

Basis for Conclusions

This Basis for Conclusions accompanies, but is not part of, AASB 1057.

- BC1 This Basis for Conclusions summarises the Australian Accounting Standards Board’s considerations in reaching the conclusions in AASB 1057 *Application of Australian Accounting Standards*. Individual Board members gave greater weight to some factors than to others.
- BC2 In 2005 when Australia transitioned to adopting International Financial Reporting Standards (IFRSs), Australian Accounting Standards (including Interpretations) were issued using IFRSs as a base. Australian-specific paragraphs (labelled as ‘Aus’ paragraphs), including application paragraphs, were added to the IFRS text. These application paragraphs identified, in each Standard, the entities and financial reports to which the Standard applied. For example, most Standards apply explicitly to reporting entities and to general purpose financial statements. Other minor amendments were also made to the IFRS text (eg Australian terminology and punctuation).
- BC3 At its May 2015 meeting, the Board decided to revise Australian Accounting Standards that incorporate IFRSs to minimise Australian-specific wording even further. Therefore, because IFRSs do not contain such application paragraphs, the application paragraphs that were previously in each Australian Accounting Standard were moved to this Standard. In doing so, the application requirements have not been amended. These application paragraphs also do not affect requirements in other Standards that specify that certain paragraphs apply only to certain types of entities.
- BC4 For consistency, the application paragraphs of Australian-specific Standards have also been included in this Standard, without amendment. When those Standards are amended for other reasons, their application paragraphs are expected to be removed.