



<b>Project:</b>	<b>Conceptual Framework: Not-for-Profit Amendments</b>	<b>Meeting:</b>	AASB October 2025 (M215)
<b>Topic:</b>	<b>Redeliberation – Transitional provisions</b>	<b>Agenda Item:</b>	5.1
		<b>Date:</b>	16 September 2025
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		<b>Decision-Making:</b>	High
		<b>Project Status:</b>	Project redeliberations

## Objective of this paper

- 1 The objective of this agenda item is for the Board to **decide** how to finalise the proposed transitional provisions exposed in ED 334 *Limiting the Ability of Not-for-Profit Entities to Prepare Special Purpose Financial Statements*.
- 2 The Board's decisions in Agenda Paper 6.4 regarding the transitional provisions applying to an entity that previously prepared Tier 3-compliant general purpose financial statements and which is complying with Tier 2 reporting requirements for the first time may inform the Board's decision-making in this paper.

## Structure of this paper

- 3 This paper is set out as follows:
  - (a) background and reasons for bringing this paper to the Board – paragraphs 4 – 6;
  - (b) summary of the proposed requirements for disclosures in special purpose financial statements – paragraph 7 – 9;
  - (c) staff analysis of the feedback received – paragraph 10 – 12, including Table 1; and
  - (d) Appendix: Extract from ED 334 – Amendments to AASB 1053 *Application of Tiers of Australian Accounting Standards*.

## Background and reasons for bringing this paper to the Board

- 4 ED 334 exposed proposals to extend the application of the *Conceptual Framework for Financial Reporting (Conceptual Framework)* to more not-for-profit (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.
- 5 At its 1 May 2025 meeting, the Board considered a summary of the feedback received on the Exposure Draft.<sup>1</sup> Having regard to that feedback, the Board decided to continue its Conceptual Framework: Not-for-Profit Amendments project and develop a final Standard based on ED 334.<sup>2</sup>
- 6 With respect to transitional provisions, ED 334 exposed the Board's intention to make available only limited transitional relief on implementation of its proposals. This paper analyses the

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1 Refer [Agenda Paper 3.2](#) of the 1 May 2025 AASB meeting  
2 Approved [minutes](#) of the 1 May 2025 AASB meeting

stakeholder feedback received about the Board's proposed transitional provisions, and seeks a Board decision as to how to finalise its requirements in this regard.

## Summary of the proposed transitional provisions

- 7 In ED 334, the Board proposed:
- (a) not specifying any transitional provisions, beyond those provisions already available as part of AASB 1 *First-time Adoption of Australian Accounting Standards*, for NFP first-time adopters of Australian Accounting Standards preparing Tier 1-compliant general purpose financial statements;
  - (b) inserting Appendix F to AASB 1053 *Application of Tiers of Australian Accounting Standards*, to provide NFP first-time adopters of Australian Accounting Standards preparing Tier 2-compliant general purpose financial statements with optional relief in their first (Tier 2) Australian-Accounting-Standards financial statements from:
    - (i) distinguishing the correction of errors from changes in accounting policy;
    - (ii) presenting comparative information not previously disclosed in the notes to the financial statements; and
    - (iii) restating comparative information. (ED 334 proposes that certain disclosures must be made, if the entity does not restate its comparative information.)
- The transitional relief would be limited to periods before an Amending Standard becomes mandatorily effective; and
- (c) amending paragraph 20A of AASB 1053 to clarify that an NFP entity transitioning from preparing unconsolidated Tier 2-compliant general purpose financial statements to preparing consolidated Tier 2-compliant general purpose financial statements may apply AASB 1.
- 8 Additionally, the Board proposed revising various flowcharts presented in Appendix C and replacing Appendix D of AASB 1053. These appendices provided application guidance to entities regarding first-time adoption and moving between reporting Tiers.
- 9 An extract from ED 334 showing the proposed transitional provisions and other amendments to AASB 1053 is included as an Appendix to this paper.

## Staff analysis of the feedback received

- 10 As noted in [Agenda Paper 3.2](#) of the Board's 1 May 2025 meeting, almost all stakeholders commenting on the proposed transitional provisions agreed with the form of transitional relief to be made available to an entity that is a first-time adopter of Australian Accounting Standards and that elects to apply AASB 1060. However, several of these stakeholders disagreed with limiting the proposed relief only to early adopters.<sup>3</sup> In addition, staff consider that almost all stakeholders commenting on the proposed amendments to allow NFP entities transitioning from unconsolidated Tier 2-compliant general purpose financial statements to consolidated Tier 2-compliant general purpose financial statements to apply AASB 1 supported the proposal.<sup>4</sup>

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3 46 stakeholders responded to Specific Matter for Comment SMC 6, including 30 polled outreach participants. At least 6 stakeholders (2 professional services firms, 1 regulator, 3 professional bodies) disagreed with an early adoption limit to the proposed transitional relief. In addition, 7 outreach participants and 1 submission indicated they disagreed or were unsure about the proposals – some similarly because of the proposed early adoption limit.

