

16 December 2011

Mr Kevin Stevenson
Chairman
Australian Accounting Standards Board
Level 7
600 Bourke Street
Melbourne VIC 3000

By email: kstevenson@aaasb.gov.au

Dear Kevin

Exposure Draft - ED 219 AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13: Tier 2 Proposals

CPA Australia, the Institute of Chartered Accountants in Australia and the Institute of Public Accountants (the Joint Accounting Bodies) are pleased to respond to the Australian Accounting Standards Board's exposure draft on *AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13: Tier 2 Proposals*.

The Joint Accounting Bodies represent over 190,000 professional accountants. Our members work in diverse roles across public practice, commerce, industry, government and academia throughout Australia and internationally.

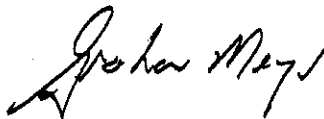
The Joint Accounting Bodies support the proposed amendments in the standard as they remove a series of disclosures that are burdensome for entities that do not have public accountability.

If you require further information on any of our views, please contact Mark Shying, CPA Australia by email mark.shying@cpaaustralia.com, Kerry Hicks, the Institute of Chartered Accountants by email kerry.hicks@charteredaccountants.com.au or Tom Ravlic, the Institute of Public Accountants by email tom.ravlic@publicaccountants.org.au.

Yours sincerely



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Representatives of the Australian Accounting Profession



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Appendix 1: Comments in response to AASB questions

General Remarks

We encourage the AASB to provide all the reduced disclosure items (along with associated rationale) contained in all the various standards to the IASB, to assist them when they embark on their review of IFRS for SMEs. We consider that this proactive measure may reduce any future 'double handling' that the AASB may need to undertake once IFRS for SMEs is updated for the new standards in the near future.

Whether you agree with the AASB disclosure proposals in relation to entities applying Tier 2 requirements as set out in the Proposed/Reduced Disclosure Requirements sections in Parts A and B.

The Joint Accounting Bodies agree with the AASB's general approach to the carve out of these disclosures in both sections of the exposure draft based on the principles previously articulated by the standards board.

Whether there are any regulatory issues or other issues arising in the Australian environment that may affect the implementation of these proposals, particularly any issues relating to:

- **Not-for-profits, and,**
- **Public sector entities.**

Nothing has come to the attention of the Joint Accounting Bodies that would suggest implementation of these proposals would be any more difficult than in other circumstances.

Whether, overall, these proposals would result in financial statements that would be useful to users.

The Joint Accounting Bodies consider the proposals as providing useful information to those users of financial statements prepared by entities that are not publicly accountable.

Whether these proposals are in the best interests of the Australian economy.

Nothing has come to the attention of the Joint Accounting Bodies to suggest these proposals are detrimental to the Australian economy.

Costs and benefits of the proposals in the exposure draft

The Joint Accounting Bodies note that the proposals are designed to lower the compliance cost for entities that are deemed to not be publicly accountable. It is expected that those entities currently preparing general purpose financial statements and able to take advantage of reduced disclosure requirements would face lower preparation costs compared with those requested to comply with the full requirements of all accounting standards.