

Appendix C

Amendments to other Australian Accounting Standards

This appendix sets out the amendments to other Australian Accounting Standards.

The amendments set out in this appendix apply to entities and financial statements in accordance with the application of the Standards set out in AASB 1057 *Application of Australian Accounting Standards*.

The amendments apply to annual reporting periods beginning on or after 1 July 2029. If an entity applies this Standard to an earlier period, it shall also apply these amendments to that earlier period.

The amendments are made to the latest principal version of a Standard as subsequently amended, unless otherwise indicated. The amendments also apply, as far as possible and necessary, to earlier principal versions of the amended Standards if they apply when this Standard is applied for earlier periods.

This appendix 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 appendix do not include that underlining, striking out or other typographical material. Amended paragraphs are shown with deleted text struck through and new text underlined. Ellipses (...) are used to help provide the context within which amendments are made and also to indicate text that is not amended.

AASB 1 *First-time Adoption of Australian Accounting Standards (July 2015)*

Footnote 1 to paragraph 1 is amended. New text is underlined and deleted text is struck through.

- 1 [Aus] 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 the context of this Standard, the term encompasses Tier 1: Australian Accounting Standards and also Tier 2: Australian Accounting Standards – Simplified Disclosures, 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.

AASB 10 *Consolidated Financial Statements (July 2015)*

Paragraph AG1 in the Australian application guidance accompanying AASB 10 is amended. New text is underlined and deleted text is struck through.

- AG1 ... Australian Accounting Standards consist of ~~two~~ three tiers of reporting requirements for preparing general purpose financial statements. In the context of this Standard, the relevant tiers are:
- (a) Tier 1: Australian Accounting Standards; and
 - (b) Tier 2: Australian Accounting Standards – Simplified Disclosures.

AASB 108 *Basis of Preparation of Financial Statements (August 2015)*

Footnote 1 to the heading ‘Fair presentation and compliance with Australian Accounting Standards’ before paragraph 6A is amended. New text is underlined and deleted text is struck through.

- 1 [Aus] 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 the context of this Standard, the term encompasses Tier 1: Australian Accounting Standards and also Tier 2: Australian Accounting Standards – Simplified Disclosures, 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.

AASB 1053 *Application of Tiers of Australian Accounting Standards* (June 2010)

Paragraphs 7, 13, 16 and 19–19B are amended and paragraphs 9A, 16A–16D, 18E and 24–27 are added. Paragraphs 20A and 20B are added before the heading preceding paragraph 20C. A heading is added before paragraph 16A. The other headings are not amended but have been included for ease of reference. New text is underlined and deleted text is struck through.

Tiers of Reporting Requirements

- 7 Australian Accounting Standards consist of ~~two~~ three Tiers of reporting requirements for preparing general purpose financial statements:
- (a) Tier 1: Australian Accounting Standards; ~~and~~
 - (b) Tier 2: Australian Accounting Standards – Simplified Disclosures; and
 - (c) Tier 3: Australian Accounting Standards – Simplified Accounting.
- ...
- 9A Tier 3: Australian Accounting Standards – Simplified Accounting comprises simplified recognition, measurement, presentation and disclosure requirements for Tier 3 entities. The Tier 3 reporting requirements are set out in AASB 1061 *General Purpose Financial Statements – Not-for-Profit Private Sector Tier 3 Entities*.
- ...

Application of Tier 2 Reporting Requirements

- ...
- 13 **Tier 2 reporting requirements shall, as a minimum, apply to the general purpose financial statements of the following types of entities:**
- (a) ...
 - (b) **not-for-profit private sector entities that do not apply Tier 3 reporting requirements; and**
 - (c) ...
- ...
- 16 Disclosures under Tier 2 reporting requirements are the minimum disclosures required to be included in general purpose financial statements, with the exception of general purpose financial statements prepared by not-for-profit private sector entities under Tier 3 reporting requirements. Entities may include additional disclosures using Tier 1 reporting requirements as a guide if, in their judgement, such additional disclosures are consistent with the objective of general purpose financial statements.