4 45 stakeholders responded to Specific Matter for Comment SMC 7, including 29 polled outreach participants. 6 outreach participants indicated they were unsure whether they supported the proposal but provided no clarification to their response.

- 11 Staff have analysed the concerns raised in Table 1 below. No specific other comments were received about the proposed amendments to AASB 1053, including about the proposed replacement Charts in Appendix C or new Appendix D (transition scenarios) to that Standard:

*Table 1: Analysis of feedback received – transitional provisions and application guidance*

Proposal	AASB Rationale	Stakeholder feedback	Staff analysis and recommendation
1. To not develop any further transitional provisions for NFP entity first-time adopters of Australian Accounting Standards preparing Tier 1-compliant general purpose financial statements	None required given as AASB 1 already includes specific provisions for NFP entities, and noting (1) that no further transitional provisions were considered necessary for the for-profit private sector entity cohort, and (2) the anticipated limited size of the affected NFP cohort. [ref: ED 334.BC94]	Stakeholders did not comment on the Board's proposal to not develop any further specific transitional provisions for first time adopters of Australian Accounting Standards electing to prepare Tier 1-compliant general purpose financial statements.	Staff think the stakeholder feedback reflects negative assurance of support for the proposal.  Therefore, staff recommend that the Board proposal be finalised as exposed: that is, a resulting Amending Standard should not include any further transitional provisions for NFP entity first-time adopters of Australian Accounting Standards preparing Tier 1-compliant general purpose financial statements, for the reasons set out in ED 334.
2. To provide NFP entity first-time adopters of Australian Accounting Standards preparing Tier 2-compliant general purpose financial statements optional relief in their first (Tier 2) Australian-Accounting-	To alleviate costs for the cohort of NFP entities that will be compelled to become first-time adopters of Australian Accounting Standards in recognition of their	Almost all commenting stakeholders agreed with the proposal.  A stakeholder considered that proposed transitional relief from restating comparative information was inappropriate, as it could	With regard to the stakeholder concern that comparative information could be rendered meaningless if it were not restated, staff observe that:  (a) the relief is primarily a cost alleviation mechanism and is short-term in nature – it is not an ongoing policy; and  (b) a similar concern was raised by stakeholders in response to AASB ED 297 <i>Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities</i> , and disclosures were developed by the Board in response (ref AASB 2020-2.BC132-BC133). These

Proposal	AASB Rationale	Stakeholder feedback	Staff analysis and recommendation
<p>Standards financial statements from:</p> <ul style="list-style-type: none"> <li>(i) distinguishing the correction of errors from changes in accounting policy;</li> <li>(ii) presenting comparative information not previously disclosed in the notes to the financial statements; and</li> <li>(iii) restating comparative information (certain disclosures must be made)</li> </ul>	<p>resource constraints and other challenges, and for consistency with a transaction neutrality policy [ref: ED 334.BC97, BC98]</p>	<p>make the comparative information meaningless.</p>	<p>disclosures are similarly proposed for NFP entities. In these instances, the ED proposes that the entity would be required to describe the main profit or loss adjustments that would have been otherwise required, as well as a reconciliation of the opening equity.<sup>5</sup> These disclosures will allow entities to evaluate – to a certain extent – how the financial statements might have looked had they been restated.</p> <p>Further, staff note that the majority of commenting stakeholders support the proposed forms of optional relief.</p> <p>Accordingly, on balance, staff recommend that the proposed optional short-term exemptions be finalised as exposed, for the reasons set out in ED 334, subject to consideration of the entities for whom these exemptions will be available (discussed in the next row of this table).</p>
<p>3. To limit the optional transitional relief available to NFP entity first-time adopters of Australian Accounting Standards preparing Tier 2-compliant general purpose financial statements to periods before an Amending Standard becomes mandatorily effective</p>	<p>To encourage early adoption [ref: ED 334.BC96, BC98]</p>	<p>Many stakeholders <u>disagreed</u> with limiting the availability of the proposed transitional relief to only early adopters of an Amending Standard. Some stakeholders considered that the AASB should not be involved in providing incentives for early adopters to move from special purpose financial statements. Rather,</p>	<p>Staff note that ED 334 and ED 335 propose the same forms of optional transitional relief for an NFP entity's first Tier 2-compliant general purpose financial statements. Staff agree that it is not ideal that the extent of reporting relief available differs for:</p> <ul style="list-style-type: none"> <li>(a) entities that prepare general purpose financial statements that comply with Tier 3: Australian Accounting Standards – Simplified Accounting before transitioning to Tier 2: Australian Accounting Standards – Simplified Disclosures; and</li> </ul>

5 Refer proposed paragraph F7 of AASB 1053 *Application of Australian Accounting Standards*, included in the Appendix to this staff paper.

