



<b>Project:</b>	<b>Not-for-Profit Private Sector Financial Reporting Framework</b>	<b>Meeting:</b>	M212
<b>Topic:</b>	<b>Consider stakeholder feedback and commence project redeliberations</b>	<b>Agenda Item:</b>	4.0
		<b>Date:</b>	15 April 2025
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		<b>Decision-Making:</b>	High
		<b>Project Status:</b>	Project redeliberations

## Objective of this agenda item

- 1 The objective of this agenda item is for the Board to consider an update on its Not-for-Profit Private Sector Financial Reporting Framework (NFP FRF), including the feedback received on ED 335 *General Purpose Financial Statements – Not-for-Profit Private Sector Tier 3 Entities*, and decide whether to continue its NFP FRF project and begin redeliberations on ED 335 with a view to issuing a final accounting standard.

## Attachments

- 2 Papers for this agenda item are:
  - (a) Agenda paper 4.1 Due Process consideration of whether to proceed with the project;
  - (b) Agenda paper 4.2 Categorisation of the ED 335 proposals; and
  - (c) Agenda paper 4.3 Collation of feedback on ED 335.In supplementary folders are:
  - (d) Agenda paper 4.4 Written submissions on ED 335;
  - (e) Agenda paper 4.5 ED 335 online survey instrument responses; and
  - (f) Agenda paper 4.6 Feedback from regulators (Board only).

## Background

- 3 ED 335 was issued in late October 2024 with a four-month consultation period ending 28 February 2025. The [Not-for-Profit Private Sector Financial Reporting Framework Project Summary](#) provides an overview of the Board's decisions in respect of the project resulting in ED 335. This agenda item commences the next phase of the Board's project (project redeliberations).
- 4 Agenda Paper 4.1 seeks, in accordance with the *AASB Due Process Framework for Setting Standards*, the Board's decision on whether to proceed with the NFP FRF project, taking into account the feedback summarised in Agenda Paper 4.3. Agenda Papers 4.4 and 4.5 provide the detailed feedback received on the proposals in ED 335 of a Tier 3 Standard with simplified

recognition, measurement, presentation and disclosure requirements, transition provisions and effective date.

- 5 Should the Board agree with the staff recommendation in Agenda Paper 4.1 for the NFP FRF project to continue, Agenda Paper 4.2 presents an updated categorisation of the expected Board redeliberation efforts for each section of the proposed Tier 3 Standard. This categorisation, initially presented at the March 2025 Board meeting, now reflects the staff recommendations based on all feedback received on ED 335. Agenda Paper 4.2 seeks the Board's approval of the revised categorisation.
- 6 This paper presents a regulatory and other development update and seeks the Board's consideration of the expected joint timeline for the NFP FRF and Conceptual Framework: Not-for-Profit Amendments projects.

### Project update — regulatory and other developments

- 7 Table 1 below provides an update of regulatory and other developments relevant to the NFP FRF project. These are also relevant to the Board's Conceptual Framework: Not-for-Profit Amendments project:

Table 1: Regulatory and other updates

Regulatory/cross-cutting updates	Update
Second comprehensive review of the <i>IFRS for SMEs</i> Standard	The IASB issued the third edition of the <i>IFRS for SMEs</i> Standard in February 2025. Staff will analyse whether there are any changes from the <i>IFRS for SMEs</i> exposure draft (on which the drafting of various sections of ED 335 was based) that are relevant to the NFP FRF project and further Board consideration.
Interactions with regulators	Staff have engaged with various state, territory and Commonwealth NFP regulators through individual consultative meetings or via email correspondences to gather feedback and perspectives on the proposals in ED335. Their feedback is presented in Agenda Paper 4.6.

### Project timeline and milestones

- 8 The following table sets out an expected joint timeline for the NFP FRF and Conceptual Framework: Not-for-Profit Amendments projects. As explained in Agenda Paper 3.1, the proposed timeline for the Conceptual Framework: Not-for-Profit Amendments project has been included in Agenda Paper 4.0 and presented together with the proposed timeline for progress of the NFP FRF project for ease of Board member consideration given the interaction between these two projects.
- 9 The project timeline is informed by the following:
  - (a) the time and effort for the preparation of the staff analysis for the Board's redeliberations of its decisions reflected in the EDs as outlined in Agenda Paper 4.2 at this meeting;
  - (b) depending on stakeholders' feedback on the EDs, further deliberations by the Board on the direction of certain topics (particularly where stakeholders raise fresh issues or insights) and the potential re-exposure of proposals;
  - (c) grouping of similar topics to be considered at one meeting to allow the Board to consider interrelated topics at the same meeting;
  - (d) time needed for any significant re-drafting of the draft Standards;
  - (e) whether the Board might decide to align the timing of issue of any final proposals regarding its Conceptual Framework: Not-for-Profit Amendments project with that of any final proposals arising from its NFP FRF project, consistent with its previous decision to align the timing of the issue of ED 334 and ED 335; and

