Australian Government
Australian Accounting Standards Board

Not-For-Profit Private Sector Financial Reporting Framework

Project summary

The objective of the project is to develop a reporting framework that is simple, proportionate, consistent, transparent and cost-effective for all not-for-profit (NFP) private sector entities in Australia.

To satisfy this objective, the AASB intends to introduce a new reporting tier of general purpose financial statements, Tier 3: Australian Accounting Standards – Simplified Accounting (Tier 3 Standard) which aims to provide a proportionate financial reporting response for certain not-for-profit private sector entities required to prepare financial statements that comply with Australian Accounting Standards.

The Tier 3 Standard sets out the recognition, measurement, presentation and disclosure requirements for a new tier of reporting requirements applicable to certain not-for-profit private sector entities (Tier 3 entities). Tier 3 entities are not-for-profit private sector entities that are not publicly accountable and are not prohibited from applying this Standard by legislation or their constituting document or another document.

The Tier 3 Standard is expected to be issued in H1 2026.

Project contacts

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Project priority: High

Issued Documents

- Research Report No.5 *Financial Reporting Requirements Applicable to Charities*
- AASB Discussion Paper: *Improving Financial Reporting for Australian Charities*
- Appendices to Charity Discussion Paper
- Research Report No. 7 *Financial Reporting Requirements Applicable to For-Profit Private Sector Companies*
- Research Report No. 11 *Review of Special Purpose Financial Statements: Large and Medium-Sized Australian Charities*
- Research Report No. 14 *Literature Review: Service Performance Reporting for Not-for-Profits*
- Research Report No. 16 *Financial Reporting By Non-Corporate or Small Entities*
- *AASB Discussion Paper: Development of Simplified*

Project Status

- Finalisation of a Standard

Other

- Consultation Paper (ITC 39) Applying the IASB's *Revised Conceptual Framework and Solving the Reporting Entity and Special Purpose Financial Statement Problems* (May 2018)
- Approved project plan
- Snapshot document
- Recorded AASB Education Session and slide pack
- Exposure Draft ED 334 *Limiting the Ability of Not-for-Profit Entities to Prepare Special Purpose Financial Statements*
- Webcast of proposal in ED 334 and ED 335 and slide pack
- Summary of Tier 3 Exposure Draft proposals and the extent of simplification against Tier 2 requirements
- Key facts of high-level overview of the Exposure Drafts

Last updated: **08 April 2026**

Issued Documents	Project Status	Other
Accounting Requirements (Tier 3 Not-for-Profit Private Sector Entities) ▪ Exposure Draft ED 335 General Purpose Financial Statements – Not-for-Profit Private Sector Tier 3 Entities		

AASB Outreach	Board Deliberations	AASB Communications
▪ AASB Outreach: Australian Reporting Framework – Charities ▪ Roundtable sessions (NFP private) ▪ Initial targeted consultations ▪ Not-for-Profit Project Advisory Panel meeting ▪ AASB Discussion Paper Outreach on the development of simplified accounting requirements for certain not-for-profit entities ▪ AASB Exposure Drafts Outreach on ED 334 and ED 335	▪ AASB Action Alert Update and AASB Board papers	▪ Differential Reporting Project Update (January 2015) ▪ AASB Submission to ACNC Legislative Review ▪ AASB Submission to Treasury on Exposure Draft *Australian Charities and Not-for-Profits Commission Regulations 2022* ▪ AASB Submission on the Queensland Not-for-Profit subordinate legislation review discussion paper ▪ AASB Submission on the Not-for-Profit Sector Development Blueprint Issues Paper ▪ AASB Submission to the Productivity Commission on the *Future foundations for giving* draft report

Latest project news

Date	News
19 March 2026	AASB Action Alert (Issue. No. 246)
5 February 2026	AASB Action Alert (Issue. No. 245)
20-21 November 2025	AASB Action Alert (Issue. No. 243)
7 October 2025	AASB Action Alert (Issue. No. 242)
19 August 2025	AASB Action Alert (Issue. No. 241)
3 July 2025	AASB Action Alert (Issue. No. 240)
2 May 2025	AASB Action Alert (Issue. No. 239)
6-7 March 2025	AASB Action Alert (Issue. No. 238)
5-6 September 2024	AASB Action Alert (Issue. No. 235)
6-7 June 2024	AASB Action Alert (Issue. No. 231)
7-8 March 2024	AASB Action Alert (Issue. No. 228)
29-30 November 2023	AASB Action Alert (Issue. No. 227)
13-14 September 2023	AASB Action Alert (Issue. No. 225)
10 August 2023	AASB Action Alert (Issue. No. 224)
21-22 June 2023	AASB Action Alert (Issue. No. 223)
9 May 2023	AASB Action Alert (Issue. No. 222)
8-9 March 2023	AASB Action Alert (Issue. No. 221)

Latest project news	
Date	**News**
4 August 2022	AASB Action Alert (Issue. No. 216)
22-23 June 2022	AASB Action Alert (Issue. No. 215)
20 May 2022	AASB Action Alert (Issue. No. 214)
7 April 2022	AASB Action Alert (Issue. No. 213)
23-24 February 2022	AASB Action Alert (Issue. No. 212)
10-11 November 2021	AASB Action Alert (Issue. No. 211)
8-9 September 2021	AASB Action Alert (Issue. No. 210)
4 August 2021	AASB Action Alert (Issue. No. 209)
21-22 June 2021	AASB Action Alert (Issue. No. 208)
20-21 April 2021	AASB Action Alert (Issue. No. 207)
24-25 February 2021	AASB Action Alert (Issue No. 206)
11-12 November 2020	AASB Action Alert (Issue No: 205)
16-17 September 2020	AASB Action Alert (Issue No: 204)
6-7 March 2025	AASB Action Alert (Issue. No. 238)
5-6 September 2024	AASB Action Alert (Issue. No. 235)
6-7 June 2024	AASB Action Alert (Issue. No. 231)
7-8 March 2024	AASB Action Alert (Issue. No. 228)
29-30 November 2023	AASB Action Alert (Issue. No. 227)
13-14 September 2023	AASB Action Alert (Issue. No. 225)
10 August 2023	AASB Action Alert (Issue. No. 224)
21-22 June 2023	AASB Action Alert (Issue. No. 223)
9 May 2023	AASB Action Alert (Issue. No. 222)
8-9 March 2023	AASB Action Alert (Issue. No. 221)
4 August 2022	AASB Action Alert (Issue. No. 216)
22-23 June 2022	AASB Action Alert (Issue. No. 215)
20 May 2022	AASB Action Alert (Issue. No. 214)
7 April 2022	AASB Action Alert (Issue. No. 213)
23-24 February 2022	AASB Action Alert (Issue. No. 212)
10-11 November 2021	AASB Action Alert (Issue. No. 211)
8-9 September 2021	AASB Action Alert (Issue. No. 210)
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20-21 April 2021	AASB Action Alert (Issue. No. 207)
24-25 February 2021	AASB Action Alert (Issue No. 206)
11-12 November 2020	AASB Action Alert (Issue No: 205)
16-17 September 2020	AASB Action Alert (Issue No: 204)

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March 2026	The Board considered a pre-ballot draft version of AASB 10XX *General Purpose Financial Statements – Not-for-Profit Private Sector Tier 3 Entities*. The Board confirmed that the due process undertaken in developing the draft Standard has been appropriate and that re-exposure of the requirements included in the forthcoming Standard is not necessary. The Board decided to vote on making the Standard out of session before the next meeting. The planned application date is periods beginning on or after 1 July 2029, with earlier application permitted. 3.0 Cover memo: Not-for-Profit Private Sector Financial Reporting Framework – Project update, Due process and review of pre-ballot draft 3.1 Not-for-Profit Private Sector Financial Reporting Framework – Due process; 3.2 Pre-ballot Draft of Tier 3 Standard; and 3.3 Substantive changes between working draft and pre-ballot draft of Tier 3 Standard.
February 2026	The Board continued its redeliberations of the proposals in Exposure Draft ED 335 *General Purpose Financial Statements – Not-for-Profit Private Sector Tier 3 Entities*. The Board considered a working draft of a Tier 3 Standard and made the following decisions: (a) to clarify that revenue is recognised in a manner that faithfully represents the pattern of the entity's satisfaction of the commitments relevant to the transaction, which may be different to the timing of use of the transferred asset received by the entity; (a) to require an entity to classify a deferred revenue obligation (or part thereof) as a current liability if it expects to recognise that revenue within twelve months after the reporting date; (c) to require hedge accounting to be discontinued at the date of transition to the Tier 3 Standard; (d) to add the option of permitting entities to use the carrying amount for investments in subsidiaries, associates, joint ventures and notable relationship entities in their most recent previous financial statements as the investment's deemed cost at the date of transition; (e) to clarify that a goodwill balance is derecognised at the date of transition, including in instances where the previous entity combination accounting was not restated, as permitted on transition; (f) to require an entity that applied all relevant Tier 3 recognition and measurement requirements in its most recent previous financial statements but did not make an explicit and unreserved statement of compliance and is resuming application of the Tier 3 Standard to disclose why the entity stopped fully applying the Tier 3 reporting requirements and why it is resuming the application of those requirements; (g) to permit an entity to early adopt the Tier 3 Standard only if it also applies to the same period the forthcoming amending Standard that will result from ED 334 *Limiting the Ability of Not-for-Profit Entities to Prepare Special Purpose Financial Statements*; and (h) to require entities transitioning from Tier 3 to Tier 2 requirements that apply one or more of the exemptions in proposed Appendix F of AASB 1053 (i.e. relief from restating comparative information, providing comparative information not

