



Project:	Conceptual Framework: Not-for-Profit Amendments	Meeting:	M213
Topic:	Scoping, not-for-profit modifications to the <i>Conceptual Framework</i> and disclosures in special purpose financial statements	Agenda Item:	4.0
		Date:	17 June 2025
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		Decision-Making:	High
		Project Status:	Project redeliberations

Objective of this agenda item

- 1 The objective of this agenda item is for the Board to **decide** how to finalise the proposals exposed in ED 334 *Limiting the Ability of Not-for-Profit Entities to Prepare Special Purpose Financial Statements* having regard to feedback received on the exposure draft and other developments.

Attachments

- 2 The papers for this agenda item are:
 - (a) Agenda Paper 4.1 Redeliberation – Scoping of the *Conceptual Framework* and the proposed amendments to AASB 1057 to extend the population of NFP entities to which Australian Accounting Standards apply;
 - (b) Agenda Paper 4.2 Redeliberation – NFP modifications to the *Conceptual Framework*; and
 - (c) Agenda Paper 4.3 Redeliberation – Disclosures in special purpose financial statements.
- 3 Agenda Papers 4.1 – 4.3 analyse the stakeholder feedback received on aspects of the ED 334 proposals and seek the Board’s decisions as to whether to finalise the proposals in the manner exposed.

Background to ED 334

- 4 The objective of the Board’s Conceptual Framework: Not-for-Profit Amendments project is to apply the *Conceptual Framework for Financial Reporting (Conceptual Framework)* to not-for-profit (NFP) entities and improve the consistency, comparability, transparency and enforceability of financial reports prepared in accordance with Australian Accounting Standards. In furtherance of this objective, the Board issued Exposure Draft ED 334 in October 2024.¹
- 5 ED 334 exposed the Board’s proposals to extend the application of the *Conceptual Framework* to more NFP private and public sector entities. The proposals would bring a majority of Australian entities under the aegis of the same conceptual framework document for guiding the development of accounting policies. In addition, ED 334 proposed:

1 Further information about the Conceptual Framework: NFP Amendments project is set out in the [Conceptual Framework: Not-for-Profit Amendments project summary](#).

- (a) the addition of several 'Aus' paragraphs to the *Conceptual Framework* so that the document is relevant to NFP entities;
 - (b) amendments to Australian Accounting Standards (via AASB 1057 *Application of Australian Accounting Standards*) so that the pronouncements will apply to more NFP entities; i.e. extend the population of NFP entities required to prepare general purpose financial statements;
 - (c) amendments to AASB 1054 *Australian Additional Disclosures* to require NFP private sector entities that are required only by their constituting document or another document to prepare financial statements that comply with Australian Accounting Standards to make certain disclosures in their special purpose financial statements, where prepared;
 - (d) consequential amendments to various Australian Accounting Standards and Practice Statement 2 *Making Materiality Judgements* as a result of the proposals to extend the scope of the *Conceptual Framework* and Australian Accounting Standards;² and
 - (e) transition relief for certain NFP first-time adopters of Australian Accounting Standards.
- 6 The comment period on ED 334 closed on 28 February 2025. Having regard to the feedback received, at its 1 May 2025 meeting, the Board decided to continue its Conceptual Framework: Not-for-Profit Amendments project and develop a final Standard based on ED 334.
- 7 The agenda papers for this meeting analyse the stakeholder feedback received on the aspects of the ED 334 proposals noted in paragraphs 5 – 5(c) above as part of the Board's redeliberations of its project proposals.

Project timeline

- 8 The project timeline set out below has regard to the Board's work on its associated Not-for-Profit Private Sector Financial Reporting Framework project (refer Agenda Paper 5.0) and the Board's decision at the exposure draft stage to align the issue of the consultative documents and effective dates of any final pronouncements resulting from these Board projects. No changes have been made to the timeline first communicated at the Board's 1 May 2025 meeting:

Topics	Date
Collation of feedback on ED 334 and decision whether to proceed with the Conceptual Framework: NFP Amendments project	May 2025 meeting
Redeliberation: Scoping of the <i>Conceptual Framework</i> and the proposed amendments to AASB 1057 to extend the population of NFP entities to which Australian Accounting Standards apply	July 2025 meeting (this meeting)
Redeliberation: NFP modifications to the <i>Conceptual Framework</i>	
Redeliberation: Disclosures in special purpose financial statements	
Redeliberation: Transitional provisions	October 2025 meeting
Redeliberation: Effective date	November 2025 meeting
Bring a draft amending Standard for consideration	
Bring sweep and other issues, revised draft amending Standard, Policy Impact Analysis, explanatory statement and vote for final pronouncements	H1 2026

- 2 Staff are not planning to bring a separate paper on this aspect of the proposals to the Board; but for the Board to review these amendments as part of its consideration of a draft Amending Standard at a future Board meeting (expected November 2025).

- 9 This proposed timeline is included also in Agenda Paper 5.0; presented together with the proposed timeline for progress of the Board's Not-for-Profit Private Sector Financial Reporting Framework project for ease of Board member consideration.

Question to Board members

- Q1 Do Board members have any questions or comments on the proposed timeline presented in paragraph 8 above?