

29 November 2019

Ms Kris Peach
Chair
Australian Accounting Standards Board
Level 14, 530 Collins Street
Melbourne VIC 3000

Dear Ms Peach

ED 295: General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

ED 297: Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities

Thank you for the opportunity to provide a submission to the Australian Accounting Standard Board (**AASB**) on exposure drafts ED 295: 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. This submission will be in respect of both exposure drafts.

The Australian Institute of Company Directors (**AICD**) has a membership of more than 44,000 including directors and senior leaders from business, government and the not-for-profit sectors. The mission of the AICD is to be the independent and trusted voice of governance, building the capability of a community of leaders for the benefit of society.

The AICD has read the joint submission from Chartered Accountants Australia & New Zealand and CPA Australia and endorses the thrust of that submission.

1. ED 297

The AICD accepts the need to remove special purpose financial statements for certain for-profit private sector entities in accordance with ED 297. With respect to question 8 we believe that the proposed annual reporting period should begin on or after 1 July 2022, effectively allowing a two-year transition to the new standard.

Based on the timeline proposed by AASB, with the new standard being released close to 1 July 2020, we do not believe that this will allow sufficient time for entities to adapt to the new standard. Were this to occur, we also suggest that the transitional relief on the presentation of comparative information for the first year should be retained.

2. ED 295

The AICD supports the introduction of the simplified disclosure regime as set out in ED 295 with one proviso. In response to question 3(c) we do not support the disclosures from the IFRS for SMEs Standard that are not currently required under the Reduced Disclosure Requirements framework or full Australian Accounting Standards (**AAS**). We do not believe it is appropriate for the simplified disclosure standards to contain matters not yet in the full AAS. If they are introduced into the full AAS they can then be introduced into the simplified disclosure standards. We note, as Chartered Accountants Australia & New Zealand and CPA

Australia have pointed out, some of those matters may resolve if a longer transition period is allowed.

Next steps

We hope our comments will be of assistance. If you would like to discuss any aspect of this submission further, please contact myself at cgergis@aicd.com.au or David McElrea, Policy Adviser at dmcelrea@aicd.com.au.

Yours sincerely



CHRISTIAN GERGIS
Head of Policy