paragraph 53, when an entity measures investment property using the cost model in AASB 116 or in accordance with AASB 16, the reconciliation required by paragraph 76 shall disclose amounts relating to that investment property separately from amounts relating to other investment property. In addition, an entity shall disclose: (a) a description of the investment property; (b) an explanation of why fair value cannot be measured reliably; (c) if possible, the range of estimates within which fair value is highly likely to lie; and (d) on disposal of investment property not carried at fair value:	17.32 (c)if an entity has investment property whose fair value cannot be measured reliably ~~without undue cost or effort~~ it shall disclose that fact and the reasons why fair value ~~measurement would involve undue cost or effort~~ cannot be measured reliably for those items of investment property.	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
(i) the fact that the entity has disposed of investment property not carried at fair value; (ii) the carrying amount of that investment property at the time of sale; and (iii) the amount of gain or loss recognised.		
Cost model 79 In addition to the disclosures required by paragraph 75, an entity that applies the cost model in paragraph 56 shall disclose: (a) the depreciation methods used; (b) the useful lives or the depreciation rates used; (c) the gross carrying amount and the accumulated depreciation (aggregated with accumulated impairment losses) at the beginning and end of the period;	17.31 An entity shall disclose the following for each class of property, plant and equipment determined in accordance with paragraph 4.11(a) and separately for investment property carried at cost less accumulated depreciation and impairment: (b) the depreciation methods used; (c) the useful lives or the depreciation rates used; (d) the gross carrying amount and the accumulated depreciation (aggregated with accumulated impairment losses) at the beginning and end of the reporting period; and	
(d) a reconciliation of the carrying amount of investment property at the beginning and end of the period, showing the following: (i) additions,	(e) a reconciliation of the carrying amount at the beginning and end of the period showing: (i) additions;	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
(ii) additions resulting from acquisitions through business combinations;	(iii) acquisitions through business combinations	
(iii) assets classified as held for sale or included in a disposal group classified as held for sale in accordance with AASB 5 and other disposals;	(ii) disposals;	
(iv) depreciation;	(vii) depreciation; and	
(v) the amount of impairment losses recognised, and the amount of impairment losses reversed, during the period in accordance with AASB 136;	(vi) impairment losses recognised or reversed in profit or loss in accordance with Section 27 AASB 136;	
(viii) other changes.	(viii) other changes.	
AASB 116 *Property, Plant and Equipment*	**Section 17 *Property Plant Equipment***	***No Significant Difference***
Disclosure 73 The financial statements shall disclose, for each class of property, plant and equipment: (a) the measurement bases used for determining the gross carrying amount;	17.31 An entity shall disclose the following for each class of property, plant and equipment determined in accordance with paragraph 4.11(a) and separately for investment property carried at cost less accumulated depreciation and impairment: (a) the **measurement** bases used for determining the gross carrying amount;	
(b) the depreciation methods used;	(b) the depreciation methods used;	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
(c) the useful lives or the depreciation rates used;	(c) the useful lives or the depreciation rates used;	
(d) the gross carrying amount and the accumulated depreciation (aggregated with accumulated impairment losses) at the beginning and end of the period; and	(d) the gross carrying amount and the accumulated depreciation (aggregated with accumulated impairment losses) at the beginning and end of the reporting period; and	
(e) a reconciliation of the carrying amount at the beginning and end of the period showing: (i) additions; (ii) assets classified as held for sale or included in a disposal group classified as held for sale in accordance with AASB 5 and other disposals; (iii) acquisitions through business combinations;	(e) a reconciliation of the carrying amount at the beginning and end of the period showing: (i) additions; (ii) disposals; (iii) acquisitions through business combinations;	
(iv) increases or decreases resulting from revaluations under paragraphs 31, 39 and 40 and from impairment losses recognised or reversed in other comprehensive income in accordance with AASB 136; (v) impairment losses recognised in profit or loss in accordance with AASB 136;	(iv) increases or decreases resulting from revaluations under paragraphs ~~17.15B–17.15D~~ 39 and 40 of AASB 116 *Property, Plants and Equipment* and from impairment losses recognised or reversed in other comprehensive income in accordance with ~~Section 27~~ AASB 136; (v) transfers to and from investment property carried at fair value	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
(vi) impairment losses reversed in profit or loss in accordance with AASB 136;	through profit or loss (see paragraph ~~16.8~~ 57 of AASB 140 *Investment property*); (vi) impairment losses recognised or reversed in profit or loss in accordance with ~~Section 27~~ AASB 136;	
(vii) depreciation;	(vii) depreciation; and	
(ix) other changes**.**	(viii) other changes.	
RDR73. An entity applying Australian Accounting Standards – Reduced Disclosure Requirements is not required to disclose the reconciliation specified in paragraph 73(e) for prior periods.	This reconciliation need not be presented for prior periods.	
74 The financial statements shall also disclose: (a) the existence and amounts of restrictions on title, and property, plant and equipment pledged as security for liabilities;	17.32 An entity shall also disclose the following: (a) the existence and carrying amount of property, plant and equipment to which the entity has restricted title or that is pledged as security for liabilities;	
(c) the amount of contractual commitments for the acquisition of property, plant and equipment; and	(b) the amount of contractual commitments for the acquisition of property, plant and equipment; and	
75 Selection of the depreciation method and estimation of the useful life of assets are matters of judgement. Therefore, disclosure of the methods adopted and the estimated useful lives		*Provides guidance. No impact on disclosures*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
or depreciation rates provides users of financial statements with information that allows them to review the policies selected by management and enables comparisons to be made with other entities. For similar reasons, it is necessary to disclose: (a) depreciation, whether recognised in profit or loss or as a part of the cost of other assets, during a period; and (b) accumulated depreciation at the end of the period.		
76 In accordance with AASB 108 an entity discloses the nature and effect of a change in an accounting estimate that has an effect in the current period or is expected to have an effect in subsequent periods. For property, plant and equipment, such disclosure may arise from changes in estimates with respect to: (a) residual values; (b) the estimated costs of dismantling, removing or restoring items of property, plant and equipment; (c) useful lives; and (d) depreciation methods.		*Provides guidance. No impact on disclosures*
77 If items of property, plant and equipment are stated at revalued amounts, the following shall	17.33 If items of property, plant and equipment are stated at revalued amounts, an entity shall disclose the following:	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
be disclosed in addition to the disclosures required by AASB 13: (a) the effective date of the revaluation; (b) whether an independent valuer was involved; (c)–(d) [deleted by IASB]	(a) the effective date of the revaluation; (b) whether an independent value was involved;	
	~~(d) for each revalued class of property, plant and equipment, the carrying amount that would have been recognised had the assets been carried under the cost model; and~~	
(f) the revaluation surplus, indicating the change for the period and any restrictions on the distribution of the balance to shareholders.	(e) the revaluation surplus, indicating the change for the period and any restrictions on the distribution of the balance to shareholders.	
78 In accordance with AASB 136 an entity discloses information on impaired property, plant and equipment in addition to the information required by paragraph 73(e)(iv)–(vi).		*Provides guidance. No impact on disclosures*
AASB 138 *Intangible Assets*	**Section 18 *Intangible Assets other than Goodwill***	***No significant differences***

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
General 118 An entity shall disclose the following for each class of intangible assets, distinguishing between internally generated intangible assets and other intangible assets: (a) whether the useful lives are indefinite or finite and, if finite, the useful lives or the amortisation rates used;	18.27 An entity shall disclose the following for each class of intangible assets: (a) the useful lives or the amortisation rates used;	
(b) the amortisation methods used for intangible assets with finite useful lives;	(b) the amortisation methods used;	
(c) the gross carrying amount and any accumulated amortisation (aggregated with accumulated impairment losses) at the beginning and end of the period;	(c) the gross carrying amount and any accumulated amortisation (aggregated with accumulated impairment losses) at the beginning and end of the reporting period;	
(d) the line item(s) of the statement of comprehensive income in which any amortisation of intangible assets is included;	(d) the line item(s) in the statement of comprehensive income (and in the income statement, if presented) in which any amortisation of intangible assets is included; and	
(e) a reconciliation of the carrying amount at the beginning and end of the period showing: (i) additions, indicating separately those from internal development, those acquired separately, and those	(e) a reconciliation of the carrying amount at the beginning and end of the reporting period showing separately: (i) additions; (iii) acquisitions through business	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
acquired through business combinations; (ii) assets classified as held for sale or included in a disposal group classified as held for sale in accordance with AASB 5 and other disposals;	(ii) disposals;	
(iii) increases or decreases during the period resulting from revaluations under paragraphs 75, 85 and 86 and from impairment losses recognised or reversed in other comprehensive income in accordance with AASB 136 (if any)	<u>Aus18.29.1 (f) increases or decreases during the period resulting from revaluations under paragraphs 75, 85 and 86 and from impairment losses recognised or reversed in other comprehensive income in accordance with AASB 136 (if any).</u>	
(iv) impairment losses recognised in profit or loss during the period in accordance with AASB 136 (if any); (v) impairment losses reversed in profit or loss during the period in accordance with AASB 136 (if any);	(v) impairment losses; and	*Also covered in section 27*
(vi) any amortisation recognised during the period;	(iv) Amortisation	
(viii) other changes in the carrying amount during the period.	(vi) other changes.	
RDR118.1 An entity applying Australian Accounting Standards – Reduced Disclosure	This reconciliation need not be presented for prior periods.	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
Requirements is not required to disclose the reconciliations specified in paragraph 118(e) for prior periods.		
119 A class of intangible assets is a grouping of assets of a similar nature and use in an entity's operations. Examples of separate classes may include: (a) brand names; (b) mastheads and publishing titles; (c) computer software; (d) licences and franchises; (e) copyrights, patents and other industrial property rights, service and operating rights; (f) recipes, formulae, models, designs and prototypes; and (g) intangible assets under development. The classes mentioned above are disaggregated (aggregated) into smaller (larger) classes if this results in more relevant information for the users of the financial statements.		*Provides guidance. No impact on disclosures.*
121 AASB 108 requires an entity to disclose the nature and amount of a change in an accounting estimate that has a material effect in the current period or is expected to have a material effect in		*Provides guidance. No impact on disclosures.*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
subsequent periods. Such disclosure may arise from changes in: (a) the assessment of an intangible asset's useful life; (b) the amortisation method; or (c) residual values.		
122 An entity shall also disclose: (a) for an intangible asset assessed as having an indefinite useful life, the carrying amount of that asset and the reasons supporting the assessment of an indefinite useful life. In giving these reasons, the entity shall describe the factor(s) that played a significant role in determining that the asset has an indefinite useful life.	<u>Aus18.29.2</u> <u>An entity shall also disclose for an intangible asset assessed as having an indefinite useful life, the carrying amount of that asset and the reasons supporting the assessment of an indefinite useful life. In giving these reasons, the entity shall describe the factor(s) that played a significant role in determining that the asset has an indefinite useful life.</u>	
(b) a description, the carrying amount and remaining amortisation period of any individual intangible asset that is material to the entity's financial statements.	18.28 An entity shall also disclose: (a) a description, the carrying amount and remaining amortisation period of any individual intangible asset that is material to the entity's financial statements;	
(c) for intangible assets acquired by way of a government grant and initially recognised at fair value (see paragraph 44): (i) the fair value initially recognised for these assets;	(b) for intangible assets acquired by way of a government grant and initially recognised at fair value (see paragraph 44 of AASB 138 *Intangible Assets* ~~18.12~~):	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
(ii) their carrying amount; and	(i) the fair value initially recognised for these assets; and (ii) their carrying amounts.	
(iii) whether they are measured after recognition under the cost model or the revaluation model.		*Reduced compared to RDR*
(d) the existence and carrying amounts of intangible assets whose title is restricted and the carrying amounts of intangible assets pledged as security for liabilities.	(c) the existence and carrying amounts of intangible assets to which the entity has restricted title or that are pledged as security for liabilities; and	
(e) the amount of contractual commitments for the acquisition of intangible assets.	(d) the amount of contractual commitments for the acquisition of intangible assets.	
123 When an entity describes the factor(s) that played a significant role in determining that the useful life of an intangible asset is indefinite, the entity considers the list of factors in paragraph 90.		*Provides guidance. No impact on disclosures.*
Intangible assets measured after recognition using the revaluation model 124 If intangible assets are accounted for at revalued amounts, an entity shall disclose the following:	Aus18.29.1 If items of intangible assets are stated at revalued amounts, an entity shall disclose the following:	
(a) by class of intangible assets**:**		*Reduced compared to RDR*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
(i) the effective date of the revaluation;	(a) the effective date of the revaluation	
	(b) whether an independent valuer was involved; (c) the methods and significant assumptions applied in estimating the items' fair values;	*Covered in AASB 13*
(ii) the carrying amount of revalued intangible assets; and		*Reduced compared to RDR*
(b) the amount of the revaluation surplus that relates to intangible assets at the beginning and end of the period, indicating the changes during the period and any restrictions on the distribution of the balance to shareholders.	(e) the revaluation surplus, indicating the change for the period and any restrictions on the distribution of the balance to shareholders.	
