

3 March 2014

Mr. Hans Hoogervorst
Chairman
International Accounting Standards Board
30 Cannon Street
London EC4M 6XH
United Kingdom
Via online submission: www.ifrs.org

Dear Hans

ED 2013/9 IFRS for SMEs *Proposed amendments to the International Financial Reporting Standard for Small and Medium-sized Entities*

Thank you for the opportunity to comment on the above Exposure Draft (ED). CPA Australia and the Institute of Chartered Accountants Australia (the Institute) have considered it and our comments are set out below.

CPA Australia and the Institute represent over 210,000 professional accountants. Our members work in diverse roles across public practice, commerce, industry, government and academia throughout Australia and internationally.

We reiterate our support for a simplified version of International Financial Reporting Standards (IFRS) in the form of an IFRS for SMEs for application by entities without public accountability. This has been articulated in all our earlier submissions, including the recent Request for Information on this ED.

We believe the fundamental principles of the IFRS for SMEs are:

- the simplification of IFRS for all entities that are not publicly accountable. This recognises the differing information needs of their users;
- addressing the needs of **all** non-publicly accountable entities. While acknowledging that many non-publicly accountable entities have less complex transactions when compared with their listed peers, the simplification of IFRS should not be overly focused on that fact. To do so may mean that the reporting needs of many non-publicly accountable SMEs will not be effectively addressed;
- IFRS for SMEs should not be allowed to diverge unnecessarily from IFRS. The development of two separate and unrelated suites of accounting principles operating in one economic environment is undesirable; and
- a stable platform for IFRS for SMEs. However, when major changes occur in IFRS, the IFRS for SMEs stable platform policy needs to be flexible enough to be responsive to those, to mitigate divergence.

Representatives of the Australian Accounting Profession



Given the above principles, we are concerned that the content of the current ED, and the approach by the board that underlies it is undermining them to a significant extent. The Board's decision to provide a stable platform, and focus on the needs of those entities at the smaller end of the spectrum, have excluded from this update of the standard significant recent changes in IFRS. We believe this is unhelpful. The result is the creation of a standard, founded on a different set of building blocks, than that initially envisaged. One possible consequence of an IFRS for SMEs standard diverging in this way is that the reporting needs of many non-publicly accountable entities will not be effectively addressed. The decisions of different jurisdictions worldwide on the adoption of IFRS for SMEs may already be evidence of that. Jurisdictions such as Australia and the UK have used some of its principles in developing local standards for use by non-publicly accountable entities, rather than adopting IFRS for SMEs standard as is. Other jurisdictions have chosen to retain local Generally Accepted Accounting Principles (GAAP) and full IFRS alternatives in preference. We believe each of these outcomes is less than optimal.

We therefore urge the International Accounting Standards Board (IASB) to reconsider its decisions regarding the scope of change included in this review. This is especially important in light of the rapid current change in IFRS, which if ignored at this point, will see a further three years elapse before issues such as consolidation, joint ventures and fair value are considered and incorporated from an IFRS for SME's perspective. Going forward, we support the board's intention, as noted in paragraph BC 30 of the ED, to include in the consultation process for changing an IFRS, an assessment of the impact on the IFRS for SMEs standard.

Our detailed response to the questions posed in the discussion paper is contained in the attached appendix. If you have any questions regarding this submission, please do not hesitate to contact either Mark Shying (CPA Australia) at mark.shying@cpaaustralia.com.au or Kerry Hicks (the Institute) at kerry.hicks@charteredaccountants.com.au.

Yours sincerely



Alex Malley
Chief Executive
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Lee White
Chief Executive Officer
Institute of Chartered Accountants in
Australia

Question 1—Definition of ‘fiduciary capacity’

The IASB has received feedback that the meaning of ‘fiduciary capacity’ in the definition of ‘public accountability’ (see paragraph 1.3(b) of the *IFRS for SMEs*) is unclear as it is a term with different implications across jurisdictions. However, respondents generally did not suggest alternative ways of describing public accountability or indicate what guidance would help to clarify the meaning of ‘fiduciary capacity’. Based on the outreach activities to date, the IASB has determined that the use of this term does not appear to create significant uncertainty or diversity in practice.

(a) Are you aware of circumstances where the use of the term ‘fiduciary capacity’ has created uncertainty or diversity in practice? If so, please provide details.

(b) Does the term ‘fiduciary capacity’ need to be clarified or replaced? Why or why not? If you think it needs to be clarified or replaced, what changes do you propose and why?

Australia uses the public accountability terminology and related terms to implement our Reduced Disclosure Requirements (RDR) regime. The Australian Accounting Standards Board (AASB) also deems certain types of entities as “publicly accountable”. The RDR regime provides relief from a wide range of IFRS disclosures for entities that do not have public accountability. The ‘publicly accountable’ terminology and the choices regarding disclosure reductions are based on the content of the IFRS for SME’s standard. When the Australian RDR proposals were exposed for public comment in early 2010 a number of respondents expressed concern about the subjective nature of elements within the terminology. The AASB’s response was to deem certain types of entities as “publicly accountable”. A list of these deemed entities are contained in Appendix B of [AASB 1053 Application of tiers of Australian Accounting standards](#) and is attached to this submission as Appendix 2.

While this resolved a number of concerns for Australian constituents, the implementation of our RDR regime is still in its early stages, as it became mandatory for financial periods ending on or after 1 July 2013. In addition, the level of interest in its adoption has not been substantial. Notwithstanding Australia’s low level of experience, as implementation has progressed, identifying whether particular businesses actually “hold assets in a fiduciary capacity as one of its primary businesses” is proving a challenging part of the consistent application of the ‘publicly accountable’ definition. The rationale behind the “typical examples” cited in the IFRS for SME’s standard is not explained. Therefore, it is difficult to be certain whether other types of entities with some similarities to securities brokers, such as insurance brokers and travel agents, which also hold public funds for various time periods, will be treated similarly.

Therefore, we believe it would be helpful for the IASB to include additional guidance on the rationale that underpinned the inclusion of its typical examples into the IFRS for SMEs standard. This would make clear the criteria the board used to assess such terms as ‘fiduciary capacity’ and ‘primary business’. We are particularly interested in whether and to what extent, such factors as time periods for holding the funds, the existence and use of separate trust funds for the deposits, and the extent of the activity are considered relevant. We would also encourage the IASB to review the implementation experience of those countries that have adopted the IFRS for SMEs standard. This may identify a list of other entities ‘deemed as publicly accountable’ in each jurisdiction. Examination of these, along with the Australian ones referred to above, may allow the identification of other common features with which to develop the implementation guidance in this area. It may also be helpful if the board included commentary in section 2.11 of the standard that it expected jurisdictions applying the standard to make their own decisions as to its specific applicability. This would clarify to all users that international comparability of application, while the aim of the standard, may be impacted by jurisdictional issues.

Question 2—Accounting for income tax

The proposal to align the main principles of Section 29 *Income Tax* with IAS 12 *Income Taxes* for the recognition and measurement of deferred tax (see amendment number 44 in the list of proposed amendments at the beginning of this Exposure Draft) is the most significant change being proposed to the *IFRS for SMEs*. When the *IFRS for SMEs* was issued in 2009, Section 29 was based on the IASB's exposure Draft *Income Tax* (the '2009 ED'), which was issued in March 2009. However, the 2009 ED was never finalised by the IASB. Consequently, the IASB has concluded that it is better to base Section 29 on IAS 12. The IASB proposes to align the recognition and measurement principles in Section 29 with IAS 12 (see paragraphs BC55–BC60) whilst retaining some of the presentation and disclosure simplifications from the original version of Section 29.

The IASB continues to support its reasoning for not permitting the 'taxes payable' approach as set out in paragraph BC145 of the *IFRS for SMEs* that was issued in 2009. However, while the IASB believes that the principle of recognising deferred tax assets and liabilities is appropriate for SMEs, it would like feedback on whether Section 29 (revised) can currently be applied (operationalised) by SMEs, or whether further simplifications or guidance should be considered.

A 'clean' version of Section 29 (revised) with the proposed changes to Section 29 already incorporated is set out in the appendix at the end of this Exposure Draft.

Are the proposed changes to Section 29 appropriate for SMEs and users of their financial statements? If not, what modifications, for example further simplifications or additional guidance, do you propose and why?