Application of Tier 3 Reporting Requirements

- 16A Tier 3 reporting requirements shall, as a minimum, apply to the general purpose financial statements of not-for-profit private sector entities that:**
- (a) **do not have public accountability; and**
 - (b) **are not prohibited from applying Tier 3 reporting requirements by legislation or their constituting document or another document.**
- These entities may elect to apply Tier 1 or Tier 2 reporting requirements in preparing general purpose financial statements.**
- 16B Entities applying Tier 3 reporting requirements would not be able to state compliance with IFRSs.
- 16C Whilst Tier 3 reporting requirements are available under this Standard for general purpose financial statements of the not-for-profit private sector entities referred to in paragraph 16A, regulators might exercise a power to require such entities to apply Tier 1 or Tier 2 reporting requirements.

16D Disclosures under Tier 3 reporting requirements are the minimum disclosures required to be included in general purpose financial statements of the not-for-profit private sector entities referred to in paragraph 16A that are required to or elect to prepare general purpose financial statements under Tier 3 reporting requirements. Entities may include additional disclosures using Tier 1 or Tier 2 reporting requirements as a guide if, in their judgement, such additional disclosures are consistent with the objective of general purpose financial statements.

...

First-time Adoption of Australian Accounting Standards

...

18E When applying Tier 3 reporting requirements for the first time, an entity shall apply the transitional requirements set out in Section 28 of AASB 1061.

Reapplication of Australian Accounting Standards other than Transitioning between Tiers

19 Subject to paragraphs 19A, ~~and 21~~ and 25, an entity that:

- (a) has applied Tier 1 reporting requirements or IFRSs in a previous reporting period; but
- (b) whose most recent previous annual financial statements did not contain an explicit and unreserved statement of compliance with Tier 1 reporting requirements³ or IFRSs; and
- (c) is resuming or commencing the application of Tier 1 reporting requirements;

shall apply all the relevant requirements of AASB 1, or the AASB 1 option for retrospective application of Australian Accounting Standards in accordance with AASB 108 as if the entity had never stopped applying Australian Accounting Standards or IFRSs.

19A An entity that is to claim IFRS compliance on resuming Tier 1 reporting requirements under paragraph 19, 21(a) or 25 shall not use the AASB 1 option for retrospective application of Australian Accounting Standards in accordance with AASB 108 if it was not previously IFRS compliant.

19B Subject to paragraphs 23 and 26, an entity that:

- (a) has applied Tier 2 reporting requirements⁴ in a previous reporting period; but
- (b) whose most recent previous annual financial statements did not contain an explicit and unreserved statement of compliance with Tier 2 reporting requirements⁵; and
- (c) is resuming the application of Tier 2 reporting requirements;

shall:

- (d) apply all the relevant requirements of AASB 1, or the AASB 1 option for retrospective application of Australian Accounting Standards in accordance with AASB 108 as if the entity had never stopped applying Tier 2 reporting requirements, if the entity did not apply all applicable recognition and measurement requirements of Australian Accounting Standards; or
- (e) not apply AASB 1, or the AASB 1 option for retrospective application of Australian Accounting Standards in accordance with AASB 108, if the entity applied all applicable recognition and measurement requirements of Australian Accounting Standards.

...

20A Subject to paragraph 24, an entity that:

- (a) has applied Tier 3 reporting requirements in a previous reporting period; but
- (b) whose most recent previous annual financial statements did not contain an explicit and unreserved statement of compliance with Tier 3 reporting requirements; and
- (c) is resuming the application of Tier 3 reporting requirements;

shall:

- (d) apply all the relevant requirements of Section 28 of AASB 1061, or the option in Section 28 for retrospective application of AASB 1061 in accordance with Section 9 of that Standard as if the entity had never stopped applying Tier 3 reporting requirements, if the entity did not apply all applicable recognition and measurement requirements of AASB 1061; or

- (e) **not apply Section 28 of AASB 1061 (except for paragraph 28.3), or the option in Section 28 for retrospective application of AASB 1061 in accordance with Section 9 of that Standard, if the entity applied all applicable recognition and measurement requirements of AASB 1061.**