(c) [deleted] 125 It may be necessary to aggregate the classes of revalued assets into larger classes for disclosure purposes. However, classes are not aggregated if this would result in the combination of a class of intangible assets that includes amounts measured under both the cost and revaluation models.		*Provides guidance. No impact on disclosures.*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
Research and development expenditure **126 An entity shall disclose the aggregate amount of research and development expenditure recognised as an expense during the period.** 127 Research and development expenditure comprises all expenditure that is directly attributable to research or development activities (see paragraphs 66 and 67 for guidance on the type of expenditure to be included for the purpose of the disclosure requirement in paragraph 126).	18.29 An entity shall disclose the aggregate amount of research and development expenditure recognised as an expense during the period ~~(ie the amount of expenditure incurred internally on research and development that has not been capitalised as part of the cost of another asset that meets the recognition criteria in this Standard).~~ <u>Research and development expenditure comprises all expenditure that is directly attributable to research or development activities (see paragraphs 66 and 67 of AASB 138 for guidance on the type of expenditure to be included for the purpose of the disclosure requirement in paragraph 18.29).</u>	
AASB 3 *Business Combination*	**Section 19 *Business Combinations and Goodwill***	***Disclosures have been reduced to some extent***
Disclosures B64 the acquirer shall disclose the following information for each business combination that occurs during the reporting period: (a) the name and a description of the acquiree. (b) the acquisition date. (c) the percentage of voting equity interests acquired	**Disclosures** **For business combination(s) during the reporting period** 19.25 For each business combination during the period, the acquirer shall disclose the following: (a) the names and descriptions of the combining entities or businesses; (b) the acquisition date; (c) the percentage of voting equity instruments acquired;	
	(g) a qualitative description of the factors that make up the goodwill recognised, such as expected synergies from	*Additional Disclosure* *(Equivalent disclosure shaded for RDR)*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
	combining operations of the acquiree and the acquirer, or intangible assets or other items not recognised in accordance with paragraphs ~~19.15~~ 10-14 of AASB 3.	
(f) the acquisition-date fair value of the total consideration transferred and the acquisition-date fair value of each major class of consideration, such as: (i) cash; (ii) other tangible or intangible assets, including a business or subsidiary of the acquirer; (iii) liabilities incurred, for example, a liability for contingent consideration; and (iv) equity interests of the acquirer, including the number of instruments or interests issued or issuable and the method of measuring the fair value of those instruments or interests.	(d) the cost of the combination and a description of the components of that cost (such as cash, equity instruments and debt instruments);	*Reduced compared to RDR*
(g) for contingent consideration arrangements and indemnification assets: (i) the amount recognised as of the acquisition date;		*Reduced compared to RDR*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
(ii) a description of the arrangement and the basis for determining the amount of the payment; and (iii) an estimate of the range of outcomes (undiscounted) or, if a range cannot be estimated, that fact and the reasons why a range cannot be estimated. If the maximum amount of the payment is unlimited, the acquirer shall disclose that fact.		
(i) the amounts recognised as of the acquisition date for each major class of assets acquired and liabilities assumed. (j) for each contingent liability recognised in accordance with paragraph 23, the information required in paragraph 85 of AASB 137 *Provisions, Contingent Liabilities and Contingent Assets.*	(e) the amounts recognised at the acquisition date for each class of the acquiree's assets, liabilities and contingent liabilities, including goodwill;	
(n) in a bargain purchase (see paragraphs 34–36): (i) the amount of any gain recognised in accordance with paragraph 34 and the line item in the statement of comprehensive income in which the gain is recognised; and	(f) the amount of any excess recognised in profit or loss in accordance with paragraph ~~19.24~~ 34 of AASB 3 *Business Combinations* and the line item in the statement of comprehensive income (and in the income statement, if presented) in which the excess is recognised; and	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
(o) for each business combination in which the acquirer holds less than 100 per cent of the equity interests in the acquiree at the acquisition date: (i) the amount of the non-controlling interest in the acquiree recognised at the acquisition date and the measurement basis for that amount; and	Aus19.25.(h) for each business combination in which the acquirer holds less than 100 per cent of the equity interests in the acquiree at the acquisition date, the acquirer shall disclose the amount of the non-controlling interest in the acquiree recognised at the acquisition date and the measurement basis for that amount.	
(ii) for each non-controlling interest in an acquiree measured at fair value, the valuation technique(s) and significant inputs used to measure that value.		*Reduced compared to RDR*
(p) in a business combination achieved in stages: (i) the acquisition-date fair value of the equity interest in the acquiree held by the acquirer immediately before the acquisition date; and (ii) the amount of any gain or loss recognised as a result of remeasuring to fair value the equity interest in the acquiree held by the acquirer before the business combination (see paragraph 42) and the line item in the statement of comprehensive		*Reduced compared to RDR*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
income in which that gain or loss is recognised.		
RDRB65.1 For individually immaterial business combinations occurring during the reporting period that are material collectively, an acquirer applying Australian Accounting Standards – Reduced Disclosure Requirements shall disclose in aggregate the information required by paragraphs B64(f), B64(g), B64(i), B64(n)(i), B64(o)(i) and B64(p) and the first sentence of paragraph B64(j).		*While no such specific relief is provided in the new Tier 2 Standard, it would be similarly permitted by applying materiality.*
B67 the acquirer shall disclose the following information for each material business combination or in the aggregate for individually immaterial business combinations that are material collectively:		*Reduced compared to RDR*
(d) a reconciliation of the carrying amount of goodwill at the beginning and end of the reporting period showing separately: (i) the gross amount and accumulated impairment losses at the beginning of the reporting period. (ii) additional goodwill recognised during the reporting period, except goodwill included in a disposal group that, on acquisition, meets the criteria to be classified as held for sale in	**For all business combinations** 19.26 An acquirer shall disclose ~~the useful lives used for goodwill and~~ a reconciliation of the carrying amount of goodwill at the beginning and end of the reporting period, showing separately: (a) changes arising from new business combinations; (b) impairment losses; (c) disposals of previously acquired businesses; and (d) other changes.	*Extent of disclosures reduced compared to RDR*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*. (iii) adjustments resulting from the subsequent recognition of deferred tax assets during the reporting period in accordance with paragraph 67. (iv) goodwill included in a disposal group classified as held for sale in accordance with AASB 5 and goodwill derecognised during the reporting period without having previously been included in a disposal group classified as held for sale. (v) impairment losses recognised during the reporting period in accordance with AASB 136. (AASB 136 requires disclosure of information about the recoverable amount and impairment of goodwill in addition to this requirement.) (vi) net exchange rate differences arising during the reporting period in accordance with AASB 121 *The Effects of Changes in Foreign Exchange Rates.* (vii) any other changes in the carrying amount during the reporting period.		

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
(viii) the gross amount and accumulated impairment losses at the end of the reporting period.		
RDRB67.1 An entity applying Australian Accounting Standards – Reduced Disclosure Requirements is not required to disclose the reconciliation specified in paragraph B67(d) for prior periods.	This reconciliation need not be presented for prior periods.	
AASB 16 *Leases*	**Section 20 *Leases***	***Disclosures have been significantly reduced.***
Lessee disclosures 51 The objective of the disclosures is for lessees to disclose information in the notes that, together with the information provided in the statement of financial position, statement of profit or loss and statement of cash flows, gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of the lessee. Paragraphs 52–60 specify requirements on how to meet this objective.		*Provides guidance. No impact on disclosures*
52 A lessee shall disclose information about its leases for which it is a lessee in a single note or separate section in its financial statements. However, a lessee need not duplicate information that is already presented elsewhere in the financial statements, provided that the information is incorporated by cross-reference in the single note or separate section about leases.		*Provides guidance. No impact on disclosures*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
53 A lessee shall disclose the following amounts for the reporting period: (a) depreciation charge for right-of-use assets by class of underlying asset;		*Reduced compared to RDR*
(b) interest expense on lease liabilities;		*Reduced compared to RDR*
(c) the expense relating to short-term leases accounted for applying paragraph 6. This expense need not include the expense relating to leases with a lease term of one month or less; (d) the expense relating to leases of low-value assets accounted for applying paragraph 6. This expense shall not include the expense relating to short-term leases of low-value assets included in paragraph 53(c); (e) the expense relating to variable lease payments not included in the measurement of lease liabilities;	20.16 (b) lease payments recognised as an expense;	*Reduced compared to RDR*
	20.13 (b) the total of future minimum lease payments at the end of the reporting period, for each of the following periods: (i) not later than one year; (ii) later than one year and not later than five years; and (iii) later than five years.	*Additional disclosure in IFRS for SMEs.* *This disclosure would be required under AASB 16 para 58, which refers to the maturity analysis that must be disclosed under AASB 7 para 39 and B11. However, these paragraphs are shaded for Tier 3 entities RDR framework.*
(f) income from subleasing right-of-use assets;		*Reduced compared to RDR*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
(g) total cash outflow for leases;		*Reduced compared to RDR*
(h) additions to right-of-use assets;		*Reduced compared to RDR*
(i) gains or losses arising from sale and leaseback transactions; and		*Reduced compared to RDR*
	20.35 Disclosure requirements for lessees and lessors apply equally to sale and leaseback transactions. The required description of significant leasing arrangements includes description of unique or unusual provisions of the agreement or terms of the sale and leaseback transactions.	*Additional disclosure*
(j) the carrying amount of right-of-use assets at the end of the reporting period by class of underlying asset	20.13 (a) for each class of right-of-use asset, the net carrying amount at the end of the reporting period;	
RDR 54.1 The amounts disclosed in accordance with paragraph 53 shall include costs that a lessee has included in the carrying amount of another asset during the reporting period.		*Provides guidance. No impact on disclosures*
55 A lessee shall disclose the amount of its lease commitments for short-term leases accounted for applying paragraph 6 if the portfolio of short-term leases to which it is committed at the end of the reporting period is dissimilar to the portfolio of short-term leases to which the	20.16 A lessee shall make the following disclosures for ~~operating leases~~ short-term leases and leases of low-value assets that are not recognised as right-of-use assets under the exemption in paragraph 6 of AASB 16 *Leases*: (a) ~~the total of future minimum lease payments under non-cancellable~~	*Extent of disclosures reduced compared to RDR*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
short-term lease expense disclosed applying paragraph 53(c) relates.	~~operating leases for each of the following periods:~~ ~~(i) not later than one year;~~ ~~(ii) later than one year and not later than five years; and~~ ~~(iii) later than five years~~ the amount of its lease commitments for short-term leases if the portfolio of short-term leases if the portfolio of short-term leases to which it is committed at the end of the reporting period is dissimilar to the portfolio of short-term leases to which the short-term lease expense disclosed applying paragraph (b) below relates; and	
56 If right-of-use assets meet the definition of investment property, a lessee shall apply the disclosure requirements in AASB 140. In that case, a lessee is not required to provide the disclosures in paragraph 53(a), (f), (h) or (j) for those right-of-use assets.	Covered in section 16	
57 If a lessee measures right-of-use assets at revalued amounts applying AASB 116, the lessee shall disclose the information required by	20.14 In addition, the requirements for disclosure about assets in accordance with Sections 17, 18, 27 and 34 apply to lessees for the right-of-use assets ~~leased under finance leases~~.	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
paragraph 77 of AASB 116 for those right-of-use assets		
59 In addition to the disclosures required in paragraphs 53–58, a lessee shall disclose additional qualitative and quantitative information about its leasing activities necessary to meet the disclosure objective in paragraph 51 (as described in paragraph B48). This additional information may include, but is not limited to, information that helps users of financial statements to assess: (a) the nature of the lessee's leasing activities; (b) future cash outflows to which the lessee is potentially exposed that are not reflected in the measurement of lease liabilities. This includes exposure arising from: (i) variable lease payments (as described in paragraph B49); (ii) extension options and termination options (as described in paragraph B50); (iii) residual value guarantees (as described in paragraph B51); and (iv) leases not yet commenced to which the lessee is committed. (c) restrictions or covenants imposed by leases; and (d) sale and leaseback transactions (as described in paragraph B52).	20.13 (c) a general description of the lessee's significant leasing arrangements including, for example, information about <u>variable lease payments, extension and termination options, residual value guarantees,</u> ~~contingent rent, renewal or purchase options and escalation clauses,~~ subleases and restrictions imposed by lease arrangements	*Extent of disclosures reduced compared to RDR*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
60 A lessee that accounts for short-term leases or leases of low-value assets applying paragraph 6 shall disclose that fact.		*Reduced compared to RDR*
Appendix B: **Lessee disclosures** (paragraph 59) B48 In determining whether additional information about leasing activities is necessary to meet the disclosure objective in paragraph 51, a lessee shall consider: (a) whether that information is relevant to users of financial statements. A lessee shall provide additional information specified in paragraph 59 only if that information is expected to be relevant to users of financial statements. In this context, this is likely to be the case if it helps those users to understand: (i) the flexibility provided by leases. Leases may provide flexibility if, for example, a lessee can reduce its exposure by exercising termination options or renewing leases with favourable terms and conditions. (ii) restrictions imposed by leases. Leases may impose restrictions, for example, by requiring the lessee to maintain particular financial ratios. (iii) sensitivity of reported information to key variables. Reported information may be sensitive to, for		*Provides guidance. No impact on disclosures*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
example, future variable lease payments. (iv) exposure to other risks arising from leases. (v) deviations from industry practice. Such deviations may include, for example, unusual or unique lease terms and conditions that affect a lessee's lease portfolio.		