Proposal	AASB Rationale	Stakeholder feedback	Staff analysis and recommendation
		<p>there should be a sound basis or set of conditions necessitating the relief. Consistent to this, some stakeholders considered that facilitating adoption is of such crucial importance that these benefits should be available whenever an NFP entity determines that is in their best interests to apply them.</p> <p>Stakeholders also observed that early adoption is unlikely given resource constraints and competing reporting developments, and further, may not be beneficial when considering the potential lack of financial expertise.</p> <p>Some stakeholders observed that limiting the transitional relief to early adopters also fosters an inconsistency to the transitional provisions proposed in ED 335, which do not limit similar relief available to an entity transitioning from Tier 3: Australian Accounting Standards – Simplified</p>	<p>(b) entities that prepare special purpose financial statements before transitioning to Tier 2: Australian Accounting Standards – Simplified Disclosures,</p> <p>as the financial statements in (a) would have similarly been termed special purpose financial statements prior to Tier 3 reporting requirements being developed. Staff note that the misalignment of accounting treatments potentially discourages ‘better’ (as signalled by a higher reporting Tier) reporting and also allows entities to manage their reporting decisions to gain more relief.</p> <p>When developing the proposed ED 334 requirements, the Board considered that the equivalent relief applicable to for-profit private sector entities:<sup>6</sup></p> <p>(a) was originally developed in recognition of the significant number of entities that would become first-time adopters in conjunction with a short implementation period; and</p> <p>(b) was later limited to early adopters in recognition of its purpose being to incentivise the transition from special purpose financial statements to Tier 2-compliant general purpose financial statements in a timely manner, rather than as a general first-time adoption provision.<sup>7</sup> As noted in AASB 2020-2.BC136 in respect of the restatement of comparative information, “... an extended effective date would remove the need for transitional relief”.</p> <p>While this suggests that similar transitional relief is not necessary for NFP entities, nevertheless, in ED 334 the Board decided to propose transitional provision requirements in ED 334 in line with its transaction neutrality policy and in fulfilment of the implicit promise in AASB 2021-1 <i>Amendments to Australian Accounting Standards</i> –</p>

6 Refer [Agenda Paper 7.1 of the 6-7 June 2024 AASB meeting](#), and AASB 2020-2.BC135-136 and BC139-BC140.

7 AASB 2020-2.BC135

Proposal	AASB Rationale	Stakeholder feedback	Staff analysis and recommendation
		<p>Accounting to Tier 2: Australian Accounting Standards – Simplified Disclosures.</p> <p>In addition, some stakeholders made the following comments:</p> <p>(a) relief from distinguishing the correction of errors from changes in accounting policies should be made available also to the first year of adoption to be consistent with the equivalent transitional relief applying to for-profit private sector entities; and</p> <p>(b) transitional relief should extend to the first year of adoption if the proposed implementation period is shorter than 3 years.</p>	<p><i>Transition to Tier 2: Simplified Disclosures for Not-for-Profit Entities</i> that NFP entities will in their turn have access to the same transitional provisions as for-profit private sector entities, when more entities in the NFP sector are required to prepare general purpose financial statements. The proposed requirements included the limitation on the availability of the transition relief.</p> <p>In general, staff agree with the stakeholder view that transitional provisions should be developed only where there is a need for the provision, rather than purely as an incentive to encourage early adoption. Consistent with this, staff note that in developing ED 335, the Board decided not to restrict the availability of the proposed relief for entities transitioning from preparing general purpose financial statements complying with Tier 3 reporting requirements to those complying with Tier 2 reporting requirements as it considered that to do so may not offer NFP entities with sufficient transitional support (ED335.BC132 and BC133): i.e. concluding that the transitional relief is in the nature of a general first-time adoption provision.</p> <p>Noting this, and as staff concur with the stakeholder conclusion that NFP entities are unlikely to early adopt an Amending Standard for the reasons given, on further consideration, on reflection, staff think that the applicability of the transitional provisions should not be limited to only early adopters of a resultant Standard as otherwise the Board's primary objective in developing that transitional relief (to support a significant number of NFP entities currently preparing special purpose financial statements through their transition process) will not be achieved.</p> <p>Accordingly, on balance, staff recommend that the proposed limit on the availability of the transitional provisions to entities not be finalised, but for the specified transitional relief to be available to all relevant entities on adoption of the Amending Standard.</p>

