

THE UNIVERSITY OF
NEW SOUTH WALES

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The Chairman
Australian Accounting Standards Board
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AUSTRALIA
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Dear Chairman

ED 192 REVISED DIFFERENTIAL REPORTING FRAMEWORK

Thank you for the opportunity to comment on the Board's revised differential reporting framework.

Para 46 (a)

I disagree with the immediate introduction of a second tier of reporting requirements for preparing general purpose financial statements. I would prefer that the Board maintain the reporting entity concept and substantially improve current Australian GAAP by mandating IFRS for SMEs.

Para 46 (b)

I disagree that entities in the second tier should be required to apply the proposed reduced disclosure regime. I prefer IFRS for SMEs. The key benefit of the Board converging with IFRS for SMEs is that it will be in a position to take advantage of the ongoing research and developments in this area by the IASB. There is no cause for the Board to pre-empt that research or those developments. I remind the Board that it originally took the regrettable decision to make numerous amendments to IFRS in its 2005 conversion program and that decision had to be reversed shortly thereafter when it became apparent that moving together with the IASB represents the most efficient local standard setting approach.

Para 46 (c)

I disagree with the current drafting of the definition of 'public accountability', which indicates that a for-profit private-sector entity has public accountability if its securities are traded in a public market. I submit that a public listed company suspended from the ASX because of the appointment of a voluntary administrator may still have public accountability as defined notwithstanding that its securities are no longer traded in a public market. I recommend that the Board clarify that the examples in the definition are inclusive rather than exhaustive.

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Para 46 (d)

No comments here.

Para 46 (e)

I reiterate that my preference is for the reporting entity concept to be maintained with the introduction of IFRS for SMEs. The Board might make changes to the reporting entity concept subsequently in light of the Australian experience with IFRS for SMEs.

Para 46 (f) and (g)

I reiterate my disagreement with the proposed reduced disclosure regime and my support for IFRS for SMEs

Yours sincerely

A handwritten signature in black ink, appearing to read "Jeffrey Knapp". The signature is written in a cursive style with a large, sweeping initial "J".

Jeffrey Knapp CA