



## Department of Treasury and Finance

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Mr Kevin Stevenson  
Chairman  
Australian Accounting Standards Board  
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*Kevin*  
Dear Mr Stevenson

### **ED 222 Revenue from Contracts with Customers: Tier 2 Proposals**

The Heads of Treasuries Accounting and Reporting Advisory Committee (HoTARAC) welcomes the opportunity to provide comments to the Australian Accounting Standards Board (AASB) on the Tier 2 Supplement to Exposure Draft 222: *Revenue from Contracts with Customers*. HoTARAC provides the following comments in respect to the exposure draft.

While it is unlikely at this stage that HoTARAC jurisdictions will early adopt the Reduced Disclosure Requirements (RDR), HoTARAC undertook a high level review to determine whether the AASB Tier 2 proposals may create particular difficulties or concerns for HoTARAC jurisdictions in future.

HoTARAC is generally supportive of the ED's proposals and is of the opinion that they will result in some reduced disclosure for Tier 2 entities.

However, HoTARAC does not support inclusion of the requirements of paragraphs 118, 119, 122 and 123 in respect to the disclosures required for performance obligations. As outlined in the response to the AASB Specific Matters for Comment section of Exposure Draft 222: *Revenue from Contracts with Customers*, HoTARAC views such disclosures as excessive and imposing considerable costs on preparers relative to the benefits to users even for Tier 1 entities. Accordingly, HoTARAC does not support requiring these disclosures from Tier 2 entities.

If you have any queries regarding HoTARAC's comments, please contact Peter Gibson from the Australian Department of Finance and Deregulation on 02 6215 3551.

Yours sincerely

Grant Hehir  
**CHAIR**  
**HEADS OF TREASURIES ACCOUNTING AND REPORTING ADVISORY COMMITTEE**

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