Proposal	AASB Rationale	Stakeholder feedback	Staff analysis and recommendation
			Staff note that the stakeholder comments that relief should be made available also to the first year of adoption in certain instances is superseded by the staff recommendation above.
4. To amend paragraph 20A of AASB 1053 to clarify that an NFP entity transitioning from preparing unconsolidated Tier 2-compliant general purpose financial statements to preparing consolidated Tier 2-compliant general purpose financial statements may apply AASB 1	Considered helpful as more NFP entities are likely to prepare consolidated financial statements subsequent to this Board project, and in line with a transaction neutrality policy [ref: ED 334.BC103]	Stakeholders agreed with the proposed amendments. However, a stakeholder considered that entities impacted by this proposal should be additionally required to disclose when the entity will prepare consolidated Tier 2-compliant general purpose financial statements.	<p>Staff's understanding of the stakeholder comment is that the mooted disclosure is of the reason why the entity, having previously prepared unconsolidated Tier 2 general purpose financial statements, now needs to prepare consolidated financial statements. Staff note that there is no requirement in AASB 1060 equivalent to paragraph 30 of AASB 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>, and which would require an entity to include information about Standards on issue but not yet effective. Also, no similar disclosure to that mooted was required of for-profit private sector entities who similarly needed to transition from preparing unconsolidated financial statements.</p> <p>As such, staff think there is no need to develop further specific requirements to address the stakeholder concern. Further, staff note that paragraph 106 of AASB 1060 already requires information to be disclosed regarding the entity's change in accounting policy, when implemented.</p> <p>Consequently, and as the stakeholder feedback supports the Board proposal, staff recommend that the Board's proposal to clarify that an NFP entity transitioning from preparing unconsolidated Tier 2-compliant general purpose financial statements to preparing consolidated Tier 2-compliant general purpose financial statements may apply AASB 1 be finalised as exposed, for the reasons set out in ED 334.</p>
5. To revise various flowcharts presented in Appendix C and replace Appendix D of AASB 1053	Updates existing guidance to reflect the extended	Stakeholders did not make any drafting or raise other comments about the proposed amendments to	While stakeholders did not comment on the adequacy of the proposed application guidance, staff note that many stakeholders voiced the need for post-issue education and implementation support, especially for smaller NFP entities.

Proposal	AASB Rationale	Stakeholder feedback	Staff analysis and recommendation
to provide guidance also on the proposed changes to the NFP reporting landscape	reporting landscape	AASB 1053, including about the proposed replacement flowcharts in Appendix C or new Appendix D (transition scenarios) to the Standard.	Staff think the absence of feedback provides the Board with negative assurance that the proposed revisions and extent of guidance in this regard are useful and sufficient for users of the Standard. Consequentially, staff recommend finalising the extent of guidance as drafted.

- 12 While no drafting or other editorial comments were received from the public consultation, staff will review the related drafting subsequent to incorporating any amendments to reflect the Board's decisions on transitional provisions and other aspects of its Amending Standard. Staff will bring any proposed changes necessary to reflect consistency with the Board's decisions to the Board to a future meeting as part of the Board's consideration of a draft Amending Standard.

**Question 1 to Board members**

Do Board members agree with the staff recommendations in Table 1 above for the Board finalise the amendments to AASB 1053 exposed in ED 334 (refer Appendix), except to remove the proposed limit on the availability of the short-term exemptions applying to entities preparing financial statements that comply with Tier 2 Australian Accounting Standards – Simplified Disclosures?

If not, what do Board members propose?



## APPENDIX: Extract from ED 334 – Amendments to AASB 1053

The following extract from ED 334 *Limiting the Ability of Not-for-Profit Entities to Prepare Special Purpose Financial Statements* sets out the exposed proposals regarding the transitional provisions applying on implementation of the proposed requirements. The Exposure Draft proposed to locate these transitional provisions in AASB 1053, consistent with the location of the equivalent provisions for-profit private sector entities.

Underlining, striking out and other typographical material was used to identify some of the amendments to a pronouncement, in order to make the amendments more understandable. Amended paragraphs are shown with deleted text struck through and new text underlined. Ellipses (...) are used to help provide the context within which amendments are made and also to indicate text that is not amended.

### Amendments to AASB 1053 *Application of Tiers of Australian Accounting Standards*

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53 Paragraph AusCF1 is amended as follows:

AusCF1 AusCF entities are:

- (a) ~~not for profit entities; and~~
- (b) ~~for profit~~ entities that are not applying the *Conceptual Framework for Financial Reporting* (as identified in AASB 1048 *Interpretation of Standards*).

For AusCF entities, the term ‘reporting entity’ is defined in AASB 1057 *Application of Australian Accounting Standards* and Statement of Accounting Concepts SAC 1 *Definition of the Reporting Entity* also applies. ~~For profit~~ Entities applying the *Conceptual Framework for Financial Reporting* are set out in paragraph Aus1.1 of the *Conceptual Framework*.

