



Project:	Post-implementation Review of AASB 2020-2 and AASB 1060	Meeting:	AASB March 2026 (M219)
Topic:	Consider stakeholder feedback and decide on the next steps	Agenda Item:	5.0
		Date:	26 February 2026
Contact(s):	Mikhail Bhatia mikhail.bhatia@asb.gov.au Kim Carney kcarney@asb.gov.au Eric Lee elee@asb.gov.au	Project Priority:	Medium
		Decision-Making:	High
		Project Status:	Consider stakeholder feedback and decide on the next steps

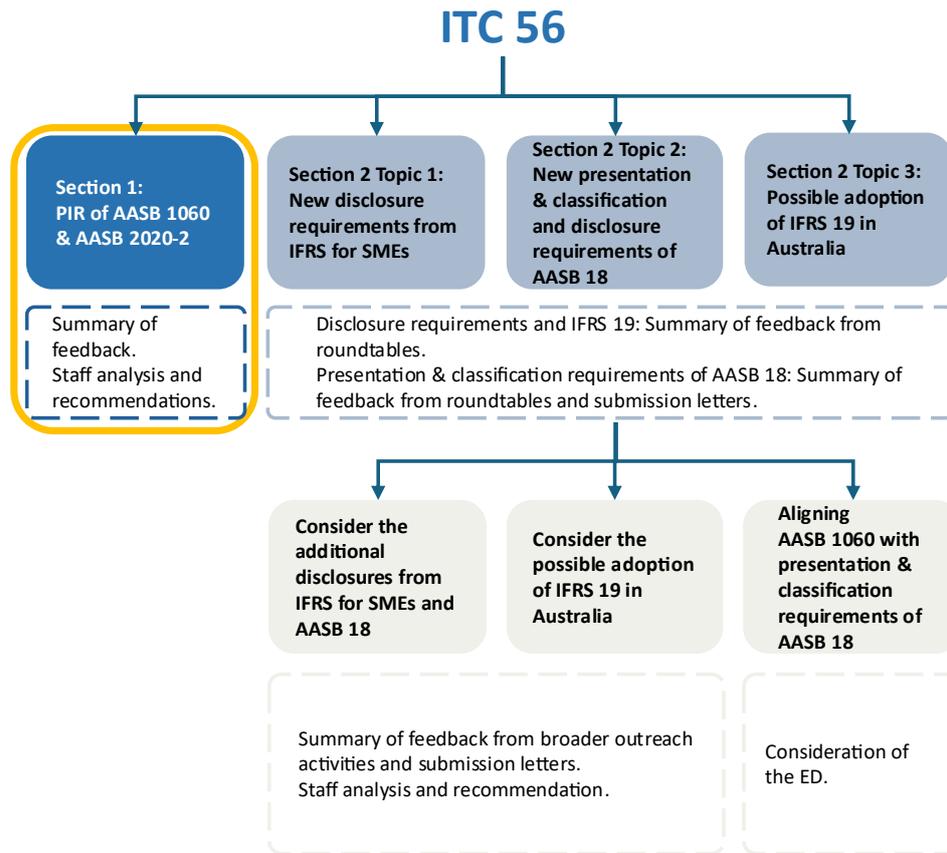
Objective of this paper

- 1 The Board's five-step process for undertaking a Post-implementation Review (PIR) is outlined on the AASB [website](#). The objective of this agenda item is to undertake Step 4: consideration of feedback and evidence to determine next steps for the PIR of:
 - (a) AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*; and
 - (b) AASB 2020-2 *Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities*.
- 2 The Board is asked to decide whether sufficient feedback and evidence have been obtained to conclude the PIR and, if so, to determine the appropriate next steps.

Background to ITC 56

- 3 AASB 1060 and AASB 2020-2 apply to annual reporting periods beginning on or after 1 July 2021. Accordingly, the AASB is required to complete its PIR for these Standards by June 2026.
- 4 In addition, paragraph BC96 of AASB 1060 requires the Board to review the Standard whenever:
 - (a) the *IFRS for SMEs Accounting Standard* is updated;
 - (b) a new Australian Accounting Standard or Interpretation is issued; or
 - (c) amendments are made to existing Australian Accounting Standards or Interpretations.

