



Project:	Conceptual Framework: Not-for-Profit Amendments	Meeting:	AASB October 2025 (M215)
Topic:	Project update & remaining redeliberation aspects	Agenda Item:	5.0
		Date:	16 September 2025
Contact(s):	Evelyn Ling eling@asb.gov.au Maggie Man mman@asb.gov.au	Project Priority:	High
		Decision-Making:	High
		Project Status:	Project redeliberations

Objective of this agenda item

- 1 The objective of this agenda item is for the Board to consider an update on its Conceptual Framework: Not-for-Profit Amendments project and decide how to finalise the transition proposals exposed in ED 334 *Limiting the Ability of Not-for-Profit Entities to Prepare Special Purpose Financial Statements* having regard to feedback received on the exposure draft and other developments.

Attachments

- 2 Agenda Paper 5.1 Redeliberation – Transitional provisions is the only staff paper for this agenda item. However, Agenda Paper 6.4 of Agenda Item 6 may inform the Board’s decision-making on Agenda Paper 5.1.

Background to ED 334

- 3 The objective of the Board’s Conceptual Framework: Not-for-Profit Amendments project is to apply the *Conceptual Framework for Financial Reporting (Conceptual Framework)* to not-for-profit (NFP) entities and improve the consistency, comparability, transparency and enforceability of financial reports prepared in accordance with Australian Accounting Standards. In furtherance of this objective, the Board issued AASB Exposure Draft ED 334 in October 2024.¹
- 4 ED 334 exposed the Board’s proposals to extend the application of the *Conceptual Framework* to more NFP private and public sector entities. The proposals would bring a majority of Australian entities under the aegis of the same conceptual framework document for guiding the development of accounting policies. In addition, ED 334 proposed:
 - (a) the addition of several ‘Aus’ paragraphs to the *Conceptual Framework* so that the document is relevant to NFP entities;
 - (b) amendments to Australian Accounting Standards (via AASB 1057 *Application of Australian Accounting Standards*) so that the pronouncements will apply to more NFP entities; i.e. extend the population of NFP entities required to prepare general purpose financial statements;
 - (c) amendments to AASB 1054 *Australian Additional Disclosures* to require NFP private sector entities that are required only by their constituting document or another document to

1 Further information about the Conceptual Framework: NFP Amendments project is set out in the [Conceptual Framework: Not-for-Profit Amendments project summary](#).

- prepare financial statements that comply with Australian Accounting Standards to make certain disclosures in their special purpose financial statements, where prepared;
- (d) consequential amendments to various Australian Accounting Standards and Practice Statement 2 *Making Materiality Judgements* as a result of the proposals to extend the scope of the *Conceptual Framework* and Australian Accounting Standards;² and
- (e) transition relief for certain NFP first-time adopters of Australian Accounting Standards.
- 5 The comment period on ED 334 closed on 28 February 2025. Having regard to the feedback received, at its 1 May 2025 meeting, the Board decided to continue its Conceptual Framework: Not-for-Profit Amendments project and develop a final Standard based on ED 334. At its 3 July 2025 meeting, the Board began its redeliberations of the exposed proposals and made decisions on key aspects of a future Standard.
- 6 The agenda papers for this meeting analyse the stakeholder feedback received on the proposed transition relief as part of the Board’s redeliberations of its project proposals.

Summary of decisions to date

- 7 The table below summarises the Board’s decisions to date from its redeliberations:

Topics	Date
Scoping of the <i>Conceptual Framework</i>	The <i>Conceptual Framework</i> should apply to NFP entities that: <ul style="list-style-type: none"> (i) are required by legislation to prepare financial statements that comply with either Australian Accounting Standards or accounting standards; (ii) are required only by their constituting document or another document to prepare financial statements that comply with Australian Accounting Standards, provided that the document was created or amended on or after the date a Standard containing these proposals first becomes effective; or (iii) elect to prepare general purpose financial statements.
Amendments to AASB 1057 to extend the population of NFP entities to which Australian Accounting Standards apply	Australian Accounting Standards should apply to NFP entities that: <ul style="list-style-type: none"> (i) are required by legislation to prepare financial statements that comply with either Australian Accounting Standards or accounting standards; (ii) are required only by their constituting document or another document to prepare financial statements that comply with Australian Accounting Standards, provided that the document was created or amended on or after the date a Standard containing these proposals first becomes effective; or (iii) elect to prepare general purpose financial statements.
NFP modifications to the <i>Conceptual Framework</i>	The <i>Conceptual Framework</i> should include the proposed ‘Aus’ paragraphs, except that proposed paragraph Aus6.56.1 (regarding the relationship between cash flows and measurement bases) should be redrafted to improve its clarity and alignment to the related IASB-originated paragraphs.
Disclosures in special purpose financial statements	The special purpose financial statements of NFP entities that are required only by their constituting document or another document to prepare financial statements that comply with Australian Accounting Standards should include the proposed specified AASB 1054 disclosures.

² Staff are not planning to bring a separate paper on this aspect of the proposals to the Board; but for the Board to review these amendments as part of its consideration of a draft Amending Standard at a future Board meeting (expected November 2025).

Project update and timeline

- 8 Developments related to this project and the associated Not-for-Profit Private Sector Financial Reporting Framework project are detailed in Agenda Paper 6.0.
- 9 The project timeline set out below has regard to the Board’s work on its associated Not-for-Profit Private Sector Financial Reporting Framework project (refer Agenda Paper 6.0) and the Board’s decision at the exposure draft stage to align the issue of the consultative documents and effective dates of any final pronouncements resulting from these Board projects. The proposed timeline has been revised since it was last communicated as part of the Not-for-Profit Private Sector Financial Reporting Framework project at the Board’s 19 August 2025 meeting. Staff now propose to bring a draft Amending Standard and a staff paper regarding the proposed effective date to a AASB meeting in Q1 2026, rather than in November 2025. This change reflects the fact that the Board has already made most of its technical decisions regarding the draft Amending Standard. In light of the Board’s time and priorities, staff considered it more efficient to present the draft Amending Standard resulting from the Board’s Conceptual Framework: Not-for-Profit Amendments project alongside a complete working draft of a Tier 3 Standard for the Board’s consideration in Q1 2026:

Topics	Date
Redeliberation: Transitional provisions	October 2025 meeting (this meeting)
Redeliberation: Effective date	Q1 2026 meeting
Bring a draft amending Standard for consideration	
Bring sweep and other issues, revised draft amending Standard, Policy Impact Analysis, explanatory statement and vote for final pronouncements	H1 2026

- 10 This proposed timeline is included also in Agenda Paper 6.0; presented together with the proposed timeline for progress of the Board’s Not-for-Profit Private Sector Financial Reporting Framework project for ease of Board member consideration.

Question to Board members

- Q1 Do Board members have any questions or comments on the proposed timeline presented in paragraph 9 above?