



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

Project summary

In September 2025, the Australian Accounting Standards Board (AASB or Board) issued 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* to:

- conduct a post-implementation review (PIR) of:
 - AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*; and
 - AASB 2020-2 *Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities*; and
- seek feedback on whether changes to Tier 2 reporting requirements are warranted in light of recent developments in accounting standards.

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Project priority: High

Issued documents

- Invitation to Comment [ITC 56](#)
- [Appendices Re ITC 56](#)
 - Appendix 2.1.A *Amendments to the IFRS for SMEs Accounting Standard with limited effect – recommendations for amending AASB 1060* (starting on page 1)
 - Appendix 2.1.B *Amendments to the IFRS for SMEs Accounting Standard with limited effect – recommendations for not amending AASB 1060* (starting on page 27)
 - Appendix 2.2.D Editorial amendments to AASB 1060 to align with AASB 18 terminology and paragraph references (starting on page 45)

The staff of the AASB have prepared this summary for information purposes only. The Board decisions described are tentative and do not change current accounting pronouncements unless otherwise indicated. Official positions of the AASB are determined only after extensive due process and deliberations. While this summary is regularly updated, it does not provide a comprehensive review or statement of events and should not be treated as such.

- A series of four short webcasts supporting ITC 56:
 - Webcast 1: [Post-Implementation Review of AASB 1060 and AASB 2020-2](#)
 - Webcast 2: [Proposed updates to AASB 1060 following changes to the IFRS for SMEs Accounting Standard](#)
 - Webcast 3: [New presentation and disclosure requirements in AASB 18 and the effect on AASB 1060](#)
 - Webcast 4: [The possible adoption of IFRS 19 in Australia](#)

Project status

- Reviewing feedback received on ITC 56

Board deliberations

- [AASB Action Alert Update and Board Papers](#)

AASB outreach

- In-person and virtual outreach activities conducted in November 2025.

AASB communications

- Latest News '[Review of AASB 1060 & AASB 2020-2](#)'

Project news	
Date	News
May 2025	May 2025 Action Alert
Feb 2026	Feb 2026 Action Alert

AASB Action Alert Update and Board Papers	
Meeting Date	Update
May 2025	<p>The Board decided on the structure, general content and questions for stakeholders for an Invitation to Comment (ITC) to be issued as part of a review of AASB 1060 <i>General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities</i>. The ITC is expected to be issued in Q3 2025 with a 120-day comment period. The ITC will have two sections, as described below.</p> <p>(a) Section A: Post-implementation Review (PIR) of AASB 1060 and AASB 2020-2 <i>Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For Profit Private Sector Entities</i> will seek feedback about whether AASB 1060 and AASB 2020-2 are operating as intended and are effectively and efficiently meeting their original objectives.</p> <p>(b) Section B: Review of AASB 1060 will seek feedback about whether AASB 1060 should be updated due to the issue of new Standards and changes made by the IASB to the <i>IFRS for SMEs Accounting Standard</i>, which was used as a base for developing AASB 1060. This section will consist of the following topics:</p> <ul style="list-style-type: none"> ○ Topic 1: Consideration of amendments made to the <i>IFRS for SMEs Accounting Standard</i> and whether similar amendments should be made to AASB 1060; ○ Topic 2: Consideration of the potential effects of AASB 18 <i>Presentation and Disclosure in Financial Statements</i> on AASB 1060; and

AASB Action Alert Update and Board Papers

Meeting Date	Update
	<ul style="list-style-type: none"> ○ Topic 3: Consideration of the potential effects of IFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i> on AASB 1060. <p><u>8.0</u> Cover Memo: AASB 1060 Review</p> <p><u>8.1</u> PIR of AASB 1060 and AASB 2020</p> <p><u>8.2</u> Consider potential amendments to AASB 1060 resulting from amendments to <i>IFRS for SMEs</i>.</p> <p><u>8.3</u> Consideration of the potential effects of AASB 18 on AASB 1060</p> <p><u>8.4</u> Consideration of disclosure requirements in IFRS 19</p>
Feb 2026	<p>The Board considered initial stakeholder feedback from the three roundtable sessions held in November 2025 on Section 2 of Invitation to Comment ITC 56 <i>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</i>. Feedback from the broader outreach activities and submission letters on all aspects of ITC 56 will be presented at a future meeting. The purpose of the early update was to highlight two key themes emerging from the feedback:</p> <ul style="list-style-type: none"> (a) strong support for aligning AASB 1060 <i>General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities</i> with the presentation and classification requirements in AASB 18 <i>Presentation and Disclosure in Financial Statements</i>. The stakeholder feedback emphasised the importance of amending AASB 1060 in time for early application by Tier 2 entities that wished to align their financial statement presentation with Tier 1 entities applying the requirements of AASB 18; and (b) mixed views on the additional disclosure requirements proposed in ITC 56 for AASB 1060 – some stakeholders recommended that the Board addresses the need for additional disclosures with Australian users of Tier 2 financial statements. <p>The Board approved prioritising work on aligning the presentation and classification requirements of AASB 1060 with AASB 18. In addition, the Board agreed to extend the outreach activities to seek additional evidence from users of Tier 2 financial statements on the need for additional disclosures.</p> <p><u>3.1</u> Initial summary of feedback received from roundtables on section 2 of ITC 56</p>