Australian Government
Australian Accounting Standards Board

Cover Memo

Project:	**Update of AASB 1048**	**Meeting:**	AASB November 2026 (M224)
Topic:	**Ballot Draft of AASB 1048 *Interpretation of Standards* for Board voting**	**Agenda Item:**	3.0
		Date of this agenda paper:	19 November 2026
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		Decision-Making:	High
		Project Status:	Updating AASB 1048 as a consequence of AASB 20 and AASB 2026-2

Objective of this paper

1 The objective of this paper is for the AASB to vote on a new principal version of AASB 1048 *Interpretation of Standards*. This is required due to recent Standards making amendments to Interpretations and conceptual framework pronouncements.

Attachments

Agenda paper 3.1 Ballot draft of AASB 1048 *Interpretation of Standards* ([Month] 2026)

Agenda paper 3.2 Draft Explanatory Statement accompanying the ballot draft of AASB 1048 *Interpretation of Standards* ([Month] 2026)

Background

Interpretations

2 Interpretations in Australia (both AASB and Urgent Issues Group Interpretations) do not have the same legal status as Australian Accounting Standards. Standards made by the AASB under the *Corporations Act 2001* are legislative instruments as they are registered on the Federal Register of Legislation. Interpretations are not legislative instruments.

3 In accordance with the *Legislation Act 2003*, one of the consequences of this distinction is that simple references to an Australian Interpretation in a Standard can refer only to the Interpretation as it existed when the principal version of the Standard was made by the AASB (or when the reference to the Interpretation was first included in the Standard). If the Interpretation is revised at a later date, Standards already on issue that refer to the Interpretation will continue to refer only to the version of the Interpretation that existed at the date the principal version of the Standard was made by the AASB (or when the reference was first included).

4 The AASB uses a "service Standard" approach through AASB 1048 *Interpretation of Standards* as a convenient way to update the references in the other Standards to later versions of Interpretations and also to clarify that all Australian Interpretations have the same authoritative status. These objectives are achieved by:

(a) AASB 1048 listing all the versions of Australian Interpretations that can be applied to the periods covered by the version of AASB 1048;

(b) AASB 1048 requiring entities to apply the relevant Interpretations in their financial reporting when complying with Australian Accounting Standards (see paragraphs 6 and 8 in AASB 1048); and

(c) other Standards referencing individual Interpretations "as identified in AASB 1048".

Amending AASB 1048 or else issuing a new principal version of AASB 1048 whenever Interpretations are amended or new Interpretations are issued makes the updated/new Interpretation versions mandatory pronouncements, and also updates the references to the Interpretations in the other Standards to the latest versions of the Interpretations, as necessary.

5 AASB 20 *Regulatory Assets and Regulatory Liabilities* included consequential amendments (in Appendix D) to two Australian Interpretations for annual periods beginning on or after 1 January 2029.[1] The amendments address regulatory assets and liabilities in the context of public-to-private service concession arrangements.

6 AASB 2026-2 *Amendments to Australian Accounting Standards – Extending the Application of the* Conceptual Framework *and Limiting the Ability of Not-for-Profit Entities to Prepare Special Purpose Financial Statements* amended four Australian Interpretations for annual periods beginning on or after 1 July 2029.[2] The amendments mainly update the AusCF 'signpost' paragraphs to reflect that many not-for-profit entities will no longer qualify as AusCF entities following the extension of the *Conceptual Framework for Financial Reporting* to those entities. As such, AusCF paragraphs in those Interpretations will no longer apply to these entities.

Conceptual framework pronouncements

7 There are two Australian conceptual framework (CF) pronouncements: the *Conceptual Framework for Financial Reporting* and the *Framework for the Preparation and Presentation of Financial Statements*. These CF pronouncements are not legislative instruments and are therefore subject to the same consequence under the *Legislation Act 2003* as the Australian Interpretations. As a result, the AASB also uses the "service Standard" approach through AASB 1048 to update references in other Standards to the CF pronouncements to the latest versions of those pronouncements. These objectives are achieved by:

(a) AASB 1048 listing all the versions of Australian CF pronouncements that are relevant to the periods covered by the version of AASB 1048; and

(b) other Standards referencing individual CF pronouncements "as identified in AASB 1048".