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	previously disclosed or distinguishing the correction of errors from changes in accounting policies) to disclose that fact. **4.0** Cover memo: NFP Private Sector Framework Project **4.1** Working Draft of the Tier 3 Standard; and **4.2** Clean Working draft of the Tier 3 Standard.
November 2025	The Board continued its redeliberations of the proposals exposed in Exposure Draft ED 335 General Purpose Financial Statements – Not-for-Profit Private Sector Tier 3 Entities. The Board considered a working draft of a Tier 3 Standard and made the following decisions: (a) to more clearly explain the not-for-profit entities to which the Tier 3 Standard is intended to apply, such as charities; (b) to align the titles of financial statements in the Tier 3 Standard with those used in AASB 18 Presentation and Disclosure in Financial Statements; (c) to require an entity that accounts for investments in notable relationship entities to present the same financial statement line items as specified for investments in associates and joint ventures; (d) to clarify that an entity discontinues fair value measurement and applies the cost model – which includes impairment as specified in Section 10 – for investments in unlisted equity instruments, including investments in notable relationship entities, and investments in subsidiaries, associates and joint ventures in separate financial statements, when the variability in the range of reasonable fair value measurements is significant and their probabilities cannot be reasonably assessed; (e) to require investment property measured under the fair value model to be measured under the cost model in Section 15 until disposal of the investment property if the entity determines that the fair value is not reliably measurable on a continuing basis; (f) given the disclosures about significant loans in Section 10 – to delete the requirements in Sections 15 and 16 to disclose the nature and amount of loans for which items of property, plant and equipment and intangible assets are pledged as security; (g) to delete the requirement in Section 16 for an entity to disclose the line items in the statement of profit or loss and other comprehensive income (or alternative statements) that include any amortisation of intangible assets; (h) to provide an impracticability exemption from the disclosures about contingent liabilities and contingent assets in Section 19 (other than brief descriptions), and to require disclosure when the exemption has been applied; (i) to delete the specific disclosures of guarantees and the examples of firm commitments in Section 19; (j) to delete Section 22: Borrowing Costs, as the requirements are covered in other sections; and (k) to clarify in Section 23 that the loss of service potential of inventories held for distribution is measured by reference to the cost or current replacement cost of the inventories, as appropriate, rather than to the more easily determinable amount. The Board decided that the effective date of the Tier 3 Standard would be annual reporting periods beginning or after 1 July 2029, with earlier application permitted.

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	10.0 Cover memo: NFP Private Sector Framework Project **10.1** Redeliberation – Effective Date; **10.2** Working Draft of the Tier 3 Standard; **10.3** Clean Working draft of the Tier 3 Standard;
Oct 2025	The Board continued the redeliberation of the proposals exposed in Exposure Draft ED 335 General Purpose Financial Statements – Not-for-Profit Private Sector Tier 3 Entities. The Board made the following decisions: (a) To finalise the proposals in Section 10: Financial Instruments as exposed, except to; (i) specify that AASB 9 (or other relevant Standards) applies only to the more complex financial instruments and financial instruments not commonly held by Tier 3 entities listed in paragraph 10.3, such that the entity will be required to develop an appropriate accounting policy for other such financial instruments; (ii) explicitly specify that an entity need not separately recognise and measure embedded derivatives; (iii) no longer require the recognition of a commitment to provide a loan at a below-market rate; (iv) amend paragraph 10.7(a) to clarify that all financial assets held to generate both income and a capital return for the entity are to be measured at fair value; (v) amend paragraphs 10.12 and 10.13 to avoid the apparent inconsistency with fair value as described in Tier 1 and Tier 2 reporting requirements; (vi) amend paragraph 10.16 so that the calculation of interest income and expense is not limited by the carrying amount of the financial asset or financial liability at the beginning of a period; (vii) amend paragraph 10.21 to require an impairment loss to be measured as the difference between the asset's carrying amount and the estimated future cash flows receivable; and (viii) amend paragraph 10.27 to clarify that separate disclosure is required of those fair value measurements that are based are a quoted price in an active market for an identical asset or liability; (b) to finalise the proposals in Section 20: Revenue as exposed, except to: (i) include brief guidance that internal expectations communicated by an entity's management regarding the intended use of an asset received do not, on their own, give rise to a deferred revenue obligation if those expectations were formed and communicated after the asset has been received; (ii) clarify in illustrative examples E, F and H that the 'common understanding' referred to in the examples exists regardless of whether the reporting entity has an enforceable obligation to provide the promised goods or services; (iii) add an illustrative example of a charity that establishes a common understanding with donors when it raises donations for a specified appeal but also indicates that if greater funds are raised than needed for the intended purposes, the excess funds will be redirected to an alternative charitable purpose; (iv) clarify in the scope paragraph that sales of assets are revenue when they arise in the course of the entity's ordinary activities; (v) replace the reference to fair value as the initial measurement requirement for debtors with a reference to transaction price in paragraph 20.5; and

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	(vi) clarify that if a pledge has been made to the entity and is probable to result in an inflow of economic benefits, the disclosure requirements for contingent assets in paragraph 19.15 would apply to the pledge; (c) to finalise the proposals in Section 28: Related Party Disclosures as exposed; (d) to finalise the proposals in Section 29: Transition to Tier 3 General Purpose Financial Statements as exposed, except to: (i) remove the option in paragraph 29.4 to grandfather the application of Tier 1 or Tier 2 accounting policies for any or all assets or liabilities existing on the date of transition to the Tier 3 Standard; (ii) add an explanation that the date of transition will be the same date, regardless of whether Section 9 or Section 29 is applied, unless a Tier 3 NFP entity transitioning via Section 29 elects to present full comparative information in accordance with the Tier 3 Standard; (iii) add a specific exemption for a parent entity first-time adopter of the Tier 3 Standard that elects to prepare consolidated financial statements and applies Section 29 may elect to apply Section 17 Entity Combinations on a prospective basis to entity combinations that occurred before the date of transition to the Tier 3 Standard; (iv) extend the optional relief for entities selecting Section 9 on transitioning to the Tier 3 reporting requirements to apply a modified retrospective approach to correcting prior period errors, with the exemption available only on transition to the Tier 3 Standard; and (v) extend the scope of the transitional provisions in para. 29.11(e) so that an entity may elect to present changes in the fair value of its investments in notable relationship entities and investments in associates and joint ventures in other comprehensive income at the date of transition to the Tier 3 Standard; and (e) to finalise the proposed amendments to AASB 1053 and AASB 1057 Application of Australian Accounting Standards as exposed 6.0 Cover memo: Project redeliberations on selected sections of the draft Tier 3 Standard 6.1 Redeliberation – Financial instruments; 6.2 Redeliberation – Revenue; 6.3 Redeliberation – Related party disclosures; 6.4 Redeliberation – Transition to Tier 3 and amendments to other Standards;
August 2025	The Board continued its redeliberations of the proposals exposed in Exposure Draft ED 335 General Purpose Financial Statements – Not-for-Profit Private Sector Tier 3 Entities. The Board made the following key decisions: (a) Section 8: Notable Relationships and Consolidated and Separate Financial Statements – to amend the drafting to clarify; (i) the intended operation of the Section and its requirements, including clarifying the interaction between Section 8 and Section 13: *Investments in Associates and Joint Ventures*; (ii) that separate financial statements have the same meaning as in Tier 1 and Tier 2 reporting requirements; (iii) that if the fair value through other comprehensive income (FVTOCI) measurement and recognition election is made in accounting for the entity's first investment in a notable relationship entity, then that measurement

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	approach applies to all of the entity's investments in notable relationship entities; and (iv) the relationship between power and the right to appoint key management personnel; (b) Section 13: Investments in Associates and Joint Ventures – (i) in applying the equity method of accounting: A. to require transaction costs incurred in acquiring an associate or joint venture to be expensed as incurred; B. not to articulate how the consideration paid for the associate or joint venture should be determined; and C. to allow, but not require, an investor to adjust an investee's financial statements to reflect the application of the investor's accounting policies; and (ii) to clarify that the election to measure the investment in an associate or a joint venture at FVTOCI applies to all associates, and all joint ventures, respectively; (c) Section 16: *Intangible Assets* – to remove the disclosure requirement in paragraph 16.28(b) regarding whether an independent valuer was involved when intangible assets are stated at revalued amounts; (d) Section 17: *Entity Combinations* – (i) to require an entity combination to be recognised from the date of gaining control of the acquired entity or operating unit; (ii) to extend the exemption from measuring assets at fair value to donated non-financial assets for which the entity paid a nominal or other significantly discounted amount and that were originally measured at cost. For the purposes of entity combination accounting, the carrying amounts of the donated assets should be determined as though the Tier 3 Standard had always applied to the assets (for example, the cost of a donated building would be subject to depreciation from the time when it is available for use); (iii) to specify that an internally generated intangible asset acquired in an entity combination is not recognised; and (iv) to clarify that it is the acquiree's accounting policies that are adjusted before the carrying amounts of the acquiree's assets, liabilities and items of equity are combined with those of the acquirer; and (e) Section 23: *Impairment of Assets* – (i) to clarify that the recoverable amounts of non-financial assets (other than inventory) are measured at an individual asset level; (ii) to include inventories as a class of non-financial assets for which disclosure of information about impairment losses would be required; (iii) to clarify that Section 23 applies only to non-financial assets by removing the requirement to disclose impairment information for investments in associates and joint ventures in paragraph 23.11(c) and (d); and (iv) to require impairment losses to be disclosed separately from depreciation and amortisation expenses by omitting paragraph 23.12. In addition, the Board decided that a Tier 3 Standard should, as proposed in ED 335, allow entities to initially measure non-financial assets acquired for significantly less