We support the decision to realign the IFRS for SMEs standard with the current requirements of IFRS as contained in IAS 12 *Income taxes*, rather than the 2009 ED. However, we remain concerned that the deferred tax method remains too difficult for many SME entities to adopt. As argued in our previous submissions on the IFRS for SMEs standard, we continue to support the adoption of a taxes payable approach (with additional disclosures for deferred tax) as an alternative approach, as we believe it best suits the information needs of this type of entity.

If reverting to IAS 12, we recommend that the IASB considers the approach adopted by the AASB in modifying the disclosure requirements of its Australian equivalent AASB 112 *Income taxes*, for our reduced disclosure regime when determining its new requirements. These modifications are contained in amending standard [AASB 2010-2](#) *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements*. They relate principally to the tax disclosures associated to subsidiaries and joint ventures, business combinations, discontinued operations and the tax consequences of dividends. Details behind their rationale which is based on the IFRS for SMEs with additional cost / benefit considerations are explained in the [AASB's tier 2 disclosure principles](#) document. Both these documents are attached as Appendices 3 and 4 to this submission.

Question 3—Other proposed amendments to the *IFRS for SMEs*

The IASB proposes to make a number of other amendments to the *IFRS for SMEs*. The proposed amendments are listed and numbered 1–43 and 45–57 in the list of proposed amendments. Most of those amendments are minor and/or clarify existing requirements.

(a) Are there any amendments that you do not agree with or have comments on?

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(b) Do any of the amendments require additional guidance or disclosure requirements to be added to the *IFRS for SMEs*? If so, which ones and what are your suggestions?

If you disagree with an amendment please state any alternatives you propose and give your reasoning.

We support the proposals to modify the “fixed 10 year term” estimate of useful life in the current standard to a term that does not exceed 10 years for both intangible assets and goodwill.

We also support the proposals to remove the prior year reconciliations of opening and closing balances in a number of sections throughout the ED in a bid to streamline disclosures. We also believe the developments in the broader disclosure debate in the IASB's disclosure project could be used to see whether further refinements in this area can be made.

We have no other comments on the other changes given their minor nature.

Question 4—Additional issues

In June 2012 the IASB issued a Request for Information (RFI) seeking public comment on whether there is a need to make any amendments to the IFRS for SMEs (see paragraphs BC2–BC15). The RFI noted a number of specific issues that had been previously identified and asked respondents whether the issues warranted changes to the IFRS for SMEs. Additionally, the RFI asked respondents to identify any additional issues that needed to be addressed during the review process. Any issues so identified were discussed by the IASB during its deliberations.

Do respondents have any further issues that are not addressed by the 57 amendments in the list of proposed amendments that they think the IASB should consider during this comprehensive review of the IFRS for SMEs? Please state these issues, if any, and give your reasoning.

We believe the following issues have not been adequately addressed by this exposure draft:

1. Purpose and scope of IFRS for SMEs standard – if this standard is to be a credible reporting alternative for all entities without public accountability as stated within its scope, it needs to effectively address the needs of all non-publicly accountable entities, rather than the narrower needs of the smallest SMEs. This is where the current ED seems to be targeting its reforms (as indicated in the comments in paragraph BC 29).
2. The rationale behind accepting divergence between the IFRS for SMEs standard and IFRSs in major areas for long periods. The current standard has not been updated for changes to IFRSs 3, 10, 11 and 13 and IAS 19. While the basis of conclusions sets out reasons why these have been excluded, these reasons reflect a narrow interpretation of the scope of the standard as noted in point 1 above. We consider that the non inclusion of these changes to IFRS for some time into the future will significantly impact the acceptance of IFRS for SMEs as a credible reporting alternative for smaller entities, especially in countries where IFRS is adopted.
3. The continued exclusion of accounting policy options for development costs, revaluations of property, plant and equipment and borrowing costs. These options were raised as issues for

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possible change in the RFI and are far less complex than policies such as deferred tax, which are included. Their exclusion appears to be based primarily on the board's narrow interpretation of the scope of the standard which we believe, as set out in point 1 above, is unnecessarily limiting its usefulness to a wide audience. We understand from the April 2013 board agenda papers that substantial support was expressed in the RFI for the introduction of policy options in these areas. These papers reveal 65% of respondents, as well as the majority of the Board's SME Implementation Group supported the inclusion of a revaluation option. They also reveal that 35% of respondents to the RFI would permit the option of capitalising borrowing and development costs while another 25% would require capitalization. We therefore request the board to reconsider its decisions about their exclusion.

Question 5—Transition provisions

The IASB does not expect retrospective application of any of the proposed amendments to be significantly burdensome for SMEs and has therefore proposed that the amendments to the *IFRS for SMEs* in Sections 2–34 are applied retrospectively.

Do you agree with the proposed transition provisions for the amendments to the *IFRS for SMEs*? Why or why not? If not, what alternative do you propose?

We have concerns that the transition back to IAS 12 (as discussed in question 2) may cause some difficulties for those entities who have adopted the requirement of the current IFRS for SMEs standard. We recommend the board carefully considers appropriate transitional arrangement for this specific amendment to ensure the tax requirements do not become more onerous than absolutely necessary. However, we agree with the decisions in all other areas.

Question 6—Effective date

The IASB does not think that any of the proposed amendments to the *IFRS for SMEs* will result in significant changes in practice for SMEs or have a significant impact on their financial statements. It has therefore proposed that the effective date of the amendments to the *IFRS for SMEs* should be one year after the final amendments are issued. The IASB also proposes that early adoption of the amendments should be permitted.

Do you agree with the proposed effective date and the proposal to permit early adoption? Why or why not? If not, what alternative do you propose?

We agree with this approach.

Question 7—Future reviews of the *IFRS for SMEs*

When the *IFRS for SMEs* was issued in 2009 the IASB stated that after the initial comprehensive review, the IASB expects to propose amendments to the *IFRS for SMEs* by publishing an omnibus Exposure Draft approximately once every three years. The IASB further stated that it intended this three-year cycle to be a tentative plan, not a firm commitment. It also noted that, on occasion, it may identify a matter for which an amendment to the *IFRS for SMEs* may need to be considered earlier than in the normal three-year cycle; for example to address an urgent issue.

During the comprehensive review, the IASB has received feedback that amendments to the *IFRS for SMEs* once every three years (three-year cycle) may be too frequent and that a five-

Appendix 1: Response to IASB questions

year cycle, with the ability for an urgent issue to be addressed earlier, may be more appropriate.

Do you agree with the current tentative three-year cycle for maintaining the *IFRS for SMEs*, with the possibility for urgent issues to be addressed more frequently? Why or why not? If not, how should this process be modified?

We agree with a 3 year review cycle in general terms in the interests of providing stability for users and preparers. However, we are concerned about the board's decision to deferring implementation of recent major changes to IFRS in this review. In particular we are concerned about the board's decision not to include finalised amendments to IFRSs 3, 10, 11 and 13 and IAS 19. We believe this decision will reduce the usefulness of the IFRS for SMEs standard to its existing and potential users. By the time these issues come up for consideration in the next three year review, the IFRS standards to which they relate will have been in operation for some time and be themselves be coming up for review.

For the IFRS for SMEs standard to be embraced as a credible reporting alternative for IFRS worldwide, the standard needs to be amended now for major changes in IFRS that have already occurred. This will ensure alignment between IFRS and the IFRS for SMEs standard to the extent practicable. Every subsequent three year review should include consideration of all IFRS that have been changed during the review period. There is also a need for clarity about when this next three year cycle will commence, given the length of time the current review is likely to take before a new standard is revised and effective.

We would also support the need for urgent and important matters to be updated on a more frequent basis. We do not believe this should be an annual improvements type process – as those that would meet the definition of improvements are not so urgent by their nature. The 'urgent and important matters' should be limited and amendments done only if considered absolutely necessary.

Going forward, we also support the board's intention, as noted in BC paragraph 30, to include in the consultation process for changing an IFRS, an assessment of the impact on the IFRS for SMEs standard. This would provide more certainty about the use of IFRS for SMEs in jurisdictions where IFRS is also well developed.

Question 8—Any other comments

Do you have any other comments on the proposals?

We have no further comments.

Appendix 2: AASB 1053 Application of Tiers of Australian Accounting Standards

APPENDIX B PUBLIC ACCOUNTABILITY

This appendix is an integral part of AASB 1053.