- 5 Recently, the following Standards have been issued, prompting the Board to consider their implications for AASB 1060:
- (a) AASB 18 *Presentation and Disclosure in Financial Statements*;
 - (b) IFRS 19 *Subsidiaries without Public Accountability*; and
 - (c) The third edition of the *IFRS for SMEs Accounting Standard*.
- 6 Given the interrelated nature of the PIR of AASB 1060 and the Board’s consideration of these recently issued Standards, the Board decided at its [May 2025](#) meeting to issue a single Invitation to Comment (ITC).
- 7 [ITC 56 Post-implementation Review of Tier 2 and the Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities and Further Update of Tier 2](#) was issued in September 2025 with two sections:
- (a) Section 1: PIR of AASB 1060 and AASB 2020-2: Seeking feedback on whether these Standards are operating as intended and meeting their original objectives effectively and efficiently.
 - (b) Section 2: AASB 1060 Update: Seeking feedback about the future direction of AASB 1060, covering:
 - (i) Topic 1: Potential amendments to AASB 1060 based on the third edition of the *IFRS for SMEs Accounting Standard*;
 - (ii) Topic 2: Potential effects of AASB 18 on AASB 1060; and
 - (iii) Topic 3: Disclosure requirements in IFRS 19.
- 8 The comment period closed on 22 January 2026. However, for Section 2, the Board agreed to continue outreach activities to obtain additional evidence from users of Tier 2 financial statements regarding the need for further disclosures.



- 9 The figure above summarises the items considered in ITC 56. **This agenda item addresses Section 1 of ITC 56 only.** Section 2 of ITC 56 is being addressed separately, including as part of Agenda Item 7 at this meeting.

Papers for this agenda item

- 10 In addition to this Cover Memo, two agenda papers are included in the combined pack to support the Board's assessment:
- (a) Agenda Paper 5.1 – the main paper for discussion. It provides an overview of the key themes from stakeholder feedback, staff analysis and staff recommendations; and
 - (b) Agenda Paper 5.2 – provides a summary of findings from commissioned research, along with additional staff analysis.
- 11 There are also four supporting Agenda Papers included in the supplementary folder for the Board's reference. They are:
- (a) Agenda Paper 5.3: Detailed summary of stakeholder feedback obtained in response to Section 1 of ITC 56 [in supplementary folder]
 - (b) Agenda Paper 5.4: Draft research report (Lodgement of Tier-1 and Tier-2 financial statements by non-listed entities) [Board only - in supplementary folder]
 - (c) Agenda Paper 5.5: Draft research report (Lodgement of Tier-1 and Tier-2 financial statements by not-for-profit entities) [Board only - in supplementary folder]

(d) Agenda Paper 5.6: Written submissions received on ITC 56 [in supplementary folder]

Next steps

12 The following table contains the proposed timeline for the remainder of the PIR of AASB 1060 and AASB 2020-2:

Proposed timeline	Project milestones and staff comments
	Planning phase
June 2024 (Completed)	Steps 1, 2: Review of original project documentation and collation of identified issues. Step 4: Seek preliminary feedback from targeted stakeholders (as necessary) and review feedback received.
May 2025 (Completed)	Step 3: Finalise findings from academic research. Steps 5 and 6: Prioritise issues identified in the planning phase to determine the scope of the consultation document, and discuss steps 1–5 (as necessary) with the Board before developing the consultation document. Step 8: Discuss the proposed content of the consultation document with the Board and approve for issue.
	Outreach phase
Q3 2025 (Completed)	Step 7: Draft consultation document (i.e. Invitation to Comment). The ITC was issued in September 2025.
Q3 2025 – Q1 2026 (Completed)	Step 9: Undertake general and targeted outreach to seek stakeholder feedback on the consultation document.
	Feedback and next steps
Q1 2026 (This meeting)	Step 10: Consultation comment period closed on 22 January 2026. Step 11: Review and summarise responses received on the consultation document and through outreach. Perform follow-up procedures where appropriate. Step 12: Identify possible ‘next steps’ to respond to findings.

Proposed timeline	Project milestones and staff comments
	Step 13: Discuss feedback and possible next steps with the Board.
Q2 2026 – Q3 2026	Step 14: Prepare a feedback statement, discuss it with the Board and publish the feedback statement.

Questions for Board members

Q1 Do Board members have any questions or comments about the proposed timeline for next steps?