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	than their fair value ('donated nonfinancial assets') at either their cost or fair value (or the current replacement cost, for inventories). The Board will continue its redeliberations of the proposals in ED 335 at the next meeting **4.0** Cover memo: Project redeliberations on selected sections of the draft Tier 3 Standard **4.1** Redeliberation – Intangible assets, impairment of assets and donated non-financial assets; **4.2** Redeliberation – Subsidiaries and notable relationship entities; **4.3** Redeliberation – Entity combinations; **4.4** Redeliberation – Associates and joint arrangements;
July 2025	The Board continued its redeliberations of certain proposals exposed in Exposure Draft ED 335 *General Purpose Financial Statements – Not-for-Profit Private Sector Tier 3 Entities*. The Board decided to finalise the following Tier 3 requirements as exposed in ED 335 for: (a) Section 1: *Objective, Scope and Application*, except to clarify that the requirements of the topic based Accounting Standards referred to in paragraph 1.3 apply only to those specified transactions, events and other conditions within that Standard's scope; (b) Section 2: *Financial Statement Presentation*; (c) Section 3: *Statement of Financial Position*, except to include additional guidance in paragraph 3.11 on the disclosures required about an entity's liabilities with covenants; (d) Section 4: *Statement of Profit or Loss and Other Comprehensive Income*, except to permit the presentation of the analysis of expenses using a classification based on both the nature and function of expenses if this provides information that is the most useful structured summary of an entity's expenses; (e) Section 5: *Statement of Changes in Equity and Statement of Income and Retained Earnings*; (f) Section 6: *Statement of Cash Flows*, except to clarify: (i) in paragraph 6.4(g) – that cash receipts from investments, and cash receipts and payments from loans, are cash flows from operating activities when those investments or loans are held for dealing or trading purposes; and (ii) the difference between the alternative approaches to present cash flows from operating activities under the indirect method, by including "relevant" before "revenue and expenses" in paragraph 6.9; (g) Section 7: *Notes to the Financial Statements*; (h) Section 9: *Accounting Policies, Estimates and Errors*, except to require the 'full' retrospective correction of prior period errors and for the related disclosures to align with those specified by Tier 2 reporting requirements; (i) Section 11: *Fair Value Measurement*, except for removing "in general" from paragraph 11.7 to limit when an entity would need to consider when a different use by market participants would maximise the value of the asset; (j) Section 12: *Inventories*, except to:

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	(i) clarify that the accounting policy choice for the initial measurement of non-financial assets acquired at significantly less than fair value can be made for each individual item; (ii) remove the reference to education/training course materials under development from paragraph 12.2; (iii) add a reference to net realisable value in paragraph 12.4; and (iv) relocate paragraph 12.6 and paragraph 12.7 on measuring a loss of service potential for inventories to Section 23 and clarify that the measurement of a loss of service potential for inventories is required when one of the impairment indicators in paragraph 23.3 is present; (k) Section 14: Investment Property and Section 15: Property, Plant and Equipment, except to: (i) clarify in paragraph 15.1 that parts of Section 15 also apply to investment property for which an entity has chosen the cost model; (ii) remove the reference to software, and include land and buildings as an example class of assets, in paragraph 15.11; and (iii) not require the disclosure of commitments for repairs, maintenance or enhancements for investment property; (l) Section 18: Leases, except that lessees shall not separate the cost of services from lease payments; (m) Section 19: Provisions and Contingencies, except to clarify that provisions shall be measured at the entity's best estimate of the undiscounted amount to be paid; (n) Section 21: Expenses; (o) Section 22: Borrowings; (p) Section 24: Employee Benefits; (q) Section 25: Income Tax; (r) Section 26: Foreign Currency Translation, except to clarify that exchange rate gains or losses on translating monetary asset and liability balances at the end of the reporting period are recognised in profit or loss; (s) Section 27: Events Occurring after the Reporting Period; and (t) Appendix A: Glossary of Terms, except to also include the equivalent Tier 2 terminology within the glossary of terms or within the body of the Tier 3 Standard where the Tier 3 requirements do not deviate from the Tier 2 terminology. In addition, the Board made several editorial decisions regarding these Sections in response to the stakeholder feedback received. 5.0 Cover memo: Project redeliberations on selected sections of the draft Tier 3 Standard 5.1 Redeliberation on objective, scope and application; 5.2 Redeliberation on certain Category B topics; 5.3 Redeliberation on primary financial statements; 5.4 Redeliberation on foreign currency translation; 5.5 Redeliberation on Category A topics.
May 2025	The Board considered the feedback received on ED 335 *General Purpose Financial Statements – Not-for-Profit Private Sector Tier 3 Entities.* The Board decided:

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	(a) To continue the project and begin redeliberations on the proposals in ED 335; (b) The requirements in the final Standard should be developed with regard to the principles used to develop ED 335; and (c) To update the *AASB Not-for-Profit Entity Standard-Setting Framework* to address Tier 3 general purpose financial statements. No specific decisions were made regarding the accounting and disclosure requirements for Tier 3 general purpose financial statements. **4.0** Cover memo and project update **4.1** Due Process consideration of whether to proceed with the project; **4.2** Categorisation of the ED 335 proposals; **4.3** Collation of feedback on ED 335; **4.4** Written submissions received on ED 335; **4.5** ED 335 online survey instrument response.
March 2025	The Board received an update on the projects, including a preliminary summary of the feedback received to date from outreach activities on AASB ED 334 *Limiting the Ability of Not-for-Profit Entities to Prepare Special Purpose Financial Statements* and ED 335 *General Purpose Financial Statements – Not-for-Profit Private Sector Tier 3 Entities*. ED 334 incorporates proposed amendments to the Conceptual Framework for Financial Reporting to add limited Australian guidance for NFP entities. No decisions were made. **6.0** Cover memo and project update **6.1** Preliminary summary of feedback on ED 334; **6.2** Preliminary summary of feedback on ED 335; **6.3** Preliminary categorisation of the ED 335 proposals.
September 2024	The Board continued its review of a draft Exposure Draft (ED) of a proposed Tier 3 financial reporting framework for not-for-profit (NFP) private sector entities and made the following key decisions regarding the proposals to be included in the ED: (a) when it is impracticable for an entity to determine the cumulative effect, as at the beginning of the current period, of applying a new accounting policy to all prior periods or correcting a prior-period error, the entity would: (i) adjust the opening balances of assets, liabilities and items of equity to reflect application of the new accounting policy or correction of the error prospectively from the earlier date practicable; and (ii) disregard the portion of the cumulative adjustments to assets, liabilities and items of equity arising before that date. In addition, the entity need not disclose an explanation of why it is impracticable to determine the full amount of adjustments to the opening balances for the current period;

(b) for first-time adopters of the Tier 3 Standard, to extend the disclosure requirements for entities that elect to apply the transitional provisions in Section 29: *Transition to General Purpose Financial Statements – Not-for-Profit Private Sector Tier 3 Entities* to entities that elect to initially adopt the Tier 3 Standard directly by applying a modified retrospective approach in Section 9: *Accounting Policies, Estimates and Errors*, including:
   (i) an explanation of how the transition from the entity's previous financial reporting framework to the Tier 3 Standard affected its reported financial position, financial performance and cash flows – including the nature of each change in accounting policy, unless the first-time adopter's most recent previous financial statements were special purpose financial statements; and
   (ii) the requirement to disclose when comparative information is presented on a different basis than the basis required by the Tier 3 Standard for subsequent periods;

(c) for first-time adopters of the Tier 3 Standard that elect to apply the transitional provisions in Section 29, comparative period information need not be restated, and an entity may elect in its first financial statements prepared using the Tier 3 Standard to include:
   (i) a reconciliation of equity determined in accordance with its previous financial reporting framework to its equity determined in accordance with the Tier 3 Standard; and
   (ii) a reconciliation of the profit or loss determined in accordance with its previous financial reporting framework for the latest period in the entity's most recent annual financial statements to its profit or loss determined in accordance with the Tier 3 Standard for the same period;

(d) if a combining entity in an entity combination received a non-financial asset before the combination without paying any consideration in return and elected to initially measure that asset at cost (i.e. nil) in accordance with the Tier 3 Standard, the donated asset is not required to be measured at its fair value as at the deemed combination date;

(e) not to include guidance on:
   (i) the presentation of comparative information for periods prior to the combination date; and
   (ii) the impairment of cash-generating units;

(f) to amend AASB 1053 *Application of Tiers of Australian Accounting Standards* to:
   (i) restrict the scope of Tier 3 reporting requirements for entities applying Australian Accounting Standards to general purpose financial statements of not-for-profit private sector entities that do not have public accountability and are not prohibited from applying Tier 3 reporting requirements by the relevant legislation, constituting document or other document;
   (ii) require entities applying the Tier 3 reporting requirements for the first time to apply the first-time application requirements set out in the Tier 3 Standard;
   (iii) require entities reapplying the Tier 3 reporting requirements to apply:
      (A) all relevant first-time application requirements set out in the Tier 3 Standard if the entity did not apply all applicable recognition and measurement requirements of the Tier 3 Standard in its most recent financial statements; or
      (B) the Tier 3 reporting requirements directly (i.e. without applying the Tier 3 Standard's first-time application requirements) if the entity applied all applicable recognition and measurement requirements of the Tier 3 Standard in its most recent financial statements;

