



<b>Project:</b>	<b>AASB 1060 Review</b>	<b>Meeting:</b>	212
<b>Topic:</b>	<b>PIR of AASB 1060 and AASB 2020-2, and consideration of the potential effects of AASB 18, IFRS 19 and <i>IFRS for SMEs Accounting Standard</i> on AASB 1060</b>	<b>Agenda Item:</b>	8.0
		<b>Date:</b>	15 April 2025
<b>Contact(s):</b>	Lan Lu <a href="mailto:llu@asab.gov.au">llu@asab.gov.au</a>  Kimberley Carney <a href="mailto:kcarney@asab.gov.au">kcarney@asab.gov.au</a>  Jia Wei <a href="mailto:jwei@asab.gov.au">jwei@asab.gov.au</a>  Eric Lee <a href="mailto:elee@asab.gov.au">elee@asab.gov.au</a>  Helena Simkova <a href="mailto:hsimkova@asab.gov.au">hsimkova@asab.gov.au</a>	<b>Project Priority:</b>	High
		<b>Decision-Making:</b>	High
		<b>Project Status:</b>	Consider structure and content of an ITC

## Objective of this paper

- 1 The objective of this agenda item is for the Board to consider
  - (a) the structure and content of an upcoming Invitation to Comment (ITC) consultation document regarding:
    - (i) the Post-implementation Review (PIR) of AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and AASB 2020-2 *Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities*;
    - (ii) the potential effects of *IFRS for SMEs Accounting Standards Third Edition (2025 IFRS for SMEs)*, AASB 18 *Presentation and Disclosure in Financial Statements* and IFRS 19 *Subsidiaries without Public Accountability* on AASB 1060; and
  - (b) decide on questions and areas for inclusion in the ITC to seek stakeholders' feedback.

## Attachments

2 Papers for this agenda item are:

- (a) Staff paper 8.1—PIR of AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and AASB 2020-2 *Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities*;
- (b) Staff paper 8.2—Consideration of potential amendments to AASB 1060 resulting from amendments to *IFRS for SMEs* —provides an analysis by staff categorising the changes to the 2025 *IFRS for SMEs* into:
  - (i) substantial changes in *IFRS for SMEs* that are recommended for amending AASB 1060;
  - (ii) substantial changes in *IFRS for SMEs* that are not recommended for amending AASB 1060;
  - (iii) minor changes or changes with limited effects on AASB 1060 in *IFRS for SMEs* that are recommended for amending AASB 1060; and
  - (iv) minor changes in *IFRS for SMEs* that are not recommended for amending AASB 1060.
- (c) Staff paper 8.3—Consideration of the potential effects of AASB 18 on AASB 1060—provides a summary of the new requirements introduced by AASB 18 and staff analysis of new presentation and disclosure requirements to be considered for AASB 1060;
- (d) Staff paper 8.4—Consideration of disclosure requirements in IFRS 19—provides an analysis by staff categorising the differences between IFRS 19 and AASB 1060 into:
  - (i) additional disclosure requirements in IFRS 19 that are absent in AASB 1060, and would remain absent even after the consideration of the amendments to the 2025 *IFRS for SMEs*;
  - (ii) disclosure requirements that exist in both IFRS 19 and AASB 1060, but are not identical;
  - (iii) additional disclosure requirements in IFRS 19 that are absent in AASB 1060, but the equivalent disclosure requirement is proposed to be added to AASB 1060 due to the amendments to the 2025 *IFRS for SMEs*; and
  - (iv) disclosure requirements in AASB 1060 that are not in IFRS 19.

## Background

- 3 In accordance with paragraph 7.15.1 of the [AASB Due Process Framework for Setting Standards](#) (due process framework), the Board would undertake a Post Implementation Review (PIR) of a new domestic Standard when the new requirements have been applied for two years. However, as noted in the September 2021 meeting, for most regulatory PIRs, the Office of Impact Analysis (OIA) required the PIR to be completed within five years after its implementation.
- 4 AASB 1060 and AASB 2020-2 apply to annual reporting periods beginning on or after 1 July 2021. This means the AASB should complete its PIR for these Standards by June 2026.