54 Paragraph 20A is amended as follows. The related heading is not amended but included here for ease of reference:

#### **Reapplication of Tier 2 Reporting Requirements in Initial Consolidated Financial Statements**

20A An entity that is either a ~~A~~ for-profit private sector entity or a not-for-profit entity and that:

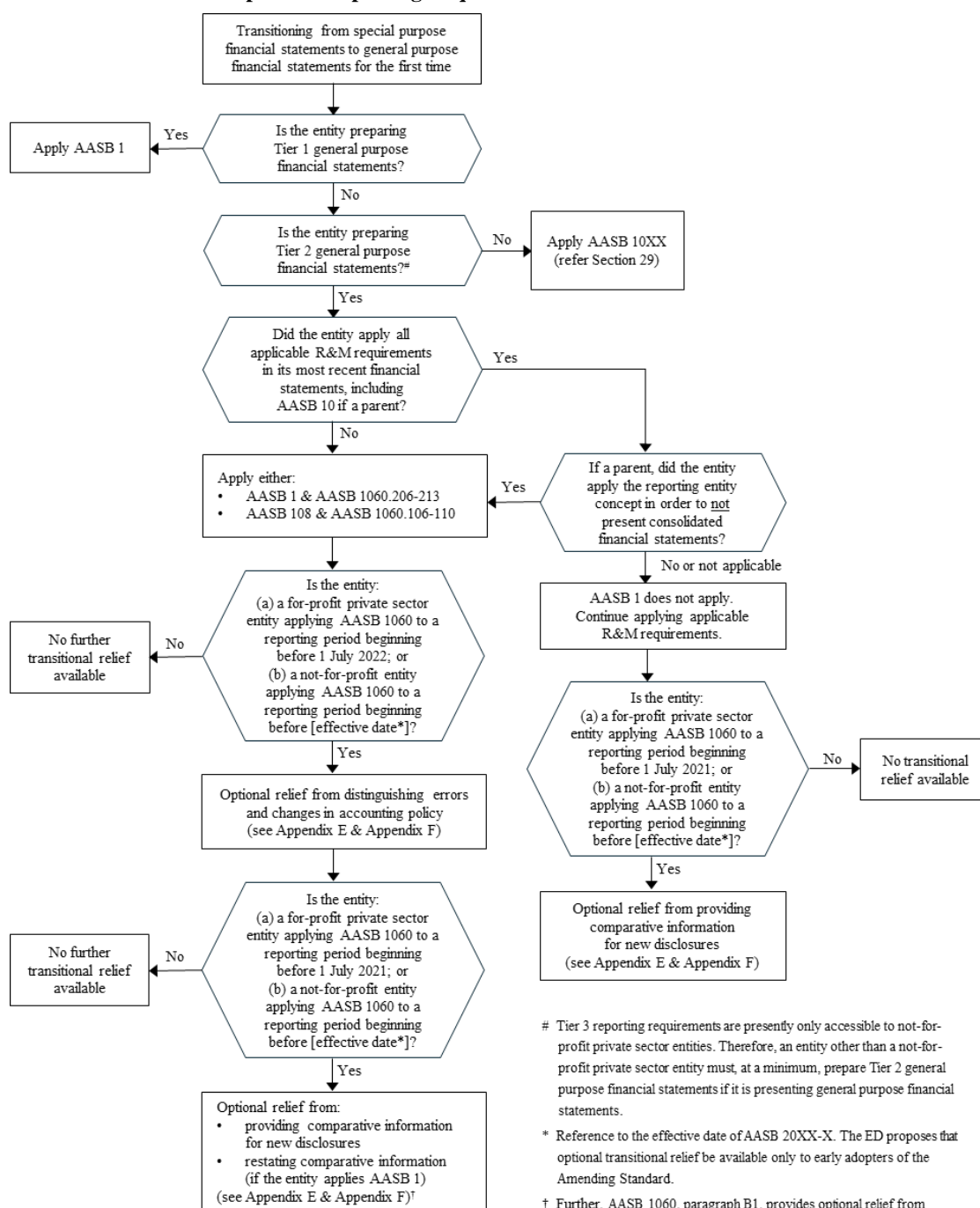
- (a) prepared its most recent previous annual financial statements in compliance with Tier 2 reporting requirements, including an explicit and unreserved statement of compliance with Tier 2 reporting requirements;
- (b) did not present consolidated financial statements, on the basis that neither the parent nor the group was a reporting entity (as defined in AASB 1057); and
- (c) is preparing consolidated financial statements for the first time in compliance with Tier 2 – Simplified Disclosures;

shall apply either:

- (d) all the relevant requirements of AASB 1; or
- (e) Tier 2 reporting requirements directly using the requirements in AASB 108.

