Australian Accounting Standards Board

Preliminary Assessment for Impact Analysis Purposes – AASB 18 *Presentation and Disclosure in Financial Statements*

Background

Australian Accounting Standards consist of two tiers of reporting requirements for preparing general purpose financial statements (GPFS):

(a) Tier 1: Australian Accounting Standards; and

(b) Tier 2: Australian Accounting Standards – Simplified Disclosures (for annual periods beginning on or after 1 July 2021).[1]

Under the Australian Accounting Standards, for-profit private sector entities with public accountability[2] and a legislative requirement to prepare financial statements must prepare Tier 1 GPFS. Other entities, including those without public accountability, are also permitted to prepare Tier 1 GPFS as those are the highest-standard financial statements.

Tier 1 GPFS that comply with Australian Accounting Standards thereby automatically also comply with IFRS Accounting Standards. That is the fundamental basis for the adoption of the international accounting Standards in Australia since 2005, which has been supported through to the present day.

Entities that do not have public accountability and are not otherwise required to prepare Tier 1 GPFS can prepare Tier 2 GPFS under a simplified disclosure regime. Tier 2 GPFS are prepared using the same accounting recognition and measurement requirements as Tier 1 GPFS. However, Tier 2 GPFS do not comply with IFRS Accounting Standards because they contain reduced disclosures.

Question 1: What is the problem you are trying to solve?

There has been a strong demand from stakeholders for improved reporting in financial statements of an entity's financial performance because existing standards do not have sufficiently detailed presentation requirements, which leads to diversity in practice.

The AASB intends to finalise and issue proposed Australian Accounting Standard AASB 18 *Presentation and Disclosure in Financial Statements*, a new Australian Accounting Standard aimed at improving how entities communicate information in their financial statements. AASB 18 would be the Australian equivalent of IFRS 18 *Presentation and Disclosure in Financial Statements,* which was issued by the International Accounting Standards Board (IASB) in April 2024.

The Standard responds to investor demands for better information about entities' financial performance. A new Standard was required because existing Accounting Standards do not have detailed requirements for:

1 AASB 1053 *Application of Tiers of Australian Accounting Standards*

2 Appendix A of AASB 1053 states: "an entity has public accountability if:
(a) its debt or equity instruments are traded in a public market or it is in the process of issuing such instruments for trading in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets); or
(b) it holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses."

- where to classify income and expenses in the statement of profit or loss (also referred to as the 'income statement');
- what subtotals to present above 'profit or loss' in the statement of profit or loss; or
- how to group the information to be presented in the primary financial statements or the information to be disclosed in the notes. 'Primary financial statements' comprise the statement(s) of financial performance, the statement of financial position (also referred to as the 'balance sheet'), the statement of changes in equity and the statement of cash flows.

The IASB received strong feedback from stakeholders (including Australian entities) that the lack of detailed requirements leads to diversity in practice. Entities define their own subtotals and performance measures and group items in their own ways. Investors said that this diversity makes it difficult to analyse and compare entities' performance.

Prior to the issue of any new requirements and during the consultation phase of any project, the IASB goes through a comprehensive due process to seek feedback from stakeholders. As part of the AASB's due process on IASB projects, the AASB seeks feedback from Australian stakeholders. More information on who the AASB consulted with is included in the response to Question 5: Who did you consult about these options and how did you consult them? below.

In response to the IASB's request for stakeholder feedback, and after considering the feedback from Australian stakeholders, the AASB expressed support for the IASB's proposed new requirements, which the AASB considered would provide enhanced comparability for users of financial statements. The AASB did have some concerns with the proposals, however, most of the AASB's significant concerns were addressed by the IASB in finalising IFRS 18.

Question 2: Why is government action needed?

The AASB must issue AASB 18, the Australian equivalent of IFRS 18, to comply with the broad strategic direction received from the Financial Reporting Council and meet one of the AASB's stated Strategic Objectives. The issue of AASB 18 also responds to investor concerns and aims to improve reporting on an entity's financial performance.

