



Tier 3 NFP Reporting Framework

Fact sheet for regulators

What this reform does

AASB 1061 introduces a Tier 3 general purpose financial reporting framework (the Tier 3 Standard) for eligible not-for-profit (NFP) private sector entities. It is designed to provide a simpler, more proportionate reporting option for smaller entities while supporting broader reforms that reduce reliance on special purpose financial statements (SPFS) for some NFPs. AASB 2026-2 complements this reform by extending the application of the *Conceptual Framework* and limiting the ability of certain NFP entities to prepare SPFS.

Why regulators matter

- Decide which entities are required or permitted to apply the Tier 3 Standard under the relevant legislative or regulatory framework.
- Consider whether the Tier 3 Standard is appropriate only for smaller entities, given that the Standard was developed with less complex NFP entities in mind.
- Review whether legislation, regulations or guidance materials need updating to reflect the new Standards.

Key Features

- Simplified recognition, measurement and disclosure requirements tailored to smaller NFP private sector entities.
- Retention of core financial statements, with less complex accounting treatments than higher reporting tiers.
- A stand-alone Tier 3 Standard intended to improve consistency and usability for eligible entities.

Effective Date

- AASB 1061 and AASB 2026-2 apply to reporting periods beginning on or after 1 July 2029.
- Early adoption of AASB 1061 is permitted if AASB 2026-2 is adopted for the same reporting period.

Expected outcomes

- Lower reporting burden and compliance costs for smaller NFP entities.
- Greater consistency, comparability and credibility in NFP financial reporting.
- Clearer alignment between reporting obligations and the size and complexity of entities.

Implementation support

AASB plans to publish guidance and education materials to support implementation. Ongoing engagement with NFP stakeholders, regulators and legislative bodies will also support transition and application.

Please visit [AASB 1061 Knowledge Hub](#) on the AASB's website for further information.

