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Ms K Peach
Chair and CEO
Australian Accounting Standards Board

Submission via: standard@asb.gov.au

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**Grant Thornton Australia
Limited**

Level 17
383 Kent Street
Sydney, NSW
2000

T +61 2 8297 2400
F +61 2 9299 4445

Grant Thornton Australia Submission – ED 286 Amendments to Australian Accounting Standards – Right-of-Use Assets of Not-for-Profit Entities

Dear Ms Peach

We welcome this opportunity to provide our view on ED 286 *Amendments to Australian Accounting Standards – Right-of-Use Assets of Not-for-Profit Entities*. Grant Thornton's global network maintains an open and constructive relationship with national governments, standard-setters and regulators, consistent with our policy of embracing external oversight.

We agree with the proposed amendments in the Exposure Draft, particularly given the prevalence of peppercorn leases in the not-for-profit sector and the associated increased reporting requirements for affected entities. In this context, we note the AASB's rationale that the proposed temporary option would avoid undue cost and effort being incurred by preparers in applying AASB 13 *Fair Value Measurement* in the absence of additional guidance. The implementation of the measures in the Exposure Draft can be argued to be in the best interests of affected entities for the time being.

The AASB's reasoning for the proposed temporary option would avoid smaller entities incurring additional costs in measuring right-of-use assets on initial recognition at fair value when the final determination of the application of not-for-profit entities is still being determined.

We continue to support the AASB's agenda of harmonisation of the standards and feel the results of the ACNC legislative review will be key to smooth implementation of any reforms.

Should you have any queries related to our submission, please feel free to contact me.

Yours sincerely

Merilyn Gwan
Partner - Audit & Assurance
Grant Thornton - National Assurance Quality

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