B1 Public accountability is defined in Appendix A. The notion of public accountability is consistent with the notion adopted by the IASB in its *International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs)*. It is different from the notion of public accountability in the general sense of the term that is often employed in relation to not-for-profit, including public sector, entities.

B2 The following for-profit entities are deemed to have public accountability:

- (a) disclosing entities, even if their debt or equity instruments are not traded in a public market or are not in the process of being issued for trading in a public market;
- (b) co-operatives that issue debentures;
- (c) registered managed investment schemes;
- (d) superannuation plans regulated by the Australian Prudential Regulation Authority (APRA) other than Small APRA Funds as defined by APRA Superannuation Circular No. III.E.1 *Regulation of Small APRA Funds*, December 2000; and
- (e) authorised deposit-taking institutions.

**Appendix 3: AASB 2010-2 Amendments to Australian Accounting Standards
arising from Reduced Disclosure Requirements**

AASB Standard

AASB 2010-2
June 2010

Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements



Australian Government

**Australian Accounting
Standards Board**

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<p>Australian Accounting Standard AASB 2010-2 <i>Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements</i> is set out in paragraphs 1 – 56 and the Appendix. All the paragraphs have equal authority.</p>
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PREFACE

Standards Amended by AASB 2010-2

This Standard makes amendments to many Australian Accounting Standards, including Interpretations, to introduce reduced disclosure requirements to the pronouncements for application by certain types of entities in preparing general purpose financial statements.

Main Features of this Standard

Application Date

This Standard applies to annual reporting periods beginning on or after 1 July 2013. Earlier application is permitted for annual reporting periods beginning on or after 1 July 2009 but before 1 July 2013, provided that AASB 1053 *Application of Tiers of Australian Accounting Standards* is also applied for the period.

Main Requirements

This Standard gives effect to Australian Accounting Standards – Reduced Disclosure Requirements. AASB 1053 provides further information regarding the differential reporting framework and the two tiers of reporting requirements for preparing general purpose financial statements.

ACCOUNTING STANDARD AASB 2010-2

The Australian Accounting Standards Board makes Accounting Standard AASB 2010-2 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements* under section 334 of the *Corporations Act 2001*.

Dated 30 June 2010

Kevin M. Stevenson
Chair – AASB

ACCOUNTING STANDARD AASB 2010-2

AMENDMENTS TO AUSTRALIAN ACCOUNTING STANDARDS ARISING FROM REDUCED DISCLOSURE REQUIREMENTS

Objective

- 1 The objective of this Standard is to make amendments to:
 - (a) AASB 1 *First-time Adoption of Australian Accounting Standards*;
 - (b) AASB 2 *Share-based Payment*;
 - (c) AASB 3 *Business Combinations*;
 - (d) AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*;
 - (e) AASB 7 *Financial Instruments: Disclosures*;
 - (f) AASB 8 *Operating Segments*;
 - (g) AASB 101 *Presentation of Financial Statements*;
 - (h) AASB 102 *Inventories*;
 - (i) AASB 107 *Statement of Cash Flows*;
 - (j) AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*;

- (k) AASB 110 *Events after the Reporting Period*;
- (l) AASB 111 *Construction Contracts*;
- (m) AASB 112 *Income Taxes*;
- (n) AASB 116 *Property, Plant and Equipment*;
- (o) AASB 117 *Leases*;
- (p) AASB 119 *Employee Benefits*;
- (q) AASB 121 *The Effects of Changes in Foreign Exchange Rates*;
- (r) AASB 123 *Borrowing Costs*;
- (s) AASB 124 *Related Party Disclosures*;
- (t) AASB 127 *Consolidated and Separate Financial Statements*;
- (u) AASB 128 *Investments in Associates*;
- (v) AASB 131 *Interests in Joint Ventures*;
- (w) AASB 133 *Earnings per Share*;
- (x) AASB 134 *Interim Financial Reporting*;
- (y) AASB 136 *Impairment of Assets*;
- (z) AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*;
- (aa) AASB 138 *Intangible Assets*;
- (bb) AASB 140 *Investment Property*;
- (cc) AASB 141 *Agriculture*;
- (dd) AASB 1050 *Administered Items*;
- (ee) AASB 1052 *Disaggregated Disclosures*;
- (ff) *Interpretation 2 Members' Shares in Co-operative Entities and Similar Instruments*;

- (gg) Interpretation 4 *Determining whether an Arrangement contains a Lease*;
- (hh) Interpretation 5 *Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds*;
- (ii) Interpretation 15 *Agreements for the Construction of Real Estate*;
- (jj) Interpretation 17 *Distributions of Non-cash Assets to Owners*;
- (kk) Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*;
- (ll) Interpretation 129 *Service Concession Arrangements: Disclosures*; and
- (mm) Interpretation 1052 *Tax Consolidation Accounting*;

as a consequence of the adoption of a revised differential financial reporting framework.

Application

2 Subject to paragraphs 3-8, this Standard applies to:

- (a) **each entity that is required to prepare financial reports in accordance with Part 2M.3 of the Corporations Act and that is a reporting entity;**
- (b) **general purpose financial statements of each other reporting entity; and**
- (c) **financial statements that are, or are held out to be, general purpose financial statements.**

3 In respect of AASB 8, this Standard applies to:

- (a) **each for-profit entity that is required to prepare financial reports in accordance with Part 2M.3 of the Corporations Act and that is a reporting entity;**
- (b) **general purpose financial statements of each other for-profit reporting entity other than for-profit government departments; and**

- (c) **financial statements of a for-profit entity other than for-profit government departments that are, or are held out to be, general purpose financial statements;**

in respect of:

- (d) **the separate or individual financial statements of an entity:**
 - (i) **whose debt or equity instruments are traded in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets); or**
 - (ii) **that files, or is in the process of filing, its financial statements with a securities commission or other regulatory organisation for the purpose of issuing any class of instruments in a public market; and**
- (e) **the consolidated financial statements of a group with a parent:**
 - (i) **whose debt or equity instruments are traded in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets); or**
 - (ii) **that files, or is in the process of filing, the consolidated financial statements with a securities commission or other regulatory organisation for the purpose of issuing any class of instruments in a public market.**

4 In respect of AASB 101, AASB 107 and AASB 108, this Standard applies to:

- (a) **each entity that is required to prepare financial reports in accordance with Part 2M.3 of the Corporations Act;**
- (b) **general purpose financial statements of each reporting entity; and**
- (c) **financial statements that are, or are held out to be, general purpose financial statements.**

5 In respect of AASB 133, this Standard applies to each entity that is required to prepare financial reports in accordance with Part 2M.3 of the Corporations Act and that is:

- (a) a reporting entity whose ordinary shares or potential ordinary shares are publicly traded; or
 - (b) a reporting entity that is in the process of issuing ordinary shares or potential ordinary shares in public markets; or
 - (c) an entity that discloses earnings per share.
- 6 In respect of AASB 134, this Standard applies to:
- (a) each disclosing entity required to prepare half-year financial reports in accordance with Part 2M.3 of the Corporations Act;
 - (b) interim financial reports that are general purpose financial statements of each other reporting entity; and
 - (c) interim financial reports that are, or are held out to be, general purpose financial statements.
- 7 In respect of AASB 1050, this Standard applies to general purpose financial statements of government departments.
- 8 In respect of AASB 1052, this Standard applies to general purpose financial statements of local governments and government departments.
- 9 This Standard applies to annual reporting periods beginning on or after 1 July 2013.
- 10 This Standard shall be applied when AASB 1053 *Application of Tiers of Australian Accounting Standards* is applied. This Standard may be applied to annual reporting periods beginning on or after 1 July 2009 but before 1 July 2013 provided AASB 1053 is also adopted early for the same period. When an entity applies this Standard to such an annual reporting period, it shall disclose that fact.
- 11 This Standard uses underlining, striking out and other typographical material to identify some of the amendments to a Standard, in order to make the amendments more understandable. However, the amendments made by this Standard do not include that underlining, striking out or other typographical material.

Amendments to AASB 1

12 The following subheading and paragraphs are added to AASB 1:

Reduced Disclosure Requirements

Aus1.6 The following do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements:

- (a) paragraphs 21-23, 24(b), 24(c) and 25-33; and
- (b) in paragraph 24, the text “To comply with paragraph 23,”.

