

Explanatory Statement

Accounting Standard AASB 2011-2
Amendments to Australian Accounting
Standards arising from the Trans-
Tasman Convergence Project – Reduced
Disclosure Requirements

May 2011



Australian Government

**Australian Accounting
Standards Board**

EXPLANATORY STATEMENT

Reasons for Issuing AASB 2011-2

This Standard makes amendments to the following Australian Accounting Standards:

1. AASB 101 *Presentation of Financial Statements*
2. AASB 1054 *Australian Additional Disclosures*,

to establish reduced disclosure requirements for entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements in relation to the Australian additional disclosures arising from the Trans-Tasman Convergence Project.

Main Features of AASB 2011-2

In June 2010, the AASB issued AASB 2010-2 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements* that introduced reduced disclosure requirements (RDR) to many Australian Accounting Standards, including AASB 101.

In May 2011, the AASB made AASB 2011-1 *Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project* and AASB 1054 as outcomes of the Trans-Tasman Convergence project. AASB 1054 contains the Australian-specific disclosures that are in addition to International Financial Reporting Standards. AASB 2011-1 contains the related amendments to other Australian Accounting Standards.

This Standard revises the RDR amendments originally specified in AASB 2010-2 for AASB 101 to reflect the deletion of certain disclosure requirements from AASB 101.

This Standard amends AASB 10XX to introduce reduced disclosure requirements to that Standard for entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements. These reflect the reduced disclosure requirements originally specified in AASB 2010-2 for AASB 101 disclosures that are now in AASB 1054.

Application Date

This Standard is applicable to annual reporting periods beginning on or after 1 July 2013. Early adoption is permitted for annual reporting periods beginning on or after 1 July 2009 but before 1 July 2013, provided that the following are also adopted for the same period:

- (a) AASB 1053 *Application of Tiers of Australian Accounting Standards*;
- (b) AASB 1054; and
- (c) AASB 2011-1.

Consultation Prior to Issuing this Standard

In July 2010, the AASB and the Financial Reporting Standards Board of the New Zealand Institute of Chartered Accountants jointly issued:

- (a) AASB ED 200A / FRSB ED 121 *Proposals to Harmonise Australian and New Zealand Standards in Relation to Entities Applying IFRSs as Adopted in Australia and New Zealand*; and
- (b) AASB ED 200B / FRSB ED 122 *Proposed Separate Disclosure Standards*.

In the Exposure Drafts, the AASB consulted constituents on the Australian-specific disclosure requirements in ED 200B that should be required of the entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements. The AASB received a total of twelve submissions from Australian constituents on ED 200A and ED 200B and most of the responses on this matter expressed a view that the Australian-specific disclosures required of Tier 2 entities should be consistent in nature with the other disclosures required under the RDR.

A Regulation Impact Statement has not been prepared in connection with the issuance of this Standard as the amendments made do not have a substantial direct or indirect impact on business or competition, are of a minor or machinery nature or clarify existing requirements.