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	(g) to amend AASB 1057 *Application of Australian Accounting Standards* to list the Australian Accounting Standards and Interpretations that would not be applicable to entities applying the Tier 3 Standard; (h) to include a non-mandatory illustrative example of a possible methodology for calculating long service leave expense; and (i) to seek stakeholder feedback on whether guidance on presenting an analysis of expenses using a classification based on either their nature or function within the entity would be more helpful than developing a more principles-based approach requiring expenses to be disaggregated in a manner that provides useful information consistently to users of the financial statements. The Board decided the ED will have a comment period of at least 120 days and delegated the finalisation and approval of the ED to a sub-committee. The ED will be issued in conjunction with the ED on the proposed NFP amendments to the Conceptual Framework for Financial Reporting. **3.1** Cover memo and project update **3.2** Draft AASB Exposure Draft 3XX – *General Purpose Financial Statements: Not-for-Profit Private Sector Tier 3 Entities*; **3.3** Alternative drafting for notable relationships, transition provisions and staff analysis of impracticability exemption; and **3.4** Summary of the ED Tier 3 proposals and extent of simplification against Tier 2 reporting requirements; and **3.12** Draft AASB Exposure Draft 3XX – *General Purpose Financial Statements: Not-for-Profit Private Sector Tier 3 Entities* (with supplementary notes to Board members).
June 2024	The Board is continuing to develop its Exposure Draft of a proposed Tier 3 financial reporting framework for not-for-profit (NFP) private sector entities. At this meeting, the Board decided to include the following approaches in the ED: (a) business combinations – measure the assets and liabilities of the combined entity at their pre-combination book values for all combinations. Material assets and liabilities that do not have a carrying amount recognised in accordance with Australian Accounting Standards would be measured initially at their combination-date fair value. Any difference between the consideration paid and the net assets recognised in the combination is recognised directly in equity; (b) a new entity formed upon the combination may elect to present comparative information for the combined operations for the periods prior to the combination date in the primary financial statements or in the notes; (c) align the requirements for intangible assets with Tier 2 recognition and measurement requirements, but: (i) prohibit the recognition of internally generated intangible assets; (ii) the useful life of all indefinite-lived intangible assets to be treated as finite, not exceeding ten years; (iii) review the useful life, residual value and amortisation method only if a trigger event or indicator similar to those the Board decided for Tier 3 impairments has occurred since the last annual reporting date;

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	(d) not provide guidance on either configuration or customisation costs in a cloud computing arrangement or development costs of a website that facilitates donations to the NFP entity; (e) develop transitional requirements based on AASB 1 First-time Adoption of Australian Accounting Standards for entities applying the Tier 3 Standard for the first time. Alternatively, these entities would apply the Tier 3 Standard directly by applying a modified retrospective approach to resulting changes in accounting policies with the cumulative effects on prior periods recognised in the current period's opening retained earnings, without restating the comparative period(s). In particular: (i) entities transitioning from special purpose financial statements (SPFS) to preparing general purpose financial statements (GPFS) for the first time, under Tier 3 requirements, would not be required to provide comparative information for new disclosures or distinguish corrections of errors and changes in accounting policies; and (ii) entities transitioning from Tier 1 or Tier 2 GPFS to Tier 3 GPFS may elect to continue applying any Tier 1 or Tier 2 recognition, measurement and disclosure requirements to balances that existed on the transition date; (f) entities transitioning from Tier 3 GPFS to Tier 1 or Tier 2 GPFS for the first time would apply AASB 1, with entities preparing Tier 2 GPFS for the first time not required to: (i) restate comparative information; (ii) provide comparative information for new disclosures; or (iii) distinguish corrections of errors and changes in accounting policies; (g) provide an implementation period prior to the effective date of at least three years when issuing the Tier 3 Standard, together with extending the application of the Conceptual Framework for Financial Reporting to not-for-profit entities; (h) permit early application of the Tier 3 Standard; and (i) include in the Basis for Conclusions the Board's rationale for not specifying any reporting thresholds for entities permitted to apply the Tier 3 Standard. The Board decided to seek stakeholder feedback through the ED on whether further transitional relief should be provided to encourage NFP entities to transition from SPFS to GPFS early, and on the appropriateness of the proposed effective date. The Board also decided to consider whether to establish a Transition Resource Group after the Board considers feedback on the ED. 3.1 Cover memo and project update 3.2 Tier 3 Exposure Draft Proposals – Business combinations and goodwill; 3.3 Tier 3 Exposure Draft Proposals –Intangible assets other than goodwill; and 3.4 Tier 3 Exposure Draft Proposals – Approach to transitional requirements
March 2024	The Board is continuing to develop its Exposure Draft of a proposed Tier 3 financial reporting framework for not-for-profit private sector entities. At this meeting, the Board decided to include the following proposals or approaches in the ED: (j) an accounting policy choice for non-financial assets acquired at significantly less than fair value to be measured initially either at cost, which may be nil or a nominal amount, or at fair value. The Board decided to seek specific stakeholder feedback through the ED on the cost of obtaining the fair value of non-financial assets acquired at significantly less than fair value;

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	(k) permit an entity to apply either the cost model or the revaluation model as its accounting policy for the subsequent measurement of classes of non-financial assets acquired at significantly less than fair value, regardless of the initial-measurement policy. An entity may elect to apply different measurement models to different classes of assets. The Board will consider at a future meeting how its proposals in respect of changes in accounting policies apply in this regard; (l) develop disclosure requirements to require entities to disclose information that helps users of financial statements to understand the nature of, and the entity's dependence on, non-financial assets acquired at significantly less than fair value; (m) align the requirements for a statement of changes in equity with existing Tier 2 requirements; (n) permit an entity to elect to present cash flows from investing activities and financing activities either separately or together and to present cash flows from operating activities using either the direct method or the indirect method; (o) require concessional loans to be measured initially at transaction price rather than fair value; (p) exclude specific requirements regarding recognition, measurement, presentation or disclosure in respect of: (i) premiums and discounts on acquiring or originating loans; (ii) the fair value hierarchy; (iii) determining the cost of inventories purchased on deferred settlement terms; and (iv) the exemption from certain related party disclosure requirements for government-related entities set out in AASB 124 Related Party Disclosures; (q) not develop further guidance on how entities would subsequently measure unlisted equity instruments when cost is not a reliable measure of fair value; (r) permit an entity to elect whether to allocate production overheads to inventories' cost of conversion, with the election to be applied to all inventories produced by the entity; (s) include an impracticability exemption from the requirement to align the accounting policies of the investor and the investee when applying the equity method of accounting to an investment in an associate or a joint venture; (t) include guidance on: (i) recognition, measurement and disclosure of contingent assets and reimbursement assets; and (ii) measurement of value in use for assessing the impairment of non-financial assets; (u) not to include assets being held for sale as an impairment indicator and to retain the proposed requirement for entities to apply the Tier 2 requirements for assets held for sale; (v) require disclosure of the entity's parent and, if different, its ultimate controlling party. If neither the entity's parent nor the ultimate controlling party produces financial statements available for public use, the name of the next most senior parent that does so (if any) would be disclosed; (w) not require disclosure of key management personnel remuneration but seek specific stakeholder feedback through the ED on whether such disclosures should be required; and (x) include non-mandatory illustrative examples.

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	The Board decided to consider Tier 3 requirements for business combinations and goodwill before considering whether to develop guidance on cash-generating units in relation to assessing the impairment of assets. **4.1** Cover memo and project update **4.2** Tier 3 Exposure Draft Proposals – non-financial assets acquired at significantly less than fair value and primary financial statements; **4.3** Working draft of Tier 3 Exposure Draft; and **4.4** Summary of the application of the Board's approach to drafting the Tier 3 Exposure Draft
November 2023	The Board is continuing to develop its Exposure Draft of a proposed Tier 3 financial reporting framework for not-for-profit private sector entities. As this meeting, the Board decided to include the following proposals or approaches in the ED: (a) an accounting policy choice for an entity to prepare separate financial statements, with disclosure of the notable relationships with other entities (including; their primary purpose and an indication of the nature of their operations), as an alternative to preparing consolidated financial statements. The notable relationships assessment will be based on the factors set out in AASB 128 *Investments in Associates and Joint Ventures* for determining the existence of significant influence over another entity, and would include controlled and jointly controlled entities (although they do not need to be identified as such for the separate financial statements); (b) an accounting policy choice for an entity preparing separate financial statements, whether in addition to consolidated financial statements or as its only financial statements, to measure its investments in subsidiaries and (if applicable) its notable relationship entities at cost, at fair value or by applying the equity method of accounting; (c) require a parent entity preparing consolidated financial statements to measure its investments in associates and joint ventures in those financial statements by applying the equity method in accordance with AASB 128; (d) an accounting policy choice to measure investments in associates and joint ventures at cost, at fair value or by applying the equity method, for: (i) a parent entity preparing separate financial statements in addition to consolidated financial statements; and (ii) an investor without subsidiaries presenting individual, equity-accounted or separate financial statements as its only financial statements; (e) require the same accounting policy to be applied for all investments in a single class but permit different policies for different classes; (f) not to include the consolidation exemptions available to an investment entity set out in AASB 10 *Consolidated Financial Statements*; (g) require related party disclosures consistent with Tier 2 requirements, except for donations from related party unless there is evidence that the donations could influence the entity's activities or use of resources; (h) include the following financial instruments in the scope of the Tier 3 requirements as basic or commonly held financial instruments (in addition to those listed in the preceding Discussion Paper): (i) listed corporate bonds; and (ii) non-convertible preference shares redeemable for a known amount of cash or the amount of cash equivalent to their share of the net assets of the entity;

