

9 August 2018

Ms Kris Peach  
Chair and CEO  
Australian Accounting Standards Board

Via website: <http://www.aasb.gov.au/Work-In-Progress/Comments-to-AASB.aspx>

Dear Ms Peach

### ITC39

#### Applying the IASB's Revised Conceptual Framework – Phase 1

Our comments and recommendations regarding ITC39 are provided in this submission. Responses to specific questions as requested by the AASB are provided in the attachment on page 2.

Saward Dawson operates in Melbourne, Australia. Our clients come from a range of industries and include large private businesses, small to medium enterprises, and a significant number of private sector not-for-profit entities. We are focused on enhancing the relevance, reliability and understandability of financial reporting for users.

In summary we hold the following views:

1. We agree with the AASB's objective to retain IFRS compliance and accordingly we support the proposals of Phase 1.
2. We understand that the AASB's clearly stated objective to remove special purpose financial reporting from the Australian Accounting Standards. We are actively considering and discussing the proposal contained in Phase 2 with our clients, other accounting firms and regulators to provide you with practical feedback to the proposals with particular focus on user needs with private sector not-for-profit entities.

Please do not hesitate to contact us should you wish to discuss further any matters arising from this submission.

Yours Sincerely



P Shields

Partner



J Tulk

Partner

## **AASB Specific Matters for Comment**

*1. Do you agree with the short-term approach to maintain IFRS compliance by introducing the RCF in Australia? That is, do you agree that the RCF should be applicable for publicly accountable for-profit entities that are required to prepare Tier 1 GPFS and other entities that are voluntarily reporting compliance with IFRS (who are currently claiming compliance with IFRS), and the existing Framework should continue to be applicable to other entities in the short term until the medium term solution is implemented?*

We agree with the short term approach proposed by the AASB in order to maintain IFRS compliance for publically accountable entities. We support the continuation of the existing framework for other entities to provide time for genuine consultation and debate in order to determine a solution with specific reference to the needs of users.

*2. Do you agree that the short-term approach should be made applicable to both publicly accountable for-profit private sector and public sector entities? That is, do you agree that the RCF should be applicable for publicly accountable public sector entities that are required to prepare GPFS in accordance with Tier 1 reporting requirements (who are currently claiming compliance with IFRS) as well?*

No comment.

*3. Are you aware of publicly accountable for-profit entities currently self-assessing as non-reporting entities and preparing SPFS that will have implications under the AASB's short-term approach?*

No.

*4. Do you agree with the AASB's amendments to the definition of 'public accountability' in AASB 1053 per IFRS for SMEs Standard (refer to Appendix A)?*

We have not identified any specific concerns with the definition.

*5. Do you agree with the proposed amendments to SAC 1 Definition of the Reporting Entity and the following Australian Accounting Standards, as set out in the Appendix A:*

We have not identified any specific concerns with the proposed amendments.