Entities applying Australian Accounting Standards – Reduced Disclosure Requirements may elect to comply with some or all of these excluded requirements.

Aus1.7 The requirements that do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements are identified in this Standard by shading of the relevant text.

Aus1.8 The RDR paragraph in this Standard applies only to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements.

RDR21.1 In respect of entities applying Australian Accounting Standards – Reduced Disclosure Requirements, to comply with AASB 101, an entity’s first Australian-Accounting-Standards-Reduced-Disclosure-Requirements financial statements shall include at least two statements of financial position, two statements of comprehensive income, two separate income statements (if presented), two statements of cash flows and two statements of changes in equity and related notes, including comparative information.

13 Footnote 1 to paragraph 1 is amended as follows (new text is underlined):

- 1 The term ‘Australian Accounting Standards’ refers to Standards (including Interpretations) made by the AASB that apply to any reporting period beginning on

or after 1 January 2005. In this context, the term encompasses Australian Accounting Standards – Reduced Disclosure Requirements, which some entities are permitted to apply in accordance with AASB 1053 *Application of Tiers of Australian Accounting Standards* in preparing general purpose financial statements.

- 14 Paragraph Aus3.1 is amended as follows (new text is underlined and deleted text is struck through):
- Aus3.1 The conditions specified in paragraph 3 for the application of this Standard are satisfied when the first financial statements after this Standard becomes effective contain a statement that the financial statements comply with Australian Accounting Standards, in accordance with paragraph ~~Aus15.2~~ Aus15.1 of AASB 101.

Amendments to AASB 2

- 15 The following subheading and paragraphs are added to AASB 2:

Reduced Disclosure Requirements

Aus1.6 The following do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements:

- (a) paragraphs 45(c), 45(d), 46, 47(a), 47(b), 47(c)(ii), 47(c)(iii) and 48-52; and
- (b) in paragraph 47, the text “to give effect to the principle in paragraph 46,”.

Entities applying Australian Accounting Standards – Reduced Disclosure Requirements may elect to comply with some or all of these excluded requirements.

Aus1.7 The requirements that do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements are identified in this Standard by shading of the relevant text.

Aus1.8 RDR paragraphs in this Standard apply only to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements.

- RDR46.1** For equity-settled share-based payment arrangements, an entity applying Australian Accounting Standards – Reduced Disclosure Requirements shall disclose information about how it measured the fair value of goods or services received or the fair value of the equity instruments granted. If a valuation methodology was used, the entity shall disclose the method and its reason for choosing it.
- RDR46.2** For cash-settled share-based payment arrangements, an entity applying Australian Accounting Standards – Reduced Disclosure Requirements shall disclose information about how the liability was measured.
- RDR50.1** An entity applying Australian Accounting Standards – Reduced Disclosure Requirements shall disclose the following information about the effect of share-based payment transactions on the entity’s profit or loss for the period and on its financial position:
- (a) the total expense recognised in profit or loss for the period; and
 - (b) the total carrying amount at the end of the period of liabilities arising from share-based payment transactions.

Amendments to AASB 3

16 The following subheading and paragraphs are added to AASB 3:

Reduced Disclosure Requirements

- Aus1.7** The following do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements:
- (a) paragraphs 59-63, Aus63.6-Aus63.9, B64(d), B64(e), B64(h), B64(k), B64(l), B64(m), B64(n)(ii), B64(o)(ii), B64(q), B65, B66, B67(a)-(c) and B67(e);
 - (b) in the heading before paragraph B64, the text “(application of paragraphs 59 and 61)”;

- (c) in paragraph B64, the text “To meet the objective in paragraph 59,”;
- (d) in paragraph B64(j), the sentence “If a contingent liability ... liability cannot be measured reliably.”; and
- (e) in paragraph B67, the text “To meet the objective in paragraph 61.”.

Entities applying Australian Accounting Standards – Reduced Disclosure Requirements may elect to comply with some or all of these excluded requirements.

Aus1.8 The requirements that do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements are identified in this Standard by shading of the relevant text, except for comparative disclosures subject to RDR paragraphs.

Aus1.9 RDR paragraphs in this Standard apply only to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements.

RDRB65.1 For individually immaterial business combinations occurring during the reporting period that are material collectively, an acquirer applying Australian Accounting Standards – Reduced Disclosure Requirements shall disclose in aggregate the information required by paragraphs B64(f), B64(g), B64(i), B64(n)(i), B64(o)(i) and B64(p) and the first sentence of paragraph B64(j).

RDRB67.1 An entity applying Australian Accounting Standards – Reduced Disclosure Requirements is not required to disclose the reconciliation specified in paragraph B67(d) for prior periods.

Amendments to AASB 5

17 The following subheading and paragraphs are added to AASB 5:

Reduced Disclosure Requirements

Aus1.9 The following do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements:

- (a) paragraphs 33(b), 33(d), 41(d) and 42; and
- (b) the second and third sentence in paragraph 35, including paragraphs 35(a)-(c).

Entities applying Australian Accounting Standards – Reduced Disclosure Requirements may elect to comply with some or all of these excluded requirements.

Aus1.10 The requirements that do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements are identified in this Standard by shading of the relevant text.

Amendments to AASB 7

18 The following subheading and paragraphs are added to AASB 7:

Reduced Disclosure Requirements

Aus2.9 The following do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements:

- (a) paragraphs 6, 9-11B, 12C, 15, 18, 19, 20(c), 20(d), 20A, 25-27, 27A, 27B, 30(b)-(e), 31-42, B1-B4 and B7-B28;
- (b) in paragraph 8(a), the text “, showing separately ... AASB 9”;
- (c) in paragraph 8(e), the text “, showing separately ... AASB 139”;

- (d) in paragraph 20(a)(i), the text “, showing separately ... AASB 9”;
- (e) in paragraph 20(a)(v), the text “, showing separately ... AASB 139”;
- (f) in paragraph 23(d), the text “, showing the ... income”; and
- (g) the fourth sentence in paragraph 28, including paragraphs 28(a) and (b).

Entities applying Australian Accounting Standards – Reduced Disclosure Requirements may elect to comply with some or all of these excluded requirements.

Aus2.10 The requirements that do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements are identified in this Standard by shading of the relevant text.

Aus2.11 RDR paragraphs in this Standard apply only to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements.

RDR18.1 For *loans payable* recognised at the end of the reporting period for which there is a breach of terms or default of principal, interest, sinking fund, or redemption terms that has not been remedied by the end of the reporting period, an entity applying Australian Accounting Standards – Reduced Disclosure Requirements shall disclose the following:

- (a) details of that breach or default;
- (b) the carrying amount of the related loans payable at the end of the reporting period; and
- (c) whether the breach or default was remedied, or the terms of the loans payable were renegotiated, before the financial statements were authorised for issue.

RDR27.1 An entity applying Australian Accounting Standards – Reduced Disclosure Requirements shall disclose, for all financial assets and financial liabilities that are measured

at fair value, the basis for determining fair value, for example quoted market price in an active market or a valuation technique. When a valuation technique is used, the entity shall disclose the assumptions applied in determining fair value for each class of financial assets or financial liabilities. For example, if applicable, an entity discloses information about the assumptions relating to prepayment rates, rates of estimated credit losses, and interest rates or discount rates.

Amendments to AASB 8

19 The following subheading and paragraphs are added to AASB 8:

Reduced Disclosure Requirements

Aus2.6 The requirements that do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements are identified in this Standard by shading of the relevant text. By virtue of paragraph Aus2.1 this Standard applies to Tier 1 entities preparing general purpose financial statements in accordance with Australian Accounting Standards. Entities applying Australian Accounting Standards – Reduced Disclosure Requirements may elect to comply with some or all of the excluded requirements.

Amendments to AASB 101

20 The following subheading and paragraphs are added to AASB 101:

Reduced Disclosure Requirements

Aus1.8 The following do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements:

- (a) paragraphs 10(f), 15, 16, Aus16.1, Aus16.3, 39(c), 42(b), 61, 65, 80A, 90-92, 94, 104, 131 and 134-Aus138.6;
- (b) the second sentence in paragraph 39; and

- (c) in paragraph 107, the text “, and the related amount per share”.

Entities applying Australian Accounting Standards – Reduced Disclosure Requirements may elect to comply with some or all of these excluded requirements.

