



Grant Thornton

Mr Kevin Stevenson
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By Email: standard@asb.gov.au

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Dear Kevin

Exposure Draft Transition Guidance (proposed amendments to AASB 10/IFRS 10 - ED 224 (IASB ED/2011/7))

Grant Thornton Australia Limited (Grant Thornton) is pleased to provide the Australian Accounting Standards Board with its comments on ED 224 which is a re-badged copy of the International Accounting Standards Board's Exposure Draft ED/2011/7 (the ED)

Grant Thornton's response reflects our position as auditors and business advisers to the Australian business community. We work with listed and privately held companies, government, industry, and not-for-profit organisations (NFPs). This submission has benefited with input from our clients, Grant Thornton International which will be finalising a global submission to the IASB by its due date of 21 March 2012, and discussions with key constituents.

We have considered the ED, as well as the accompanying draft Basis for Conclusions, and generally support the proposals in the ED.

We suggest that clarification is required relating to the transition date (i.e. defining the date of initial application) as the ED does not address which version of IFRS 3 should be used if retrospectively recognising a past business combination. In our view the past business combination should have the option of recognising the IFRS 3 version that applied when the past business transaction occurred, or the most recent version of IFRS 3 with disclosure of the version used and the reason why if it is a past version of IFRS 3.

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

Yours sincerely
 GRANT THORNTON AUSTRALIA LIMITED

Keith Reilly
 National Head of Professional Standards