(b) whether that information is apparent from information either presented in the primary financial statements or disclosed in the notes. A lessee need not duplicate information that is already presented elsewhere in the financial statements.		*Provides guidance. No impact on disclosures*
B49 Additional information relating to variable lease payments that, depending on the circumstances, may be needed to satisfy the disclosure objective in paragraph 51 could include information that helps users of financial statements to assess, for example:		*Reduced compared to RDR*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
(a) the lessee's reasons for using variable lease payments and the prevalence of those payments; (b) the relative magnitude of variable lease payments to fixed payments; (c) key variables upon which variable lease payments depend and how payments are expected to vary in response to changes in those key variables; and (d) other operational and financial effects of variable lease payments		
B50 Additional information relating to extension options or termination options that, depending on the circumstances, may be needed to satisfy the disclosure objective in paragraph 51 could include information that helps users of financial statements to assess, for example: (c) the prevalence of the exercise of options that were not included in the measurement of lease liabilities; and		*Reduced compared to RDR*
B51 Additional information relating to residual value guarantees that, depending on the circumstances, may be needed to satisfy the disclosure objective in paragraph 51 could include information that helps users of financial statements to assess, for example: (c) the nature of underlying assets for which those guarantees are provided; and		*Reduced compared to RDR*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
Lessor disclosure 89 The objective of the disclosures is for lessors to disclose information in the notes that, together with the information provided in the statement of financial position, statement of profit or loss and statement of cash flows, gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of the lessor. Paragraphs 90–97 specify requirements on how to meet this objective.		*Provides guidance. No impact on disclosures*
90 A lessor shall disclose the following amounts for the reporting period: (a) for finance leases: (i) selling profit or loss; (ii) finance income on the net investment in the lease; and (iii) income relating to variable lease payments not included in the measurement of the net investment in the lease. (b) for operating leases, lease income,.	**<u>Finance Lease- Lessor</u>** **Disclosures** 20.23A lessor shall make the following disclosures for finance leases: (b) unearned finance income. (e) contingent rents recognised as income in the period.	*Additional disclosure*
92 A lessor shall disclose additional qualitative and quantitative information about its leasing activities necessary to meet the disclosure objective in paragraph 89. This additional information includes, but is not limited to, information that helps users of financial statements to assess: (a) the nature of the lessor's leasing activities; and	(f) a general description of the lessor's significant leasing arrangements, including, for example, information about contingent rent, renewal or purchase options and escalation clauses, subleases, and restrictions imposed by lease arrangements.	.

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
(b) how the lessor manages the risk associated with any rights it retains in underlying assets. In particular, a lessor shall disclose its risk management strategy for the rights it retains in underlying assets, including any means by which the lessor reduces that risk. Such means may include, for example, buy-back agreements, residual value guarantees or variable lease payments for use in excess of specified limits.		

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
Finance leases 93 A lessor shall provide a qualitative and quantitative explanation of the significant changes in the carrying amount of the net investment in finance leases. 94 A lessor shall disclose a maturity analysis of the lease payments receivable, showing the undiscounted lease payments to be received on an annual basis for a minimum of each of the first five years and a total of the amounts for the remaining years. A lessor shall reconcile the undiscounted lease payments to the net investment in the lease. The reconciliation shall identify the unearned finance income relating to the lease payments receivable and any discounted unguaranteed residual value.	20.23A lessor shall make the following disclosures for finance leases: (a) a reconciliation between the gross investment in the lease at the end of the reporting period and the present value of minimum lease payments receivable at the end of the reporting period. In addition, a lessor shall disclose the gross investment in the lease and the present value of minimum lease payments receivable at the end of the reporting period, for each of the following periods: (i) not later than one year; (ii) later than one year and not later than five years; and (iii) later than five years. (b) unearned finance income. (c) the unguaranteed residual values accruing to the benefit of the lessor. (d) the accumulated allowance for uncollectable minimum lease payments receivable.	
Operating leases 95 For items of property, plant and equipment subject to an operating lease, a lessor shall apply the disclosure requirements of AASB 116. In applying the disclosure requirements in	**<u>Operating Leases- Lessor</u>** Disclosures 20.30A lessor shall disclose the following for operating leases:	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
AASB 116, a lessor shall disaggregate each class of property, plant and equipment into assets subject to operating leases and assets not subject to operating leases. Accordingly, a lessor shall provide the disclosures required by AASB 116 for assets subject to an operating lease (by class of underlying asset) separately from owned assets held and used by the lessor. 96 A lessor shall apply the disclosure requirements in AASB 136, AASB 138, AASB 140 and AASB 141 for assets subject to operating leases. 97 A lessor shall disclose a maturity analysis of lease payments, showing the undiscounted lease payments to be received on an annual basis for a minimum of each of the first five years and a total of the amounts for the remaining years.	(a) the future minimum lease payments under non-cancellable operating leases for each of the following periods: (i) not later than one year; (ii) later than one year and not later than five years; and (iii) later than five years. (b) total contingent rents recognised as income; and (c) a general description of the lessor's significant leasing arrangements, including, for example, information about contingent rent, renewal or purchase options and escalation clauses and restrictions imposed by lease arrangements. 20.31 In addition, the requirements for disclosure about assets in accordance with Sections 17, 18, 27 and 34 apply to lessors for assets provided under operating leases.	
AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*	***Section 21 Provisions and Contingencies***	***No significant differences***
Disclosure 84 For each class of provision, an entity shall disclose:	**Disclosures** **Disclosures about provisions** 21.14 For each class of provision, an entity shall disclose all of the following:	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
(a) the carrying amount at the beginning and end of the period; (c) amounts used (ie incurred and charged against the provision) during the period; (d) unused amounts reversed during the period; and Comparative information is not required.	(a) a reconciliation **showing:** (i) the carrying amount at the beginning and end of the period; (ii) additions during the period, including adjustments that result from changes in measuring the discounted amount; (iii) amounts charged against the provision during the periods; and (iv) unused amounts reversed during the period.	
85 An entity shall disclose the following for each class of provision: (a) a brief description of the nature of the obligation and the expected timing of any resulting outflows of economic benefits;	(b) a brief description of the nature of the obligation and the expected amount and timing of any resulting payments;	
(b) an indication of the uncertainties about the amount or timing of those outflows; and	(c) an indication of the uncertainties about the amount or timing of those outflows; and	
	(d) the amount of any unexpected reimbursement, stating the amount of any asset that has been recognised for that expected reimbursement. Comparative information for prior periods is not required.	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
86 Unless the possibility of any outflow in settlement is remote, an entity shall disclose for each class of contingent liability at the end of the reporting period a brief description of the nature of the contingent liability and, where practicable:	**Disclosures about contingent liabilities** 21.15 Unless the possibility of any outflow or resources in settlement is remote, an entity shall disclose, for each class of contingent liability at the reporting date, a brief description of the nature of the contingent liability and, when practicable:	
(a) an estimate of its financial effect, measured under paragraphs 36–52;	(a) an estimate of its financial effect, measured in accordance with paragraphs ~~21.7–21.11~~ 36-52 of AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*;	
(b) an indication of the uncertainties relating to the amount or timing of any outflow; and	(b) an indication of the uncertainties relating to the amount or timing of any outflow; and	
(c) the possibility of any reimbursement.	(c) the possibility of any reimbursement.	
87 In determining which provisions or contingent liabilities may be aggregated to form a class, it is necessary to consider whether the nature of the items is sufficiently similar for a single statement about them to fulfil the requirements of paragraphs 85(a) and (b) and 86(a) and (b). Thus, it may be appropriate to treat as a single class of provision amounts relating to warranties of different products, but it would not be		*Provides guidance. No impact on disclosures*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
appropriate to treat as a single class amounts relating to normal warranties and amounts that are subject to legal proceedings.		
88 Where a provision and a contingent liability arise from the same set of circumstances, an entity makes the disclosures required by paragraphs 84–86 in a way that shows the link between the provision and the contingent liability.		*Provides guidance. No impact on disclosures*
89 Where an inflow of economic benefits is probable, an entity shall disclose a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect, measured using the principles set out for provisions in paragraphs 36–52.	**Disclosures about contingent assets** 21.16 If an inflow of economic benefits is probable (more likely than not) but not virtually certain, an entity shall disclose a description of the nature of the contingent assets at the end of the reporting period and, ~~unless it would involve undue cost or effort,~~ an estimate of their financial effect, measured using the principles set out in paragraphs ~~21.7–21.11~~ 36-39 of AASB 137……	
90 It is important that disclosures for contingent assets avoid giving misleading indications of the likelihood of income arising.		*Provides guidance. No impact on disclosures*
91 Where any of the information required by paragraphs 86 and 89 is not disclosed because it is not practicable to do so, that fact shall be stated.	21.16… ~~If such an estimate would involve undue cost or effort, the entity shall disclose that fact and the reasons why estimating the financial effect would involve undue cost or effort.~~ Where any of the information required by paragraphs	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
	<u>21.16 is not disclosed because it is not practicable to do so, that fact shall be stated.</u>	
92 In extremely rare cases, disclosure of some or all of the information required by paragraphs 84–89 can be expected to prejudice seriously the position of the entity in a dispute with other parties on the subject matter of the provision, contingent liability or contingent asset. In such cases, an entity need not disclose the information, but shall disclose the general nature of the dispute, together with the fact that, and reason why, the information has not been disclosed.	**Prejudicial disclosures** 21.17 In extremely rare cases, disclosure of some or all of the information required by paragraphs 21.14–21.16 can be expected to prejudice seriously the position of the entity in a dispute with other parties on the subject matter of the provision, contingent liability or contingent asset. In such cases, an entity need not disclose the information, but shall disclose the general nature of the dispute, together with the fact that, and the reason why, the information has not been disclosed.	
AASB 132 *Financial Instruments: presentation*	**Section 22 *Liabilities and Equity***	
N/A as disclosures have been covered in Section 11 and 12.		
AASB 15 *Revenue from Contracts with Customers*	**Section 23 *Revenue***	***Disclosures have been reduced to some extent.***
110 The objective of the disclosure requirements is for an entity to disclose sufficient information to enable users of financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. To achieve that objective, an entity shall disclose qualitative and quantitative information about all of the following:		*Reduced compared to RDR*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
(a) its contracts with customers (see paragraphs 113–122); (b) the significant judgements, and changes in the judgements, made in applying this Standard to those contracts (see paragraphs 123–126); and (c) any assets recognised from the costs to obtain or fulfil a contract with a customer in accordance with paragraph 91 or 95 (see paragraphs 127–128).		
111 An entity shall consider the level of detail necessary to satisfy the disclosure objective and how much emphasis to place on each of the various requirements. An entity shall aggregate or disaggregate disclosures so that useful information is not obscured by either the inclusion of a large amount of insignificant detail or the aggregation of items that have substantially different characteristics.		*Provides guidance. No impact on disclosures*
112 An entity need not disclose information in accordance with this Standard if it has provided the information in accordance with another Standard.		*Provides guidance. No impact on disclosures*
Contracts with customers 113 An entity shall disclose all of the following amounts for the reporting period unless those amounts are presented separately in the		*Reduced compared to RDR*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
statement of comprehensive income in accordance with other Standards: (a) revenue recognised from contracts with customers, which the entity shall disclose separately from its other sources of revenue; and (b) any impairment losses recognised (in accordance with AASB 9) on any receivables or contract assets arising from an entity's contracts with customers, which the entity shall disclose separately from impairment losses from other contracts.		
