



Project:	Review of AASB 1060	Meeting:	AASB June 2026 (M221)
Topic:	Consider feedback and decide on the approach on whether and how to update AASB 1060 in response to the IASB's amendments of the <i>IFRS for SMEs Accounting Standard</i>	Agenda Item:	4.0
		Date:	2 June 2026
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		Decision-Making:	High
		Project Status:	Consider feedback and future direction for amending AASB 1060 in response to <i>IFRS for SMEs</i> amendments

The objective of this agenda item

- The objectives of this agenda item are for the Board to:
 - consider** stakeholder feedback obtained in response to whether AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* should be updated in response to the third edition of the *IFRS for SMEs Accounting Standard*;
 - decide** on the approach for amending AASB 1060 in response to the disclosure amendments made in the third edition of the *IFRS for SMEs Accounting Standard*. This decision made by the Board will set the direction for staff to proceed with the next steps of this project; and
 - decide** on whether and how any future amendments or new editions to the *IFRS for SMEs Accounting Standard* should be considered in AASB 1060 maintenance. This decision will establish the future maintenance approach.

Project background

- AASB 1060 was issued by the AASB in March 2020, replacing the previous Reduced Disclosure Requirements (RDR) framework. It introduced a simplified disclosure regime for Tier 2 entities – entities without public accountability that are nonetheless required to (or elect to) prepare general purpose financial statements but do not aim to comply with all of the disclosure requirements in Australian Accounting Standards. In developing AASB 1060, the AASB drew on the *IFRS for SMEs Accounting Standard* issued by the IASB. The *IFRS for SMEs Accounting Standard* is a simplified, standalone accounting standard designed specifically for general purpose financial statements of small and medium-sized entities (SMEs) that do not have public accountability.

- 3 The AASB used it as a foundational reference when developing AASB 1060, while ensuring consistency with the recognition and measurement (R&M) requirements of Tier 1 Australian Accounting Standards (AAS), which are aligned with the full IFRS Accounting Standards.
- 4 When developing the standard, the Board decided disclosure requirements in AASB 1060 should be reviewed whenever the *IFRS for SMEs* Accounting Standard is updated.
- 5 Following its second comprehensive review, the IASB issued the third edition of the *IFRS for SMEs* Accounting Standard in February 2025.
- 6 In September 2025, the AASB issued consultation document [ITC 56](#) *Post-implementation Review of Tier 2 and the Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities and Further Update of Tier 2*. Section 2 Topic 1 of ITC 56 discussed whether and how AASB 1060 should be amended in response to the updates to the *IFRS for SMEs* Accounting Standard.
- 7 The comment period was set at 120 days and closed on 22 January 2026. The Board will consider the feedback collected as part of this agenda item.

Papers for this agenda item

- 8 In addition to this Cover Memo, the relevant papers for this agenda item discussion at the June meeting are as follows:
 - (a) **Agenda Paper 4.1:** Potential amendments to AASB 1060 based on the third edition of the *IFRS for SMEs* Accounting Standard

This paper provides a high-level summary of the key matters from the stakeholder outreach when discussing whether AASB 1060 should be amended as a result of the IASB issuing the third edition of the *IFRS for SMEs* Accounting Standard. This paper outlines three possible options for the Board’s consideration on how to reflect the updates in AASB 1060.

In addition, the Board will be asked to decide on the future approach to the updates in the *IFRS for SMEs* Accounting Standard and its role in the maintenance of AASB 1060.
 - (b) **Agenda Paper 4.2:** Detailed feedback summary on potential amendments to AASB 1060 based on the third edition of the *IFRS for SMEs* Accounting Standard

This paper provides a detailed summary of the feedback collected during the outreach activities, including the feedback from the submission letters. The Board is not asked to make a decision in this paper. The paper is located in the supplementary folder.
 - (c) **Agenda Paper 4.3:** Summary of Board Decisions

This paper provides a summary of the Board Decisions relating to the ITC 56 project to date. This paper is located in the supplementary folder.