



AASB introductory comments relating to the IASB's IFRS Practice Statement *Management Commentary*

The IFRS Practice Statement *Management Commentary*, issued by the IASB in December 2010, is a broad framework for the presentation of narrative reporting to accompany financial statements prepared in accordance with IFRSs. Although the IASB has concluded that management commentary is within the scope of financial reporting, the Practice Statement is not an IFRS, and consequently entities applying IFRSs are not required to comply with the IFRS Practice Statement, unless otherwise required by a regulator.

Consistent with this, the AASB has included the IFRS Practice Statement on the AASB website, thereby making it available for all entities, including public sector entities. Accordingly, subject to the next paragraph, entities preparing general purpose financial statements may elect to apply the principles contained in the IFRS Practice Statement in the presentation of narrative reporting to accompany financial statements prepared in accordance with Australian Accounting Standards.

The AASB acknowledges other guidance on management commentary already exists in Australia, and that existing guidance might take precedence over the IFRS Practice Statement. Entities are still required to comply with all applicable laws and regulations.

To access the IFRS Practice Statement, click [here](#).