



Kris Peach  
Chair  
Australian Accounting Standards Board  
PO Box 204  
Collins Street West VIC 8007

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

1 November 2019

Dear Kris

**Re: Exposure Draft 295 *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities and Exposure Draft 297 Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities***

I am responding to your invitation to comment on the Exposure Draft 295 (ED 295) and Exposure Draft 297 (ED 297) on behalf of PwC.

PwC supports the AASB's proposal of a new Tier 2 disclosure framework. Consistent with our responses to previous EDs, we agree that the current Tier 2 GPFS framework - Reduced Disclosure Requirements is still too onerous, providing only limited relief for tier 2 entities.

We agree that moving to a simplified disclosure regime, as proposed in ED 295, appears to be a better way to appropriately balance user needs and costs of disclosure. We agree that using the SME disclosures of the IASB provides a reasonable, internationally comparable starting point. We question whether SME entities in Australia are sufficiently different to those globally to warrant some of the additional disclosures proposed and encourage the AASB to consider the feedback.

PwC also supports the proposals in ED 297. We agree that the minimum disclosures for complying with Australian Accounting Standards as part of a legislative requirement should be prescribed. We also believe compliance with recognition and measurement requirements of the standards, including both consolidation and equity accounting requirements, is fundamental to good financial reporting.

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We would prefer all entities that prepare financial reports required by a document (such as a trust deed) be encouraged to also comply with all of the recognition and measurement requirements of the standards. We suggest the AASB propose, similar to ED 293, a voluntary “if not, why not” style disclosure and a clarifying statement that indicates to financial report users if any requirements have not been complied with, particularly regarding consolidation or equity accounting.

I would welcome the opportunity to discuss our firm’s views at your convenience.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Regina Fikkers', written in a cursive style.

**Regina Fikkers**  
Accounting and Regulatory Leader  
PwC Australia