Australian Government
Australian Accounting Standards Board

Cover Memo

Project:	**Not-for-Profit Private Sector Financial Reporting Framework**	**Meeting:**	AASB November 2025 (M216)
Topic:	**Cover Memo: Not-for-Profit Private Sector Financial Reporting Framework – effective date and working draft of Tier 3 Standard**	**Agenda Item:** **Date:**	10.0 31 October 2025
Contact(s):	Jim Paul jpaul@aasb.gov.au Evelyn Ling eling@aasb.gov.au Maggie Man mman@aasb.gov.au	**Project Priority:** **Decision-Making:** **Project Status:**	High High Project redeliberations

Objectives of this agenda item

1 The objectives of this agenda item are for the Board to consider an update on its Not-for-Profit Private Sector Financial Reporting Framework (NFP FRF) project and decide how to finalise the effective date as exposed in ED 335 *General Purpose Financial Statements – Not-for-Profit Private Sector Tier 3 Entities*, having regard to the feedback received on the exposure draft and other developments. The Board will also consider a working draft of the Tier 3 Standard, including sweep and other issues identified through staff's re-examination of the Tier 3 Standard, which incorporates previous Board decisions on finalising the Tier 3 requirements.

Attachments

2 Papers for this agenda item are:

(a) Agenda paper 10.1 Redeliberation – Effective Date;

(b) Agenda paper 10.2 Working Draft of the Tier 3 Standard; and

(c) Agenda paper 10.3 Supplementary Folder: Clean Working Draft of the Tier 3 Standard

Background and decisions made by the Board

3 ED 335 was issued in late October 2024 with a four-month consultation period ending 28 February 2025. The exposure draft contained the Board's proposals for a Tier 3 Standard with simplified recognition, measurement, presentation and disclosure requirements, transition provisions and effective date. At the same time, the Board issued ED 334 *Limiting the Ability of Not-for-Profit Entities to Prepare Special Purpose Financial Statements*, which exposed the Board's proposals to extend the application of the *Conceptual Framework for Financial Reporting* and Australian Accounting Standards to more NFP private and public sector entities.

4 At its May 2025 meeting, the Board considered collations of the feedback on the proposals in ED 335.

5 From the July to October 2025 meetings, the Board redeliberated on certain proposals in ED 335 and made decisions about them, in addition to some editorial decisions. The Board concluded the majority of its technical decisions at the October 2025 meeting.

6 The Not-for-Profit Private Sector Financial Reporting Framework Project Summary also provides an overview of the Board's decisions in respect of the project resulting in ED 335.

Project timeline and milestones

7 The table in paragraph 8 sets out an expected joint timeline for the NFP FRF and Conceptual Framework: Not-for-Profit Amendments projects to facilitate Board member consideration, given the interaction between these two projects.

8 The proposed timeline has been revised since it was last presented at the October 2025 Board meeting. Staff have updated the timeline to defer re-exposure considerations for ED 335 from this meeting, with the intention to consider them alongside ED 334 in Q1 2026. This adjustment reflects that there are remaining sections of ED 335 still to be considered by the Board. Staff will bring the remainder of the sections of ED 335 not yet discussed at this meeting together with the working draft of the amendments to the *Conceptual Framework* to Q1 2026 as part of the Board's consideration. Staff will continue to actively consider and make any necessary updates to the project timelines at each Board meeting.

Topics	**Date**
ED 335 • Bring drafting for consideration and make decisions on further technical issues, including sweep and other issues • Setting effective date	November 2025 meeting
ED 334 • Redeliberation: Effective date • Consider remaining sweep and other issues • Bring a pre-ballot draft amending Standard for consideration ED 335 • Consider remaining sweep and other issues • Bring a working draft/pre-ballot draft Standard for consideration ED 334 and ED 335 • Re-Exposure considerations • Consider due process (costing) • Consider amendments needed to the *AASB Not-for-Profit Entity Standard-Setting Framework* • Consider Explanatory statements and vote on final pronouncements	Q1 and Q2 2026

Question to Board members

Do Board members have any comments on the project timeline presented in paragraph 8 above, or any other matters noted in this agenda paper?