8 However, AASB 1048 does not make the CF pronouncements mandatory because the Standard does not require their application. It is other Standards that include requirements for applying CF pronouncements in particular circumstances and to the extent specified.

9 AASB 2026-2 amended both CF pronouncements:

(a) the *Conceptual Framework for Financial Reporting* (2019) was amended to extend its application to certain not-for-profit entities from 1 July 2029 and to add Australian-specific not-for-profit entity guidance; and

1 AASB Interpretation 12 *Service Concession Arrangements*
AASB Interpretation 129 *Service Concession Arrangements: Disclosures*

2 AASB Interpretation 16 *Hedges of a Net Investment in a Foreign Operation*
AASB Interpretation 132 *Intangible Assets – Web Site Costs*
AASB Interpretation 1003 *Australian Petroleum Resource Rent Tax*
AASB Interpretation 1031 *Accounting for the Goods and Services Tax (GST)*

(b) the *Framework for the Preparation and Presentation of Financial Statements* (2004) was amended consequentially to specify that it no longer applies to not-for-profit entities that are subject to the *Conceptual Framework for Financial Reporting*.

The proposed new version of AASB 1048

10 The ballot draft proposed to the Board for voting presents a new principal version of AASB 1048 that updates the lists of Interpretations and CF pronouncements.

11 The ballot draft of AASB 1048 is proposed with an application date of annual reporting periods beginning on or after 1 January 2027. This results in the revised lists effectively having immediate application, including for early application. The versions of Interpretations as amended by AASB 20 and AASB 2026-2 are added to the Table 1 and 2 listings, identifying their application to periods beginning on or after 1 January 2029 and 1 July 2029 respectively. The proposed effective date of this new principal version of AASB 1048 does not change the mandatory application date of the Interpretation versions as amended by AASB 20 and AASB 2026-2.

12 In addition, versions of Interpretations and of CF pronouncements (if any) that do not have any application to the periods covered by the proposed new AASB 1048 (i.e. periods beginning on or after 1 January 2027) have been removed from the lists of pronouncements. These versions have been superseded by later versions of the pronouncements that apply to all periods covered by the proposed new AASB 1048 and so there is no need to keep them in the lists anymore. They continue to appear in the lists of pronouncements in the previous versions of AASB 1048 that apply to the periods to which those versions of the pronouncements apply.

13 Consistent with the approach adopted whenever AASB 1048 has been amended or replaced with a new principal version in the past, staff consider that a formal consultation process, such as an exposure draft, is unnecessary. The updating of AASB 1048 is required as a result of the legal consequences of Interpretations and CF pronouncements as "external documents" (i.e. non-legislative instruments), to give legal effect to new versions of Interpretations to maintain IFRS compliance under Australian Accounting Standards and to update references to CF pronouncements. This approach to updating AASB 1048 has been in place since March 2005 without adverse comment from stakeholders.

Staff recommendations and questions to the Board

14 Staff recommend that the Board votes to make the proposed new principal version of AASB 1048 *Interpretation of Standards* and to approve the draft Explanatory Statement. If the Board votes to make this new version of AASB 1048, references to the month of issue and the date of making in the ballot draft and the draft Explanatory Statement will be updated accordingly.

Questions for Board members

Q1 Do Board members have any questions or comments?

Q2 Do Board members vote in favour of making Australian Accounting Standard AASB 1048 *Interpretation of Standards* ([Month] 2026) as set out in the ballot draft (Agenda Paper 3.1), and approve the accompanying Explanatory Statement (Agenda Paper 3.2)?