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	(i) require the application of Tier 2 requirements to more complex financial instruments and financial instruments not commonly held by Tier 3 entities, but with hedge accounting prohibited; (j) require transaction costs arising from financial assets and financial liabilities to be expensed when incurred; (k) require financial assets held for capital return and income that are in the scope of the Tier 3 requirements to be measured subsequently at fair value through profit or loss, subject to an irrevocable election available on initial recognition to recognise changes in fair value through other comprehensive income for a class of instruments; (l) not to require an entity to recognise provisions of non-vesting accumulating employee benefits, unless the amounts are due and payable; (m) not to require an entity to consider future pay increases when determining a provision for employee benefits measured at the undiscounted future outflow expected to be required to settle the present obligation; and (n) require a modified retrospective approach to the correction of prior period accounting errors. 5.1 Cover memo and project update 5.2 Tier 3 Exposure Draft Proposals – consolidation, separate financial statements of parent, associates and joint ventures and related party disclosures; and 5.3 Tier 3 Exposure Draft Proposals – financial instruments, employee benefits, changes in accounting policies and estimates and correction of prior period accounting errors.
September 2023	The Board decided to include the following proposals or approaches in the Tier 3 Exposure Draft: (a) allow entities to apply an accounting policy permitted or required by Tier 1 or Tier 2 Australian Accounting Standards that is not included in the Tier 3 Standard only where a transaction, other event or condition is not addressed by the Tier 3 Standard; (b) in respect of transactions, other events and conditions not specifically addressed in the Tier 3 Standard, require entities preparing Tier 3 general purpose financial statements to apply judgement in developing their accounting policies by reference to the following sources, in descending order: (i) the Tier 3 principles and reporting requirements dealing with similar and related issues; and (ii) the definitions, recognition criteria and measurement concepts for assets, liabilities, income and expenses in the Conceptual Framework, to the extent they do not conflict with Tier 3 reporting requirements. In making this judgement, management may also consider the requirements and guidance in Tier 2 (Australian Accounting Standards – Simplified Disclosures); (c) address business combinations and goodwill, other intangible assets, consolidation, investments in associates and joint ventures, and investment property in the Tier 3 Standard; (d) require entities to apply the Tier 2 requirements for: (i) biological assets; (ii) accounting by an operator of a service concession arrangement; (iii) complex financial instruments; (iv) insurance contracts;

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	(v) the exploration for and evaluation of mineral resources; (vi) obligations arising under a defined benefit plan; (vii) share-based payment arrangements; and (viii) assets held for sale; and (e) a single Conceptual Framework should apply to not-for-profit entities reporting under any tier of Australian Accounting Standards. 3.0 Cover memo: NFP Private Framework 3.1 Tier 3 Exposure Draft Proposals – opt up, hierarchy, scoped out topics and abbreviated conceptual framework.
August 2023	The Board noted the updated project timeline and decided to form a subcommittee to support the development of the Tier 3 Exposure Draft. 3.1 ED development timeline
June 2023	The Board considered the application of the previously agreed approach to drafting proposed requirements to be included in the Tier 3 Exposure Draft to the selected topics of Property, Plant and Equipment, Fair Value Measurement and Borrowing Costs. The Board also received an update on the project. No decisions were made. 10.1 Cover memo: Project overview 10.2.0 Tier 3 – Application of the drafting approach to selected topics 10.2.1 Tier 3 – staff analysis and application of the drafting approach to selected topics
May 2023	The Board considered a preliminary analysis of the feedback received on the Discussion Paper Development of Simplified Accounting Requirements (Tier 3 Not-for-Profit Private Sector Entities) and decided to proceed with the development of an Exposure Draft on: (a) a Tier 3 Accounting Standard with simplified accounting requirements for smaller not-for-profit private sector entities; and (b) removing the ability of certain not-for-profit entities to prepare special purpose financial statements under Australian Accounting Standards. The Board decided, to the extent consistent with the project objective to develop simplified and proportionate requirements for smaller not-for-profit private sector entities and in line with the principles the Board applies in this regard, to use the following sources as a starting point for drafting the recognition and measurement proposals: (a) if consistent with Tier 2 requirements – compatible requirements in the IFRS for SMEs Accounting Standard, complemented by the International Non-Profit Accounting Guidance (INPAG) proposals or, in their absence, the UK Financial Reporting Standard FRS 102 and the UK Charities Statement of Recommended Practice; and (b) if different to Tier 2 requirements – compatible requirements in other jurisdictions and frameworks or, in their absence, adapting the IFRS for SMEs Accounting Standard requirements and/or INPAG proposals as considered appropriate. 3.0 Cover memo: Project overview 3.1.0 Summary of feedback on Tier 3 Discussion Paper and next steps

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	[3.1.1](#) Attachments: Detailed summary of feedback on the Tier 3 Discussion Paper and next steps [3.2](#) Tier 3 – Approach to drafting recognition and measurement requirements [3.3](#) Supporting document – Written Submissions [3.4](#) Supporting document – Survey results received
March 2023	The Board considered an update on the project, including the preliminary feedback collected from outreach activities and the preliminary findings from research on common transactions of medium-sized charities. [8.1](#) Cover memo: Project overview [8.2](#) Preliminary summary feedback from outreach to 31 January 2023 [8.3](#) Preliminary findings from research on common transactions of smaller NFP private sector entities (charities)
August 2022	The Board delegated the final approval of the Discussion Paper (DP) on its proposals for Tier 3 reporting requirements for not-for-profit (NFP) private sector entities to a subcommittee. The DP is expected to be issued in early October 2022 with a consultation period of 6 months. The Board also decided not to develop Tier 4 proposals for smaller NFP private sector entities. The Board discussed a number of sweep and other issues and decided that Tier 3 reporting requirements should: (a) allow an entity to apply related Tier 3 requirements to account for transactions and other events that are not specifically addressed and not explicitly scoped out from the Tier 3 Standard, (b) allow an entity to consider the principles and requirements for Tier 1 and Tier 2 reporting dealing with similar and related issues when applying judgement in developing accounting policies for transactions and other events that are explicitly scoped out of the Tier 3 requirements and where no guidance is provided in Tier 2 requirements; (c) exclude business combinations from the scope of the Standard (in addition to scope exclusions previously decided by the Board); (d) include simpler requirements for government bonds and units held in managed investment schemes and unit trusts as basic financial assets; (e) not require an entity to recognise embedded derivatives and derivative financial instruments that are not readily identifiable and measurable; (f) align with AASB 9 *Financial Instruments* to identify when cost may be an appropriate estimate of the fair value of financial assets, for example when there is a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range; (g) require a parent entity that presents consolidated financial statements to prepare equity-accounted financial statements to measure its interest in associates and joint ventures. A parent entity that only presents separate financial statements would not be permitted to apply the equity method of accounting to measure its interests in associates and joint ventures for those financial statements; (h) require a parent entity that presents separate financial statements to measure its interests in subsidiaries: (i) at cost; (ii) at fair value through other comprehensive income; or

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	(iii) by applying the equity method of accounting. (i) require an investor to measure its interests in associates and joint ventures at cost or at fair value through other comprehensive income in separate financial statements, in addition to preparing equity-accounted financial statements to measure its interest in associates and joint ventures; (j) not permit an entity to subsequently revalue non-financial assets acquired for significantly less than fair value if those assets were initially measured at cost; and (k) not include guidance on the accounting for employee on-costs. The Board decided to seek feedback through the DP to consider the extent of use of intangible assets by smaller not-for-profit private sector entities and the types of intangible assets involved. The Board also decided that Tier 3 requirements would be reviewed no more than once every AASB agenda consultation cycle (5 years) following any revisions from a post-implementation review, if necessary, in accordance with the AASB Due Process Framework for Setting Standards. **3.1** Cover memo: Project overview **3.2.1** Tier 3 – Draft Discussion Paper **3.2.2** Tier 3 – Summary of sweep and other issues
June 2022	The Board decided to include the following proposals in the Discussion Paper (DP) on Tier 3 reporting requirements for not-for-profit (NFP) private sector entities. ***Financial Instruments*** Tier 3 reporting requirements should specify the financial instruments that would be within its scope, including those that are simpler in nature, and direct an entity to apply AASB 9 Financial Instruments for other financial instruments. For financial instruments within the scope of Tier 3, the requirements should: (a) require interest income and expense to be calculated by reference to the contractual interest rate; (b) require any initial premium or discount to be amortised over the expected life of the instrument; (c) require impairment to be recognised when it is probable that the carrying amount will not be collectible (an 'incurred loss' model); (d) apply the fair value definition in AASB 13 Fair Value Measurement; (e) not permit hedge accounting; (f) require derecognition of a financial asset when either the contractual rights to the cash flows from the financial asset expire or are settled or the entity otherwise loses control of the asset; and (g) not address exchanges of debt instruments or the modification of the terms of financial liabilities. The Board decided to seek feedback through the DP to consider the extent of embedded derivatives in arrangements entered into by smaller NFP entities and the need for specific Tier 3 requirements. ***Approach to disclosure requirements*** Tier 3 disclosure requirements should be developed based on the following principles:

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	(a) for transactions with the same or similar recognition and measurement (R&M) requirements to Tier 2 reporting requirements for NFP private sector entities, the disclosure requirements should be based on the corresponding requirements in AASB 1060 General Purpose Financial Statements –Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities; and (b) for transactions with different R&M requirements to Tier 2: (i) adopt appropriate disclosure requirements from other jurisdictions with comparable R&M requirements corresponding to Tier 3 requirements; or (ii) develop specific disclosure requirements in the absence of appropriate international precedents. The DP will include examples of possible disclosure requirements for some transactions in the scope of the Tier 3 reporting requirements to illustrate the application of the above principles. 12.1.0 Cover memo: Project overview 12.2.1.0 Tier 3 – Financial Instruments 12.2.1.1 Supporting document: Tier 3 – Financial Instruments background previously presented in May 2022 12.2.2 Tier 3 – Financial Instruments: Measurement 12.2.3 Tier 3 – Financial Instruments: Hedge accounting and Embedded Derivates 12.2.4 Tier 3 – Financial Instruments: Derecognition 12.3.1 Tier 3 – Disclosure approach for key topics 12.3.2 Tier 3 – Application of the recommended disclosure approach to transactions covered in the Tier 3 Standards
May 2022	The Board decided to include the following proposals in the Discussion Paper (DP) on Tier 3 reporting requirements for not-for-profit (NFP) private sector entities ***Income recognition*** Tier 3 reporting requirements should require: (b) a Tier 3 entity to assess whether a transaction is based on a common understanding, evidenced by the transfer provider in writing or some other form, that the entity is expected to use the inflows of resources in a particular way or act or perform in a particular way that results in outflows of resources, including: (i) transferring goods or services; (ii) performing a specified activity; (iii) incurring eligible expenditure for a specified purpose; and (iv) using the inflows of resources in respect of a specified time period; (c) for transactions described in (a), income to be recognised in the manner that most faithfully represents the amount and pattern of consumption by the entity of the resources received, such as: (i) when goods or services are transferred; (ii) when activities are performed; (iii) when eligible expenditure is incurred; and (iv) on a systemic allocation basis over the specified period; and (d) for other income transactions, income to be recognised at the earlier of receiving cash or obtaining a right to receive cash (a receivable)