20B Entities described in paragraph 20A(a)–(c) resume the application of Tier 3 reporting requirements effectively using the same approach as an entity would for first transitioning to Tier 3 reporting requirements, as set out in paragraph 18E. Accordingly, an entity that did not comply with Tier 3 reporting requirements due solely to omitting some disclosures, but otherwise continued to apply all applicable recognition and measurement requirements, is prohibited from applying the transitional requirements of AASB 1061 on returning to Tier 3 reporting requirements. Instead, it continues applying applicable recognition and measurement requirements, whether it had previously initially applied all the relevant requirements of Section 28 of AASB 1061 or the option in Section 28 for retrospective application of AASB 1061 in accordance with Section 9 of that Standard. However, if such an entity did not continue to apply all applicable recognition and measurement requirements of AASB 1061 in its most recent previous annual financial statements, that entity is required to apply the transitional requirements set out in Section 28 of AASB 1061 on resuming the application of Tier 3 reporting requirements.

...

Transition between Tiers

...

24 **An entity transitioning from Tier 1 or Tier 2 to Tier 3 shall not apply AASB 1. Instead, the entity shall apply the transitional requirements set out in Section 28 of AASB 1061.**

25 **An entity transitioning from Tier 3 to Tier 1 shall apply AASB 1.**

26 **An entity transitioning from Tier 3 to Tier 2 shall, subject to paragraph 27, apply either:**

(a) all the relevant requirements of AASB 1; or

(b) Tier 2 reporting requirements directly using the requirements in AASB 108.

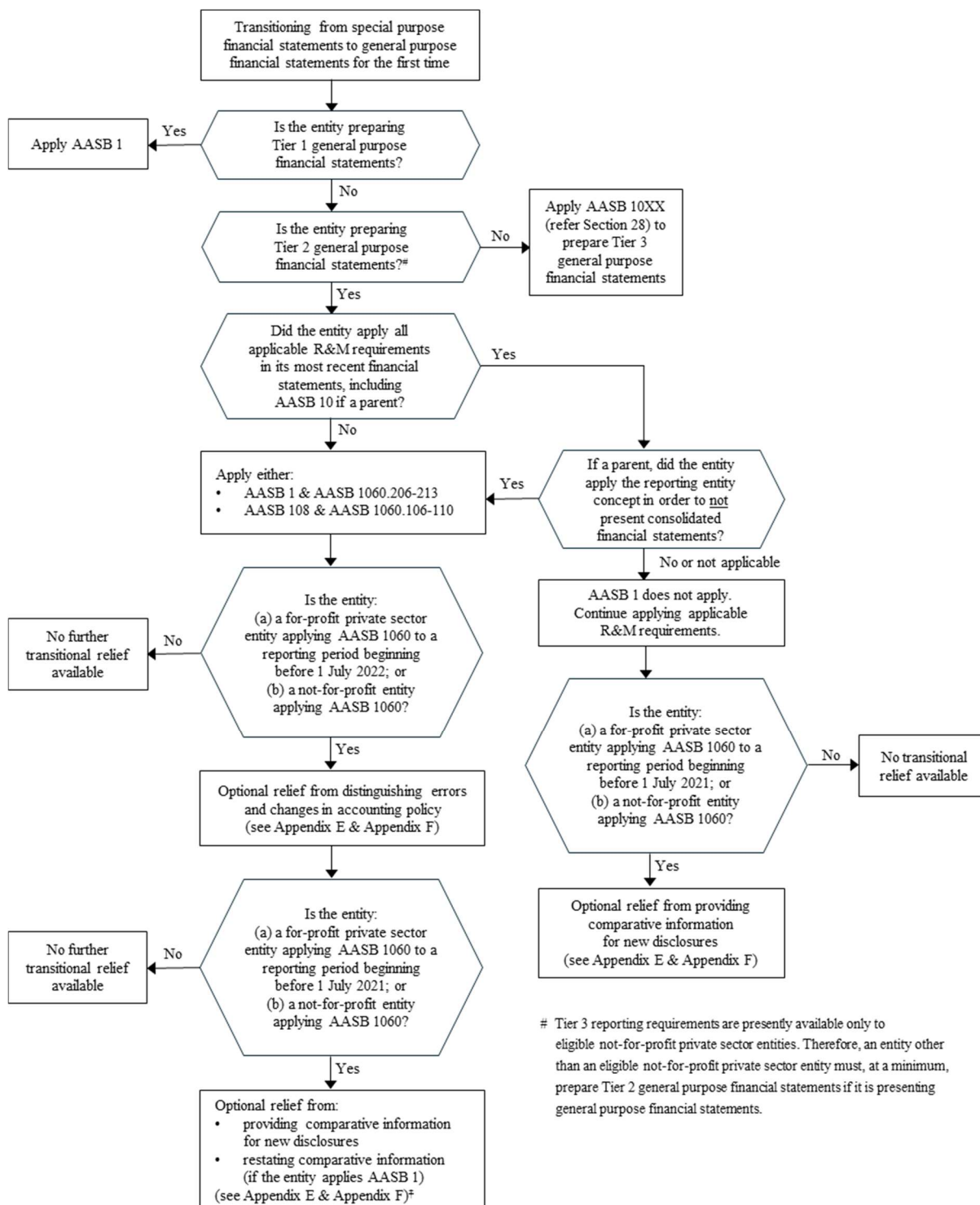
27 **An entity transitioning from Tier 3 to Tier 2 for the first time may apply some or all of the exemptions in Appendix F in its first Australian-Accounting-Standards financial statements (Tier 2).**

