



Project:	Presentation and Disclosure in Financial Statements	Meeting:	AASB 6–7 June 2024 (M204)
Topic:	Making AASB 18 <i>Presentation and Disclosure in Financial Statements</i>	Agenda Item:	4.1
		Date:	21 May 2024
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		Decision-Making:	High
		Project Status:	Making of AASB 18

Objective of this agenda item

- 1 The IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements* on 9 April 2024. To assist the Board’s making of the Australian version of the Standard, the objectives of this agenda item are for the Board to:
 - (a) **note** a summary of the Board’s comments to the IASB on Exposure Draft ED/2019/7 *General Presentation and Disclosures* (December 2019) (Agenda Paper 4.2);
 - (b) **consider** staff preliminary views on the aspects of IFRS 18 that might need to be the subject of Australian modifications in respect of not-for-profit (NFP) private and public sector entities and superannuation entities¹ (Agenda Paper 4.3);
 - (c) **consider** a ballot draft of AASB 18 *Presentation and Disclosure in Financial Statements*, which includes a draft AASB Basis for Conclusions (Agenda Paper 4.4); and
 - (d) if appropriate, **vote** on whether to make AASB 18 as an Australian Accounting Standard.

Attachments

Agenda Paper 4.2 Staff paper: Consideration of AASB’s comments on ED/2019/7

Agenda Paper 4.3 Staff paper: Considerations for not-for-profit, public sector and superannuation entities

¹ Within the scope of AASB 1056 *Superannuation Entities*.

Agenda Paper 4.4 Ballot draft version of AASB 18 *Presentation and Disclosure in Financial Statements*

Agenda Paper 4.5 Preliminary assessment document for Impact Analysis purposes [in supplementary materials]

Background

- 2 At its [November 2023 meeting](#), the Board decided that when AASB 18 is available to be made, it should be:
 - (a) applicable to all types of entities preparing Tier 1 general purpose financial statements (GPFS); and
 - (b) made clear that the AASB will conduct due process to determine whether:
 - (i) any modifications to AASB 18 might be needed for application by NFP private and public sector entities prior to AASB 18's mandatory application date (annual periods beginning on or after 1 January 2027); and
 - (ii) any requirements in AASB 18 should be made applicable to entities preparing Tier 2 GPFS.
- 3 At its [April 2024 meeting](#), when finalising its post-implementation review of AASB 1056 *Superannuation Entities* the Board decided that there may be issues that need to be clarified in applying AASB 18 to superannuation entities.
- 4 Staff have prepared a ballot draft version of AASB 18 for the Board's consideration and, if appropriate, voting. To assist Board members' review of the draft Standard (Agenda Paper 4.4), staff provided the following for Board members' consideration:
 - (a) a summary of the Board's main feedback to the IASB on ED/2019/7, which became IFRS 18 (Agenda Paper 4.2);
 - (b) staff's preliminary views on the types of issues that staff consider might emerge when conducting stakeholder outreach in respect of AASB 18 in the NFP private sector, the public sector and the superannuation industry (Agenda Paper 4.3); and
 - (c) a draft Basis for Conclusions documenting the Board's decisions described in paragraphs 2–3 (see last two pages in Agenda Paper 4.4).

Agenda paper 4.4 ballot draft version of AASB 18

- 5 Staff wish to highlight to Board members that Agenda Paper 4.4, the ballot draft of AASB 18 included in the first mailout, **does not** include Appendix D Amendments to other Australian Accounting Standards. Appendix D will set out the amendments required to other Australian Accounting Standards as a consequence of the issue of AASB 18. Due to the complexity and volume of the consequential amendments, Appendix D was not ready at the time of the first mailout and will be provided to Board members as soon as possible.

Office of Impact Analysis process and assessment

- 6 Prior to issuing a new Standard, the Board is required to consider the costs and benefits of the proposed requirements in accordance with the requirements of the Office of Impact Analysis (OIA). In accordance with government regulatory policy, the OIA processes must be completed prior to the Board voting with respect to making a Standard.

- 7 To determine whether a formal impact analysis is required, the OIA first consider a “preliminary assessment” to form a view as to whether the impacts are expected to be more than minor. Where the impacts are considered to be minor, a formal impact analysis is not required. (When the OIA considers that a formal impact analysis is required, the Board would normally certify that its development due process for a Standard is equivalent to an Impact Analysis process rather than preparing a formal Impact Analysis.)
- 8 Staff reviewed the [IASB’s IFRS 18 Effects Analysis](#) and prepared a preliminary assessment document (see Agenda Paper 4.5 in supplementary materials) for the OIA. The OIA considered the preliminary assessment document and “determined that detailed analysis is not required under the Australian Government’s Policy Impact Analysis Framework. This assessment is informed by our understanding that the new requirements are not onerous for entities preparing financial statements under Australian Accounting Standards or users of financial statements.” The preparation of an Impact Analysis (or the Board’s independent certification of its development process as equivalent to an Impact Analysis) was, therefore, not required.

Questions for Board members

- Q1: Do Board members have any changes to make to the ballot draft of AASB 18, including the draft AASB Basis for Conclusions?
- Q2: Do Board members vote in favour of making AASB 18, as set out in the ballot draft (Agenda Paper 4.4) or with such amendments as the Board might decide?