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	Financial instruments Tier 3 reporting requirements should: (a) address the accounting for simpler financial instruments often held by Tier 3 entities. Tier 3 reporting requirements should direct an entity to apply AASB 9 Financial Instruments for more complex financial instruments; (b) require transaction costs that are directly attributable to the acquisition or issue of a financial asset or financial liability to be expensed in the period incurred; (c) specify simpler subsequent measurement requirements for financial assets and financial liabilities overall. In particular, the Board decided to require financial assets and financial liabilities to be subsequently measured at cost, except for: (i) financial assets that are held to generate both income and capital return for the entity – to be measured at fair value through other comprehensive income; and (ii) derivative financial instruments – to be measured at fair value through profit or loss. The Board decided to seek stakeholder feedback through the DP as to whether requiring financial assets and financial liabilities to be measured at transaction price would be a useful simplification. **5.0** Cover memo: Project overview **5.1.1** Staff paper: Tier 3 – Revenue/Income – determining distinction for the accounting for inflows of resources **5.1.2** Staff paper: Tier 3 – Revenue/Income – requiring assessment of sufficiently specific criteria **5.1.3** Staff paper: Supporting document: High level scenarios and other supporting materials **5.2.1** Staff paper: Financial instruments - background **5.2.2** Staff paper: Financial instruments – coverage and measurement
April 2022	The Board decided to include the following proposals in the Discussion Paper (DP) on Tier 3 reporting requirements for not-for-profit (NFP) private sector entities. ***Impairment of non-financial assets*** Tier 3 reporting requirements should require: (d) inventories generally to be measured at the lower of cost and net realisable value; and (e) inventories held for distribution to be measured at cost, adjusted when applicable for a loss of service potential. For non-financial assets other than inventory, the Board decided on the following impairment model: (a) only assets subsequently measured at cost or deemed cost should be subject to impairment testing; (b) a Tier 3 entity should be required to consider whether assets are impaired only when they have been physically damaged or when their service potential might have been adversely affected by a change in the entity's strategy or changes in external demand for the entity's services; (c) an asset would be impaired if its carrying amount exceeded its recoverable amount. An asset's recoverable amount is the higher of its fair value less costs of disposal and its value in use. However, the proposed impairment model will include a rebuttable presumption that fair value less costs of disposal is

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	expected to be the most appropriate measure of an asset's recoverable amount because non-financial assets are generally not held by NFP entities for the purpose of generating cash flows; (d) assets that do not generate cash flows that are largely independent of those from other assets can be grouped into cash-generating units; and (e) the impairment model will not include specific requirements relating to reversing previously recognised impairment losses. ***Initial measurement of assets acquired for significantly less than fair value*** Tier 3 reporting requirements for the initial measurement of assets acquired for significantly less than fair value should allow an entity an accounting policy choice, supplemented by appropriate disclosures, for the measurement of: (a) inventory – at cost or current replacement cost; and (b) other non-financial assets – at cost or at fair value in accordance with AASB 13 Fair Value Measurement. ***Volunteer services*** A Tier 3 entity should be permitted, but not required, to recognise volunteer services received, or a class of volunteer services, if the fair value of those services can be measured reliably. **4.1** Cover memo: Project overview **4.2.0** Staff paper: Tier 3 – Impairment **4.2.1** Staff paper: Tier 3 – Supporting document: Detailed requirement of impairment in Australian Accounting Standards **4.3** Staff paper: Tier 3 – Initial measurement of donated/granted non-financial assets
February 2022	The Board decided to include the following proposals in the Discussion Paper (DP) on Tier 3 reporting requirements for not-for-profit (NFP) private sector entities. ***Investment property and property, plant and equipment*** Tier 3 reporting requirements should require: (a) separate classification, recognition and measurement requirements for investment property and property, plant and equipment (PP&E); (b) subsequent measurement for: (i) investment property using either the cost model or the fair value model; and (ii) PP&E using either the cost model or revaluation model, with guidance to be developed for depreciation under revaluation model; and (c) all borrowing costs to be recognised as an expense when incurred, which would be a simplification of the requirements in AASB 123 Borrowing Costs. The Board observed that this approach would require Tier 3 entity that elect to revaluation its investment property or PP&E to measure fair value in accordance with AASB 13 *Fair Value Measurement*. However, the Board decided to seek stakeholder feedback through the DP on simplifications that should be considered for the revaluation of investment property and PP&E. ***Employee benefits*** The Board decided that all short-term and long-term employee benefits should be measured on an undiscounted basis. The Board decided that the measurement of employee benefits relating to long-service leave should still reflect the probability that

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	payment will be required and to develop guidance in the form of a rebuttable presumption for the application of that requirement. The Board directed staff to conduct further research on the possible content and form of such guidance. ***Income/revenue – grants, donations and bequests*** The Board decided to consider potential options for income accounting simplification for Tier 3 entities for inclusion in the DP and provided initial feedback to staff on the options for the accounting for grants, donations and bequests that should be considered further in developing proposals for the DP. 11.1 Cover memo: Project overview 11.2 Staff paper: Tier 3 – Investment property and Property, plant and equipment 11.3 Staff paper: Tier 3 – Employee benefits 11.4 Staff paper: Tier 3 – Revenue/Income (preliminary discussion) 11.4.1 Supporting documents: Detailed requirements of income pronouncements from other standard setters
November 2021	The Board decided to include the following proposals in the Discussion Paper (DP) on Tier 3 reporting requirements for not-for-profit (NFP) private sector entities. *Primary financial statements* Tier 3 reporting requirements should require an entity to present: (a) a statement of financial position; (b) a statement of profit or loss and other comprehensive income; and (c) a statement of cash flows that: (i) covers both cash and cash equivalents; (ii) reports cash flows from operating activities using only the direct method; and (iii) does not require cash flows from investing activities to be presented to cash flows from financing activities. The Board decided to seek stakeholder feedback through the DP as to whether other possible simplifications to the statement of cash flows should be considered, such as whether all cash flows should be presented net of Goods and Services Tax (GST). The Board decided not to form a view for the DP as to whether a statement of changes in equity should be required as part of Tier 3 reporting requirements. The Board observed that while not requiring a statement of changes in equity may be a proportionate response in recognition of the lower-level differential reporting tier, the statement can be useful to some stakeholders in assessing the integrity of the financial statements. Therefore, the DP will seek view on whether the statement of changes in equity should be required. Recognising the broad characteristics of the entities in the scope of Tier 3, the Board decided to propose in the DP to replicate the Tier 2 requirements for the information presented on the face of the primary financial statements supplemented by guidance or education material. *Leases* The Board decided to propose, for the purpose of the DP, that Tier 3 reporting requirements for leases (other than concessionary leases) should require a lessee (lessor) to: (a) recognise lease payments as an expense (income), supplemented by disclosure of information about the entity's lease commitments; and

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	(b) measure the lease expense (income) on a straight-line basis over the lease term, unless another systemic basis is more representative of the time pattern of the user's benefit. 7.1 Cover memo: Project update 7.2 Staff paper: Tier 3 – primary financial statements 7.3 Staff paper: Tier 3 – leases
September 2021	The Board considered proposals to include in a Discussion Paper (DP) on the Financial Reporting Framework in respect of entities determining their accounting policies under Tier 3 reporting requirements. The Board decided to propose that entities in scope of Tier 3 should apply the requirements of a higher tier of Australian Accounting Standards in full for transactions not covered by the Tier 3 reporting requirements. Where transactions are also not covered in Tier 1 or Tier 2 requirements, judgement would be required to determine an accounting policy. Entity management would need to consider the applicability of the following sources, in descending order: (a) The principles and requirements in Tier 3 reporting requirements dealing with similar and related transactions or event; and (b) the definitions, recognition criteria and measurement concepts for assets, liabilities, income and expenses in the Conceptual Framework, to the extent they do not conflict with the Tier 3 reporting requirements. The Board decided to include in the DP for stakeholder feedback the following options on applying higher-tier requirements for topics or transactions that are covered by Tier 3 requirements: (a) allow application of an accounting policy set out in a higher tier for any topic; or (b) allow application of a higher-tier accounting policy only for specific topics permitted by the Board, or (c) prohibit application of an accounting policy set out in a higher tier. 12.1 Staff paper: Application of accounting policies for omitted topics and application of higher tier requirements
August 2021	The Board decided to specify that the primary objective in developing Tier 3 reporting requirements is to develop simplified financial reporting requirements that meet the needs of users of financial statements of smaller not-for-profit (NFP) entities. To recognise that comparability considerations do not conflict with this primary objective, the Board agreed to amend one of the principles against which it will form its views on Tier 3 reporting requirements – to be included in a Discussion Paper (DP) – to read as follows: • where possible, leverage the information management uses to make decisions about the entity's operations. The ability to leverage the information management uses is made within the context of the NFP conceptual framework, user needs and cost/benefit considerations, and the aim for comparability within Tier 3 reporting requirements. The Board decided to propose, for the purpose of the DP: • permitting Tier 3 entities to change accounting policies voluntarily if the change results in financial statements providing more reliable and relevant information