Appendix C Transition

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Chart 1: First-time Adoption of Reporting Requirements

The following flowchart illustrates the requirements of paragraphs 18–18E of AASB 1053.



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Chart 3: Re-application of Tier 2 Reporting Requirements

The following flowchart illustrates the requirements of paragraphs 19B and 23 of AASB 1053.

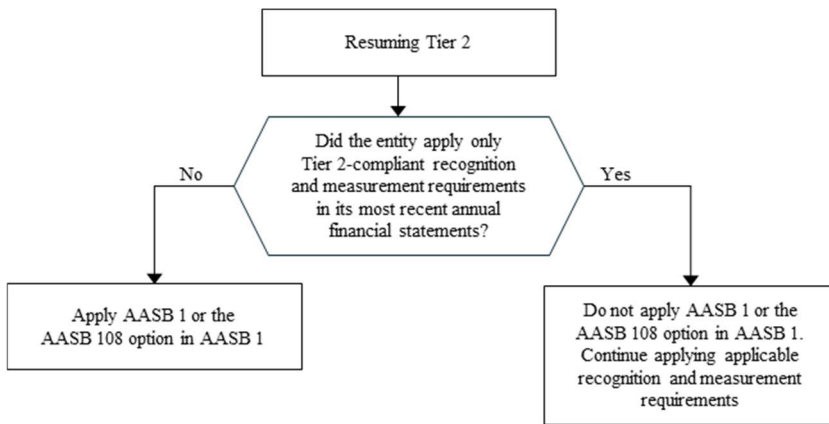
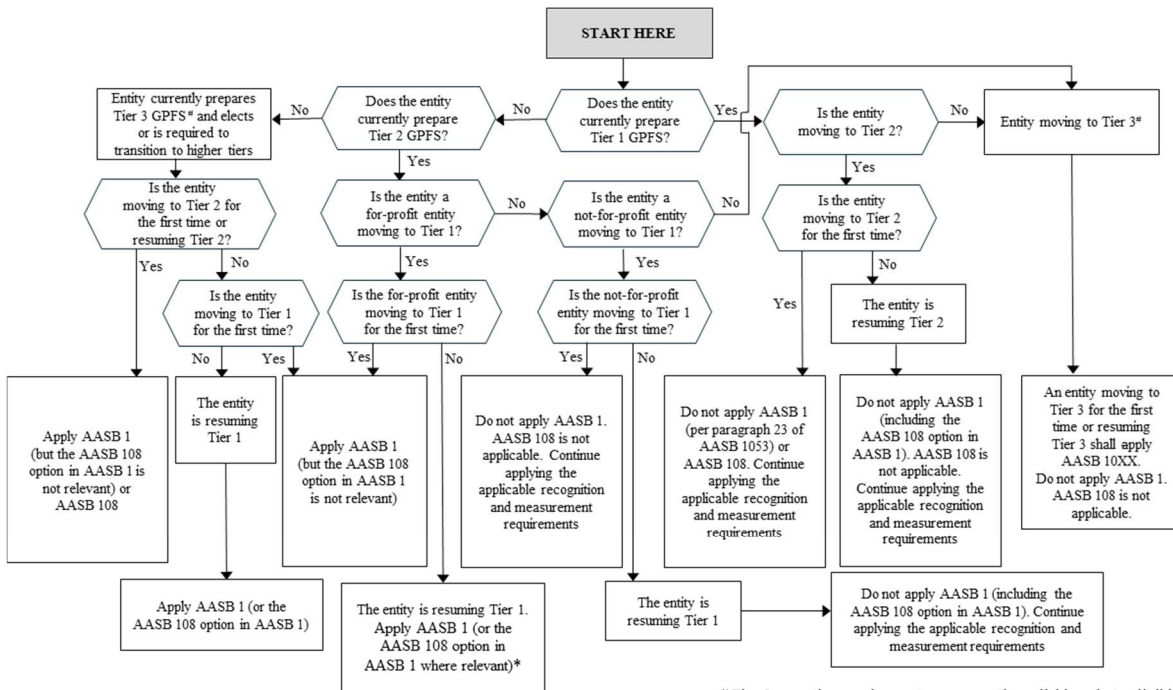


