Explanatory Statement

Accounting Standard AASB 2012-1  
*Amendments to Australian Accounting Standards – Fair Value Measurement – Reduced Disclosure Requirements*

**March 2012**



# EXPLANATORY STATEMENT

## Reasons for Issuing AASB 2012-1

AASB 2012-1 makes amendments to Australian Accounting Standards, to incorporate and amend reduced disclosure requirements in preparing general purpose financial statements. These amendments arise from the issuance of AASB 13 *Fair Value Measurement* in September 2011.

## Main Features of AASB 2012-1

AASB 2012-1 sets out the disclosure requirements of AASB 13 from which entities applying the second Tier of reporting requirements are exempt and adds paragraphs to AASB 13 that state those exemptions. It also amends reduced disclosure requirements of other Australian Accounting Standards that were amended as a consequence of the issuance of AASB 13.

## 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 the following are also adopted for the same period:

1. AASB 1053 *Application of Tiers of Australian Accounting Standards*;
2. AASB 13 *Fair Value Measurement*; and
3. AASB 2011-8 *Amendments to Australian Accounting Standards arising from AASB 13*

## Consultation Prior to Issuing this Standard

The AASB issued Exposure Draft ED 219 *AASB 13* Fair Value Measurement *and AASB 2011-8* Amendments to Australian Accounting Standards arising from AASB 13: *Tier 2 Proposals* in September 2011. The submissions received on ED 219 were generally supportive of the proposals. The AASB considered the comments it received in finalising AASB 2012-1.

A Regulation Impact Statement (RIS) has not been prepared specifically in connection with the issuance of AASB 2012-1.  A relevant analysis is contained in the RIS prepared in connection with the issue of AASB 1053 *Application of Tiers of Australian Accounting Standards.*

## Statement of Compatibility with Human Rights

This Standard is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

This Standard is issued by the AASB in furtherance of the objective of facilitating the Australian economy. It does not diminish or limit any of the applicable human rights or freedoms, and thus does not raise any human rights issues.