

9 December 2021

Dr Keith Kendall  
Chair  
Australian Accounting Standards Board  
PO Box 204  
Collins Street West  
Victoria 8007  
AUSTRALIA

Via website: [www.aasb.gov.au](http://www.aasb.gov.au)

Dear Keith

### **Exposure Draft (ED) 315, Extending transition relief under AASB 1**

As the representatives of over 300,000 professional accountants, CPA Australia and Chartered Accountants Australia and New Zealand (CA ANZ) thank you for the opportunity to comment on the above Exposure Draft (ED).

We appreciate the responsiveness of the Board in addressing transition issues that are arising during the implementation phase of the significant financial reporting reforms introduced by AASB 2020-2 *Removal of Special Purpose Financial Statements for Certain For Profit Private Sector Entities* (AASB 2020-2).

We support the AASB's proposals to optionally extend the transition relief available under AASB 1 *First-time Adoption of Australian Accounting Standards* (AASB 1) to foreign controlled entities with parents applying not just Australian Accounting Standards (AAS) but also International Financial Reporting Standards (IFRS). We concur with the Board's view that allowing these entities to measure their assets and liabilities on transition using the information currently contained in their overseas parent's IFRS compliant financial statements will reduce the transition costs incurred without impairing the quality of the financial information they will now be required to prepare and lodge.

We also support the decision to optionally extend the consolidation transition relief provided in AASB 1053 *Application of Tiers of Australian Accounting Standards*, regarding the application of AASB 1, to entities transitioning from single entity Tier 2 General Purpose Financial Statements (GPFS) to consolidated Tier 2 GPFS. We agree that this approach is a necessary practical expedient to facilitate transition on a cost benefit basis and is consistent with the relief already granted to entities who prepared Special Purpose Financial Statements (SPFS) adopting full AAS recognition and measurement, if they are now required to transition to the preparation of consolidated GPFS.

We agree that the proposed effective date of these changes should be periods ending on or after 30 June 2022 to ensure alignment with the implementation of AASB 2020-2.

If you have any questions about our submission, please contact either Ram Subramanian (CPA Australia) at [ram.subramanian@cpaaustralia.com.au](mailto:ram.subramanian@cpaaustralia.com.au) or Amir Ghandar (CA ANZ) at [amir.ghandar@charteredaccountantsanz.com](mailto:amir.ghandar@charteredaccountantsanz.com).

Your sincerely

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