Aus1.9 The requirements that do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements are identified in this Standard by shading of the relevant text.

Aus1.10 RDR paragraphs in this Standard apply only to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements.

RDR15.1 Financial statements shall present fairly the financial position, financial performance and cash flows of an entity applying Australian Accounting Standards – Reduced Disclosure Requirements. Fair presentation requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the *Framework*. The application of Australian Accounting Standards – Reduced Disclosure Requirements, with additional disclosure when necessary, is presumed to result in financial statements that achieve a fair presentation.

RDR16.1 An entity whose financial statements comply with Australian Accounting Standards – Reduced Disclosure Requirements shall make an explicit and unreserved statement of such compliance in the notes. An entity shall not describe financial statements as complying with Australian Accounting Standards – Reduced Disclosure Requirements unless they comply with all the requirements of Australian Accounting Standards – Reduced Disclosure Requirements. Entities applying Australian Accounting Standards – Reduced Disclosure Requirements would not be able to state compliance with IFRSs.

- 21 Paragraph Aus15.1 is renumbered as Aus15.3 and amended as follows (new text is underlined and deleted text is struck through):

Aus15.3 The Corporations Act requires an entity's financial report to comply with ~~Australian Accounting Standards~~ accounting standards made by the AASB and, if necessary to give a true and fair view, to disclose further information to be disclosed in the notes.

- 22 Paragraph Aus15.2 is renumbered as Aus15.1 and amended as follows (new text is underlined):

Aus15.1 An entity shall disclose in the notes a statement whether the financial statements have been prepared in accordance with Australian Accounting Standards or Australian Accounting Standards – Reduced Disclosure Requirements.

- 23 Paragraph Aus15.3 is renumbered as Aus15.2 and amended as follows (new text is underlined and deleted text is struck through):

Aus15.2 The financial reporting framework applied in the preparation of the financial statements is identified in the summary of accounting policies so that users understand the basis on which the financial statements ~~has~~ have been prepared. In addition to stating whether the financial statements have been prepared in accordance with Australian Accounting Standards or Australian Accounting Standards – Reduced Disclosure Requirements, it may also be appropriate to indicate the relevant statutory and other requirements adopted in the preparation of the financial statements.

Amendments to AASB 102

- 24 The following subheading and paragraphs are added to AASB 102:

Reduced Disclosure Requirements

Aus1.8 Paragraphs 36(c), 36(g) and Aus36.1(f) of this Standard do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements. Entities applying Australian Accounting Standards – Reduced Disclosure Requirements may elect to comply with some or all of these excluded requirements.

- Aus1.9 The requirements that do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements are identified in this Standard by shading of the relevant text.

Amendments to AASB 107

- 25 The following subheading and paragraphs are added to AASB 107:

Reduced Disclosure Requirements

- Aus1.8 Paragraphs Aus20.1, Aus20.2, 40, 41, 46, 50(d) and 52 of this Standard do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements. Entities applying Australian Accounting Standards – Reduced Disclosure Requirements may elect to comply with some or all of these excluded requirements.**

- Aus1.9 The requirements that do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements are identified in this Standard by shading of the relevant text.

Amendments to AASB 108

- 26 The following subheading and paragraphs are added to AASB 108:

Reduced Disclosure Requirements

- Aus2.9 Paragraphs 28(b), 28(d), 28(e), 28(h), 30, 31 and 40 of this Standard do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements. Entities applying Australian Accounting Standards – Reduced Disclosure Requirements may elect to comply with some or all of these excluded requirements.**

- Aus2.10 The requirements that do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure

Requirements are identified in this Standard by shading of the relevant text.

Aus2.11 The RDR paragraph in this Standard applies only to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements.

RDR28.1 An entity applying Australian Accounting Standards – Reduced Disclosure Requirements shall disclose an explanation if it is impracticable to determine the amounts required to be disclosed by paragraph 28(f)(i) or 28(g).

27 Paragraph 7 is amended as follows (new text is underlined):

7 When an Australian Accounting Standard¹ specifically applies to a transaction, other event or condition, the accounting policy or policies applied to that item shall be determined by applying the Standard.

¹ The term ‘Australian Accounting Standards’ refers to Standards (including Interpretations) made by the AASB that apply to any reporting period beginning on or after 1 January 2005. In this context, the term encompasses Australian Accounting Standards – Reduced Disclosure Requirements, which some entities are permitted to apply in accordance with AASB 1053 *Application of Tiers of Australian Accounting Standards* in preparing general purpose financial statements.

Amendments to AASB 110

28 The following subheading and paragraphs are added to AASB 110:

Reduced Disclosure Requirements

Aus1.8 The following do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements:

- (a) paragraphs 13, 19 and 20; and
- (b) in paragraph 22(a), the text “(AASB 3 ... in such cases)”.

**Entities applying Australian Accounting Standards –
Reduced Disclosure Requirements may elect to comply
with some or all of these excluded requirements.**

- Aus1.9 The requirements that do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements are identified in this Standard by shading of the relevant text.

Amendments to AASB 111

- 29 The following subheading and paragraphs are added to AASB 111:

Reduced Disclosure Requirements

- Aus1.8 Paragraphs 40, 41 and 45 of this Standard do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements. Entities applying Australian Accounting Standards – Reduced Disclosure Requirements may elect to comply with some or all of these excluded requirements.**

- Aus1.9 The requirements that do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements are identified in this Standard by shading of the relevant text.

Amendments to AASB 112

- 30 The following subheading and paragraphs are added to AASB 112:

Reduced Disclosure Requirements

- Aus1.8 The following do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements:**

- (a) paragraphs 81(ab), 81(f), 81(i)-(k), 82 and 87-87C; and**
- (b) the second sentence in paragraph 82A.**

Entities applying Australian Accounting Standards – Reduced Disclosure Requirements may elect to comply with some or all of these excluded requirements.

- Aus1.9 The requirements that do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements are identified in this Standard by shading of the relevant text.
- Aus1.10 The RDR paragraph in this Standard applies only to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements.**
- RDR81.1 An entity applying Australian Accounting Standards – Reduced Disclosure Requirements shall disclose the aggregate amount of current and deferred income tax relating to items recognised in other comprehensive income.**

Amendments to AASB 116

- 31 The following subheading and paragraphs are added to AASB 116:

Reduced Disclosure Requirements

- Aus1.8 Paragraphs 73(e)(viii), 74(b), 74(d), 77(e), Aus77.1 and 79 of this Standard do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements. Entities applying Australian Accounting Standards – Reduced Disclosure Requirements may elect to comply with some or all of these excluded requirements.**
- Aus1.9 The requirements that do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements are identified in this Standard by shading of the relevant text, except for comparative disclosures subject to RDR paragraphs.
- Aus1.10 The RDR paragraph in this Standard applies only to entities preparing general purpose financial statements**

under Australian Accounting Standards – Reduced Disclosure Requirements.

RDR73.1 An entity applying Australian Accounting Standards – Reduced Disclosure Requirements is not required to disclose the reconciliation specified in paragraph 73(e) for prior periods.

Amendments to AASB 117

32 The following subheading and paragraphs are added to AASB 117:

Reduced Disclosure Requirements

Aus1.8 The following do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements:

- (a) paragraphs 31(c), 31(d), 35(b) and 48;
- (b) in paragraph 31(b), the text “a reconciliation ... present value.” and, in the second sentence, the text “In addition, an entity shall disclose” and “and their present value,”;
- (c) in paragraph 35(c), the text “, with separate amounts ... sublease payments”; and
- (d) in paragraph 56(a), the words “in the aggregate and”.

Entities applying Australian Accounting Standards – Reduced Disclosure Requirements may elect to comply with some or all of these excluded requirements.

Aus1.9 The requirements that do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements are identified in this Standard by shading of the relevant text.

Amendments to AASB 119

33 The following subheading and paragraphs are added to AASB 119:

Reduced Disclosure Requirements

Aus1.7 The following do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements:

- (a) paragraphs 30(c)(ii), 34B, 47, 120, 120A(c), 120A(d), 120A(e)(i)-(iii), 120A(e)(vii), 120A(e)(viii), 120A(l), 120A(n)(iii), 120A(o)-(q), 124(b) and 143;
- (b) the third sentence in paragraph 23;
- (c) in paragraph 120A(g), the text “for each of ... in paragraph 58(b)”;
- (d) in paragraph 120A(m), the text “, as well as ... paragraph 104A”; and
- (e) the second sentence in paragraph 131.

