

***AASB 110 Events after the Reporting Period and IFRS for SMEs Section 32  
Events after the End of the Reporting Period***

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**1. Executive Summary**

**Main differences in recognition, measurement or presentation requirements**

AASB 110 and the *IFRS for SMEs* have similar recognition and measurement requirements in relation to events after the reporting period.

**Disclosure proposals**

It is proposed to exclude paragraphs 19 and 20 from the Reduced Disclosure Regime (RDR).

## 2. Analysis of disclosure requirements

Text in AASB 110 <i>Events after the Reporting Period</i>	Text in <i>IFRS for SMEs</i> Section 32 <i>Events after the End of the Reporting Period</i>	Comment
<p><b>Disclosure</b></p> <p><b>Date of Authorisation for Issue</b></p> <p>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.</p>	<p><b>Disclosure</b></p> <p><b>Date of Authorisation for Issue</b></p> <p>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.</p>	<p>Paragraph 17 and paragraph 32.9 of the <i>IFRS for SMEs</i> correspond. Paragraph 17 should be retained in the RDR.</p>
<p>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.</p>		<p>Paragraph 18 is in the nature of contextual material and should be retained in the RDR based on the reasoning in paragraph IN7 of this Appendix.</p>
<p><b>Updating Disclosure about Conditions at the End of the Reporting Period</b></p> <p>19 If an entity receives information after the end of the reporting period about conditions that existed at the end of the reporting period, it shall update disclosures that relate to these conditions, in the light of the new information.</p>		<p>Paragraph 19 has no equivalent in the <i>IFRS for SMEs</i> and, based on the reasoning in paragraph IN3 of this Appendix, should be excluded from the RDR.</p>
<p>20 In some cases, an entity needs to update the disclosures in its financial statements to reflect information received after the end of the reporting period, even when the information does not affect the amounts that it recognises in its financial statements. One example of the need to update disclosures is when evidence becomes available after the end of the reporting period about a contingent liability that existed at the end of the reporting</p>		<p>Paragraph 20 has no equivalent in the <i>IFRS for SMEs</i> and, based on the reasoning in paragraph IN3 of this Appendix, should be excluded from the RDR.</p>

Text in AASB 110 <i>Events after the Reporting Period</i>	Text in <i>IFRS for SMEs</i> Section 32 <i>Events after the End of the Reporting Period</i>	Comment
<p>period. In addition to considering whether it should recognise or change a provision under AASB 137, an entity updates its disclosures about the contingent liability in the light of that evidence.</p>		
<p><b>Non-adjusting Events after the End of the Reporting Period</b></p> <p><b>21 If non-adjusting events after the end of the reporting period are material, non-disclosure could influence the economic decisions that users make on the basis of the financial statements. Accordingly, an entity shall disclose the following for each material category of non-adjusting event after the end of the reporting period:</b></p> <p>(a) <b>the nature of the event; and</b></p> <p>(b) <b>an estimate of its financial effect, or a statement that such an estimate cannot be made.</b></p>	<p><b>Non-adjusting Events after the End of the Reporting Period</b></p> <p>32.10 An entity shall disclose the following for each category of non-adjusting event after the end of the reporting period:</p> <p>(a) the nature of the event, and</p> <p>(b) an estimate of its financial effect, or a statement that such an estimate cannot be made.</p>	<p>Paragraph 21 and paragraph 32.10 of the <i>IFRS for SMEs</i> correspond. Paragraph 21 should be retained in the RDR.</p>
<p>22 The following are examples of non-adjusting events after the end of the reporting period that would generally result in disclosure:</p> <p>(a) a major business combination after the end of the reporting period (AASB 3 <i>Business Combinations</i> requires specific disclosures in such cases) or disposing of a major subsidiary;</p> <p>(b) announcing a plan to discontinue an operation;</p> <p>(c) major purchases of assets, classification of assets as held for sale in accordance with AASB 5 <i>Non-current Assets Held for Sale and Discontinued Operations</i>, other disposals of assets, or expropriation of major assets by</p>	<p>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 known after the end of the reporting period but before the financial statements are authorised for issue:</p> <p>(a) a major business combination or disposal of a major subsidiary.</p> <p>(b) announcement of a plan to discontinue an operation.</p> <p>(c) major purchases of assets, disposals or plans to dispose of assets, or expropriation of major assets by government.</p>	<p>Paragraph 22 and paragraph 32.11 of the <i>IFRS for SMEs</i> correspond. Paragraph 22 should be retained in the RDR.</p>