In Appendix C, Chart 1: First-time Adoption of Tier 1 or Tier 2 Reporting Requirements (paragraphs 18– 18D) is renamed and replaced as follows:

**Chart 1: First-time Adoption of Reporting Requirements**



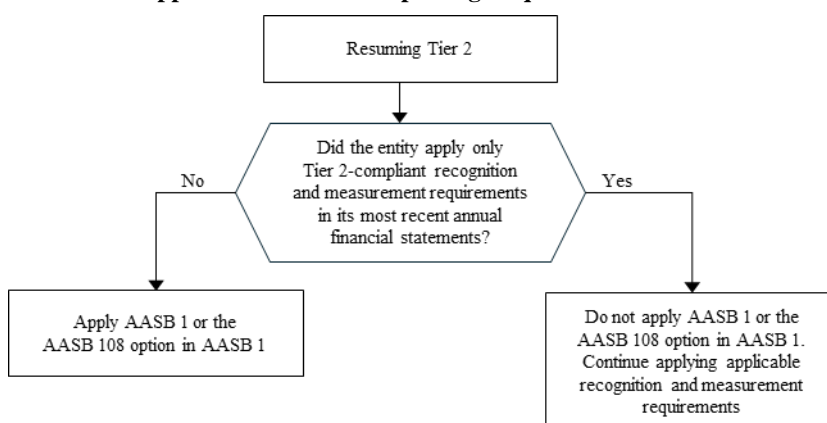
# Tier 3 reporting requirements are presently only accessible to not-for-profit private sector entities. Therefore, an entity other than a not-for-profit private sector entity must, at a minimum, prepare Tier 2 general purpose financial statements if it is presenting general purpose financial statements.

\* Reference to the effective date of AASB 20XX-X. The ED proposes that optional transitional relief be available only to early adopters of the Amending Standard.

† Further, AASB 1060, paragraph B1, provides optional relief from presenting comparative information for new disclosures for not-for-profit entities transitioning early from either Tier 1 or Tier 2 – Reduced Disclosure Requirements to Tier 2 – Simplified Disclosures, for reporting periods beginning before 1 July 2021.

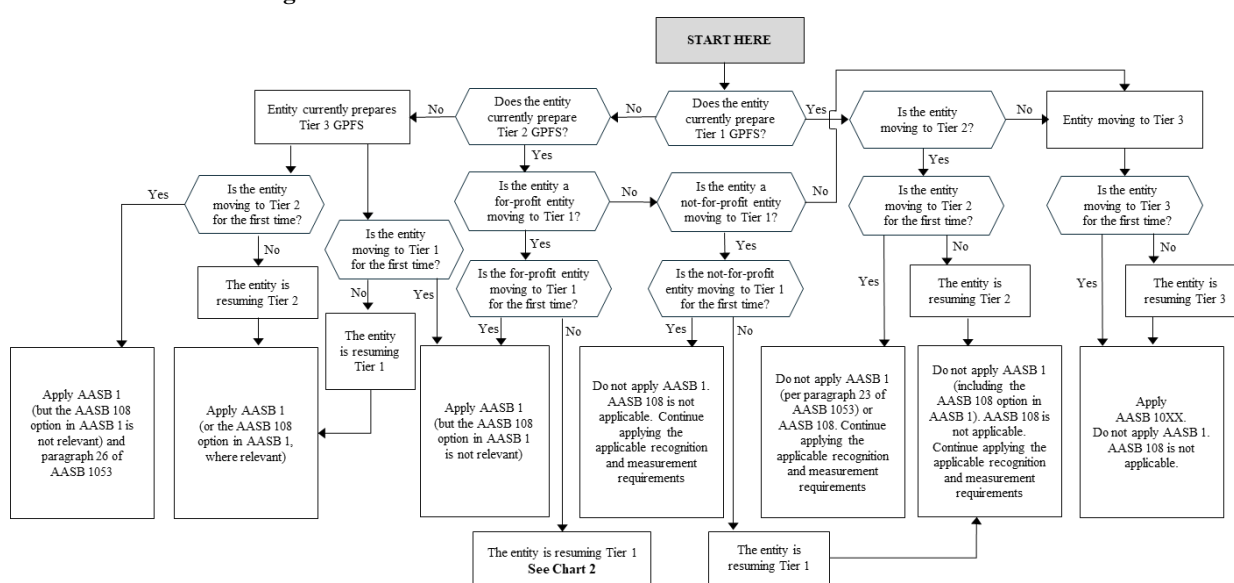
56 In Appendix C, Chart 3: Re-application of Tier 2 Reporting Requirements (paragraph 19B) is replaced as follows:

**Chart 3: Re-application of Tier 2 Reporting Requirements**



57 In Appendix C, Chart 4: Moving between Tiers (paragraphs 21 and 23) is replaced as follows:

**Chart 4: Moving between Tiers**



58 Appendix D is replaced as follows:

## Appendix D

### Transition Scenarios

*This appendix accompanies, but is not part of AASB 1053. It summarises which paragraphs of AASB 1053 would apply in particular scenarios and whether the entity would apply AASB 1 or AASB 108.*

**Table 1: Entity transitioning to, or from, Tier 1 or Tier 2 general purpose financial statements (entity has never prepared Tier 3 general purpose financial statements)**