Disaggregation of revenue 114 An entity shall disaggregate revenue recognised from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. An entity shall apply the guidance in paragraphs B87–B89 when selecting the categories to use to disaggregate revenue. **Disclosure of disaggregated revenue** B87 Paragraph 114 requires an entity to disaggregate revenue from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by	**General disclosures about revenue** 23.30(b) the amount of each category of revenue recognised during the period, <u>disaggregated into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. An entity may apply the guidance in AASB 15 paragraphs B87-B89 when selecting the categories to use to disaggregate revenue.</u>	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
economic factors. Consequently, the extent to which an entity's revenue is disaggregated for the purposes of this disclosure depends on the facts and circumstances that pertain to the entity's contracts with customers. Some entities may need to use more than one type of category to meet the objective in paragraph 114 for disaggregating revenue. Other entities may meet the objective by using only one type of category to disaggregate revenue. B88 When selecting the type of category (or categories) to use to disaggregate revenue, an entity shall consider how information about the entity's revenue has been presented for other purposes, including all of the following: (a) disclosures presented outside the financial statements (for example, in earnings releases, annual reports or investor presentations); (b) information regularly reviewed by the chief operating decision maker for evaluating the financial performance of operating segments; and (c) other information that is similar to the types of information identified in paragraph B88(a) and (b) and that is used by the entity or users of the entity's financial statements to evaluate the		

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
entity's financial performance or make resource allocation decisions B89 Examples of categories that might be appropriate include, but are not limited to, all of the following: (a) type of good or service (for example, major product lines); (b) geographical region (for example, country or region); (c) market or type of customer (for example, government and non-government customers); (d) type of contract (for example, fixed-price and time-and-materials contracts); (e) contract duration (for example, short-term and long-term contracts); (f) timing of transfer of goods or services (for example, revenue from goods or services transferred to customers at a point in time and revenue from goods or services transferred over time); and (g) sales channels (for example, goods sold directly to consumers and goods sold through intermediaries).		
Contract balances 116 An entity shall disclose all of the following:	23.32 An entity shall <u>disclose the closing balances of contract assets and contract liabilities from</u>	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
(a) the opening and closing balances of receivables, contract assets and contract liabilities from contracts with customers, if not otherwise separately presented or disclosed;	contracts with customers, if not otherwise separately presented or disclosed. ~~present:~~	
Performance obligations 119 An entity shall disclose information about its performance obligations in contracts with customers, including a description of all of the following: (a) when the entity typically satisfies its performance obligations (for example, upon shipment, upon delivery, as services are rendered or upon completion of service), including when performance obligations are satisfied in a bill-and-hold arrangement; (b) the significant payment terms (for example, when payment is typically due, whether the contract has a significant financing component, whether the consideration amount is variable and whether the estimate of variable consideration is typically constrained in accordance with paragraphs 56– 58); (c) the nature of the goods or services that the entity has promised to transfer, highlighting any performance obligations to arrange for another party to transfer	23.30 An entity shall disclose: (a) information about its performance obligations in contracts with customers, including a description of when the entity typically satisfies its performance obligations, the significant payment terms, the nature of the goods or services that the entity has promised to transfer, obligations for returns, refunds and other similar obligations and types of warranties and related obligations ~~the accounting policies adopted for the recognition of revenue, including the methods adopted to determine the stage of completion of transactions involving the rendering of services~~; and	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
goods or services (ie if the entity is acting as an agent); (d obligations for returns, refunds and other similar obligations; and (e) types of warranties and related obligations.		
Significant judgements in the application of this Standard 123 An entity shall disclose the judgements, and changes in the judgements, made in applying this Standard that significantly affect the determination of the amount and timing of revenue from contracts with customers. In particular, an entity shall explain the judgements, and changes in the judgements, used in determining both of the following: (a) the timing of satisfaction of performance obligations (see paragraphs 124–125); and (b) the transaction price and the amounts allocated to performance obligations (see paragraph 126).		*Reduced compared to RDR*
Determining the timing of satisfaction of performance obligations 124 For performance obligations that an entity satisfies over time, an entity shall disclose both of the following:	**Disclosures relating to performance obligations satisfied over time~~revenue from construction contracts~~** 23.31 For performance obligations that an entity satisfies over time, an ~~An~~ entity shall disclose the the methods used to recognise revenue	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
(a) the methods used to recognise revenue (for example, a description of the output methods or input methods used and how those methods are applied); and	<u>(ofr example, a descript[tion of the output methoods or input methods used and how those methods are applied).</u> ~~following:~~ ~~(a) the amount of contract revenue recognised as revenue in the period;~~ ~~(b) the methods used to determine the contract revenue recognised in the period; and~~ ~~(c) the methods used to determine the stage of completion of contracts in progress.~~=	
125 For performance obligations satisfied at a point in time, an entity shall disclose the significant judgements made in evaluating when a customer obtains control of promised goods or services.		*Reduced compared to RDR*
Assets recognised from the costs to obtain or fulfil a contract with a customer 127 An entity shall describe both of the following: (b) the method it uses to determine the amortisation for each reporting period.		*Reduced compared to RDR*
128 An entity shall disclose all of the following: (a) the closing balances of assets recognised from the costs incurred to obtain or fulfil a contract with a customer (in accordance with paragraph 91 or 95) and		*Reduced compared to RDR*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
(b) the amount of amortisation and any impairment losses recognised in the reporting period.		
Practical expedients 129 If an entity elects to use the practical expedient in either paragraph 63 (about the existence of a significant financing component) or paragraph 94 (about the incremental costs of obtaining a contract), the entity shall disclose that fact.		*Reduced compared to RDR*
AASB 120 *Accounting of Government Grants and Disclosures of Government Assistance*	**Section 24 *Government Grants***	***No Significant Difference***
Disclosure 39 The following matters shall be disclosed: (a) the accounting policy adopted for government grants, including the methods of presentation adopted in the financial statements;	**Disclosures** Aus24.6.(d) The accounting policy adopted for government grants, including the methods of presentation adopted in the financial statements.	
(b) the nature and extent of government grants recognized in the financial statements and an indication of other forms of government assistance from which the entity has directly benefited; and 3 .. *Government assistance* is action by government designed to provide an economic benefit specific to an entity or range of entities qualifying under certain criteria. Government	24.6 A~~n~~ for-profit entity shall disclose the following: (a) the nature and amounts of government grants recognised in the financial statements; (c) an indication of other forms of government assistance from which the entity has directly benefited. 24.7 For the purpose of the disclosure required by paragraph 24.6(c), government assistance is	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
assistance for the purpose of this Standard does not include benefits provided only indirectly through action affecting general trading conditions, such as the provision of infrastructure in development areas or the imposition of trading constraints on competitors.	action by government designed to provide an economic benefit specific to an entity or range of entities qualifying under specified criteria. Examples include free technical or marketing advice, the provision of guarantees and loans at nil or low interest rates.	
(c) unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.	(b) unfulfilled conditions and other contingencies attaching to government grants that have ~~not~~ been recognised in income; and	
AASB 123 *Borrowing Costs*	**Section 24 *Borrowing Costs***	***Disclosures have been significantly reduced***
Disclosure 26 An entity shall disclose: (a) the amount of borrowing costs capitalised during the period; and		*Reduced compared to RDR*
	Disclosures 25.3 Paragraph 5.5(b) requires disclosure of finance costs. Paragraph 11.48(b) requires disclosure of total interest expense (using the effective interest method) for **financial liabilities** that are not at **fair value** through profit or loss. This section does not require any additional disclosure	
AASB 2 Share Based Payment	**Section 26 *Share-based Payments***	***No Significant Difference***
Disclosures		*Provides guidance. No impact on disclosures*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
44 An entity shall disclose information that enables users of the financial statements to understand the nature and extent of share-based payment arrangements that existed during the period.		
45 To give effect to the principle in paragraph 44, the entity shall disclose at least the following: (a) a description of each type of share-based payment arrangement that existed at any time during the period, including the general terms and conditions of each arrangement, such as vesting requirements, the maximum term of options granted, and the method of settlement (eg whether in cash or equity). An entity with substantially similar types of share-based payment arrangements may aggregate this information, unless separate disclosure of each arrangement is necessary to satisfy the principle in paragraph 44.	**Disclosures** 26.18 An entity shall disclose the following information about the nature and extent of share-based payment arrangements that existed during the period: (a) a description of each type of share-based payment arrangement that existed at any time during the period, including the general terms and conditions of each arrangement, such as vesting requirements, the maximum term of options granted, and the method of settlement (eg whether in cash or equity). An entity with substantially similar types of share-based payment arrangements may aggregate this information.	
(b) the number and weighted average exercise prices of share options for each of the following groups of options: (i) outstanding at the beginning of the period; (ii) granted during the period;	(b) the number and weighted average exercise prices of share options for each of the following groups of options: (i) outstanding at the beginning of the period; (ii) granted during the period;	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
(iii) forfeited during the period; (iv) exercised during the period; (v) expired during the period; (vi) outstanding at the end of the period; and (vii) exercisable at the end of the period.	(iii) forfeited during the period; (iv) exercused during the period; (v) expired during the period; (vi) outstandign at the end of the period; and (vii) exercisable at the end of the period.	
RDR46.1 For equity-settled share-based payment arrangements, an entity applying Australian Accounting Standards – Reduced Disclosure Requirements shall disclose information about how it measured the fair value of goods or services received or the fair value of the equity instruments granted. If a valuation methodology was used, the entity shall disclose the method and its reason for choosing it.	26.19 For equity-settled share-based payment arrangements, an entity shall disclose information about how it measured the fair value of goods or services received or the value of the equity instruments granted. If a valueation methodology was used, the entity shall disclose the method and its reason for choosing it.	
RDR46.2 For cash-settled share-based payment arrangements, an entity applying Australian Accounting Standards – Reduced Disclosure Requirements shall disclose information about how the liability was measured.	26.20 For cash-settled share-based payment arrangements, an entity shall disclose information about how the liability was measured.	
47 If the entity has measured the fair value of goods or services received as consideration for equity instruments of the entity	26.21 For share-based payemnt arrangements that were modified during the period, an entity	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
indirectly, by reference to the fair value of the equity instruments granted, the entity shall disclose at least the following: (c) for share-based payment arrangements that were modified during the period: (i) an explanation of those modifications;	shall disclose an explanation of those modifications.	
RDR50.1 An entity applying Australian Accounting Standards – Reduced Disclosure Requirements shall disclose the following information about the effect of share-based payment transactions on the entity's profit or loss for the period and on its financial position: (a) the total expense recognised in profit or loss for the period; and (b) the total carrying amount at the end of the period of liabilities arising from share-based payment transactions.	26.23 An entity shall disclose the following ifnormation about the effect of share-based payment transactions on the entity's profit or loss for the period and on its **financial position**: (a) the total expense recognised in profit or loss for the period; and (b) the total carrying amount at the end of the period for liabilities arising from share-based payment transactions.	
AASB 136 *Impairment of Assets*	**Section 27 *Impairment of Assets***	***Disclosures have been reduced to some extent***
Disclosure 126 An entity shall disclose the following for each class of assets: (a) the amount of impairment losses recognised in profit or loss during the period and the line item(s) of the	**Disclosures** 27.32 An entity shall disclose the following for each **class of assets** indicated in paragraph 27.33:	*Reduced compared to RDR*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
statement of comprehensive income in which those impairment losses are included. (b) the amount of reversals of impairment losses recognised in profit or loss during the period and the line item(s) of the statement of comprehensive income in which those impairment losses are reversed. (c) the amount of impairment losses on revalued assets recognised in other comprehensive income during the period. (d) the amount of reversals of impairment losses on revalued assets recognised in other comprehensive income during the period. 127 A class of assets is a grouping of assets of similar nature and use in an entity's operations.	(a) the amount of impairment losses recognised in profit or loss during the period and the line item(s) in the **statement of comprehensive income** (and in the **income statement**, if presented) in which those impairment losses are included; and (b) the amount of reversals of impairment losses recognised in profit or loss during the period and the line item(s) in the statement of comprehensive income (and in the income statement, if presented) in which those impairment losses are reversed.	
128 The information required in paragraph 126 may be presented with other information disclosed for the class of assets. For example, this information may be included in a reconciliation of the carrying amount of property, plant and equipment, at the beginning and end of the period, as required by AASB 116.	27.33 An entity shall disclose the information required by paragraph 27.32 for each of the following classes of asset: (a) inventories; (b) **property, plant and equipment** (including investment property accounted for by the cost method); (c) goodwill; (d) **intangible assets** other than goodwill;	Classes of assets listed in paragraph 27.33 are captured in each standard such as AASB 116, AASB 102, AASB 138, AASB 3 and AASB 12.

