

AASB Action Alert

From the Australian Accounting Standards Board

Issue No. 245
9 February 2026

Welcome to the AASB Action Alert

The AASB Board met in public and in private on 5 February 2026. At the meeting, the Board made key decisions in relation to:

[AASB 1060 Review](#)

[Not-for-Profit Private Sector Financial Reporting Framework \(Tier 3\)](#)

[Conceptual Framework – NFP Amendments](#)

The Board also discussed the following topics:

[Climate-related Financial Disclosure](#)

[Research Update](#)

AASB 1060 Review

The Board considered initial stakeholder feedback from the three roundtable sessions held in November 2025 on Section 2 of Invitation to Comment 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*. 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:

- (a) strong support for aligning AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* with the presentation and classification requirements in AASB 18 *Presentation and Disclosure in Financial Statements*. The stakeholder feedback emphasised the importance of amending AASB 1060 in time for early application by

Contact us: Australian Accounting Standards Board, PO Box 204, Collins Street West, Victoria 8007
Phone (03) 9617 7600 **Email** standard@aasb.gov.au **Website** www.aasb.gov.au

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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.

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.

Not-for-Profit Private Sector Financial Reporting Framework (Tier 3)

The Board continued its redeliberations of the proposals in Exposure Draft ED 335 *General Purpose Financial Statements – Not-for-Profit Private Sector Tier 3 Entities*. The Board considered a working draft of a Tier 3 Standard and made the following decisions:

- (a) to clarify that revenue is recognised in a manner that faithfully represents the pattern of the entity's satisfaction of the commitments relevant to the transaction, which may be different to the timing of use of the transferred asset received by the entity;
- (b) to require an entity to classify a deferred revenue obligation (or part thereof) as a current liability if it expects to recognise that revenue within twelve months after the reporting date;
- (c) to require hedge accounting to be discontinued at the date of transition to the Tier 3 Standard;
- (d) to add the option of permitting entities to use the carrying amount for investments in subsidiaries, associates, joint ventures and notable relationship entities in their most recent previous financial statements as the investment's deemed cost at the date of transition;
- (e) to clarify that a goodwill balance is derecognised at the date of transition, including in instances where the previous entity combination accounting was not restated, as permitted on transition;
- (f) to require an entity that applied all relevant Tier 3 recognition and measurement requirements in its most recent previous financial statements but did not make an explicit and unreserved statement of compliance and is resuming application of the Tier 3 Standard to disclose why the entity stopped fully applying the Tier 3 reporting requirements and why it is resuming the application of those requirements;

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- (g) to permit an entity to early adopt the Tier 3 Standard only if it also applies to the same period the forthcoming amending Standard that will result from ED 334 *Limiting the Ability of Not-for-Profit Entities to Prepare Special Purpose Financial Statements*; and
- (h) to require entities transitioning from Tier 3 to Tier 2 requirements that apply one or more of the exemptions in proposed Appendix F of AASB 1053 (i.e. relief from restating comparative information, providing comparative information not previously disclosed or distinguishing the correction of errors from changes in accounting policies) to disclose that fact.

Conceptual Framework – Not-for-Profit Amendments

The Board continued its redeliberations of the proposals in Exposure Draft ED 334 *Limiting the Ability of Not-for-Profit Entities to Prepare Special Purpose Financial Statements*. The Board considered a working draft of an amending Standard and decided the effective date of the amending Standard should be the same as for the Tier 3 Standard, i.e. annual reporting periods beginning on or after 1 July 2029.

Climate-related Financial Disclosure

The Board received an update on implementation support and awareness-raising activities related to AASB S2 *Climate-related Disclosures* undertaken from September 2025. The Board decided to form a subcommittee to review the membership and Terms of Reference of the AASB S2 Implementation Advisory Panel and to finalise any revision out of session.

Research Update

The Board noted recent and upcoming Research Centre activities, including:

- (a) the release of the following AASB SSRN working papers:
 - (i) Working Paper No. 26-01 *Connectivity of Non-financial and Financial Information*;
 - (ii) Working Paper No. 26-02 *Service Performance Reporting for Private Sector Not-for-Profits*; and
 - (iii) Working Paper No. 26-03 *Service Performance Reporting: Insights from Domestic and International Experience*; and
- (b) reviewing the feedback received on the 2025 AASB Research Forum and planning for the 2026 AASB Research Forum.

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Recently Approved Documents

Since last reported (Action Alert, 15 December 2025), the Board has approved the following Standards, Exposure Drafts or other proposal documents.

| Date Approved | Document | Effective Date (Standards/Int'ns) or Due Date for Submissions (EDs) |
|------------------|---|---|
| 16 December 2025 | ITC 57 AASB 2027–2031 Agenda Consultation | 31 March 2026 |
| 28 January 2026 | AASB 2026-1 Amendments to Australian Accounting Standards – Disclosures about Uncertainties in the Financial Statements | Periods beginning on or after 1-7-25 that end on or after 28-2-26 |

Documents Open for Comment

The following documents are open for comment. AASB submissions to the IASB, the ISSB, the IFRS Interpretations Committee, the IFRS Foundation, the IPSASB and other organisations are published on the AASB website.

| Issuer | Document | AASB No. | AASB Due Date | Other Organisation Due Date |
|--------|---|------------------------|------------------|-----------------------------|
| AASB | ED 338 Application of AASB 18 and AASB 107 by Superannuation and Not-for-Profit Entities and Operating Cash Flow Reconciliation | ED 338 | 27 February 2026 | – |
| AASB | ITC 57 AASB 2027–2031 Agenda Consultation | ITC 57 | 31 March 2026 | – |
| AASB | ED 339 Risk Mitigation Accounting | ED 339 | 15 May 2026 | 31 July 2026 |

AASB Board Future Meeting Dates

19 March 2026
14 May 2026
18–19 June 2026

Next AASB Board Meeting

The Board is expected to address the following agenda items:

Conceptual Framework – Not-for-Profit Amendments
Due Process Framework for Setting Standards
Not-for-Profit Private Sector Reporting Framework (Tier 3)
Post-implementation Review and Update – AASB 1060
Presentation and Disclosure in Financial Statements of Superannuation and Not-for-Profit Entities



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AASB Board Future Meeting Dates

Next AASB Board Meeting

The Board is expected to address the following agenda items:

Service Concession Arrangements: Grantors

Tier 2 Disclosures – Translation to a Hyperinflationary
Presentation Currency