A previous reporting period	The most recent previous reporting period	Current reporting period	Applicable paragraph of AASB 1053	Consequence
		<i>First time adopt T1</i>		
SPFS	SPFS using R&M	T1 IFRS	18	AASB 1
SPFS	SPFS using R&M	T1 non-IFRS	18	AASB 1
SPFS	SPFS not using R&M	T1 IFRS	18	AASB 1
SPFS	SPFS not using R&M	T1 non-IFRS	18	AASB 1
SPFS	T2	T1 IFRS	21(a)	AASB 1
SPFS	T2	T1 non-IFRS	21(b)	Not AASB 1
		<i>First time adopt T2</i>		
SPFS	SPFS using R&M	T2	18A(b)	Not AASB 1
SPFS	SPFS not using R&M	T2	18A(a)	AASB 1 or directly through AASB 108
SPFS	T1 IFRS	T2	23	Not AASB 1

A previous reporting period	The most recent previous reporting period	Current reporting period	Applicable paragraph of AASB 1053	Consequence
SPFS	T1 non-IFRS	T2	23	Not AASB 1
		<b>Resume T1</b>		
T1 IFRS	SPFS using R&M	T1 IFRS	19	AASB 1 or AASB 108 option in AASB 1
T1 IFRS	SPFS using R&M	T1 non-IFRS	19	AASB 1 or AASB 108 option in AASB 1
T1 IFRS	SPFS not using R&M	T1 IFRS	19	AASB 1 or AASB 108 option in AASB 1
T1 IFRS	SPFS not using R&M	T1 non-IFRS	19	AASB 1 or AASB 108 option in AASB 1
T1 IFRS	T2	T1 IFRS	21(a)	AASB 1 or AASB 108 option in AASB 1
T1 IFRS	T2	T1 non-IFRS	21(b)	Not AASB 1
T1 non-IFRS	SPFS using R&M	T1 IFRS	19A	AASB 1 (but not AASB 108 option in AASB 1)
T1 non-IFRS	SPFS using R&M	T1 non-IFRS	19	AASB 1 or AASB 108 option in AASB 1
T1 non-IFRS	SPFS not using R&M	T1 IFRS	19A	AASB 1 (but not AASB 108 option in AASB 1)
T1 non-IFRS	SPFS not using R&M	T1 non-IFRS	19	AASB 1 or AASB 108 option in AASB 1
T1 non-IFRS	T2	T1 IFRS	19A & 21(a)	AASB 1 (but not AASB 108 option in AASB 1)
T1 non-IFRS	T2	T1 non-IFRS	21(b)	Not AASB 1
		<b>Resume T2</b>		
T2	SPFS using R&M	T2	19B(e)	Not AASB 1 or AASB 108 option in AASB 1
T2	SPFS not using R&M	T2	19B(d)	AASB 1 or AASB 108 option in AASB 1
T2	T1 IFRS	T2	23	Not AASB 1 or AASB 108 option in AASB 1
T2	T1 non-IFRS	T2	23	Not AASB 1 or AASB 108 option in AASB 1

*Legend:*

SPFS: special purpose financial statements

R&M: recognition and measurement requirements in Australian Accounting Standards

T1: Tier 1 general purpose financial statements

T2: Tier 2 general purpose financial statements

IFRS: the financial statements contain an explicit and unreserved statement of compliance with IFRS Standards

non-IFRS: the financial statements do not contain an explicit and unreserved statement of compliance with IFRS Standards

**Table 2: Entity transitioning to, or from, Tier 3 general purpose financial statements**

A previous reporting period	The most recent previous reporting period	Current reporting period	Applicable paragraph of AASB 1053	Consequence
		<b>First time adopt T1</b>		
SPFS	T3	T1 IFRS	25	AASB 1
SPFS	T3	T1 non-IFRS	25	AASB 1
		<b>First time adopt T2</b>		
SPFS	T3	T2	26	AASB 1 or directly through AASB 108
		<b>First time adopt T3</b>		
SPFS	SPFS using R&M	T3	18E	Not AASB 1 (refer [ED 335])
SPFS	SPFS not using R&M	T3	18E	Not AASB 1 (refer [ED 335])
SPFS	T1 IFRS	T3	18E	Not AASB 1 (refer [ED 335])
SPFS	T1 non-IFRS	T3	18E	Not AASB 1 (refer [ED 335])
SPFS	T2	T3	18E	Not AASB 1 (refer [ED 335])
		<b>Resume T1</b>		
T1 IFRS	T3	T1 IFRS	19	AASB 1 or AASB 108 option in AASB 1
T1 IFRS	T3	T1 non-IFRS	19	AASB 1 or AASB 108 option in AASB 1
T1 non-IFRS	T3	T1 IFRS	19A	AASB 1 (but not AASB 108 option in AASB 1)
T1 non-IFRS	T3	T1 non-IFRS	19	AASB 1 or AASB 108 option in AASB 1
		<b>Resume T2</b>		
T2	T3	T2	19B(d)	AASB 1 or AASB 108 option in AASB 1
		<b>Resume T3</b>		
T3	SPFS using R&M	T3	20B & 20C	Not AASB 1 (refer [ED 335])
T3	SPFS not using R&M	T3	20B & 20C	Not AASB 1 (refer [ED 335])
T3	T1 IFRS	T3	20B & 20C	Not AASB 1 (refer [ED 335])
T3	T1 non-IFRS	T3	20B & 20C	Not AASB 1 (refer [ED 335])
T3	T2	T3	20B & 20C	Not AASB 1 (refer [ED 335])

