

The Chairman
Australian Accounting Standards Board
PO Box 204
Collins Street West Victoria 8007

16 September 2013

Invitation to comment on Tier 2 Supplement to AASB Exposure Draft ED 230

Dear Chairman

Ernst & Young Australia is pleased to provide comments on the *Tier 2 Supplement to AASB Exposure Draft ED 230* (the 'Tier 2 Supplement').

Overall, we support the proposals in the Tier 2 Supplement to reduce the disclosures applicable to Tier 2 reporting entities in relation to the proposed amendments to AASB 7 *Financial Instruments: Disclosures*.

Our responses to the specific questions are provided in Appendix A to this letter.

We would be pleased to discuss our comments further with you. Please contact Lynda Tomkins (lynda.tomkins@au.ey.com or (02) 9276 9605) or Vincent Sheehan (vincent.sheehan@au.ey.com, or (03) 9655 2941) if you wish to discuss any of the matters in this response.

Yours sincerely



Ernst & Young

APPENDIX A

SPECIFIC MATTERS FOR COMMENT

1. Whether you agree with the AASB disclosure proposals for Tier 2. Your view is particularly sought on the proposal to exempt entities applying Tier 2 requirements from making disclosures reflected in the amendments to paragraph 8(h);

We agree with the proposals in the Tier 2 Supplement.

2. Whether there are any regulatory issues or other issues arising in the Australian environment that may affect the implementation of the proposals, particularly any issues relating to:
 - a. not-for-profit entities; and
 - b. public sector entities;

We are not aware of any significant regulatory or other issues that are likely to affect the implementation of the proposals contained in this Tier 2 Supplement.

3. Whether, overall, the proposals would result in financial statements that would be useful to users;

We believe that the proposals would result in financial statements that would be useful to users.

4. Whether the proposals are in the best interest of the Australian economy; and

We believe that the proposals are in the best interests of the Australian economy.

5. Unless already provided in response to specific matters for comment 1 – 4 above, the costs and benefits of the proposals relative to the current requirements, whether quantitative (financial or non-financial) or qualitative.

We believe that there will not be additional costs incurred by Tier 2 entities to comply with the proposed amendments. If there were additional costs, these costs will not outweigh the benefits to users of financial statements.