Chart 4: Moving between Tiers

The following flowchart illustrates the requirements of paragraphs 21 and 23–26 of AASB 1053.



Tier 3 reporting requirements are presently available only to eligible not-for-profit private sector entities.

* An entity that is to claim IFRS compliance on resuming Tier 1 reporting requirements shall not use the AASB 108 option in AASB 1 if it was not previously IFRS compliant.

Appendix D is replaced.

Appendix D Transition Scenarios

This appendix accompanies, but is not part of AASB 1053. It summarises which paragraphs of AASB 1053 would apply in particular scenarios and whether the entity would apply AASB 1, AASB 108 or AASB 1061.

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

A previous reporting period	The most recent previous reporting period	The current reporting period	Applicable paragraph of AASB 1053	Consequence
		First time adopt T1		
SPFS	SPFS using R&M	T1 IFRS	18	AASB 1
SPFS	SPFS using R&M	T1 non-IFRS	18	AASB 1
SPFS	SPFS not using R&M	T1 IFRS	18	AASB 1
SPFS	SPFS not using R&M	T1 non-IFRS	18	AASB 1
SPFS	T2	T1 IFRS	19A & 21(a)	AASB 1 (but not AASB 108 option in AASB 1)
SPFS	T2	T1 non-IFRS	21(b)	Not AASB 1
		First time adopt T2		
SPFS	SPFS using R&M	T2	18A(c)	Not AASB 1
SPFS	SPFS not using R&M	T2	18A(a)	AASB 1 or directly through AASB 108
SPFS	T1 IFRS	T2	23	Not AASB 1
SPFS	T1 non-IFRS	T2	23	Not AASB 1
		Resume T1		
T1 IFRS	SPFS using R&M	T1 IFRS	19	AASB 1 or AASB 108 option in AASB 1
T1 IFRS	SPFS using R&M	T1 non-IFRS	19	AASB 1 or AASB 108 option in AASB 1
T1 IFRS	SPFS not using R&M	T1 IFRS	19	AASB 1 or AASB 108 option in AASB 1
T1 IFRS	SPFS not using R&M	T1 non-IFRS	19	AASB 1 or AASB 108 option in AASB 1
T1 IFRS	T2	T1 IFRS	21(a)	AASB 1 or AASB 108 option in AASB 1
T1 IFRS	T2	T1 non-IFRS	21(b)	Not AASB 1
T1 non-IFRS	SPFS using R&M	T1 IFRS	19A	AASB 1 (but not AASB 108 option in AASB 1)
T1 non-IFRS	SPFS using R&M	T1 non-IFRS	19	AASB 1 or AASB 108 option in AASB 1
T1 non-IFRS	SPFS not using R&M	T1 IFRS	19A	AASB 1 (but not AASB 108 option in AASB 1)
T1 non-IFRS	SPFS not using R&M	T1 non-IFRS	19	AASB 1 or AASB 108 option in AASB 1
T1 non-IFRS	T2	T1 IFRS	19A & 21(a)	AASB 1 (but not AASB 108 option in AASB 1)
T1 non-IFRS	T2	T1 non-IFRS	21(b)	Not AASB 1
		Resume T2		
T2	SPFS using R&M	T2	19B(e)	Not AASB 1 or AASB 108 option in AASB 1
T2	SPFS not using R&M	T2	19B(d)	AASB 1 or AASB 108 option in AASB 1
T2	T1 IFRS	T2	23	Not AASB 1 or AASB 108 option in AASB 1
T2	T1 non-IFRS	T2	23	Not AASB 1 or AASB 108 option in AASB 1