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
	(e) investment in **associates**; and **(f) investment in joint ventures.**	
130 An entity shall disclose the following for an individual asset (including goodwill) or a cash-generating unit, for which an impairment loss has been recognised or reversed during the period**:**		*Reduced compared to RDR*
(e) the recoverable amount of the asset (cash-generating unit)		*Reduced compared to RDR*
AASB 119 *Employee Benefits*	**Section 28 *Employee Benefits***	***No significant differences, but additional IFRS for SMEs disclosures are included***
Short-term employee benefits **Disclosure** 25 Although this Standard does not require specific disclosures about short-term employee benefits, other Australian Accounting Standards may require disclosures.	**Disclosures about short-term employee benefits** 28.39 This section does not require specific disclosures about short-term employee benefits.	*Provides guidance. No impact on disclosures*
Multi-employer plans 33 If an entity participates in a multi-employer defined benefit plan, unless paragraph 34 applies, it shall: (a) account for its proportionate share of the defined benefit obligation, plan assets and cost associated with the plan in the same		*Provides guidance. No impact on disclosures*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
way as for any other defined benefit plan; and (b) disclose the information required by paragraphs 135–148 (excluding paragraph 148(d)).		
34 When sufficient information is not available to use defined benefit accounting for a multi-employer defined benefit plan, an entity shall: (a) account for the plan in accordance with paragraphs 51 and 52 as if it were a defined contribution plan; and (b) disclose the information required by **paragraph** 148.		*Provides guidance. No impact on disclosures*
Defined benefit plans that share risks between entities under common control 42 Participation in such a plan is a related party transaction for each individual group entity. An entity shall therefore, in its separate or individual financial statements disclose the information required by paragraph 149.		*Provides guidance. No impact on disclosures* *(Paragraph 149 is shaded and excluded under RDR, but IFRS for SMEs has additional disclosure – see below.)*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
Post-employment benefits: defined contribution plans **Disclosure** 53 An entity shall disclose the amount recognised as an expense for defined contribution plans.	**Disclosures about defined contribution plans** 28.40 An entity shall disclose the amount recognised in profit or loss as an expense for defined contribution plans.	
Post-employment benefits: defined benefit plans **Disclosure** 135 An entity shall disclose information that: **(a)** explains the characteristics of its defined benefit plans and risks associated with them (see paragraph 139); (b) identifies and explains the amounts in its financial statements arising from its defined benefit plans (see paragraphs 140–144); and 136 To meet the objectives in paragraph 135, an entity shall consider all the following: (a) the level of detail necessary to satisfy the disclosure requirements; (b) how much emphasis to place on each of the various requirements; (c) how much aggregation or disaggregation to undertake; and	**Disclosures about defined benefit plans** 28.41 An entity shall disclose the following information about defined benefit plans (except for any defined multi-employer benefit plans that are accounted for as a defined contribution plans in accordance with paragraph ~~28.11~~32 of AASB 119), for which the disclosures in paragraph 28.40 apply instead). If an entity has more than one defined benefit plan, these disclosures may be made in total, separately for each plan, or in such groupings as are considered to be the most useful:	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
(d) whether users of financial statements need additional information to evaluate the quantitative information disclosed.		
	28.41 (g) the total cost relating to defined benefit plans for the period, disclosing separately the amounts (i) recognised in profit or loss as an expense; and (ii) included in the cost of an asset. (j) the actual return on plan assets;	*Additional disclosure*
138 An entity shall assess whether all or some disclosures should be disaggregated to distinguish plans or groups of plans with materially different risks. For example, an entity may disaggregate disclosure about plans showing one or more of the following features: (a) different geographical locations. (b) different characteristics such as flat salary pension plans, final salary pension plans or postemployment medical plans. (c) different regulatory environments. (d) different reporting segments. (e) different funding arrangements (eg wholly unfunded, wholly or partly funded).		*Reduced compared to RDR*
Characteristics of defined benefit plans and risks associated with them 139 An entity shall disclose:	28.41(a) a general description of the type of plan, including policy;	*Reduced compared to RDR*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
(a) information about the characteristics of its defined benefit plans (b) a description of the risks to which the plan exposes the entity, focused on any unusual, entity-specific or plan-specific risks, and of any significant concentrations of risk. For example, if plan assets are invested primarily in one class of investments, eg property, the plan may expose the entity to a concentration of property market risk		
Explanation of amounts in the financial statements 140 An entity shall provide a reconciliation from the opening balance to the closing balance for each of the following, if applicable: (a) the net defined benefit liability (asset), showing separate reconciliations for: (i) plan assets. (ii) the present value of the defined benefit obligation. (iii) the effect of the asset ceiling. (b) any reimbursement rights.	(e) a reconciliation of opening and closing balances of the defined benefit obligation showing separately benefits paid and all other changes; (f) a reconciliation of the opening and closing balances of the fair value of plan assets and of the opening and closing balances of any reimbursement right recognised as an asset, showing separately, if applicable: (i) contributions; (ii) benefits paid; and (iii) other changes in plan assets.	
RDR140.1 An entity applying Australian Accounting Standards – Reduced Disclosure Requirements is not required to disclose	The reconciliations in (e) and (f) above need not be presented for prior periods. …	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
the reconciliations specified in paragraphs 140 and 141 for prior periods.		
141 Each reconciliation listed in paragraph 140 shall show each of the following, if applicable: (f) contributions to the plan (g) payments from the plan		*Reduced compared to RDR.*
142 An entity shall disaggregate the fair value of the plan assets into classes that distinguish the nature and risks of those assets.	(h) for each major class of plan assets, which shall include, but is not limited to, equity instruments, debt instruments, property, and all other assets, the percentage or amount that each major class constitutes of the fair value of the total plan assets at the reporting date;	
143 An entity shall disclose the fair value of the entity's own transferable financial instruments held as plan assets, and the fair value of plan assets that are property occupied by, or other assets used by, the entity.	(i) the amounts included in the fair value of the plan assets for: (i) each class of the entity's own financial instruments; and (ii) any property occupied by, or other assets used by, the entity;	
144 An entity shall disclose the significant actuarial assumptions used to determine the present value of the defined benefit obligation (see paragraph 76).	(k) the principal actuarial assumption used, including when applicable: (i) the discount rates; (ii) the expected rates of return on any plan assets for the periods	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
	presented in the financial statements; (iii) the expected rates of salary increases; (iv) medical cost trend rates; and (v) any other material actuarial assumptions used.	
Multi-employer plans 148 If an entity participates in a multi-employer defined benefit plan, it shall disclose: (a) a description of the funding arrangements, including the method used to determine the entity's rate of contributions and any minimum funding requirements. (b) a description of the extent to which the entity can be liable to the plan for other entities' obligations under the terms and conditions of the multi-employer plan. (c) a description of any agreed allocation of a deficit or surplus on: (i) wind-up of the plan; or (ii) the entity's withdrawal from the plan.		*Reduced compared to RDR.*
(d) if the entity accounts for that plan as if it were a defined contribution plan in accordance with paragraph 34, it shall	**Disclosures about defined contribution plans**	*Reduced compared to RDR.*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
disclose the following, in addition to the information required by (a)–(c) and instead of the information required by paragraphs 139–147: (i) the fact that the plan is a defined benefit plan. (ii) the reason why sufficient information is not available to enable the entity to account for the plan as a defined benefit plan. (iii) the expected contributions to the plan for the next annual reporting period. (iv) information about any deficit or surplus in the plan that may affect the amount of future contributions and the implications, if any, for the entity**.**	…28.40 If an entity treats a defined benefit multi-employer plan as a defined contribution plan because sufficient information is not available to use defined benefit accounting (see paragraph ~~28.11~~32 of AASB 119)) it shall disclose the fact that it is a defined benefit plan and the reason why it is being accounted for as a defined contribution plan, along with any available information about the plan's surplus or deficit and the implications, if any, for the entity.	
	28.41 ….A subsidiary that recognises and measures employee benefit expense on the basis of a reasonable allocation of the expense recognised for the group (see paragraph 41 of AASB 119 ~~28.38~~) shall, in its separate financial statements, describe its policy for making the allocation and shall make the disclosures in (a)–(k) for the plan as a whole.	*Additional disclosure* *(as AASB 119.149 excluded for RDR entities. However, as explained in agenda paper 3.2, staff has retained this disclosure consistent with the principle to minimise differences between the IFRS for SMEs standard and the new Tier 2 Disclosure Standard.)*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
Disclosure requirements in other Australian Accounting Standards		
152 Where required by AASB 137 an entity discloses information about contingent liabilities arising from post-employment benefit obligations.		*Provides guidance. No impact on disclosures*
Other long-term employee benefits **Disclosure** 158 Although this Standard does not require specific disclosures about other long-term employee benefits, other Australian Accounting Standards may require disclosures. For example, AASB 101 requires disclosure of employee benefits expense.		*Provides guidance. No impact on disclosures*
	Disclosures about other long-term benefits 28.42 For each category of other long-term benefits that an entity provides to its employees, the entity shall disclose the nature of the benefit, the amount of its obligation and the extent of funding at the reporting date.	*Additional disclosure*
Termination benefits **Disclosure** 171 Although this Standard does not require specific disclosures about termination benefits, other Australian Accounting Standards may require disclosures. For example, AASB 101 requires disclosure of employee benefits expense.		*Provides guidance. No impact on disclosures*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
	Disclosures about termination benefits 28.43 For each category of termination benefits that an entity provides to its employees, the entity shall disclose the nature of the benefit, the amount of its obligation and the extent of funding at the reporting date. 28.44 When there is uncertainty about the number of employees who will accept an offer of termination benefits, a **contingent liability** exists. Section 21 *Provisions and Contingencies* requires an entity to disclose information about its contingent liabilities unless the possibility of an outflow in settlement is remote	*Additional disclosure*
AASB 112 *Income Tax*	**Section 29 *Income Tax***	***No significant differences***
	Current/non-current distinction 29.36 When an entity presents current and non-current assets, and current and non-current liabilities, as separate classifications in its statement of financial position, it shall not classify any deferred tax assets (liabilities) as current assets (liabilities).	This requirements is included in AASB 101 paragraph 56, but had to be retained here, as AASB 101 is replaced in its entirety.
	Disclosure 29.38 An entity shall disclose information that enables users of its financial statements to evaluate the nature and financial effect of the	*Provides guidance. No impact on disclosures*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
	current and deferred tax consequences of recognised transactions and other events.	
Disclosure 79 The major components of tax expense (income) shall be disclosed separately. 80 Components of tax expense (income) may include: (a) current tax expense (income); (b) any adjustments recognised in the period for current tax of prior periods; (c) the amount of deferred tax expense (income) relating to the origination and reversal of temporary differences; (d) the amount of deferred tax expense (income) relating to changes in tax rates or the imposition of new taxes; (e) the amount of the benefit arising from a previously unrecognised tax loss, tax credit or temporary difference of a prior period that is used to reduce current tax expense;	29.39 An entity shall disclose separately the major components of tax expense (income). Such components of tax expense (income) may include: (a) current tax expense (income); (b) any adjustments recognised in the period for current tax of prior periods; (c) the amount of deferred tax expense (income) relating to the origination and reversal of temporary differences; (d) the amount of deferred tax expense (income) relating to changes in tax rates or the imposition of new taxes; (e) the amount of the benefit arising from a previously unrecognised tax loss, tax credit or temporary difference of a prior period that is used to reduce current tax expense;	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
(f) the amount of the benefit from a previously unrecognised tax loss, tax credit or temporary difference of a prior period that is used to reduce deferred tax expense; (g) deferred tax expense arising from the write-down, or reversal of a previous write-down, of a deferred tax asset in accordance with paragraph 56; and (h) the amount of tax expense (income) relating to those changes in accounting policies and errors that are included in profit or loss in accordance with AASB 108, because they cannot be accounted for retrospectively.	(f) adjustments to deferred tax expense (income) arising from a change in the tax status of the entity or its shareholders; (g) deferred tax expense arising from the write-down, or reversal of a previous write-down, of a deferred tax asset in accordance with paragraph 56 of AASB 112 ~~29.31~~; and (h) the amount of tax expense (income) relating to those changes in **accounting policies** and **errors** that are included in profit or loss in accordance with AASB 108 ~~Section 10 *Accounting Policies, Estimates and Errors*~~, because they cannot be accounted for retrospectively.	
81 The following shall also be disclosed separately: (a) the aggregate current and deferred tax relating to items that are charged or credited directly to equity (see paragraph 62A);	29.40 An entity shall disclose the following separately: (b) the aggregate current and deferred tax relating to items that are charged or credited directly to equity.	