Entities applying Australian Accounting Standards – Reduced Disclosure Requirements may elect to comply with some or all of these excluded requirements.

Aus1.8 The requirements that do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements are identified in this Standard by shading of the relevant text, except for comparative disclosures subject to RDR paragraphs.

Aus1.9 RDR paragraphs in this Standard apply only to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements.

RDR120A.1 An entity applying Australian Accounting Standards – Reduced Disclosure Requirements shall disclose a reconciliation of opening and closing balances of the defined benefit obligation showing

separately benefits paid and all other changes. These disclosures may be made in total, separately for each plan, or in such groupings as are considered to be the most useful.

RDR120A.2 An entity applying Australian Accounting Standards – Reduced Disclosure Requirements is not required to disclose the reconciliations specified in paragraphs 120A(e) and RDR120A.1 for prior periods.

Amendments to AASB 121

34 The following subheading and paragraphs are added to AASB 121:

Reduced Disclosure Requirements

Aus2.8 Paragraphs 55-57 of this Standard do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements. Entities applying Australian Accounting Standards – Reduced Disclosure Requirements may elect to comply with some or all of these excluded requirements.

Aus2.9 The requirements that do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements are identified in this Standard by shading of the relevant text.

Amendments to AASB 123

35 The following subheading and paragraphs are added to AASB 123:

Reduced Disclosure Requirements

Aus1.6 Paragraph 26(b) of this Standard does not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements. Entities applying Australian Accounting Standards – Reduced Disclosure Requirements may elect to comply with this excluded requirement.

Aus1.7 The requirement that does not apply to entities preparing general purpose financial statements under Australian

Accounting Standards – Reduced Disclosure Requirements are identified in this Standard by shading of the relevant text.

Amendments to AASB 124

36 The following subheading and paragraphs are added to AASB 124:

Reduced Disclosure Requirements

Aus1.11 The following do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements:

- (a) paragraphs Aus13.1, 26, 27 and Aus29.1-Aus29.9.3;
- (b) in paragraph 17, the text “and for each of ... (e) share-based payment”; and
- (c) in paragraph 22, the text “(see paragraph 34B of AASB 119)”.

Entities applying Australian Accounting Standards – Reduced Disclosure Requirements may elect to comply with some or all of these excluded requirements.

Aus1.12 The requirements that do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements are identified in this Standard by shading of the relevant text.

Amendments to AASB 127

37 The following subheading and paragraphs are added to AASB 127:

Reduced Disclosure Requirements

Aus1.6 The following do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements:

- (a) paragraphs 41(b), 41(e), 41(f), 42, 43(b), 43(c) and Aus43.1; and
- (b) in paragraph 43, the text “(other than a parent covered by paragraph 42)”.

Entities applying Australian Accounting Standards – Reduced Disclosure Requirements may elect to comply with some or all of these excluded requirements.

Aus1.7 The requirements that do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements are identified in this Standard by shading of the relevant text.

Aus1.8 The RDR paragraph in this Standard applies only to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements.

RDR43.1 A parent, venturer with an interest in a jointly controlled entity or an investor in an associate, that prepares separate financial statements applying Australian Accounting Standards – Reduced Disclosure Requirements, shall disclose a description of the methods used to account for the investments in subsidiaries, jointly controlled entities and associates.

Amendments to AASB 128

38 The following subheading and paragraphs are added to AASB 128:

Reduced Disclosure Requirements

Aus1.9 Paragraphs 37(b)-(i) of this Standard do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements. Entities applying Australian Accounting Standards – Reduced Disclosure Requirements may elect to comply with some or all of these excluded requirements.

Aus1.10 The requirements that do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure

Requirements are identified in this Standard by shading of the relevant text.

Amendments to AASB 131

39 The following subheading and paragraphs are added to AASB 131:

Reduced Disclosure Requirements

Aus1.8 Paragraph 56 of this Standard does not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements. Entities applying Australian Accounting Standards – Reduced Disclosure Requirements may elect to comply with this excluded requirement.

Aus1.9 The requirement that does not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements is identified in this Standard by shading of the relevant text.

Amendments to AASB 133

40 The following subheading and paragraphs are added to AASB 133:

Reduced Disclosure Requirements

Aus1.9 The requirements that do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements are identified in this Standard by shading of the relevant text. By virtue of paragraph Aus1.1 this Standard applies to Tier 1 entities preparing general purpose financial statements in accordance with Australian Accounting Standards. Entities applying Australian Accounting Standards – Reduced Disclosure Requirements may elect to comply with some or all of the excluded requirements.

Amendments to AASB 134

41 The following subheading and paragraphs are added to AASB 134:

Reduced Disclosure Requirements

Aus1.10 The following do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements:

- (a) paragraphs 5(f), 16(g), 19 and 21; and
- (b) in paragraph 16(i), the sentence “. In the case of ... required by AASB 3 *Business Combinations*”.

Entities applying Australian Accounting Standards – Reduced Disclosure Requirements may elect to comply with some or all of these excluded requirements.

Aus1.11 The requirements that do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements are identified in this Standard by shading of the relevant text.

Aus1.12 The RDR paragraph in this Standard applies only to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements.

RDR19.1 If an entity’s interim financial report is in compliance with this Standard as it applies to entities applying the Australian Accounting Standards – Reduced Disclosure Requirements, that fact shall be disclosed. An interim financial report shall not be described as complying with Australian Accounting Standards – Reduced Disclosure Requirements unless it complies with all of the requirements of Australian Accounting Standards – Reduced Disclosure Requirements.

Amendments to AASB 136

42 The following subheading and paragraphs are added to AASB 136:

Reduced Disclosure Requirements

Aus1.8 Paragraphs 129-137 of this Standard do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements. Entities applying Australian Accounting Standards – Reduced Disclosure Requirements may elect to comply with some or all of these excluded requirements.

Aus1.9 The requirements that do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements are identified in this Standard by shading of the relevant text.

Amendments to AASB 137

43 The following subheading and paragraphs are added to AASB 137:

Reduced Disclosure Requirements

Aus1.8 The following do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements:

(a) paragraphs 84(b), 84(e) and 85(c);

(b) in paragraph 75, the text “If an entity starts to ... of the financial statements.”; and

(c) in paragraph 85(b), the text “. Where necessary ... paragraph 48”.

Entities applying Australian Accounting Standards – Reduced Disclosure Requirements may elect to comply with some or all of these excluded requirements.

Aus1.9 The requirements that do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure

Requirements are identified in this Standard by shading of the relevant text.

Amendments to AASB 138

44 The following subheading and paragraphs are added to AASB 138:

Reduced Disclosure Requirements

Aus1.8 Paragraphs 118(e)(vii), 120, 124(a)(iii), Aus124.1 and 128 of this Standard do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements. Entities applying Australian Accounting Standards – Reduced Disclosure Requirements may elect to comply with some or all of these excluded requirements.

Aus1.9 The requirements that do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements are identified in this Standard by shading of the relevant text, except for comparative disclosures subject to RDR paragraphs.

Aus1.10 The RDR paragraph in this Standard applies only to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements.

RDR118.1 An entity applying Australian Accounting Standards – Reduced Disclosure Requirements is not required to disclose the reconciliations specified in paragraph 118(e) for prior periods.

Amendments to AASB 140

45 The following subheading and paragraphs are added to AASB 140:

Reduced Disclosure Requirements

Aus1.6 The following do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements:

- (a) paragraphs 75(b), 75(c), 75(f), 76(e), 77, 79(d)(vi), 79(d)(vii) and 79(e);
- (b) in paragraph 75(d), the text “, including a statement ... market data”;
- (c) in paragraph 76(a), the text “, disclosing separately ... an asset”; and
- (d) in paragraph 79(d)(i), the text “, disclosing separately ... an asset”.

Entities applying Australian Accounting Standards – Reduced Disclosure Requirements may elect to comply with some or all of these excluded requirements.

Aus1.7 The requirements that do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements are identified in this Standard by shading of the relevant text, except for comparative disclosures subject to RDR paragraphs.