*Legend:*

SPFS: special purpose financial statements

R&M: recognition and measurement requirements in Australian Accounting Standards

T1: Tier 1 general purpose financial statements

T2: Tier 2 general purpose financial statements

T3: Tier 3 general purpose financial statements

IFRS: the financial statements contain an explicit and unreserved statement of compliance with IFRS Standards

non-IFRS: the financial statements do not contain an explicit and unreserved statement of compliance with IFRS Standards

59 The title of Appendix E is amended to “Short-term exemptions for for-profit private sector entities applying Tier 2 – Simplified Disclosures for periods beginning before 1 July 2022”.

60 Appendix F is added as follows:

## **Appendix F**

### **Short-term exemptions for not-for-profit entities applying Tier 2 – Simplified Disclosures for periods beginning before [date]**

*This appendix is an integral part of AASB 1053.*

#### **Short-term exemptions for not-for-profit entities**

F1 This appendix sets out optional short-term exemptions for not-for-profit entities applying AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* to periods beginning before [date], as follows:

- (a) relief from distinguishing the correction of errors and changes in accounting policy, for periods beginning before [date] (see paragraph F3);
- (b) relief from providing comparative information not previously disclosed in the notes, for periods beginning before [date] (see paragraph F4); and
- (c) relief from restating comparative information, for periods beginning before [date] (see paragraphs F5–F7).

F2 If an entity applies one or more of the exemptions set out in this appendix, it shall disclose that fact.

#### **Relief from distinguishing the correction of errors and changes in accounting policy**

F3 For periods beginning before [date], notwithstanding AASB 1060 paragraph 211 (for entities applying AASB 1 *First-time Adoption of Australian Accounting Standards* to the period) and AASB 1060 paragraph 110 (for entities applying AASB 108 *Basis of Preparation of Financial Statements* instead of AASB 1), an entity applying paragraph 18A(a) or (b) need not distinguish the correction of errors and changes in accounting policies if the entity becomes aware of errors made in its most recent previous special purpose financial statements.

#### **Relief from presenting comparative information not previously disclosed in the notes**

F4 Notwithstanding AASB 1060 paragraph 20, entities that elect to apply AASB 1060 to periods beginning before [date] need not present comparative information in the notes if the entity did not disclose the comparable information in its most recent previous special purpose financial statements.

#### **Relief from restating comparative information for certain not-for-profit entities**

F5 Paragraphs F6–F7 apply to a not-for-profit entity that elects to apply AASB 1060 to periods beginning before [date] and also applies AASB 1 in preparing its first Australian-Accounting-Standards financial statements (Tier 2) for the period.

F6 Notwithstanding AASB 1 paragraph 7, comparative information need not be restated in the entity’s first Australian-Accounting-Standards financial statements (Tier 2). Under this approach, references to the ‘date of transition to Australian Accounting Standards’ in AASB 1 shall mean the beginning of the first Australian-Accounting-Standards reporting period. Consequently, consistent with AASB 1 paragraph 11, the entity shall recognise adjustments arising from any differences between the carrying amounts in its previous special purpose financial statements and its opening carrying amounts based on the retrospective application of Australian Accounting Standards directly in retained earnings (or, if appropriate, another category of equity) at the beginning of the first Australian-Accounting-Standards reporting period.

F7 An entity that elects to not restate comparative information in its first Australian-Accounting-Standards financial statements (Tier 2) in accordance with paragraph F6 need not provide the reconciliations required by AASB 1060 paragraphs 210(b) and (c). The entity shall:

- (a) present two statements of financial position, two statements of profit or loss and other comprehensive income, two separate statements of profit or loss (if presented), two statements of cash flows and two statements of changes in equity and related notes, as follows:
  - (i) the statements and related notes as at the end of the first Australian-Accounting-Standards reporting period, compliant with Australian Accounting Standards; and

- (ii) the statements and related notes presented in its most recent previous special purpose financial statements (not necessarily compliant with Australian Accounting Standards);
- (b) disclose a reconciliation of its equity presented in its most recent previous special purpose financial statements to its equity determined in accordance with Australian Accounting Standards – Simplified Disclosures at the date of transition to Australian Accounting Standards – Simplified Disclosures;
- (c) disclose a description of the main adjustments that would have been required to make the comparative statement of profit or loss and other comprehensive income and separate statement of profit or loss (if presented) compliant with Australian Accounting Standards. The entity need not quantify those adjustments; and
- (d) prominently label the comparative information that is not compliant with Australian Accounting Standards as such.