- (f) a Policy Impact Analysis (PIA) will need to be prepared with respect to the Board's final proposals. The impact of the Board's proposals to extend the population of general purpose financial report preparers as part of its Conceptual Framework: Not-for-Profit Amendments project is expected to be ameliorated by its NFP FRF project proposals. Therefore, the timing of significant decisions regarding that project will inform the PIA.
- 10 Staff expect the Board redeliberations to be significantly advanced by the end of Q4 2025, noting that the timeline is contingent on the factors above. Staff's thinking is not to bring any re-drafting of the requirements until after the Board redeliberations of proposals in ED 334 and ED 335, which staff expects will be substantially complete by November 2025. At this time, staff anticipate that the issue of final pronouncements will be in H1 of 2026.
- 11 Staff will continue to actively consider and make any necessary updates to the project timelines at each Board meeting.

Topics	Date
ED 334 <ul style="list-style-type: none"> <li>• Collations of feedback on ED 334 and decision whether to proceed with the Conceptual Framework: NFP Amendments project</li> </ul> ED 335 <ul style="list-style-type: none"> <li>• Collation of feedback on ED 335 and consider whether to proceed with the NFP FRF project</li> <li>• Categorisation of the Board's redeliberation efforts for ED 335</li> </ul>	At this meeting
ED 334 <ul style="list-style-type: none"> <li>• Redeliberation: Scoping of the <i>Conceptual Framework</i> and proposed amendments to AAB 1057 to extend the population of NFP entities to which AAS apply</li> <li>• Redeliberation: NFP modifications to the <i>Conceptual Framework</i></li> <li>• Redeliberation: Disclosures in special purpose financial statements</li> </ul> ED 335           Redeliberation – <i>Category A topics</i> : <ul style="list-style-type: none"> <li>• Section 12: Inventories (SMC 20)</li> <li>• Section 14: Investment Property (SMC 22 and SMC 23)</li> <li>• Section 15: Property, Plant and Equipment (SMC 22 and SMC 23)</li> <li>• Section 19: Provisions and Contingencies (SMC 27)</li> <li>• Section 21: Expenses (SMC 30)</li> <li>• Section 22: Borrowing Cost (SMC 31)</li> <li>• Section 24: Employee Benefits (SMC 33)</li> <li>• Section 25: Income Tax (SMC 34)</li> <li>• Section 27: Events Occurring after the Reporting Period (SMC 36)</li> <li>• Appendix A: Glossary of terms (SMC 39)</li> </ul> Redeliberation – <i>Category B topics</i> : <ul style="list-style-type: none"> <li>• Section 1: Objective, Scope and Application (SMC 9)</li> <li>• Section 9: Accounting Policies, Estimates and Errors (SMC 15)</li> <li>• Section 2-7 relating to primary financial statements (SMC 10 – SMC 13)</li> <li>• Section 11: Fair Value Measurement (SMC 19)</li> </ul>	July 2025 meeting

Topics	Date
<ul style="list-style-type: none"> <li>Section 18: Leases (SMC 26)</li> <li>Section 26: Foreign Currency Translation (SMC 35)</li> </ul>	
ED 335 – redeliberations of: <ul style="list-style-type: none"> <li>Section 8: Notable Relationships and Consolidated and Separate Financial Statements (SMC 14)</li> <li>Section 13: Investments in Associates and Joint Arrangements (SMC 21)</li> <li>Section 17: Entity Combinations (SMC 25)</li> <li>Section 23: Impairment of Assets (SMC 32)</li> <li>Section 24: Intangible Assets (SMC 24)</li> </ul>	August 2025 meeting
ED 334 <ul style="list-style-type: none"> <li>Redeliberation: Transitional provisions</li> </ul> ED 335 proposals – redeliberations of: <ul style="list-style-type: none"> <li>Section 10: Financial Instruments (SMC 16 – SMC 18)</li> <li>Section 23: Revenue (SMC 28 and SMC 29)</li> <li>Section 28: Related Party Disclosures (SMC 37)</li> <li>Section 29: Transition to Tier 3 General Purpose Financial Statements (SMC 38)</li> </ul>	October 2025 meeting
ED 334 <ul style="list-style-type: none"> <li>Redeliberation: Effective date, and bring a draft amending Standard for consideration</li> </ul> ED 335 <ul style="list-style-type: none"> <li>Bring drafting for consideration and make decisions on all remaining technical issues, including setting an effective date</li> <li>Consider amendments needed to the <i>AASB Not-for-Profit Entity Standard Setting Framework</i></li> </ul>	November 2025 meeting
Bring sweep and other issues, revised draft Standards, a Policy Impact Analysis, explanatory statements, and vote for final pronouncements	H1 2026

#### Question to Board members

Do Board members have any comments on the project timeline presented in paragraph 11 above, or any other matters noted in this agenda paper?