- 5 In addition, paragraph BC96 of AASB 1060 specifies that a review of the Standard is required whenever:
- (a) the *IFRS for SMEs Accounting Standard* is updated,
  - (b) a new Australian Accounting Standard or Interpretation is issued, or
  - (c) amendments are made to existing Australian Accounting Standards or Interpretations.
- 6 Recently, the following standards have been issued, prompting the Board to consider their implications for AASB 1060:
- (i) AASB 18 *Presentation and Disclosure in Financial Statements*
  - (ii) IFRS 19 *Subsidiaries without Public Accountability*
  - (iii) The third edition of the *IFRS for SMEs* standard.
- 7 In June 2024, two virtual roundtables were held to gather preliminary feedback on whether:
- (a) there are any significant problems or concerns with implementing and applying AASB 1060 and AASB 2020-2; and
  - (b) AASB 1060 should be replaced or amended as a result of issuing AASB 18 *Presentation and Disclosure in Financial Statements* and IFRS 19 *Subsidiaries without Public Accountability*.
- 8 Feedback received from both roundtables raised no significant concerns about AASB 1060 and AASB 2020-2. However, there were mixed views on how AASB 18 and IFRS 19 should be considered for Tier 2 entities<sup>1</sup>. At the time of the feedback collected, stakeholders had a limited understanding of AASB 18 and IFRS 19 requirements. Therefore, staff propose conducting an ITC to seek feedback on the effects of AASB 18 and IFRS 19 for Tier 2 entities.
- 9 Given the topics are interrelated, at the September 2024 meeting, the Board decided to conduct the AASB 1060 and AASB 2020-2 PIR in Q3 2025, along with outreach activities on the potential effect of AASB 18, updates to *IFRS for SMEs* and IFRS 19 on AASB 1060.
- 10 The analysis in these Staff Papers has not yet considered the potential impact of the proposed amendments to the specific disclosure requirements in AASB 1060 for not-for-profit (NFP) and public sector entities (paragraphs 214 to 243 of AASB 1060). Staff's preliminary view is that the proposed amendments are unlikely to have a significant impact on those specific disclosures. However, staff will complete their analysis prior to the issuance of the ITC.

### **Proposed structure and topics of the ITC**

- 11 Staff recommend issuing one ITC with the following sections and topics:
- (a) Section A: Post-implementation review of AASB 1060 and AASB 2020-2:
    - (i) Topic 1: PIR of AASB 1060

---

<sup>1</sup> See Appendix B of [AASB staff paper 6.1](#) to the September 2024 meeting for more details on the feedback received from the roundtables.

- (ii) Topic 2: PIR of AASB 2020-2 (Staff Paper 8.1);
- (b) Section B: Review of AASB 1060
  - (i) Topic 1: Consideration of potential amendments to AASB 1060 resulting from amendments to *IFRS for SMEs* (Staff Paper 8.2);
  - (ii) Topic 2: Consideration of the potential effects of AASB 18 on AASB 1060 (Staff Paper 8.3); and
  - (iii) Topic 3: Consideration of disclosure requirements in IFRS 19 (Staff Paper 8.4).

**Question for Board members**

- Q1 Do Board members agree with the staff recommendations in paragraph 11 to issue one ITC and address the proposed topics? If not, what would Board members suggest?
- Q2 Would any Board members like to review the draft ITC before it is issued? If yes, which Board members?

**Consideration of an appropriate effective date of any amendments to AASB 1060**

- 12 Acknowledging the many interrelated topics and components in this agenda item and the proposed ITC, should AASB 1060 be amended, the ITC would seek stakeholder feedback on an appropriate effective date.
- 13 Staff propose the following ITC question related to the overall effective date of any amendments to AASB 1060:

1. If the AASB decides to amend AASB 1060, what should be the effective date? Should the effective date be:
- (a) aligned with AASB 18's effective date (i.e. 1 January 2027 for for-profit entities and 1 January 2028 for not-for-profit entities), or
  - (b) a later date that would allow additional time to implement the new requirements?
- If you prefer a later date, do you wish to highlight any factors the AASB should consider in assessing the time needed to prepare for the new requirements?

**Question for Board members**

- Q3 Do Board members agree with the inclusion of the effective date question in the ITC as drafted in paragraph 13?:
- Q4 Are there any other questions for respondents that Board members would like to include in the ITC for any of the topics?