



Grant Thornton

ED 162 sub 10

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19 May 2008

Dear David

Grant Thornton Association Inc ("Grant Thornton Australia") is pleased to comment on the Australian Accounting Standard Board's (AASB's) Exposure Draft ED 162 'Proposed Amendments to Key Management Personnel Disclosures by Disclosing Entities'. Our response reflects our position as auditors and business advisers to Australian businesses and this submission has benefited with input from our clients.

Grant Thornton Australia supports amending Australian Accounting Standard AASB 124 'Related Party Disclosures' to relieve disclosing entities that are companies from duplicated reporting of remuneration information (key management personnel disclosures) in the Financial Statements, given that such information is also disclosed in their Remuneration Report as required by the Corporations Act.

However, we question why other non Corporations Act disclosing entities should continue to be required to report similar information which is not required by the equivalent International Accounting Standard IAS 24 'Related Party Disclosures' issued by the International Accounting Standards Board.

As a general principle we believe that Australia should be adopting International Financial Reporting Standards (IFRS) verbatim, with only necessary Australian regulatory references added. As the IASB has not seen fit to require such remuneration information to be included in IAS 24, we see no reason why Australian entities should be required to report such information unless it is required by the Corporations Act or related legislation. The Australian Government has made it clear during the CLERP 9 debate in 2003 that such remuneration information is politically based and should not be included in Accounting Standards.

We also note that early adoption is not permitted. We question why this is so as the amendments to Section 300A of the Corporations Act would have applied at the same time as most of the other provisions of the Simpler Regulatory System Act 2007 (28 June 2007)

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Our Ref: L-080519-KR-ED162 AASB 124 KMP AMENDMENTS

except for the fact that the AASB needed time to amend AASB 124. There may be a number of disclosing entities that would like to early adopt as they have yet to finalise their financial statements.

As requested, our answers to the 3 specific questions raised in ED 162 are:

- a whether you agree with the proposal to exclude disclosing entities that are companies from the application of AASB 124 paragraphs Aus25.2 to Aus25.6 and Aus25.7.1 and Aus25.7.2;

We support the proposal to exclude disclosing entities that are companies from the application of AASB 124 paragraphs Aus25.2 to Aus25.6 and Aus25.7.1 and Aus25.7.2. However, we believe that the AASB should exclude any information that is not required by IAS 24 from AASB 124, and we support early adoption.

- b whether, overall, the proposals would result in financial reports that would be useful to users; and

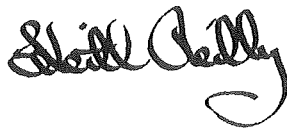
We do not believe that the proposals will impact on the usefulness of financial reports and on that basis we believe that the AASB should exclude any information that is not required by IAS 24 from AASB 124, and support early adoption.

- c whether the proposals are in the best interest of the Australian economy.

We believe that the proposals are in the best interest of the Australian economy for disclosing entity companies but not in the best interests of Australian disclosing entities to be required to disclose financial information that is not required by the equivalent IFRS being IAS 24, nor is it acceptable to deny early adoption.

If you require any further information or explanations, please contact me.

Yours sincerely
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