



Project:	Application of AASB 18 and AASB 107 by Superannuation Entities and Not-for-profit Entities	Meeting:	AASB June 2026 (M221)
Topic:	Effective date	Agenda Item:	8.5
		Date:	2 June 2026
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		Decision-Making:	High
		Project Status:	Consider ED 338 feedback

Objective of this agenda paper

- The objectives of this agenda paper are for the Board to:
 - consider** stakeholder feedback on the effective date of AASB 18 and the revisions to AASB 107 as modified based on the proposals in [ED 338](#); and
 - decide** on whether to proceed with or amend the effective date.
- The abbreviations noted in the Cover Memo apply to this paper.

Background

- When issuing AASB 18, in view of the further due process to consider potential modifications to AASB 18 for application by superannuation entities and NFP entities preparing Tier 1 GPFS, the AASB decided that the effective date of AASB 18 for such entities would be annual periods beginning on or after 1 January 2028 (instead of 1 January 2027) [AASB 18.BC18].
- When developing ED 338, since the proposed modifications to Accounting Standards were to either provide relief from certain requirements or to clarify how certain AASB 18 requirements and principles should be applied by superannuation and NFP entities, the Board considered that the one-year deferral already provided to these entities would be sufficient for these entities to implement AASB 18 along with the proposed modifications.

Specific Matters for Comment in ED 338

- ED 338 included Specific Matters for Comment (SMCs 11, 15 and 24) seeking feedback from stakeholders on the proposed amendments.

SMC11 Do you agree that **superannuation entities** should be required to apply AASB 18 and the modifications proposed to be made in the Exposure Draft for periods beginning on or after

1 January 2028? If not, which date do you consider that superannuation entities should be required to apply AASB 18? Please explain your reasons.

SMC 15 Do you agree that **NFP private sector entities and universities** preparing Tier 1 GPFS should be required to apply AASB 18 and the modifications proposed to be made in the Exposure Draft for periods beginning on or after 1 January 2028? If not, which date do you consider that these entities should be required to apply AASB 18? Please explain your reasons.

SMC 24 Do you agree that **NFP public sector entities, including governments**, should be required to apply AASB 18 and the modifications proposed to be made in the Exposure Draft for periods beginning on or after 1 January 2028? If not, which date do you consider these entities should be required to apply AASB 18?

Stakeholder feedback

SMC 11 – Superannuation entities

- 6 Eleven comment letters included responses to the SMC 11. They are: Deloitte, Mercer, PwC, AustralianSuper, KPMG, Grant Thornton, Institute of Public Accountants (IPA), CPA Australia (CPAA), Chartered Accountants Australia and New Zealand (CAANZ), Australasian Council of Auditors-General (ACAG), and BDO.
- 7 All eleven respondents agreed with the effective date proposed in ED 338. However, some noted that, if the project is delayed such that the modifications are only available after June 2027, the effective date for superannuation entities should be deferred for a further year.

SMC 15 – NFP private sector entities and universities

- 8 Nine comment letters included responses to SMC 15. They are: Deloitte, PwC, KPMG, Grant Thornton, IPA, CPAA, CAANZ, ACAG and BDO. The following support for the proposals was provided.
 - (a) Tier 1 entities are generally well-resourced to implement AASB 18 by the effective date and the one-year deferral allows sufficient time for the Board to complete due process and make any necessary modifications (Deloitte).
 - (b) It would not be appropriate to require application of the requirements any earlier (ACAG).
 - (c) While the requirements for NFP private sector entities and universities are more significant than for NFP public sector entities, timely transition from AASB 101 *Presentation of Financial Statements* is important to ensure high-quality, consistent and comparable information across the reporting landscape (CAANZ).
- 9 PwC, CPAA and BDO supported the proposed effective date subject to conditions, including:
 - (a) Transitional relief from full restatement of comparative information to manage implementation costs for smaller NFP entities (PwC).
 - (b) Timely and clear implementation guidance and final requirements (CPAA). The possibility of deferring the mandatory date is needed if further NFP-specific standard-setting occurs (BDO).
- 10 The following table summarises the results of the relevant polling questions from the two virtual roundtable discussions.

	Agreed with the proposed effective date	Disagreed with the proposed effective date
18 February NFP private sector roundtable	14 participants	Participants prefer applying AASB 18 for periods beginning on or after: <ul style="list-style-type: none"> • 1 January 2027: 1 participant • 1 January 2029 with earlier application permitted: 3 participants • 3 + years from the time any modifications are finalised: 2 participants
27 February university roundtable	22 participants	Participants prefer applying AASB 18 for periods beginning on or after: <ul style="list-style-type: none"> • 1 January 2029 with earlier application permitted: 7 participants • 3 + years from the time any modifications are finalised: 10 participants

11 Roundtable participants who disagreed with the proposed effective date did not provide reasons for their disagreement.

SMC 24 – NFP public sector entities, including governments

12 Seven comment letters included responses to SMC 24. They are: Deloitte, KPMG, CPAA, CAANZ, ACAG, BDO, and Heads of Treasuries Accounting and Reporting Advisory Committee (HoTARAC). The following support for the proposals was provided.

- (a) While alignment of commencement dates across for-profit and NFP sectors is conceptually desirable, some smaller NFP public sector entities may benefit from additional lead time where reporting is not already aligned to mandated model statements (CPAA).
- (b) It would not be appropriate to require application of the requirements any earlier than the effective date proposed in ED 338 (ACAG).
- (c) The deferral should not extend beyond one year in the interests of transaction neutrality between for-profit public sector entities and NFP public sector entities (Deloitte).

13 The following table summarises the results of the relevant polling questions from the 18 February 2026 virtual roundtable discussion.

Agreed with the proposed effective date	Disagreed with the proposed effective date
22 participants	Participants prefer applying AASB 18 for periods beginning on or after: <ul style="list-style-type: none"> • 1 January 2027: 2 participants • 1 January 2029 with earlier application permitted: 6 participants • 3 + years from the time any modifications are finalised: 4 participants

14 Roundtable participants who disagreed with the proposed effective date did not provide reasons for their disagreement.

Staff recommendation

- 15 In regard to PwC's concerns in paragraph 9(a) regarding transition reliefs from full restatement of comparative information to manage implementation costs for smaller NFP entities, the Board is developing an Exposure Draft to propose aligning the presentation and classification requirements in AASB 1060 with those in AASB 18, which would also take into account implementation costs for entities preparing Tier 2 GPFS.
- 16 In relation to the comment from BDO noted in paragraph 9(b) regarding the potential further deferral of the mandatory application date for NFP private sector entities and universities, the Board plans to develop another Exposure Draft addressing the application of the income and expense categorisation requirements in AASB 18 to these entities. This would provide stakeholders in those sectors with an additional opportunity to provide input on the appropriate effective date.
- 17 Given the majority of stakeholders agreed with the proposed effective date, staff recommend:
 - (a) proceeding with the ED proposal to require superannuation entities and NFP entities to apply AASB 18 and the proposed modifications for periods beginning on or after 1 January 2028 (with earlier application permitted); and
 - (b) in responding to the comment from BDO noted in paragraph 9(b), include an SMC in the forthcoming Exposure Draft described in paragraph 16 to provide NFP private sector entity and university stakeholders another opportunity to consider the effective date of AASB 18.

Question for the Board

Q1: Do Board members agree with the staff recommendations? If not, what do you propose instead?