Aus1.8 The RDR paragraph in this Standard applies only to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements.

RDR76.1 An entity applying Australian Accounting Standards – Reduced Disclosure Requirements is not required to disclose the reconciliation specified in paragraph 76 for prior periods.

Amendments to AASB 141

46 The following subheading and paragraphs are added to AASB 141:

Reduced Disclosure Requirements

Aus1.8 Paragraphs 40, 43-46, 48, 49, 51-53, 54(c), 55, 56 and 57(c) of this Standard do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements. Entities applying Australian Accounting Standards – Reduced Disclosure

Requirements may elect to comply with some or all of these excluded requirements.

- Aus1.9 The requirements that do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements are identified in this Standard by shading of the relevant text.
- Aus1.10 The RDR paragraph in this Standard applies only to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements.**
- RDR50.1 An entity applying Australian Accounting Standards – Reduced Disclosure Requirements is not required to disclose the reconciliation specified in paragraph 50 for prior periods.**

Amendments to AASB 1050

- 47 The following subheading and paragraphs are added to AASB 1050:

Reduced Disclosure Requirements

6A The following do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements:

- (a) paragraphs 7(a)(ii), 7(b)(ii) and 8; and
- (b) in paragraph 14, the words “and by activity” in the third sentence.

Entities applying Australian Accounting Standards – Reduced Disclosure Requirements may elect to comply with some or all of these excluded requirements.

- 6B The requirements that do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements are identified in this Standard by shading of the relevant text.

Amendments to AASB 1052

48 The following subheading and paragraphs are added to AASB 1052:

Reduced Disclosure Requirements

10A Paragraphs 11-21 of this Standard do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements. Entities applying Australian Accounting Standards – Reduced Disclosure Requirements may elect to comply with some or all of these excluded requirements.

10B The requirements that do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements are identified in this Standard by shading of the relevant text.

Amendments to Interpretation 2

49 The following subheading and paragraphs are added to Interpretation 2:

Reduced Disclosure Requirements

Aus13.5 Paragraph 13 of this Interpretation does not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements. Entities applying Australian Accounting Standards – Reduced Disclosure Requirements may elect to comply with this excluded requirement.

Aus13.6 The requirement that does not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements is identified in this Interpretation by shading of the relevant text.

Amendments to Interpretation 4

- 50 The following subheading and paragraphs are added to Interpretation 4:

Reduced Disclosure Requirements

Aus15.6 The text “, but: ... elements in the arrangement” in paragraph 15(b) of this Interpretation does not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements. Entities applying Australian Accounting Standards – Reduced Disclosure Requirements may elect to comply with this excluded requirement.

Aus15.7 The requirement that does not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements is identified in this Interpretation by shading of the relevant text.

Amendments to Interpretation 5

- 51 The following subheading and paragraphs are added to Interpretation 5:

Reduced Disclosure Requirements

Aus13.5 Paragraphs 11 and 13 of this Interpretation do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements. Entities applying Australian Accounting Standards – Reduced Disclosure Requirements may elect to comply with one or both of these excluded requirements.

Aus13.6 The requirements that do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements are identified in this Interpretation by shading of the relevant text.

Amendments to Interpretation 15

- 52 The following subheading and paragraphs are added to Interpretation 15:

Reduced Disclosure Requirements

Aus23.5 Paragraphs 20 and 21 of this Interpretation do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements. Entities applying Australian Accounting Standards – Reduced Disclosure Requirements may elect to comply with one or both of these excluded requirements.

Aus23.6 The requirements that do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements are identified in this Interpretation by shading of the relevant text.

Amendments to Interpretation 17

- 53 The following subheading and paragraphs are added to Interpretation 17:

Reduced Disclosure Requirements

Aus17.5 Paragraphs 16 and 17 of this Interpretation do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements. Entities applying Australian Accounting Standards – Reduced Disclosure Requirements may elect to comply with one or both of these excluded requirements.

Aus17.6 The requirements that do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements are identified in this Interpretation by shading of the relevant text.

Amendments to Interpretation 127

- 54 The following subheading and paragraphs are added to Interpretation 127:

Reduced Disclosure Requirements

Aus11.7 Paragraphs 10 and 11 of this Interpretation do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements. Entities applying Australian Accounting Standards – Reduced Disclosure Requirements may elect to comply with one or both of these excluded requirements.

Aus11.8 The requirements that do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements are identified in this Interpretation by shading of the relevant text.

Amendments to Interpretation 129

- 55 The following subheading and paragraphs are added to Interpretation 129:

Reduced Disclosure Requirements

Aus7.6 Paragraphs 6, 6A and 7 of this Interpretation do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements. Entities applying Australian Accounting Standards – Reduced Disclosure Requirements may elect to comply with some or all of these excluded requirements.

Aus7.7 The requirements that do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements are identified in this Interpretation by shading of the relevant text.

Amendments to Interpretation 1052

- 56 The following subheading and paragraphs are added to Interpretation 1052:

Reduced Disclosure Requirements

- 23A The following do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements:**

- (a) paragraph 16; and**
- (b) the first and second sentence in paragraph 59.**

Entities applying Australian Accounting Standards – Reduced Disclosure Requirements may elect to comply with some or all of these excluded requirements.

- 23B The requirements that do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements are identified in this Interpretation by shading of the relevant text.

APPENDIX

**EARLY APPLICATION OF AUSTRALIAN
ACCOUNTING STANDARDS – REDUCED
DISCLOSURE REQUIREMENTS**

This Appendix is an integral part of this Standard.

- A1 The Australian Accounting Standards – Reduced Disclosure Requirements may be applied early to annual reporting periods beginning on or after 1 July 2009 but before 1 July 2013. The amendments set out in paragraphs 12-56 of this Standard also apply to all the versions of pronouncements applicable to such periods when the Australian Accounting Standards – Reduced Disclosure Requirements are applied early, with the exception of AASB 7 *Financial Instruments: Disclosures* and AASB 124 *Related Party Disclosures*. The amendments to those Standards are set out below.

Amendments Applying from 1 July 2009

Amendments to AASB 7

- A2 The following subheading and paragraphs are added to the versions of AASB 7 that apply to annual reporting periods beginning on or after 1 July 2009 but before 1 January 2013:

Reduced Disclosure Requirements

Aus2.9 The following do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements:

- (a) paragraphs 6, 9-11, 12A(b), 12A(e), 15, 18, 19, 20(c), 20(d), 25-27, 27A, 27B, 30(b)-(e), 31-42, B1-B4 and B7-B28;
- (b) in paragraph 8(a), the text “, showing separately ... AASB 139”;
- (c) in paragraph 8(e), the text “, showing separately ... AASB 139”;
- (d) in paragraph 20(a)(i), the text “, showing separately ... AASB 139”;

- (e) in paragraph 23(d), the text “, showing the ... income”; and
- (f) the fourth sentence in paragraph 28, including paragraphs 28(a) and (b).

Entities applying Australian Accounting Standards – Reduced Disclosure Requirements may elect to comply with some or all of these excluded requirements.

Aus2.10 RDR paragraphs in this Standard apply only to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements.

Aus2.11 The requirements that do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements are identified in this Standard by shading of the relevant text.

RDR18.1 For *loans payable* recognised at the end of the reporting period for which there is a breach of terms or default of principal, interest, sinking fund, or redemption of terms that has not been remedied by the end of the reporting period, an entity preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements shall disclose the following:

- (a) details of that breach or default;
- (b) the carrying amount of the related loans payable at the end of the reporting period; and
- (c) whether the breach or default was remedied, or the terms of the loans payable were renegotiated, before the financial statements were authorised for issue.

RDR27.1 An entity applying Australian Accounting Standards – Reduced Disclosure Requirements shall disclose, for all financial assets and financial liabilities that are measured at fair value, the basis for determining fair value, for example quoted market price in an active market or a valuation technique. When a valuation technique is used, the entity shall disclose the assumptions applied in determining fair value for each class of financial assets or

financial liabilities. For example, if applicable, an entity discloses information about the assumptions relating to prepayment rates, rates of estimated credit losses, and interest rates or discount rates.