(b) [deleted by the IASB];		
RDR81.1 An entity applying Australian Accounting Standards – Reduced Disclosure Requirements shall disclose the aggregate amount of current and deferred income tax relating to items	(a) the aggregate current and deferred tax relating to items that are recognised as items of other comprehensive income.	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
recognised in other comprehensive income.		
(c) an explanation of the relationship between tax expense (income) and accounting profit in either or both of the following forms: (i) a numerical reconciliation between tax expense (income) and the product of accounting profit multiplied by the applicable tax rate(s), disclosing also the basis on which the applicable tax rate(s) is (are) computed; or (ii) a numerical reconciliation between the average effective tax rate and the applicable tax rate, disclosing also the basis on which the applicable tax rate is computed;	(c) an explanation of any significant differences between the tax expense (income) and accounting profit multiplied by the applicable tax rate. For example such differences may arise from transactions such as revenue that are exempt from taxation or expenses that are not deductible in determining taxable profit (tax loss).	
(d.) an explanation of changes in the applicable tax rate(s) compared to the previous reporting period;	(d) an explanation of changes in the applicable tax rate(s) compared with the previous reporting period.	
(e) the amount (and expiry date, if any) of deductible temporary differences, unused tax losses, and unused tax credits for which no deferred tax asset is recognised in the statement of financial position;	(f) the amount (and expiry date, if any) of deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax asset is recognised in the statement of financial position.	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
(g) in respect of each type of temporary difference, and in respect of each type of unused tax loss and unused tax credit: (i) the amount of the deferred tax assets and liabilities recognised in the statement of financial position for each period presented; and (ii) the amount of the deferred tax income or expense recognised in profit or loss, if this is not apparent **from the changes in the** amounts recognised in the statement of financial position;	(e) for each type of temporary difference and for each type of unused tax losses and tax credits: (i) the amount of deferred tax liabilities and deferred tax assets at the end of the reporting period; (ii) an analysis of the change in deferred tax liabilities and deferred tax assets during the period.	
(h) in respect of discontinued operations, the tax expense relating to: (i) the gain or loss on discontinuance; and (ii) the profit or loss from the ordinary activities of the discontinued operation for the period, together with the corresponding amounts for each prior period presented;		*Reduced compared to RDR*
82A In the circumstances described in paragraph 52A, an entity shall disclose the nature of the potential income tax consequences that would result from the payment of dividends to its shareholders.	29.40 An entity shall disclose the following separately: (g) in the circumstances described in paragraph ~~29.33~~ 52A of AASB 112, an explanation of the nature of the potential	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
	income tax consequences that would result from the payment of dividends to its shareholders.	
83 [Deleted by the IASB]		
84 The disclosure required by paragraph 81(c) enables users of financial statements to understand whether the relationship between tax expense (income) and accounting profit is unusual and to understand the significant factors that could affect that relationship in the future. The relationship between tax expense (income) and accounting profit may be affected by such factors as revenue that is exempt from taxation, expenses that are not deductible in determining taxable profit (tax loss), the effect of tax losses and the effect of foreign tax rates.		*Provides guidance. No impact on disclosures*
85 In explaining the relationship between tax expense (income) and accounting profit, an entity uses an applicable tax rate that provides the most meaningful information to the users of its financial statements. Often, the most meaningful rate is the domestic rate of tax in the country in which the entity is domiciled, aggregating the tax rate applied for national taxes with the rates applied for any local taxes which are computed on a substantially similar level of taxable profit (tax loss). However, for an entity operating in several jurisdictions, it may		*Provides guidance. No impact on disclosures*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
be more meaningful to aggregate separate reconciliations prepared using the domestic rate in each individual jurisdiction. The following example illustrates how the selection of the applicable tax rate affects the presentation of the numerical reconciliation.		
Example Illustrating Paragraph 85		*Provides guidance. No impact on disclosures*
86 The average effective tax rate is the tax expense (income) *divided* by the accounting profit.		*Provides guidance. No impact on disclosures*
88 An entity discloses any tax-related contingent liabilities and contingent assets in accordance with AASB 137*Provisions, Contingent Liabilities and Contingent Assets*. Contingent liabilities and contingent assets may arise, for example, from unresolved disputes with the taxation authorities. Similarly, where changes in tax rates or tax laws are enacted or announced after the reporting period, an entity discloses any significant effect of those changes on its current and deferred tax assets and liabilities (see AASB 110 *Events after the Reporting Period*).		*Provides guidance. No impact on disclosures*
AASB 121 *The Effects of Changes in Foreign Exchange Rates*	**Section 30 *Foreign Currency Translation***	***No Significant difference***
Disclosure	**Disclosures**	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
51 In paragraphs 53 and 55–57 references to ‘functional currency’ apply, in the case of a group, to the functional currency of the parent.	30.24 In paragraphs 30.26 and 30.27, references to ‘functional currency’ apply, in the case of a group, to the functional currency of the **parent**.	
52 An entity shall disclose: (a) the amount of exchange differences recognised in profit or loss except for those arising on financial instruments measured at fair value through profit or loss in accordance with AASB 9; and	30.25 An entity shall disclose the following: (a) the amount of exchange differences recognised in profit or loss during the period except for those arising on financial instruments measured at fair value through profit or loss in accordance with AASB 9 *Financial Instruments* ~~Section 11 *Basic Financial Instruments* and Section 12~~; and	
(b) net exchange differences recognised in other comprehensive income and accumulated in a separate component of equity, and a reconciliation of the amount of such exchange differences at the beginning and end of the period.	(b) the amount of exchange differences arising during the period and classified in a separate component of equity at the end of the period.	
53 When the presentation currency is different from the functional currency, that fact shall be stated, together with disclosure of the functional currency and the reason for using a different presentation currency.	30.26 An entity shall disclose the currency in which the financial statements are presented. When the presentation currency is different from the functional currency, an entity shall state that fact and shall disclose the functional currency and the reason for using a different presentation currency.	
54 When there is a change in the functional currency of either the reporting entity or a	30.27 When there is a change in the functional currency of either the reporting entity or a	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
significant foreign operation, that fact and the reason for the change in functional currency shall be disclosed.	significant foreign operation, the entity shall disclose that fact and the reason for the change in functional currency.	
AASB 129 *Financial Reporting in Hyperinflationary Economies*	**Section 31 *Hyperinflation***	*No significant Difference*
Disclosures 39 The following disclosures shall be made: (a) the fact that the financial statements and the corresponding figures for previous periods have been restated for the changes in the general purchasing power of the functional currency and, as a result, are stated in terms of the measuring unit current at the end of the reporting period; (b) whether the financial statements are based on a historical cost approach or a current cost approach; and (c) the identity and level of the price index at the end of the reporting period and the movement in the index during the current and the previous reporting period.	**Disclosures** 31.15 An entity to which this section applies shall disclose the following: (a) the fact that financial statements and other prior period data have been restated for changes in the general purchasing power of the functional currency; (b) the identity and level of the price index at the reporting date and changes during the current reporting period and the previous reporting period; and Aus31.15.1 The entity shall also disclose whether the financial statements are based on a historical cost approach or a current cost approach.	
40 The disclosures required by this Standard are needed to make clear the basis of dealing with the effects of inflation in the financial statements. They are also intended to provide other information necessary to understand that basis and the resulting amounts.		*Provides guidance. No impact on disclosures*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
AASB 110 ***Events after the Reporting Period***	**Section 32** ***Events after the End of the reporting Period***	***No Significant Difference, but IFRS for SMEs additional disclosures retained.***
	Disclosure Adjusting events after the end of the reporting period 32.4 An entity shall adjust the amounts recognised in its financial statements, including related disclosures, to reflect adjusting events after the end of the reporting period.	*Additional disclosure* *(Comparable paragraph in AASB 110 is shaded for RDR. However, as explained in agenda paper 3.2, staff has retained this disclosure consistent with the principle to minimise differences between the IFRS for SMEs standard and the new Tier 2 Disclosure Standard.)*
Disclosure **Date of authorisation for issue** 17 An entity shall disclose the date when the financial statements were authorised for issue and who gave that authorisation. If the entity's owners or others have the power to amend the financial statements after issue, the entity shall disclose that fact.	**Date of authorisation for issue** 32.9 An entity shall disclose the date when the financial statements were authorised for issue and who gave that authorisation. If the entity's **owners** or others have the power to amend the financial statements after issue, the entity shall disclose that fact.	
18 It is important for users to know when the financial statements were authorised for issue, because the financial statements do not reflect events after this date.		*Provides guidance. No impact on disclosures*
Non-adjusting events after the reporting period 21 If non-adjusting events after the reporting period are material, non-disclosure could influence the economic decisions that users make on the basis	**Non-adjusting events after the end of the reporting period**	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
of the financial statements. Accordingly, an entity shall disclose the following for each material category of non-adjusting event after the reporting period: (a) the nature of the event; and (b) an estimate of its financial effect, or a statement that such an estimate cannot be made.	32.10 An entity shall disclose the following for each category of non-adjusting event after the end of reporting period: (a) the nature of the event; and (b) an estimate of its financial effect, or a statement that such an estimate cannot be made.	
22 The following are examples of non-adjusting events after the reporting period that would generally result in disclosure: (a) a major business combination after the reporting period or disposing of a major subsidiary; (b) announcing a plan to discontinue an operation; (c) major purchases of assets, classification of assets as held for sale in accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*, other disposals of assets, or expropriation of major assets by government; (d) the destruction of a major production plant by a fire after the reporting period; (e) announcing, or commencing the implementation of, a major restructuring (see AASB 137);	32.11 The following are examples of non-adjusting events after the end of the reporting period that would generally result in disclosure: the disclosures will reflect information that becomes knows after the end of the reporting period but before the financial statements are authorised for issue: (a) a major **business combination** or disposal of a major subsidiary; (b) announcement of a plan to discontinue an operation; (c) major purchases of assets, disposals or plans to dispose of assets, or expropriation of major assets by government; (d) the destruction of a major production plant by a fire;	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
	(e) announcement, or commencement of the implementation of, a major restructuring;	
(f) major ordinary share transactions and potential ordinary share transactions after the reporting period (AASB 133 *Earnings per Share* requires an entity to disclose a description of such transactions, other than when such transactions involve capitalisation or bonus issues, share splits or reverse share splits all of which are required to be adjusted under AASB 133);		*Provides guidance. No impact on disclosures; (AASB 133 not relevant for Tier 2 entities).*
(g) abnormally large changes after the reporting period in asset prices or foreign exchange rates; (h) changes in tax rates or tax laws enacted or announced after the reporting period that have a significant effect on current and deferred tax assets and liabilities (see AASB 112); (i) entering into significant commitments or contingent liabilities, for example, by issuing significant guarantees; and (j) commencing major litigation arising solely out of events that occurred after the reporting period.	(f) issues or repurchases of an entity's debt or equity instruments; (g) abnormally large changes in asset prices or foreign exchange rates; (h) changes in tax rates or tax laws enacted or announced that have a significant effect on current and deferred tax assets and liabilities; (i) entering into significant commitments or contingent liabilities, for example, by issuing significant guarantees; and (j) commencement of major litigation arising solely out of events that occurred after the end of the reporting period.	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
AASB 124 *Related Part Disclosures*	**Section 33 *Related Party Disclosure***	***No significant differences, but IFRS for SMEs disclosure has been retained.***
Objective 1 The objective of this Standard is to ensure that an entity's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and profit or loss may have been affected by the existence of related parties and by transactions and outstanding balances, including commitments, with such parties.	**Related Party Disclosures** **Scope of this section** 33.1 This section requires an entity to include in its financial statements the disclosures necessary to draw attention to the possibility that its financial position and profit or loss have been affected by the existence of related parties and by transactions and outstanding balances with such parties.	
