



Mr Kevin Stevenson

Mr Hans Hoogervorst

Chairman

Chairman

Australian Accounting Standards Board

International Accounting Standards Board

By Email: standard@asb.gov.au

By Email: Han.Hoogervorst@ifris.org

7 February 2014

Dear Kevin and Hans,

Macquarie University's Department of Accounting and Corporate Governance is pleased to provide the Australian Accounting Standards Board (AASB) and the International Accounting Standards Board (IASB) with its comments on ED 246 and Exposure Draft ED/2013/10 Equity Method in Separate Financial Statements (the ED). We have considered the ED, as well as the accompanying draft Basis for Conclusions.

Macquarie University's response reflects our position as a leading educator to the Australian and global community. This submission has benefited with input from discussions with key constituents.

We support the proposals in the ED on pragmatic grounds as it will enable certain countries to comply with IFRS given the local need to prepare separate financial statements.

Our specific comments on the ED are as follows:

Question 1—Use of the Equity Method

We support the proposals.

Question 2—Transition provisions

On cost/benefits grounds, we believe it may be impractical for some companies to retrospectively adjust, so we support grandfathering of opening balances with applying the equity method from application date.



Question 3—First-time adopters

We support first time relief on a cost/benefit basis.

Question 4—Consequential amendment to IAS 28

We find this proposed amendment unclear and suggest it be more explained.

Question 5—Other comments

We have no further comments.

AASB Questions

Given that it is Government policy that Australian accounting standards are required to conform to international accounting standards issued by the IASB, we have no further comments to make.

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

A handwritten signature in black ink that reads "Keith Reilly". The signature is written in a cursive, flowing style.

Keith Reilly

Industry Fellow (International Governance & Reporting)

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