- A3 The version of AASB 7 that applies to annual reporting periods beginning on or after 1 January 2013 but before 1 July 2013 is also the version that applies to periods beginning on or after 1 July 2013. Therefore, the amendments set out in paragraph 18 of this Standard also apply to that version of AASB 7 when Australian Accounting Standards – Reduced Disclosure Requirements are applied early to annual reporting periods beginning on or after 1 January 2013 but before 1 July 2013.

Amendments to AASB 124

- A4 The following subheading and paragraphs are added to the version of AASB 124 that applies to annual reporting periods beginning on or after 1 July 2009 that begin before 1 January 2011:

Reduced Disclosure Requirements

Aus1.12 The following do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements:

- (a) paragraphs Aus12.1 and Aus25.1-Aus25.9.3;
- (b) in paragraph 16, the text “and for each of ... (e) share-based payment”; and
- (c) in paragraph 20, the text “(see paragraph 34B ... December 2004)”.

Entities applying Australian Accounting Standards – Reduced Disclosure Requirements may elect to comply with some or all of these excluded requirements.

- Aus1.13 The requirements that do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements are identified in this Standard by shading of the relevant text.
- A5 The version of AASB 124 that applies to annual reporting periods beginning on or after 1 January 2011 but before 1 July 2013 is also the

version that applies to periods beginning on or after 1 July 2013. Therefore, the amendments set out in paragraph 36 of this Standard also apply to that version of AASB 124 when Australian Accounting Standards – Reduced Disclosure Requirements are applied early to annual reporting periods beginning on or after 1 January 2011 but before 1 July 2013.

Appendix 4: AASB's tier 2 disclosure principles

TIER 2 DISCLOSURE PRINCIPLES

The ‘user need’ and ‘cost-benefit’ principles that underlie the determination of disclosure requirements in the IASB’s *IFRS for SMEs* are applied in determining disclosures under Tier 2 (Reduced Disclosure Requirements). The following operational guidance is intended to facilitate the application of those principles:

General guidance

- 1 The disclosures proposed under Tier 2 are determined by:
 - (a) benchmarking to the *IFRS for SMEs* disclosures when Tier 2 recognition and measurement accounting policies are the same (or substantively the same) as those under the *IFRS for SMEs* unless the relevant full IFRS disclosure is a new or revised disclosure that did not exist when the *IFRS for SMEs* was published or last updated. In such cases the ‘user need’ and ‘cost-benefit’ principles (used by the IASB in developing its *IFRS for SMEs*) are applied to new or revised disclosures; and
 - (b) applying the ‘user need’ and ‘cost-benefit’ principles when Tier 2 recognition and measurement requirements are not the same as those available under the *IFRS for SMEs*.

IFRS for SMEs excludes some full IFRS disclosures; that is when they are only pertinent to the information needs of users of financial statements of publicly accountable entities. Instead it focuses on information that is of particular interest to users of financial statements of non-publicly accountable private sector entities. Consistent with this approach, paragraph 6 below provides guidance on the specific information needs of these users. Moreover, as Tier 2 Disclosure Principles are also applied in determining the disclosure requirements of not-for-profit and public sector entities, paragraph 10 clarifies the information needs of users of the financial statements of such entities.

Specific guidance

Approach when Recognition and Measurement Requirements are the Same or Substantively the Same

Identical or similar disclosures

- 2 Where the disclosure requirements under a full IFRS as adopted in Australia and the *IFRS for SMEs* are the same or similar (that is, result in the same disclosures), those disclosure requirements are retained as part of Tier 2 requirements, using the wording of the relevant full IFRS as adopted in Australia.

Dissimilar disclosures

- 3 Where the disclosure requirements under a full IFRS and the *IFRS for SMEs* are dissimilar, the following procedure is followed:
 - (a) Where the *IFRS for SMEs* does not require a disclosure that is required in the relevant full IFRS, Tier 2 does not retain that disclosure unless the relevant full IFRS disclosure requirement is a new or revised disclosure requirement and the application of user need and cost-benefit principles warrants otherwise.
 - (b) Where the *IFRS for SMEs* disclosure requirement is less onerous than the relevant full IFRS disclosure requirement, the less onerous disclosure requirement is adopted unless the relevant full IFRS disclosure requirement is a new or revised

disclosure requirement and the application of user need and cost benefit principles warrants otherwise.

Benchmarking to the *IFRS for SMEs* in cases where a new or revised disclosure requirement is not involved is on the basis that, in developing the *IFRS for SMEs*, the IASB has already applied the user needs and cost benefit principles and concluded that an exemption or reduced disclosure is appropriate.

In most cases, the structure of the words in the relevant full IFRS enables the use of shading to show that a relevant disclosure requirement is excluded or reduced so as to match the *IFRS for SMEs* disclosure outcome. In the few cases where this is not feasible, the wording in the *IFRS for SMEs* is used as the basis for an RDR paragraph as a substitute for the relevant full IFRS wording.

- 4 In the few cases where the *IFRS for SMEs* has an additional disclosure requirement that is not included in the full IFRS, that disclosure requirement is not included in Tier 2 requirements.

Approach when Recognition and Measurement Requirements are not the Same or Substantively the Same

- 5 The disclosure requirements under Tier 2 are determined by drawing on the ‘user need’ and ‘cost-benefit’ principles applied by the IASB in developing its *IFRS for SMEs* when Tier 2 recognition and measurement accounting policies are not the same (or substantively the same) as those under the *IFRS for SMEs*.
- 6 The principles applied by the IASB in developing its *IFRS for SMEs* are grounded in the view that users of financial information of non-publicly accountable for-profit private sector entities are particularly interested in information about:
 - (a) short-term cash flows and about obligations, commitments or contingencies, whether or not recognised as liabilities;
 - (b) liquidity and solvency;
 - (c) measurement uncertainties;
 - (d) the entity’s accounting policy choices;
 - (e) disaggregations of amounts presented in the financial statements; and
 - (f) transactions and other events and conditions encountered by such entities.

Guidance

- 7 Guidance relating to a disclosure that is retained in Tier 2 requirements is also retained in Tier 2 requirements on the grounds that it assists entities in making that disclosure and would not add to the disclosure burden. Guidance that relates to a disclosure that is not retained in Tier 2 requirements is also not retained in Tier 2 requirements. Text in the nature of contextual material is not treated as guidance. Such text is retained in Tier 2 on the basis that its retention does not add to the disclosure burden.

Disclosure Encouraged

- 8 Where a disclosure is encouraged, whether under the full IFRSs as adopted in Australia or the *IFRS for SMEs*, it is not included.

Presentation vs Disclosure

- 9 Tier 2 does not involve amending the presentation (sometimes used interchangeably with classification) requirements of Tier 1 and is concerned only with reducing the disclosure burden. Sometimes judgement is required as to whether a particular requirement relates to presentation or disclosure. The following guidance is used to distinguish between presentation and disclosure:

Presentation requirements are limited to requirements that specify the broad structure of financial statements including the basis of classification of items. Specifications relating to subclassifications or line items to be shown on the face of financial statements, or in the notes, are treated as matters of disclosure.

Clarification in relation to Not-For-Profit and Public Sector Entities

- 10 Although the *IFRS for SMEs* has been developed to apply to for-profit private sector entities, broadly it is considered reasonable to rely on the judgements made in developing the *IFRS for SMEs* in respect of both for-profit and not-for-profit (including public sector) entities in Australia given that IFRSs are generally applied to all types of Australian entities. Accordingly, paragraphs 3 and 6 are relevant to all types of entities. The AASB uses its *Process for Modifying IFRSs for PBE/NFP* in assessing the need for specific requirements relating to not-for-profit entities.

For the limited number of disclosure requirements in full IFRSs as adopted in Australia that are specific to the circumstances of not-for-profit and public sector entities the Tier 2 disclosures are determined by applying the user need and cost-benefit principles in the context of the specific needs of users of not-for-profit and public sector entity financial statements.

Consistency of application

- 11 Tier 2 Disclosure Principles and related operational guidance are applied consistently so that disclosures relating to similar or analogous circumstances are not significantly different. ‘Analogising’, with a view to achieving consistency of application, is not a substitute for making independent decisions in the circumstances of each case, rather it provides corroborative evidence based on similar previous decisions.

‘Analogising’ also encompasses reliance on the IASB decisions in relation to similar disclosures under the *IFRS for SMEs*, albeit those disclosures are included in a section of the *IFRS for SMEs* that does not correspond to the topic covered by the full IFRS.