



Conceptual Framework

Project summary

The objective of this project is to apply the IASB's revised *Conceptual Framework for Financial Reporting* (RCF) in Australia and improve the consistency, comparability and transparency of financial reports prepared in accordance with Australian Accounting Standards (AAS).

The aim of this project is to:

- (a) replace the existing AASB *Framework for the Preparation and Presentation of Financial Statements* with the RCF;
- (b) update other AAS for consequential changes that arise from the revised Conceptual Framework; and
- (c) solve the reporting entity concept and special purpose financial statement (SPFS) problems.

The AASB released its consultation paper in May 2018 which highlights the issues that would arise for Australian entities when the RCF is applied in Australia.

The AASB's two-phased approach would result in the removal of the ability to prepare SPFS for entities required by legislation or otherwise to prepare financial statements in accordance with AAS.

Comments on the short-term approach are invited by 9 August 2018 and on the medium-term approach by 9 November 2018.

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Project priority: High

AASB issued documents

- [Consultation Paper](#) (ITC 39) *Applying the IASB's Revised Conceptual Framework and Solving the Reporting Entity and Special Purpose Financial Statement Problems* [May 2018]
- [7 Key Facts Sheet](#) [May 2018]
- [AASB Staff FAQ](#) [June 2018]
- [Hot Topic – Conceptual Framework](#) [June 2018]

AASB outreach

- Briefings – [slide pack](#) & [summary](#) [May 2018]
- Webinar – [slide pack](#) & [recording](#) [June 2018]

AASB upcoming outreach

- Roundtables [September 2018]

Other

- [Australian Financial Reporting Framework](#)
- [IASB's Conceptual Framework project](#)

Additional material

- [AASB Research Report No 1](#) *Application of the Reporting Entity Concept and Lodgement of Special Purpose Financial Statements* [June 2014]
- [AASB Research Report No 5](#) *Financial Reporting Requirements Applicable to Charities* [October 2017]
- [AASB Research Report No 6](#) *Financial Reporting Requirements Applicable to Public Sector Entities* [May 2018]
- [AASB Research Report No 7](#) *Financial Reporting Requirements Applicable to For-Profit Private Sector Companies* [May 2018]
- [AASB Discussion Paper](#) *Improving Financial Reporting for Australian Public Sector* [June 2018]
 - [Appendices to Public Sector Discussion Paper](#) [June 2018]

The staff of the AASB have prepared this summary for information purposes only. The Board decisions described are tentative and do not change current accounting pronouncements unless otherwise indicated. Official positions of the AASB are determined only after extensive due process and deliberations. While this summary is regularly updated, it does not provide a comprehensive review or statement of events and should not be treated as such.

- [AASB Discussion Paper *Improving Financial Reporting for Australian Charities*](#) [November 2017]
 - [Appendices to Charity Discussion Paper](#) [November 2017]
 - [AASB Submission to ACNC Legislative Review](#) [February 2018]
- [AASB Staff Paper *Comparison of Standards for Smaller Entities*](#) [April 2018]

Latest project news

Date	News
22 June 2018	Webinar recording and slide pack available
21 June 2018	Conceptual Framework Briefing Sessions – summary document available
18 June 2018	AASB Action Alert (Issue No: 192)
23 May 2018	Hot Topic document released
14 May 2018	AASB Consultation Paper issued
14 May 2018	AASB Action Alert (Issue No: 191)
15 February 2018	AASB Action Alert (Issue No: 189)
13 December 2017	AASB Action Alert (Issue No: 188)

AASB Action Alert Update and Board Papers

Meeting Date	Update
Jun 2018	<p>The Board decided to issue a high-level summary of its recent briefing sessions on the Consultation Paper.</p> <p>Outreach is continuing, with the Board particularly interested in stakeholders' views on what transitional relief might be helpful and the potential implementation costs where entities are affected.</p>
May 2018	<p>The Board approved to issue its Consultation Paper.</p> <p>The Consultation Paper explains the AASB's objective to make the RCF applicable in Australia, describes a two-phase approach to solving the following two problems, and presents five options considered by the Board for addressing the two problems.</p>
Feb 2018	<p>The Board decided that the Consultation Paper should further emphasise the background and objective of the project, the core problems it is trying to solve and the need for the AASB's action. The Board also highlighted the need to explain the considered options and the project's timeline for consultation on these issues.</p> <p>4.0 Cover Memo – Conceptual Framework Project</p> <p>4.1 Ballot Draft of AASB Consultation Paper <i>Conceptual Framework for Financial Reporting – Application of the IASB's Revised Conceptual Framework in Australia</i></p> <p>4.2 Proposed project timeline and Conceptual Framework Project Advisory Panel</p>
Dec 2017	<p>The Board noted major issues that Australian entities will face when the IASB's revised <i>Conceptual Framework for Financial Reporting</i> (RCF) is issued. The Board considered staff's proposals and directed staff to draft a consultation paper to be issued at the beginning of 2018.</p> <p>10.1 Staff Paper – Implications of the forthcoming IASB Conceptual Framework</p>