

To,
The Australian Accounting Standards Board
P.O. Box 204
Collins Street West
VIC 8007
Australia

12th May 2014

Re: Comments to the ED 248 'Amendments to AASB 1053-Transition to and between Tiers, and related Tier 2 Disclosure Requirements'

Dear Sir/Madam,

We thank the AASB for providing us the opportunity to comment on **ED 248 'Amendments to AASB 1053-Transition to and between Tiers, and related Tier 2 Disclosure Requirements.'** Our comments in relation to each question are outlined as follows:

1. We are not supportive of allowing an entity, which had not applied or, selectively applied, applicable recognition and measurement requirements in its most recent previous annual special purpose financial statements and presently applying tier 2 reporting requirements for the first time to be permitted to directly use AASB 108 rather than applying AASB 1. Our view is based on no requirement for these entities to include reconciliation of financial statements under AASB 108, whereas entities are required to prepare such reconciliation under AASB 1. We believe such reconciliation is useful for in-depth understanding of entities' financial statements and obtaining comparative information.
2. If entities are allowed to use AASB 108 directly rather than applying AASB 1, we agree with all the suggested disclosure requirements stated in point 2 as they are consistent with AASB 1 and we believe such disclosure will provide vital information to users and AASB.
3. If entities are allowed to use AASB 108 directly rather than applying AASB 1, we agree with all the suggested disclosure requirements stated in point 3 as we believe such disclosure will provide vital information to users and AASB.
4. We are not aware of any regulatory issues relating to not-for-profit entities and 'public sector entities' that may affect implementation of proposals contained in ED 248.
5. If entities are allowed to use AASB 108 directly rather than applying AASB 1, we believe users of financial statements and AASB will benefit from suggested disclosures in ED 248.

6. Considering the scope and nature of entities allowed to adopt tier 2 requirements, we do not envisage any significant effect of ED 248 on the Australian economy.

7. Considering that ED 248 proposes no requirement to prepare 'reconciliations of financial statements' that are required in AASB 1, we believe there will be some cost saving if ED 248 proposal is adopted.

Please feel free to contact us if you like to discuss further in this regard.

Regards

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