



Project:	Implementation Guidance for Not-for-Profit Entities on Income and Expense Categorisation	Meeting:	AASB October 2026 (M223)
Topic:	Proposed next steps and timeline	Agenda Item:	4.2
		Date of paper:	15 October 2026
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		Decision-Making:	High
		Project Status:	Drafting Exposure Draft

Objective of this paper

- 1 This paper follows Agenda Papers 4.0 and 4.1. The objectives of this paper are for the Board to:
 - (a) **decide** the next steps for finalising the publication of the ED;
 - (b) **decide** the comment period for the ED; and
 - (c) **consider** a proposed timeline for completing the project.

Next steps for finalising the publication of the ED

- 2 Subject to the number and nature of changes the Board decided to make to the draft ED presented as Agenda Paper 4.1, staff recommend that the Board approve the ED for publication at its October meeting and nominate the Chair to finalise the drafting of the ED out of session.
- 3 Alternatively, the Board could:
 - (a) approve the ED for publication at its October meeting and nominate a subcommittee of the Board to finalise the drafting of the ED out of session; or
 - (b) ask all Board members to consider and approve a revised ED out of session.

Questions for Board members

- Q1: Do Board members vote to approve the ED for publication?
- Q2: If the Board approves the ED for publication, do Board members agree to nominate the Chair to finalise the drafting of the ED out of session?

Exposure Draft comment period

- 4 Section 6.5 of the [AASB Due Process Framework for Setting Standards](#) states that the Board would generally provide a 90-day comment period for an ED. Staff consider that a 90-day comment period would ordinarily be sufficient for the proposals in this ED because they provide implementation guidance to clarify the income and expense categorisation requirements rather than impose new requirements. However, staff recommend a 120-day comment period to accommodate the December-January holiday period.
- 5 As shown in the proposed timeline below, and subject to the timing of meetings of the External Reporting Australia's (ERA's) Accounting Standards Board in 2027, providing a 120-day comment period would probably mean that the proposed amending Standard could not be finalised until Q3 2027. This timing would still provide Tier 1 NFP entities with guidance to assist them in implementing AASB 18 when it becomes effective for annual reporting periods beginning on or after 1 January 2028.

Proposed timeline

- 6 The following table sets out staff's proposed timeline for completing the project, assuming the Board approves the ED for publication at its October meeting.

Meeting/Deliverable	Project Milestones
November 2026	Publish ED by the end of November 2026. Propose a 120-day comment period ending in late March 2027.
November 2026 – March 2027	Conduct stakeholder outreach.
April 2027	Staff summarise and analyse feedback on the ED.
Accounting Standards Board meeting	Consider stakeholder feedback and staff's recommended changes to the proposals in response to stakeholder feedback.
Accounting Standards Board meeting	Consider a draft version of the amending Standard, and decide whether there is a need to publish a Fatal-Flaw Review (FFR) Draft version of the amending Standard for public consultation.
End of Q2 2027 or the start of Q3 2027	Either undertake further due process for a FFR Draft amending Standard or finalise the Standard out of session.

Questions for Board members

- Q3: Do Board members agree with providing a 120-day comment period for the ED?
- Q4: Do Board members have any comments on the proposed draft timeline?