

19 August 2019

Ms Kris Peach

Chair Australian Accounting Standards Board

via Email: [standard@asb.gov.au](mailto:standard@asb.gov.au)

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cc: [j.frydenberg@aph.gov.au](mailto:j.frydenberg@aph.gov.au)

Dear Kris

**Submission on Exposure Draft ED 293 Disclosure in Special Purpose Financial Statements of Compliance with Recognition and Measurement Requirements**

I am pleased to provide the Australian Accounting Standards Board (AASB) with my comments on Exposure Draft 293 (ED 293).

This submission reflects my position as a consultant to business including both For-Profits (FP) and Not-for-Profits (NFPs), and their own advisers including auditors. This submission has also benefited with input from discussions with key constituents.

I do not support the Proposals for the following reasons:

1. Un-necessary additional costs

Requiring entities that produce Special Purpose Financial Reports (SPFRs) to provide the disclosures contained in ED 293 for just 1 year is a short term measure.

It will add un-necessary compliance costs, given that EDs 295 ED General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities, and ED 297 Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities are intended to remove the ability of most entities to produce SPFRs.

It is also contrary to the Government's mandate to reduce the costs of un-necessary business compliance costs.

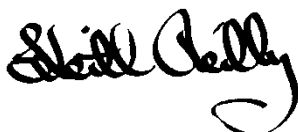
## 2. Failure to comply with the AASB's own due process

Given that the application date for these requirements is expected to apply once a Standard is issued (late in 2019), there is insufficient time for those entities likely to be impacted by the ED 293 proposals to properly implement the disclosures. Why does the AASB wish to rush such disclosures through given that normal due process would require at least 1 year or more before the new requirements apply?

## 3. Support for SPFRs for non-reporting entities

As previously advised to the AASB, I do not support the removal of SPFRs for non-reporting entities. Would it not be a better use of the AASB's resources to 'research' the need for significant economic entities to produce General Purpose Financial Reports and have their financial statements publicly available, rather than focusing on entities that do not have such economic importance?

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

A handwritten signature in black ink, appearing to read "Keith Reilly". The signature is stylized with a large, looping flourish at the end.

Keith Reilly

Financial Reporting Adviser

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