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	about the effects of transactions, other events or conditions on the entity's financial position, financial performance or cash flows; and • requiring a limited retrospective approach for accounting for changes in accounting policies (both voluntary changes, and required changes where no specific transition requirements apply) and for corrections of errors. The limited retrospective approach recognises the cumulative effects on prior periods in the current period's opening retained earnings, without restating the comparative period(s). The Board supported the revised project timeline, with publication of the DP expected in the second half of 2022 4.1 Cover memo: Primary objective and staff analysis and recommendations on topics to be included in Tier 3 discussion paper 4.2 Staff paper: Primary objective of setting Tier 3 4.3 Staff paper: Change in accounting policies and correction of errors
June 2021	The Board discussed whether the primary objective of Tier 3 reporting requirements should be to simplify accounting requirements or to facilitate comparability between Tier 3 NFP private sector entities, and the interaction of such primary objective with the Board's principles for developing the proposed Tier 3 requirements. The Board did not form a view and directed staff to perform further work in this regard. The Board decided to propose developing Tier 3 reporting requirements as a single stand-alone pronouncement that will: (a) be drafted in simple language using terminology tailored to NFP private sector entities of the size contemplated by the Board for Tier 3 entities (revenue between $500,000 and $3 million); (b) have minimal cross-referencing to requirements of other Australian Accounting Standards; (c) include a simple Basis for Conclusions; and (d) include application guidance, implementation guidance and template financial statements. The Board also decided to address maintenance of the proposed pronouncement after forming its preliminary views on Tier 3 reporting requirements. The Board observed that an entity of the Tier 3 size contemplated by the Board should be able to prepare Tier 1 or Tier 2 general purpose financial statements, if it elects to do so. The Board also decided to consider at a future meeting whether to permit an entity to apply the reporting requirements of a higher tier in other cases, such as for a class of transactions or where a topic or guidance is not included in the Tier 3 reporting requirements. The Board decided not to make any amendments to the 'control' principle set out in AASB 10 Consolidated Financial Statements for Tier 3 reporting requirements. The Board noted that a forthcoming post-implementation review of Appendix E of AASB 10 is expected to address the application of this principle for NFP entities. Consequently, the Board decided not to develop any specific guidance or criteria on identifying controlled entities as part of the Tier 3 reporting requirements. However, on consideration of the potentially significant effort that might be incurred by Tier 3 entities in identifying controlled entities, the Board decided to allow a NFP

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	private sector entity presenting Tier 3 general purpose financial statements the choice of presenting either: (a) consolidated financial statements that consolidate all of its controlled entities, as specified by AASB 10; or (b) separate financial statements as its only financial statements. In addition, where an entity presents separate financial statements as its only financial statements, the Board formed a tentative view that disclosure of the entity's 'significant relationships' should be required, to provide users of the financial statements with information on the other entities that could significantly affect the entity's future financial position or performance. The Board intends to further discuss a definition of 'significant relationships'. The Board will consider the accounting for investments in associates and joint ventures in consolidated financial statements and the accounting for investments in subsidiaries, associates and joint ventures in separate financial statements at a future meeting. The Board confirmed its previous decisions not to specify any reporting thresholds as part of this project (and to clarify the implications of this decision for entities in the discussion paper as far as possible) and that Tier 1 and Tier 2 reporting requirements of the NFP private sector differential reporting framework should comprise the respective Tier 1 and Tier 2 reporting requirements currently set out in Australian Accounting Standards 3.1 Cover memo: Staff analysis and recommendation on certain topics to be included in Tier 3 discussion paper 3.2 Staff paper: Setting of Tier 3 reporting requirements in the context of Australian Accounting Standards 3.3 Tier 3 reporting control and related entities
April 2021	The Board decided that a discussion paper on a possible differential financial reporting framework for not-for-profit (NFP private sector entities will propose: • The withdrawal of SAC 1 *Definition of the Reporting Entity for NFP* private sector entities, and the amendment of AASB 1054 *Application of Tiers of Australian Accounting Standards,* to remove the option for such entities to prepare special purpose financial statements; and • That subject to due processes, these steps should take effect concurrently with: i. Stage 1 of the Board's updated Revised Conceptual Framework for NFP Framework for NPF entities – to avoid simultaneous application of two different concepts of a 'reporting entity' by the same entities; and ii. The Board's differential reporting requirements for NPF private sector entities – to make Tier 3 reporting requirements available immediately, where applicable, for those entities preparing general purpose financial statements for the first time. • In the discussion paper, the Board will also consult on the cross-cutting issues that could result in NFP modifications of its Revised Conceptual Framework, such as: a) which parties should be identified as the primary users of general purpose financial reports of NPF private sector entities; and b) whether the objective of general purpose financial reporting by NFP sector entities should give greater emphasis to stewardship (or accountability).

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	The Board decided to develop its proposals on Tier 3 accounting requirements having regard to 'user needs' and 'cost/benefit' as overarching principles, and having regard to balances and transactions commonly undertaken by NFP private sector entities with revenues between $500,000 and $3 million. This size indication provides the Board with an indicative boundary for identifying common transactions and forming views on requirements applying to Tier 3 financial statements, but is not intended to identify or limit the entities that might prepare Tier 3 general purpose financial statements in the future. The Board decided on the following principles, against which it will form its views on Tier 3 accounting requirements, for inclusion in a discussion paper: a) the development of Tier 3 reporting requirements is subject to the AASB *Not for-Profit Entity Standard-Setting Framework*; b) Tier 3 financial statements are general purpose financial statements. As such, Tier 3 financial statements provide useful information to users of the financial statements; c) consistency with the accounting principles specified by Tier 2: Australian Accounting Standards – Simplified Disclosures is desirable, but might not always be warranted, since Tier 3 requirements are being developed as a proportionate response to the costs incurred by certain entities whilst meeting the needs of users of the financial statements for the cohort of entities. For example, opportunities for deviation from Tier 2 accounting principles that could give a similar outcome to users while reflecting an appropriate cost/benefit balance could include disclosure requirements instead of a Tier 2 measurement requirement or an approach of specifying minimum 'prescriptive' disclosures; d) where possible within the context of its conceptual framework and user needs and cost/benefit considerations, in developing accounting requirements the aim is to maximise leveraging information that management uses to make decisions about the entity's operations; and e) accounting requirements do not impose disproportionate costs to preparers, when compared to benefits of the information. In forming its views on Tier 3 reporting requirements, the Board decided it would consider, and be informed by, reporting requirements of other jurisdictions applying to similar-sized NPF private sector entities, including New Zealand. The Board intends to evaluate its future decisions on Tier 3 reporting requirements against its conceptual framework and the similarity of the proposals to existing AASB reporting requirements and New Zealand's Tier 3 reporting requirements. 3.1 SAC 1 for NFP entities and principles for Tier 3 reporting requirements 3.2 Scope of the NFP FRF discussion paper 3.3 Principles for Tier 3 reporting requirements
February 2021	The Board made the following tentative decisions for future consultation on a possible differential financial reporting framework for not-for-profit (NFP) private sector entities:

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	• the existing two tiers of reporting requirements (Tier 1 and Tier 2) would continue to be available for NFP private sector entities preparing general purpose financial statements; • develop a further reporting tier ('Tier 3') in response to stakeholder concerns that Tier 2 reporting requirements are not proportionate for certain NFP private sector entities, including those which might no longer be able to prepare special purpose financial statements should the Board decide to remove the 'reporting entity' definition currently applicable to NFP entities; and • not to specify application thresholds for the tiers, but directed staff to engage with regulators on how their requirements for entities to prepare financial statements in accordance with Australian Accounting Standards or otherwise would interact with future financial reporting requirements to ensure clarity in the future consultation document. The Board also tentatively decided not to include any service performance reporting proposals in this consultation document, subject to clear communication of how it would address this topic and feedback from relevant regulators on the interaction of this decision with their priorities. The Board reiterated that it considers reporting of service performance information useful to users of the financial statements of NFP private sector entities but acknowledged that complexities in developing proposals in this regard might disproportionately delay progress on the differential reporting framework. The Board will consider proposals for Tier 3 reporting requirements for the consultation document at future meetings. 5.1 Cover memo-Scope of the public consultation document 5.2 Possible differential reporting Tiers for not-for-profit private sector entities 5.3 Applicability of the different tiers to not-for-profit private sector entities 5.4 Scope of NFP FRF project – Service Performance Reporting
November 2020	The Board noted further feedback from the initial targeted consultations and decided to develop a Consultation Paper. The Board emphasised the importance and urgency of the financial reporting issues and will review the project timeline after considering the scope of a working draft of the Consultation Paper at the February 2021 Board meeting, including whether service performance information reporting should be included in the Consultation Paper. 3.1 Summary of initial targeted consultation and next steps
September 2020	The Board noted the feedback from the initial targeted consultations with stakeholders, including issues raised on the scope and nature of the initial design of the framework based on the New Zealand Tier 3 and Tier 4 Standards for not-for-profit private sector entities: Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) and Public Benefit Entity Simple Format Reporting – Cash (Not-For-Profit). The Board asked staff to continue with the targeted consultations with stakeholders to further inform the Board's deliberations on the next steps at a future meeting. 5.1 Summary of initial targeted consultation and key matters identified

