

27 November 2014

Ms K Peach  
The Chair  
Australian Accounting Standards Board  
PO Box 204  
Collins Street West  
VICTORIA 8007

Via email: [standards@asb.gov.au](mailto:standards@asb.gov.au)

Level 30  
20 Bond Street  
Sydney NSW 2000  
[companydirectors.com.au](http://companydirectors.com.au)  
ABN 11 008 484 197

T: +61 2 8248 6600  
F: +61 2 8248 6633  
E: [contact@companydirectors.com.au](mailto:contact@companydirectors.com.au)

Dear Ms Peach,

**Exposure Draft– ED 256: Removal of Cross-References from Financial Statements to Other Documents**

Thank you for providing us with the opportunity to comment on the Australian Accounting Standards Board's (AASB) Exposure Draft: *ED 256: Removal of Cross-References from Financial Statements to Other Documents* (ED256), which was issued in October 2014.

The Australian Institute of Company Directors (Company Directors) is one of the two largest member-based director associations worldwide with over 35,000 members, including individual members from a wide range of corporations: publicly-listed companies, private companies, not-for-profit organisations, charities, and government and semi-government bodies. As the principal professional body in Australia representing a diverse membership of directors, we offer world class education services and provide a broad-based director perspective to current director issues in the policy debate.

Company Directors does not support the proposed amendments to the accounting standards set out in ED256 which restricts the ability to cross-reference to disclosures outside the financial statements in certain instances. We are of the view that the Basis of Conclusions supporting ED256 does not sufficiently articulate the nature and extent of the **'unintended** audit or regulatory compliance consequences in an Australian reporting **context'** that may arise and that justify the need for the proposed amendments in the exposure draft.

Further, we are concerned that removing the ability of entities to cross-reference to sections outside of the financial statements for certain disclosures may result in the duplication of **information within an entity's** broader corporate reporting and increase the reporting burden.

We also encourage the AASB to reconsider their decision to remove the ability of entities in applying AASB 7, *Financial Instruments: Disclosures*, to cross-reference to a document outside the financial statements for disclosures on both **an entity's hedge accounting** activities and disclosure of the nature and extent of risks arising from its financial instruments.

In support of the above, we note the recent amendments to the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations 3<sup>rd</sup> Edition*, which allow listed entities to disclose their corporate governance **information either on the entity's** website or in its annual report. The ASX Corporate Governance Council noted that many entities may use this opportunity to streamline their annual reports.

**AUSTRALIAN INSTITUTE  
of COMPANY DIRECTORS**

Finally, Company Directors encourages the AASB to review all existing accounting standards to determine whether there are instances where disclosures can be removed from the notes to the financial statements and included by reference to where the information is provided.

We hope that our comments will be of assistance to you. If you are interested in discussing any of our views please do not hesitate to contact me or Nicola Steele on +61 3 8248 6600.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'RElliott', with a long horizontal flourish extending to the right.

Rob Elliott  
General Manager Policy & Advocacy