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Mr Kevin Stevenson
The Chairman
Australian Accounting Standards Board
PO Box 204
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Our ref Submission - ED 219

5 December 2011

Dear Sir

Submission - ED 219 - AASB 10 and AASB 2011-8 Fair Value Measurement

We are pleased to have the opportunity to comment on the ED 219 – AASB 13 *Fair Value Measurement* and AASB 2011-8 *Amendments to Australian Accounting Standards arising from AASB 13: Tier 2 proposals*.

Executive Summary

We broadly agree with the AASB reduced disclosure proposals under ED 219 for entities applying Tier 2. We have one comment on AASB 140.78 which is included in Appendix 1 to this letter.

We would be pleased to discuss our comments with members of the AASB or its staff. If you wish to do so, please contact me on (02) 9335 7630, or Michael Voogt on (02) 9455 9744.

Yours faithfully

Martin McGrath
Partner In Charge, Department of Professional
Practice

Appendix 1 – ED 219 – AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 Tier 2 proposals

We note that in the compiled version of AASB 140 *Investment Property* (RDR early application only) prepared on 3 August 2010 on the AASB website, the entire paragraph 78 is not shaded – i.e. requiring Tier 2 entities to provide the required disclosures. Further, any amendments to AASB 140 from AASB 2010-3 to AASB 2011-7 do not impact paragraph 78.

However the AASB analysis of ED 219 disclosure requirements indicates that paragraph 78 was previously excluded from Tier 2 disclosure requirements. This is inconsistent with the compiled version above.

In our view all of the disclosures in paragraph 78 should apply to Tier 2 entities when considering:

- Tier 2 disclosures required by AASB 140.75
- the types of disclosures required in AASB 116.73
- the ‘user need’ and ‘cost-benefit’ principles outlined in the AASB *Tier 2 Disclosure Principles* paper.