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November 2019	**Project plan** The Board approved an updated project plan. 5.1 Project Plan – NFP Private Sector Financial Reporting Framework **Disclosure of Compliance with R&M in SPFS of Not-for-Profit Private Sector Entities** The Board finalised requirements for not-for-profit private sector entities preparing and lodging special purpose financial statements (SPFS) with ASIC and ACNC – and other entities complying with AASB 1054 – to disclose information regarding compliance with the recognition and measurement (R&M) requirements in Australian Accounting Standards by making AASB 2019-4 *Amendments to Australian Accounting Standards – Disclosure in Special Purpose Financial Statements of Not-for-Profit Private Sector Entities on Compliance with Recognition and Measurement Requirements*. AASB 2019-4 applies to annual reporting periods ending on or after **30 June 2020**.
September 2019	**Disclosure of Compliance with R&M in SPFS - AASB 1054 (ED 293)** The Board decided: (a) NFP entities required by legislation or otherwise to comply with AASB 1054 *Australian Additional Disclosures*, such as medium and large charities with revenue greater than $250,000, registered with the Australian Charities and Not-for-profits Commission (ACNC) and companies limited by guarantee lodging financial reports with ASIC will be required to make the disclosures about compliance with recognition and measurement (R&M) requirements of Australian Accounting Standards (AAS) in their special purpose financial statements (SPFS) for annual reporting periods ending on or after 30 June 2020. The Board noted the ACNC expressed support for increased transparency of the financial reporting in the sector. Also, the work is on-going to consider further changes to the financial reporting framework for NFP entities. (b) for each material disclosed accounting policy disclose whether it does not comply with AAS R&M requirements or the compliance has not been assessed. (c) on the basis of the assessment in (b), disclosure is made as to whether overall the AAS R&M requirements are complied with (no instances of non-compliance or non-assessment), not complied with (1 or more instances of non-compliance) or not assessed (1 or more instances of non-assessment). Where there is known non-compliance an indication of the non-compliance should be disclosed. (d) disclosure of compliance with the R&M requirements in AAS excludes consolidation and the equity method of accounting as these are the subject of separate disclosures; (e) relief from determining whether or not its interests in other entities give rise to interests in subsidiaries, associates or joint ventures is only available where there is no legislative requirement to make this determination; and

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	(f) the proposed implementation guidance and illustrative examples in ED 293 will be updated to reflect the above decisions. The Board noted its amended proposals do not require more information than the NFP entities already provide, as they may indicate they have not made an assessment of compliance with AAS R&M. The Board acknowledged that there is less clarity in SPFS R&M requirements for charities and the new disclosures provide appropriate information for users without undue cost to preparers. Although the scope of the proposals has been limited to NFP entities, the Board decided that a fatal-flaw review version for public comment was not required as the proposals are less onerous. 18.1 Staff Paper: AASB 1054 – Disclosure of Compliance with R&M in SPFS – Revised
February 2019	The Board noted that State and Territory consumer protection agencies are supportive of working with the Board and other not-for-profit (NFP) regulators on the issue of simplifying financial reporting in the NFP private sector.
November 2018	The Board welcomed ACNC Commissioner Dr Gary Johns to the meeting. The Board and Dr Johns agreed on the importance of consistent and appropriate external reporting for NFP private sector entities (including non-ACNC regulated entities). The Board will begin consulting with a wide range of stakeholders on the reporting framework options for the NFP private sector.
August 2018	**The impact of the AASB's revised Conceptual Framework proposals on not-for-profit private sector entities** The Board decided to issue a frequently asked question (FAQ) to help charities, companies limited by guarantee, incorporated associations, cooperatives and other not-for-profit private sector (NFP) entities understand the impact of the proposals in AASB's Consultation Paper ITC 39. The FAQ will outline the Board's expectation that it will, in consultation with the Australian Charities and Not-for-profits Commission's (ACNC) and state and territory regulators, explore three tiers of reporting for NFP entities; each with consistent, comparable and transparent reporting requirements – dependent on recommendations from the recent ACNC legislative review. It will explain how special purpose financial statements (SPFS) are expected to be replaced for NFP entities with reporting requirements that are proportionate, fair and balance user needs with costs to preparers as outlined below: (a) Bottom tier – most likely be cash accounting, with a statement of resources and commitments (for ACNC NFP's voluntary basis only, supporting completion of the Annual Information Statement); (b) Middle tier either Tier 2 General Purpose Financial Statements (GPFS) [full recognition and measurement with simplified disclosure] or a modified accrual framework [simplified recognition, measurement and disclosure]; and (c) Top tier –either Tier 1 [full recognition, measurement and disclosure] or Tier 2 GPFS framework (depending on where the middle tier lands).

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	The Board also decided to explore the possibility of putting NFP thresholds and requirements into the existing AASB 1053 Application of Tiers of Australian Accounting Standards. This would ensure that all NFPs required by legislation or otherwise to prepare financial statements in accordance with Australian Accounting Standards would prepare comparable, consistent and transparent financial statements using the Bottom, Middle or Top tiering requirements. The FAQ will also explain that the Board will perform extensive consultation on a broader range of proposals for NFPs compared to what was contained in ITC 39. In addition to looking at the three tiers of reporting, the Board will be looking at service performance reporting (also known as impact reporting), remuneration reporting, fundraising and related party disclosures. Transitional relief for NFP entities would also be explored at that time. The Board noted that NFP entities could still assist with the proposals in ITC 39 by providing feedback on whether they prefer the existing Tier 2 GPFS framework – Reduced Disclosure Requirements or the newly proposed Tier 2 GPFS framework – Specified Disclosure Requirements for the Top or Middle tiers. This will help to inform the AASB which option they should pursue in further consultation.
December 2017	The Board will provide the summary of the feedback from the outreach sessions held in November regarding the financial reporting framework for charities to the ACNC legislative review. 8.0 Cover Memo – Financial Reporting Framework 8.1 Staff Collation of Feedback from Outreach Sessions – Improving the financial reporting framework for Australian charities The Board approved the project plan for considering the financial reporting framework for public sector entities, with minor amendments. The Board also supported a field work proposal from an academic research group as the research may help inform decisions about the reporting framework. 8.2 Project plan for the Financial Reporting Framework for public sector entities 8.3 Staff Paper – Research Project Facilitation
October 2017	The Board noted the Consultation Paper is to assist charities to provide input to the legislative review of the ACNC, commencing 3 December 2017. Accordingly regulators including the ACNC and relevant State regulators will be engaged to participate in the consultation process. The Board is particularly interested in consulting with users of charity financial statements. 7.0 Cover Memo Australian Financial Reporting Framework 7.1 AASB Research Report No X Financial Reporting Requirements for Charities – an Intranational and International Comparison [WORKING DRAFT]

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August 2017	**Australian Financial Reporting Framework – Draft Research Report on Charities** Staff provided a progress report on the AASB Research Report on financial reporting requirements for charities. The Board decided the research to date was sufficient as a basis for identifying (a) issues with the current reporting framework in Australia for charities and (b) the findings and implications from the research relevant to improving the reporting framework. Accordingly, the Board decided the Research Report (together with an executive summary) should be published as soon as possible. The Research Report will provide a context for the subsequent Consultation Paper on possible options for improving the financial reporting framework applicable to charities registered with the Australian Charities and Not-for-profits Commission (ACNC), an early draft of which was also discussed by the Board (see below). **Australian Financial Reporting Framework – Draft Consultation Paper on Charities** In relation to the Consultation Paper referred to above, the Board decided: (a) the Paper should clearly explain the basis for considering changing the current financial reporting framework for charities and the respective roles of the AASB and regulators in developing a revised framework; (b) to issue the Paper to enable adequate input into the legislative review of the ACNC, which is due to commence in December; and (c) key stakeholders should be engaged early in the process, with outreach planned jointly with the ACNC to discuss possible options for improving the framework. The Board and the ACNC Commissioner, Susan Pascoe, agreed the ACNC should have significant input into the Paper. **4.0** Cover Memo Australian Financial Reporting Framework **4.1** WORKING DRAFT AASB Research Report No. X Financial Reporting Requirements for Charities – an Intranational and International Comparison
June 2017	The Board noted progress on the staff's NFP benchmarking report "*Reporting Requirements for Not-for-Profit Entities – An International Comparison*" as well as a revised plan for the project. A consultative document will also be developed to facilitate discussions on reporting thresholds and requirements for not-for-profit entities. **6.0** Staff Paper: Not-for-profit private sector benchmarking report
May 2017	The Board considered an updated project plan. In particular, staff will work in conjunction with other key regulatory bodies and stakeholders to determine user needs for information and to consider the costs and benefits of the financial reporting requirements for all Australian entities. Extensive research work, including comparing the existing reporting requirements with other jurisdictions, and consultation activities are underway to better understand and assess the criteria for determining (a) which entities are required to prepare general purpose financial reports and (b) the reporting requirements applicable to entities.

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June 2016	7.1 Staff Paper: Australian Financial Reporting Framework Staff outlined the continuing development of benchmarking reports regarding financial reporting requirements for for-profit and not-for-profit entities in the private and public sectors. These reports will provide a basis for further consultation with regulators and other stakeholders. 7.0 Cover memo – Australian Financial Reporting Framework 7.2 Updated project plan
April 2016	Staff outlined the continuing work to develop benchmarking reports regarding financial reporting requirements for for-profit and not-for-profit entities in the private and public sectors. These reports will support further consultation with regulators and other stakeholders. No decisions were made.
February 2016	The Board supported the general view expressed at roundtables held in January that there is scope for improving the application of financial reporting requirements for not-for-profit entities in the private and public sectors. The roundtables discussed many aspects, including reporting thresholds and the possibility of adding a third tier of reporting requirements. Summaries of the roundtable discussions will be published on the AASB website. The Board noted the importance of ongoing consultation with a broad range of stakeholders as the project progresses. No decisions were made. 9.0 Memorandum – Financial Reporting Framework 9.3 Extracts from the Final Report of the Royal Commission into Trade Union Governance and Corruption relating to financial reporting by trade unions
December 2015	The Board received an update on the project addressing the Australian financial reporting framework in terms of which entities should prepare and lodge general purpose financial statements and the content of such financial statements. No decisions were made. 7.1 Staff Paper – Financial Reporting Framework
May 2015	The Board supported the project to reconsider the Australian financial reporting framework in terms of which entities should prepare financial statements and the content of those financial statements. The Board noted the project plan, which raises the possibility of a third tier of reporting requirements for the not-for-profit sector. 11.1 Memorandum – Financial Reporting Framework 11.2 Project Plan