

Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date

[AASB 101]



Australian Government

**Australian Accounting
Standards Board**

Obtaining a copy of this Accounting Standard

This Standard is available on the AASB website: www.aasb.gov.au.

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AVAILABLE ON THE AASB WEBSITE
IASB Basis for Conclusions – Amendments

Australian Accounting Standard AASB 2020-6 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date* is set out on page 5. All the paragraphs have equal authority.

Preface

Standards amended by AASB 2020-6

This Standard makes amendments to AASB 101 *Presentation of Financial Statements* (July 2015).

These amendments arise from the issuance of International Financial Reporting Standard *Classification of Liabilities as Current or Non-current – Deferral of Effective Date* (Amendment to IAS 1) by the International Accounting Standards Board (IASB) in July 2020.

Main features of this Standard

Main requirements

This Standard amends AASB 101 to defer requirements for the presentation of liabilities in the statement of financial position as current or non-current that were added to AASB 101 in AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current* (March 2020). Those requirements will now apply mandatorily to annual reporting periods beginning on or after 1 January 2023 instead of 1 January 2022, with earlier application permitted.

The deferred amendments, for example, clarified that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The meaning of settlement of a liability was also clarified in those amendments.

Application date

This Standard applies to annual reporting periods beginning on or after 1 January 2022, which was the original mandatory effective date of the amendments.

Accounting Standard AASB 2020-6

The Australian Accounting Standards Board makes Accounting Standard AASB 2020-6 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date* under section 334 of the *Corporations Act 2001*.

Dated 10 August 2020

Keith Kendall
Chair – AASB

Accounting Standard AASB 2020-6 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date*

Objective

This Standard amends AASB 101 *Presentation of Financial Statements* (July 2015) as a consequence of the issuance of International Financial Reporting Standard *Classification of Liabilities as Current or Non-current – Deferral of Effective Date* (Amendment to IAS 1) by the International Accounting Standards Board in July 2020.

Application

The amendments set out in this Standard apply to entities and financial statements in accordance with the application of AASB 101 set out in AASB 1057 *Application of Australian Accounting Standards*.

This Standard applies to annual periods beginning on or after 1 January 2022.

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. Ellipses (...) are used to help provide the context within which amendments are made and also to indicate text that is not amended.

Amendments to AASB 101

Paragraph 139U is amended. Deleted text is struck through and new text is underlined.

Transition and effective date

...

139U AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current*, issued in March 2020 amended paragraphs 69, 73, 74 and 76 and added paragraphs 72A, 75A, 76A and 76B. An entity shall apply those amendments for annual reporting periods beginning on or after 1 January ~~2022~~ 2023 retrospectively in accordance with AASB 108. Earlier application is permitted. If an entity applies those amendments for an earlier period, it shall disclose that fact.

Commencement of the legislative instrument

For legal purposes, this legislative instrument commences on 31 December 2021.