



24 January 2022

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

Dear Dr Kendall

Exposure Draft (ED) 315 Extending Transition Relief under AASB 1

Thank you for the opportunity to comment on ED 315 *Extending Transition Relief under AASB 1*.

The IPA supports the proposed amendments to:

- AASB 1 to allow subsidiaries preparing general purpose financial statements for the first time to apply the optional exemption in AASB 1 *First-time Adoption of Australian Accounting Standards* and measure its assets and liabilities at the carrying amounts that would be included in the parent's consolidated financial statements where their parent has already adopted either Australian Accounting Standards or International Financial Reporting Standards, and
- AASB 1053 *Application of Tiers of Australian Accounting Standards* to allow for-profit private sector entities transitioning from unconsolidated Tier 2 – Reduced Disclosure Requirements GPFS to consolidated Tier 2 – Simplified Disclosures GPFS to apply AASB 1 when preparing consolidated financial statements for the first time.

The IPA supports the proposed amendments, as the amendments provide a practical and cost-effective approach for the affected entities to transition to general purpose financial statements while providing quality financial reporting.

If you have any queries with respect to our comments or further information, please do not hesitate to contact me at vicki.stylianou@publicaccountants.org.au or mobile 0419 942 733.

Yours sincerely

Vicki Stylianou
Group Executive, Advocacy & Policy
Institute of Public Accountants

About the IPA

The IPA is one of the professional accounting bodies in Australia with over 42,000 members and students across 80 countries. Approximately three-quarters of our members either work in or are advisers to the small business and SME sectors. Since merging with the Institute of Financial Accountants UK, the IPA Group has become the largest SME and SMP focused accounting body in the world.