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Professor David Boymal
The Chairman
Australian Accounting Standards Board
PO Box 204
Collins Street West VIC 8007

31 March 2008

Dear David

Invitation to Comment 14 Proposed Definition and Guidance for Not-for-Profit Entities

We write in response to the request for comments contained in the December 2007 Australian Accounting Standards Board (AASB) Invitation to Comment 14 *Proposed Definition and Guidance for Not-for-Profit Entities* (ITC 14).

We are not persuaded that there are sufficient benefits to commit standard setting resources on this issue.

In our experience, the current definition of "not-for-profit entity" contained in Australian Accounting Standards does not seem to cause significant uncertainty in its application. In the absence of such significant uncertainty, we question the need for this additional guidance.

We also believe that the AASB should await the outcome of the work of the International Accounting Standards Board (IASB) and the Financial Accounting Standards Board (FASB) towards harmonisation of their Frameworks before issuing guidance in this area. Given that the IASB has affirmed its decision to consider the application of the Framework to not-for-profit organisations in a later part of the project, this may provide further guidance on the definition of "not-for-profit" entities.

We would welcome the opportunity to discuss our views at your convenience. Please contact me on (03) 8603 2747 or Chris Dalton on (03) 8603 3103 if you would like to discuss this further.

Yours sincerely



Susan Horlin
Partner
Assurance

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