Legend

SPFS special purpose financial statements
R&M recognition and measurement requirements in Australian Accounting Standards (Tier 1 and Tier 2)
T1 Tier 1 general purpose financial statements
T2 Tier 2 general purpose financial statements
IFRS the financial statements contain an explicit and unreserved statement of compliance with IFRS Standards
non-IFRS the financial statements do not contain an explicit and unreserved statement of compliance with IFRS Standards

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

A previous reporting period	The most recent previous reporting period	The current reporting period	Applicable paragraph of AASB 1053	Consequence
		First time adopt T1		
SPFS	T3	T1 IFRS	25	AASB 1
SPFS	T3	T1 non-IFRS	25	AASB 1

A previous reporting period	The most recent previous reporting period	The current reporting period	Applicable paragraph of AASB 1053	Consequence
		<i>First time adopt T2</i>		
SPFS	T3	T2	26	AASB 1 or directly through AASB 108
T3	SPFS using R&M	T2	18A(c)	Not AASB 1
T3	SPFS not using R&M	T2	18A(a)	AASB 1 or directly through AASB 108
		<i>First time adopt T3</i>		
SPFS	SPFS using R&M	T3	18E	AASB 1061
SPFS	SPFS not using R&M	T3	18E	AASB 1061
SPFS	T1 IFRS	T3	24	AASB 1061
SPFS	T1 non-IFRS	T3	24	AASB 1061
SPFS	T2	T3	24	AASB 1061
T1 IFRS	T2	T3	24	AASB 1061
T1 non-IFRS	T2	T3	24	AASB 1061
		<i>Resume T1</i>		
T1 IFRS	T3	T1 IFRS	25	AASB 1 or AASB 108 option in AASB 1
T1 IFRS	T3	T1 non-IFRS	25	AASB 1 or AASB 108 option in AASB 1
T1 non-IFRS	T3	T1 IFRS	19A & 25	AASB 1 (but not AASB 108 option in AASB 1)
T1 non-IFRS	T3	T1 non-IFRS	25	AASB 1 or AASB 108 option in AASB 1
		<i>Resume T2</i>		
T2	T3	T2	26	AASB 1 or directly through AASB 108
		<i>Resume T3</i>		
T3	SPFS using T3 R&M	T3	20A(e)	AASB 1061
T3	SPFS not using T3 R&M	T3	20A(d)	AASB 1061
T3	T1 IFRS	T3	24	AASB 1061
T3	T1 non-IFRS	T3	24	AASB 1061
T3	T2	T3	24	AASB 1061

Legend

SPFS	special purpose financial statements
R&M	recognition and measurement requirements in Australian Accounting Standards (Tier 1 and Tier 2, unless identified as Tier 3)
T1	Tier 1 general purpose financial statements
T2	Tier 2 general purpose financial statements
T3	Tier 3 general purpose financial statements
IFRS	the financial statements contain an explicit and unreserved statement of compliance with IFRS Standards
non-IFRS	the financial statements do not contain an explicit and unreserved statement of compliance with IFRS Standards

AASB 1057 Application of Australian Accounting Standards (July 2015)

Paragraph 5 is amended and paragraphs 21, 21A and 26 are added. New text is underlined.

- 5** Unless specified otherwise in paragraphs 5A–21A, Australian Accounting Standards apply to: ...
- ...
- 21** AASB 1061 General Purpose Financial Statements – Not-for-Profit Private Sector Tier 3 Entities applies to each not-for-profit private sector entity that:
- (a)** does not have public accountability;
- (b)** is not prohibited from applying Tier 3 reporting requirements by legislation or its constituting document or another document; and
- (c)** either is required to or elects to apply the Standard.
- 21A** Entities applying AASB 1061 may not apply other Australian Accounting Standards except as required by paragraph 1.5 of AASB 1061.
- ...
- 26** Interpretations do not apply to entities applying AASB 1061.