Scope 2 This Standard shall be applied in: (a) identifying related party relationships and transactions; (b) identifying outstanding balances, including commitments, between an entity and its related parties; (c) identifying the circumstances in which disclosure of the items in (a) and (b) is required; and (d) determining the disclosures to be made about those items. 3 This Standard requires disclosure of related party relationships, transactions and outstanding balances, including commitments,		*Provides guidance. No impact on disclosures*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
in the consolidated and separate financial statements of a parent or investors with joint control of, or significant influence over, an investee presented in accordance with AASB 10 Consolidated Financial Statements or AASB 127 Separate Financial Statements. This Standard also applies to individual financial statements. 4 Related party transactions and outstanding balances with other entities in a group are disclosed in an entity's financial statements. Intragroup related party transactions and outstanding balances are eliminated, except for those between an investment entity and its subsidiaries measured at fair value through profit or loss, in the preparation of consolidated financial statements of the group		
Purpose of related party disclosures 5 Related party relationships are a normal feature of commerce and business. For example, entities frequently carry on parts of their activities through subsidiaries, joint ventures and associates. In those circumstances, the entity has the ability to affect the financial and operating policies of the investee through the presence of control, joint control or significant influence. 6 A related party relationship could have an effect on the profit or loss and financial position of an entity. Related parties may enter into transactions that unrelated parties would not. For		*Provides guidance. No impact on disclosures*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
example, an entity that sells goods to its parent at cost might not sell on those terms to another customer. Also, transactions between related parties may not be made at the same amounts as between unrelated parties. 7 The profit or loss and financial position of an entity may be affected by a related party relationship even if related party transactions do not occur. The mere existence of the relationship may be sufficient to affect the transactions of the entity with other parties. For example, a subsidiary may terminate relations with a trading partner on acquisition by the parent of a fellow subsidiary engaged in the same activity as the former trading partner. Alternatively, one party may refrain from acting because of the significant influence of another—for example, a subsidiary may be instructed by its parent not to engage in research and development.		
8 For these reasons, knowledge of an entity's transactions, outstanding balances, including commitments, and relationships with related parties may affect assessments of its operations by users of financial statements, including assessments of the risks and opportunities facing the entity.		*Provides guidance. No impact on disclosures*
Definitions 9 The following terms are used in this Standard with the meanings specified: A related party is a	**Related party defined**	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
person or entity that is related to the entity that is preparing its financial statements (in this Standard referred to as the 'reporting entity').	33.2A related party is a person or entity that is related to the entity that is preparing its financial statements (the reporting entity):	
(a) A person or a close member of that person's family is related to a reporting entity if that person:	(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 of the reporting entity;	(ii) has control or joint control over the reporting entity; or	
(ii) has significant influence over the reporting entity; or	(iii) has significant influence over the reporting entity.	
(iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity	(i) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity;	
(b) An entity is related to a reporting entity if any of the following conditions applies:	(b) an entity is related to a reporting entity if any of the following conditions applies:	
(i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).	(i) the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).	
(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a	(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
member of a group of which the other entity is a member).	member of a group of which the other entity is a member).	
(iii) Both entities are joint ventures of the same third party.	(iii) both entities are joint ventures of the same third entity.	
(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.	(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.	
(v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.	(v) the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.	
(vi) The entity is controlled or jointly controlled by a person identified in (a).	(vi) the entity is controlled or jointly controlled by a person identified in (a).	
(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).	(viii) a person identified in (a)(ii) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).	
(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to	(vii) the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
the reporting entity or to the parent of the reporting entity.	to the parent of the reporting entity.	
A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.	33.8 A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged [definition]. Examples of related party transactions that are common to ~~SMEs~~ entities within the scope of this Standard include but are not limited to: (a) transactions between an entity and its principal **owner**(s); (b) transactions between an entity and another entity when both entities are under the common control of a single entity or person; and (c) transactions in which an entity or person that controls the reporting entity incurs **expenses** directly that otherwise would have been borne by the reporting entity.	*Provides guidance. No impact on disclosures*
Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include: (a) that person's children and spouse or domestic partner; (b) children of that person's spouse or domestic partner; and		*Provides guidance. No impact on disclosures*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
(c) dependants of that person or that person's spouse or domestic partner.		
Compensation includes all employee benefits (as defined in AASB 119 Employee Benefits) including employee benefits to which AASB 2 Share-based Payment applies. Employee benefits are all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered to the entity. It also includes such consideration paid on behalf of a parent of the entity in respect of the entity. Compensation includes:	33.6 … Compensation includes all employee benefits (as defined in ~~Section 28~~ AASB 119 *Employee Benefits*) including those in the form of share-based payment (see ~~Section 26~~ AASB 2 *Share-based Payment*). Employee benefits include all forms of consideration paid, payable or provided by the entity, or on behalf of the entity (for example, by its parent or by a shareholder), in exchange for services rendered to the entity. It also includes such consideration paid on behalf of a parent of the entity in respect of goods or services provided to the entity.	*Provides guidance. No impact on disclosures*
(a) short-term employee benefits, such as wages, salaries and social security contributions, paid annual leave and paid sick leave, profit-sharing and bonuses (if payable within twelve months of the end of the period) and non-monetary benefits (such as medical care, housing, cars and free or subsidised goods or services) for current employees; (b) post-employment benefits such as pensions, other retirement benefits, post-employment life insurance and post-employment medical care;		*Provides guidance. No impact on disclosures*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
(c) other long-term employee benefits, including long-service leave or sabbatical leave, jubilee or other long-service benefits, long-term disability benefits and, if they are not payable wholly within twelve months after the end of the period, profit-sharing, bonuses and deferred compensation; (d) termination benefits; and (e) share-based payment		*Provides guidance. No impact on disclosures*
Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.	33.6 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity …	*Provides guidance. No impact on disclosures*
Government refers to government, government agencies and similar bodies whether local, national or international.		*Provides guidance. No impact on disclosures*
A government-related entity is an entity that is controlled, jointly controlled or significantly influenced by a government		*Provides guidance. No impact on disclosures*
The terms 'control' and 'investment entity', 'joint control' and 'significant influence' are defined in AASB 10, AASB 11 Joint Arrangements and AASB 128 Investments in Associates and Joint Ventures respectively and are used in this Standard with the		*Provides guidance. No impact on disclosures*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
meanings specified in those Australian Accounting Standards.		
10 In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form.	33.3 In considering each possible related party relationship, an entity shall assess the substance of the relationship and not merely the legal form.	
11 In the context of this Standard, the following are not related parties:	33.4 In the context of this Standard, the following are not necessarily related parties:	
(a) two entities simply because they have a director or other member of key management personnel in common or because a member of key management personnel of one entity has significant influence over the other entity	(a) two entities simply because they have a director or other member of key management personnel in common;	
(b) two joint venturers simply because they share joint control of a joint venture.	(b) two venturers simply because they share joint control over a joint venture;	
	(c) any of the following simply by virtue of their normal dealings with an entity (even though they may affect the freedom of action of an entity or participate in its decision-making process):	
(c) (i) providers of finance,	(i) providers of finance;	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
(ii) trade unions,	(ii) trade unions;	
(iii) public utilities, and	(iii) public utilities; or	
(iv) departments and agencies of a government that does not control, jointly control or significant influence the reporting entity, simply by virtue of their normal dealings with an entity (even though they may affect the freedom of action of an entity or participate in its decision-making process).	(iv) government departments and agencies.	
(d) a customer, supplier, franchisor, distributor or general agent with whom an entity transacts a significant volume of business, simply by virtue of the resulting economic dependence.	(d) a customer, supplier, franchisor, distributor or general agent with whom an entity transacts a significant volume of business, merely by virtue of the resulting economic dependence	
12 In the definition of a related party, an associate includes subsidiaries of the associate and a joint venture includes subsidiaries of the joint venture. Therefore, for example, an associate's subsidiary and the investor that has significant influence over the associate are related to each other.		*Provides guidance. No impact on disclosures*
Disclosures **All entities** 13 Relationships between a parent and its subsidiaries shall be disclosed irrespective of whether there have been transactions between	**Disclosures** **Disclosure of parent-subsidiary relationships** 33.5 Relationships between a parent and its subsidiaries shall be disclosed irrespective of whether there have been **related party**	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
them. An entity shall disclose the name of its parent and, if different, the ultimate controlling party. If neither the entity's parent nor the ultimate controlling party produces consolidated financial statements available for public use, the name of the next most senior parent that does so shall also be disclosed.	**transactions**. An entity shall disclose the name of its parent and, if different, the ultimate controlling party. If neither the entity's parent nor the ultimate controlling party produces financial statements available for public use, the name of the next most senior parent that does so (if any) shall also be disclosed.	
14 To enable users of financial statements to form a view about the effects of related party relationships on an entity, it is appropriate to disclose the related party relationship when control exists, irrespective of whether there have been transactions between the related parties.		*Provides guidance. No impact on disclosures*
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 12 *Disclosure of Interests in Other Entities*.		*Provides guidance. No impact on disclosures*
16 Paragraph 13 refers to the next most senior parent. This is the first parent in the group above the immediate parent that produces consolidated financial statements available for public use.		*Provides guidance. No impact on disclosures*
17 An entity shall disclose key management personnel compensation in total	**Disclosure of key management personnel compensation** 33.7 An entity shall disclose key management personnel compensation in total.	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
17A If an entity obtains key management personnel services from another entity (the 'management entity'), the entity is not required to apply the requirements in paragraph 17 to the compensation paid or payable by the management entity to the management entity's employees or directors.	Aus33.7.1 If an entity obtains key management personnel services from another entity (the 'management entity'), the entity is not required to apply the requirements in paragraph 33.7 to the compensation paid or payable by the management entity to the management entity's employees or directors.	
	Disclosure of related party transactions	*Provides guidance. No impact on disclosures*
18 If an entity has had related party transactions during the periods covered by the financial statements, it shall disclose the nature of the related party relationship as well as information about those transactions and outstanding balances, including commitments, necessary for users to understand the potential effect of the relationship on the financial statements. These disclosure requirements are in addition to those in paragraph 17. At a minimum, disclosures shall include: (a) the amount of the transactions; (b) the amount of outstanding balances, including commitments, and: (i) their terms and conditions, including whether they are secured, and the	33.9 If an entity has related party transactions, it shall disclose the nature of the related party relationship as well as information about the transactions, outstanding balances and commitments necessary for an understanding of the potential effect of the relationship on the financial statements. Those disclosure requirements are in addition to the requirements in paragraph 33.7 to disclose key management personnel compensation. At a minimum, disclosures shall include: (a) the amount of the transactions; (b) the amount of outstanding balances, and: (i) their terms and conditions, including whether they are secured	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
nature of the consideration to be provided in settlement; and (ii) details of any guarantees given or received; (c) provisions for doubtful debts related to the amount of outstanding balances; and (d) the expense recognised during the period in respect of bad or doubtful debts due from related parties.	and the nature of the consideration to be provided in settlement; and (ii) details of any guarantees given or received. (c) provisions for uncollectable receivables related to the amount of outstanding balances; and (d) the expense recognised during the period in respect of bad or doubtful debts due from related parties. Such transactions could include purchases, sales or transfers of goods or services; **leases**; guarantees; and settlements by the entity on behalf of the related party or vice versa.	
18A Amounts incurred by the entity for the provision of key management personnel services that are provided by a separate management entity shall be disclosed.	<u>Aus33.7.2</u> <u>Amounts incurred by the entity for the provision of key management personnel services that are provided by a separate management entity shall be disclosed.</u>	
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;	33.10 An entity shall make the disclosures required by paragraph 33.9 separately for each of the following categories: (a) entities with control, joint control, or significant influence over the entity;	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
(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.	(b) entities over which the entity has control, joint control, or significant influence; (c) key management personnel of the entity or its parent (in aggregate); and (d) other related parties.	
20 The classification of amounts payable to, and receivable from, related parties in the different categories as required in paragraph 19 is an extension of the disclosure requirement in AASB 101 *Presentation of Financial Statements* for information to be presented either in the statement of financial position or in the notes. The categories are extended to provide a more comprehensive analysis of related party balances and apply to related party transactions.		*Provides guidance. No impact on disclosures*
21 The following are examples of transactions that are disclosed if they are with a related party: (a) purchases or sales of goods (finished or unfinished); (b) purchases or sales of property and other assets; (c) rendering or receiving of services; (d) leases; (e) transfers of research and development;	33.12 The following are examples of transactions that shall be disclosed if they are with a related party: (a) purchases or sales of goods (finished or unfinished); (b) purchases or sales of property and other **assets**; (c) rendering or receiving of services; (d) leases; (e) transfers of **research** and **development**;	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
(f) transfers under licence agreements; (g) transfers under finance arrangements (including loans and equity contributions in cash or in kind); (h) provision of guarantees or collateral; (i) commitments to do something if a particular event occurs or does not occur in the future, including executory contracts [footnote omitted] (recognised and unrecognised); and (j) settlement of liabilities on behalf of the entity or by the entity on behalf of that related party.	(f) transfers under licence agreements; (g) transfers under finance arrangements (including loans and equity contributions in cash or in kind); (h) provision of guarantees or collateral; (i) settlement of **liabilities** on behalf of the entity or by the entity on behalf of another party; and	
22 Participation by a parent or subsidiary in a defined benefit plan that shares risks between group entities is a transaction between related parties (see paragraph 42 of AASB 119 (as amended in 2011)).	33.12 The following are examples of transactions that shall be disclosed if they are with a related party: (j) participation by a parent or subsidiary in a **defined benefit plan** that shares risks between group entities.	