<p align="center"><b>Text in AASB 110</b> <i>Events after the Reporting Period</i></p>	<p align="center"><b>Text in IFRS for SMEs Section 32</b> <i>Events after the End of the Reporting Period</i></p>	<p align="center"><b>Comment</b></p>
<p>government;</p> <p>(d) the destruction of a major production plant by a fire after the end of the reporting period;</p> <p>(e) announcing, or commencing the implementation of, a major restructuring (see AASB 137);</p> <p>(f) major ordinary share transactions and potential ordinary share transactions after the end of 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));</p> <p>(g) abnormally large changes after the end of the reporting period in asset prices or foreign exchange rates;</p> <p>(h) changes in tax rates or tax laws enacted or announced after the end of the reporting period that have a significant effect on current and deferred tax assets and liabilities (see AASB 112 Income Taxes);</p> <p>(i) entering into significant commitments or contingent liabilities, for example, by issuing significant guarantees; and</p> <p>(j) commencing major litigation arising solely out of events that occurred after the end of the reporting period.</p>	<p>(d) the destruction of a major production plant by a fire.</p> <p>(e) announcement, or commencement of the implementation, of a major restructuring.</p> <p>(f) issues or repurchases of an entity’s debt or equity instruments.</p> <p>(g) abnormally large changes in asset prices or foreign exchange rates.</p> <p>(h) changes in tax rates or tax laws enacted or announced that have a significant effect on current and deferred tax assets and liabilities.</p> <p>(i) entering into significant commitments or contingent liabilities, for example, by issuing significant guarantees.</p> <p>(j) commencement of major litigation arising solely out of events that occurred after the end of the reporting period.</p>	

### 3. AASB 110 *Events after the Reporting Period*: Text of Proposed Disclosures

The following are the disclosure requirements of AASB 110 *Events after the Reporting Date*, showing requirements from which it is proposed entities applying the RDR should be exempt as shaded text.

#### 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.**
- 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.

##### Updating Disclosure about Conditions at the End of the Reporting Period

- 19 **If an entity receives information after the end of the reporting period about conditions that existed at the end of the reporting period, it shall update disclosures that relate to these conditions, in the light of the new information.**
- 20 In some cases, an entity needs to update the disclosures in its financial statements to reflect information received after the end of the reporting period, even when the information does not affect the amounts that it recognises in its financial statements. One example of the need to update disclosures is when evidence becomes available after the end of the reporting period about a contingent liability that existed at the end of the reporting period. In addition to considering whether it should recognise or change a provision under AASB 137, an entity updates its disclosures about the contingent liability in the light of that evidence.

##### Non-adjusting Events after the End of the Reporting Period

- 21 **If non-adjusting events after the end of the reporting period are material, non-disclosure could influence the economic decisions that users make on the basis of the financial statements. Accordingly, an entity shall disclose the following for each material category of non-adjusting event after the end of 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.**
- 22 The following are examples of non-adjusting events after the end of the reporting period that would generally result in disclosure:
- (a) a major business combination after the end of the reporting period (AASB 3 *Business Combinations* requires specific disclosures in such cases) 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 end of the reporting period;
- (e) announcing, or commencing the implementation of, a major restructuring (see AASB 137);
- (f) major ordinary share transactions and potential ordinary share transactions after the end of 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));
- (g) abnormally large changes after the end of the reporting period in asset prices or foreign exchange rates;
- (h) changes in tax rates or tax laws enacted or announced after the end of the reporting period that have a significant effect on current and deferred tax assets and liabilities (see AASB 112 Income Taxes);
- (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 end of the reporting period.