

22 March 2013

Mr Kevin Stevenson
Chairman
Australian Accounting Standards Board
PO Box 204
Collins Street
VIC 8007

Via e-mail: standard@asb.gov.au

Dear Kevin

Exposure Draft 232: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Thank you for the opportunity to comment on the Exposure Draft 232: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (ED). CPA Australia and the Institute of Chartered Accountants in Australia (the Institute) have considered the ED and whilst we have not provided specific responses to the questions raised in the ED, we have provided our overall comments below.

CPA Australia and the Institute represent over 200,000 professional accountants in Australia. Our members work in diverse roles across public practice, commerce, industry, government and academia throughout Australia and internationally.

We agree that there is a current inconsistency between the new AASB 10 *Consolidated Financial Statements* and AASB 128 *Investments in Associated and Joint Ventures* when the circumstances set out in the ED arise. As a result of this inconsistency there is currently diversity in practice on this issue. We are supportive of the proposal as we believe it will address this current diversity in practice. However, the proposed amendments will require an entity to determine whether the sale or contribution of assets meet the definition of a 'business' under AASB 3 *Business Combinations*. We consider that this definition is not sufficiently clear and we suggest guidance is developed in order to make a clear distinction between asset sales or contribution versus business sales or contribution.

If you have any questions regarding this submission, please do not hesitate to contact either Ram Subramanian (CPA Australia) at ram.subramanian@cpaaustralia.com.au or Kerry Hicks (the Institute) at kerry.hicks@charteredaccountants.com.au

Yours sincerely



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