23 Disclosures that related party transactions were made on terms equivalent to those that prevail in arm's length transactions are made only if such terms can be substantiated.	33.13 An entity shall not state that related party transactions were made on terms equivalent to those that prevail in arm's length transactions unless such terms can be substantiated.	
24 Items of a similar nature may be disclosed in aggregate except when separate disclosure is necessary for an understanding of the effects of	33.14 An entity may disclose items of a similar nature in the aggregate except when separate disclosure is necessary for an understanding of	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
related party transactions on the financial statements of the entity.	the effects of related party transactions on the financial statements of the entity.	
Government-related entities 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.	33.11 An entity is exempt for the disclosure requirements of paragraph 33.9 in relation to: (a) a **state** (a national, regional or local government) that has control, joint control or significant influence over the reporting entity; and (b) another entity that is a related party because the same state has control, joint control or significant influence over both the reporting entity and the other entity. However, the entity must still disclose a parent-subsidiary relationship as required by paragraph 33.5.	*Additional disclosure* *(Disclosure of parent-subsidiary relationship is not required for RDR entities, as paragraph 26 of AASB 124 is shaded.)*
AASB 141 *Agriculture*	**Section 34 *Specialised Activities***	***No Significant Difference***
AASB 141 **General** 41 An entity shall provide a description of each group of biological assets.	34.7 An entity shall disclose the following with respect to its biological assets measured at fair value: (a) a description of each class of its biological assets.	
42 The disclosure required by paragraph 41 may take the form of a narrative or quantified description.		*Provides guidance. No impact on disclosures*
	(b) the methods and significant assumptions applied in determining the fair value of	Covered in AASB 13

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
	each category of agricultural produce at the point of harvest and each category of biological assets.	
50 An entity shall present a reconciliation of changes in the carrying amount of biological assets between the beginning and the end of the current period. The reconciliation shall include: (a) the gain or loss arising from changes in fair value less costs to sell; (b) increases due to purchases;	(c) a reconciliation of changes in the carrying amount of biological assets between the beginning and the end of the current period. The reconciliation shall include: (i) the gain or loss arising from changes in fair value less costs to sell; (ii) increases resulting from purchases;	
(c) decreases attributable to sales and biological assets classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with AASB 5;		*Reduced compared to RDR*
(d) decreases due to harvest; (e) increases resulting from business combinations; (f) net exchange differences arising on the translation of financial statements into a different presentation currency, and on the translation of a foreign operation into the presentation currency of the reporting entity; and (g) other changes	(iii) decreases resulting from harvest; (iv) increases resulting from business combinations; (v) net exchange differences arising on the translation of financial statements into a different presentation currency and on the translation of a foreign operation into the presentation currency of the reporting entity; and (vi) other changes.	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
RDR50.1 An entity applying Australian Accounting Standards – Reduced Disclosure Requirements is not required to disclose the reconciliation specified in paragraph 50 for prior periods.	This reconciliation need not be presented for prior periods.	
Additional disclosures for biological assets where fair value cannot be measured reliably 54 If an entity measures biological assets at their cost less any accumulated depreciation and any accumulated impairment losses (see paragraph 30) at the end of the period, the entity shall disclose for such biological assets:	34.10 An entity shall disclose the following with respect to its biological assets measured using the cost model:	
(a) a description of the biological assets; (b) an explanation of why fair value cannot be measured reliably;	(a) a description of each class of its biological assets; (b) an explanation of why fair value cannot be measured reliably ~~without undue cost or effort;~~	
(d) the depreciation method used; (e) the useful lives or the depreciation rates used; and (f) the gross carrying amount and the accumulated depreciation (aggregated with accumulated impairment losses) at the beginning and end of the period.	(c) the depreciation method used; (d) the useful lives or the depreciation rates used; and (e) the gross carrying amount and the accumulated depreciation (aggregated with accumulated impairment losses) at the beginning and end of the period.	
Government grants		*Disclosures covered in Section 24.*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
57 An entity shall disclose the following related to agricultural activity covered by this Standard: (a) the nature and extent of government grants recognised in the financial statements; (b) unfulfilled conditions and other contingencies attaching to government grants; and		
AASB 1 *First-time Adoption of International Financial Reporting Standards*	**Section 35 *Transition to the IFRS for SMEs***	***No significant differences, but additional IFRS for SMEs Disclosures are included***
RDR21.1 In respect of entities applying Australian Accounting Standards – Reduced Disclosure Requirements, to comply with AASB 101, an entity's first Australian-Accounting-Standards Reduced-Disclosure-Requirements financial statements shall include at least two statements of financial position, two statements of profit or loss and other comprehensive income, two separate statements of profit or loss (if presented), two statements of cash flows and two statements of changes in equity and related notes, including comparative information.		*Provides guidance. No impact on disclosures*
Explanation of transition to Australian Accounting Standards	**Explanation of transition to Australian Accounting Standards- Simplified Disclosures ~~the IFRS for SMEs~~**	*Additional disclosure* *(AASB 1 para 23 is excluded for RDR entities.)*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
	35.12 An entity shall explain how the transition from its previous financial reporting framework to this Standard affected its reported financial position, financial performance and cash flows.	
23A An entity that has applied Australian Accounting Standards or IFRSs in a previous period, as described in paragraph 4A, shall disclose: (a) the reason it stopped applying Australian Accounting Standards or IFRSs; and (b) the reason it is resuming or commencing the application of Australian Accounting Standards.	35.12A An entity that has applied the ~~IFRS for SMEs~~ Australian Accounting Standards or IFRSs in a previous period, as described in paragraph ~~35.2~~, 4A of AASB 1 shall disclose: (a) the reason it stopped applying the ~~IFRS for SMEs~~ Australian Accounting Standards or IFRSs; (b) the reason it is resuming the application of the ~~IFRS for SMEs~~ Australian Accounting Standards or IFRSs; and	
23B When an entity, in accordance with paragraph 4A, does not elect to apply AASB 1, the entity shall explain the reasons for electing to apply Australian Accounting Standards as if it had never stopped applying Australian Accounting Standards or IFRSs.	(c) whether it has applied AASB 1 or has applied ~~the IFRS for SMEs~~ this Standard retrospectively in accordance with ~~Section 10~~ AASB 108.	
	Reconciliations 35.13 To comply with paragraph 35.12, an entity's first financial statements prepared using this Standard shall include:	
	(a) a description of the nature of each change in accounting policy;	*Additional disclosure*
Reconciliations	(b) reconciliations of its equity determined in accordance with its previous financial	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
24 an entity's first Australian-Accounting-Standards financial statements shall include: (a) reconciliations of its equity reported in accordance with previous GAAP to its equity in accordance with Australian Accounting Standards for both of the following dates:	reporting framework to its equity determined in accordance with this Standard for both of the following dates:	
(i) the date of transition to Australian Accounting Standards; and	(i) the date of transition to this ~~Standard~~ Australian Accounting Standards- Simplified Disclosures; and	
(ii) the end of the latest period presented in the entity's most recent annual financial statements in accordance with previous GAAP.	(ii) the end of the latest period presented in the entity's most recent annual financial statements determined in accordance with its previous financial reporting framework.	
	(c) a reconciliation of the profit or loss determined in accordance with its previous financial reporting framework for the latest period in the entity's most recent annual financial statements to its profit or loss determined in accordance with this Standard for the same period.	*Additional disclosure* *(AASB 1 para 24(b) is excluded for RDR entities.)*
Use of deemed cost after severe hyperinflation 31C If an entity elects to measure assets and liabilities at fair value and to use that fair value as the deemed cost in its opening Australian-		*Reduced compared to RDR*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
Accounting-Standards statement of financial position because of severe hyperinflation (see paragraphs D26–D30), the entity's first Australian-Accounting-Standards financial statements shall disclose an explanation of how, and why, the entity had, and then ceased to have, a functional currency that has both of the following characteristics: (a) a reliable general price index is not available to all entities with transactions and balances in the currency. (b) exchangeability between the currency and a relatively stable foreign currency does not exist.		
	35.14 If an entity becomes aware of errors made under its previous financial reporting framework, the reconciliations required by paragraph 35.13(b) and (c) shall, to the extent practicable, distinguish the correction of those errors from changes in accounting policies.	*Additional disclosure* *(AASB 1 para 26 excluded for RDR entities)*
	35.15 If an entity did not present financial statements for previous periods, it shall disclose that fact in its first financial statements that conform to this Standard.	*Additional disclosure* *(AASB 1 para 28 excluded for RDR entities.)*
AASB 13 *Fair Value Measurement*	**Various sections**	***Disclosures have reduced to some extent.***
Disclosure	11.43 For all financial assets and financial liabilities measured at fair value, the entity shall disclose the basis for determining fair value, for	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
91 An entity shall disclose information that helps users of its financial statements assess the following: (a) for assets and liabilities that are measured at fair value on a recurring or non-recurring basis in the statement of financial position after initial recognition, the valuation techniques and inputs used to develop those measurements.	example, quoted market price in an active market or a valuation technique. When a valuation technique is used, the entity shall disclose the assumptions applied in determining fair value for each class of financial assets or financial liabilities. For example, if applicable, an entity discloses information about the assumptions relating to prepayment rates, rates of estimated credit losses, and interest rates or discount rates. 16.10 An entity shall disclose the following for all investment property accounted for at fair value through profit or loss ~~(paragraph 16.7)~~ (paragraph 33 of IAS 40 *Investment Property*): (a) the methods and significant assumptions applied in determining the fair value of investment property. 17.33 If items of property, plant and equipment are stated at revalued amounts, an entity shall disclose the following: (b) whether an independent valuer was involved; (c) the methods and significant assumptions applied in estimating the items' fair values; 18.29 An entity shall disclose the aggregate amount of research and development expenditure recognised as an expense during the period (ie the amount of expenditure incurred internally	

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
	on research and development that has not been capitalised as part of the cost of another asset that meets the recognition criteria in this Standard). 34.7(b) the methods and significant assumptions applied in determining the fair value of each category of agricultural produce at the point of harvest and each category of biological assets.	
92 To meet the objectives in paragraph 91, an entity shall consider all the following: (a) the level of detail necessary to satisfy the disclosure requirements; (b) how much emphasis to place on each of the various requirements; (c) how much aggregation or disaggregation to undertake; and (d) whether users of financial statements need additional information to evaluate the quantitative information disclosed.		*Provides guidance, no impact on disclosures*
If the disclosures provided in accordance with this Standard and other Australian Accounting Standards are insufficient to meet the objectives in paragraph 91, an entity shall disclose additional information necessary to meet those objectives.		*Provides guidance, no impact on disclosures*
93 To meet the objectives in paragraph 91, an entity shall disclose, at a minimum, the following		*Reduced compared to RDR*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
information for each class of assets and liabilities (see paragraph 94 for information on determining appropriate classes of assets and liabilities) measured at fair value (including measurements based on fair value within the scope of this Standard) in the statement of financial position after initial recognition:		
(a) for recurring and non-recurring fair value measurements, the fair value measurement at the end of the reporting period, and for non-recurring fair value measurements, the reasons for the measurement. Recurring fair value measurements of assets or liabilities are those that other Australian Accounting Standards require or permit in the statement of financial position at the end of each reporting period. Non-recurring fair value measurements of assets or liabilities are those that other Australian Accounting Standards require or permit in the statement of financial position in particular circumstances (eg when an entity measures an asset held for sale at fair value less costs to sell in accordance with AASB 5 Non-current Assets Held for Sale and Discontinued Operations because the asset's fair value less costs to sell is lower than its carrying amount).		*Reduced compared to RDR*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
94 An entity shall determine appropriate classes of assets and liabilities on the basis of the following: (a) the nature, characteristics and risks of the asset or liability; and (b) the level of the fair value hierarchy within which the fair value measurement is categorised. The number of classes may need to be greater for fair value measurements categorised within Level 3 of the fair value hierarchy because those measurements have a greater degree of uncertainty and subjectivity. Determining appropriate classes of assets and liabilities for which disclosures about fair value measurements should be provided requires judgement. A class of assets and liabilities will often require greater disaggregation than the line items presented in the statement of financial position. However, an entity shall provide information sufficient to permit reconciliation to the line items presented in the statement of financial position. If another Standard specifies the class for an asset or a liability, an entity may use that class in providing the disclosures required in this Standard if that class meets the requirements in this paragraph.		*Provides guidance no impact on disclosures*

Current Reduced disclosure requirements	Proposed new disclosures based on IFRS for SMEs	Conclusion/Comments
96 If an entity makes an accounting policy decision to use the exception in paragraph 48, it shall disclose that fact.		*Reduced compared to RDR*