Application of International Financial Reporting Standards (IFRS Accounting Standards) in Australia

The AASB received a broad strategic direction from the Financial Reporting Council (FRC) in December 2002 to incorporate IFRS Accounting Standards into Australian Accounting Standards to be applied from 2005.[3] Issuing AASB 18 is consistent with the broad strategic direction to adopt IASB Standards for Corporations Act entities and otherwise to harmonise Australian Accounting Standards with standards issued by the IASB unless such standards are considered not to be in the best interests of the Australian public and private sector. The AASB also has a key performance indicator (KPI) for issuing IASB-equivalent Standards within two months of the release of the IFRS Accounting Standard for for-profit entities.[4]

The finalisation and issue of AASB 18 is also consistent with AASB Strategic Objective 1, which is to "develop, issue and maintain principles-based, Australian accounting and reporting standards and guidance that meet the needs of external report users (including financial reports) and are capable

3 The broad strategic direction was clarified in April 2003.
4 See page 32 of the *Australian Accounting Standards Board and Auditing and Assurance Standards Board Corporate Plan 2023–2024*.

of being assured and enforced. For 'publicly accountable' entities maintain IFRS[5] compliance; for others, use IFRS Standards (where they exist), and transaction neutrality (modified as necessary), or develop Australian-specific standards and guidance."[6]

The *AASB For-Profit Entity Standard-Setting Framework* and the *AASB Not-for-Profit Entity Standard-Setting Framework* are also founded on the principle of transaction neutrality[7] and note that IFRS Accounting Standards should be a starting point for accounting standards in Australia except where modifications are justified. The standard-setting frameworks set out the matters for the AASB to consider when determining whether an IFRS Accounting Standard might not be in the best interests of the Australian public and private sectors and when modifications might be justified.

The AASB is expected to decide on the making of AASB 18 in early June 2024. Once made, the Standard would be registered on the Federal Register of Legislation as a legislative instrument, to give it legal effect under the Corporations Act.

Enhanced comparability for users of financial statements

The IASB developed IFRS 18 to help entities improve how they communicate financial performance in the statement of profit or loss to investors. Better information will contribute to efficient and resilient capital markets by enabling investors to make better decisions.

In response to the diversity noted above earlier, IFRS 18 aims to improve financial reporting by:

- requiring additional defined subtotals in the statement of profit or loss;
- requiring disclosures about management-defined performance measures; and
- adding new principles for grouping (aggregation and disaggregation) of information.

Adding defined subtotals to the statement of profit or loss makes it easier to compare entities' financial performance both between entities and between reporting periods. It also provides a consistent starting point for investors' analysis.

Measures defined by management are useful to investors. Therefore, requiring companies to disclose information about how those measures are calculated and why they are used increases discipline over their use and transparency about their calculation. It also helps investors better understand how management defines the entity's performance and how those performance measures compare with measures defined in the accounting standards.

Setting out requirements on whether information should be in the primary financial statements or the notes to the financial statements and providing principles on the level of detail needed improves effective communication of information. If information is appropriately grouped (aggregated or disaggregated) in the financial statements, it is more useful to investors.

5 International Financial Reporting Standards Foundation
6 AASB and AUASB Strategy
7 Transaction neutrality means that like transactions and events are accounted for in a like manner by all types of entities, reflecting their economic substance, unless there is a justifiable reason not to do so. The *AASB Not-for-Profit Entity Standard-Setting Framework* sets out circumstances where it may be appropriate to use a different approach for not-for-profit entities versus for-profit entities.

It is expected that the new requirements will enable investors to make more informed decisions, leading to better allocations of capital that will contribute to longer-term financial stability.

Question 3: What policy options did you consider?

As noted above, the AASB follows its framework when determining whether an IFRS Accounting Standard might not be in the best interest of the Australian public and private sectors and when modifications to an IFRS Accounting Standard might be justified.

Prior to finalising IFRS 18, the IASB issued a consultation document for public comment in December 2019. The AASB issued the IASB's consultation document in January 2020, with the addition of some Australian-specific material and questions for our stakeholders. The Australian consultation document was Exposure Draft ED 298 *General Presentation and Disclosures*.

Based on the feedback received from Australian stakeholders on ED 298 and the changes made by the IASB in finalising IFRS 18, the AASB has been able to give preliminary consideration to the suitability of IFRS 18 for all types of entities preparing Tier 1 GPFS.

Application of AASB 18 to entities that are not preparing Tier 1 GPFS

Whilst most concerns relating to the proposals in ED 298 have been addressed by the IASB in the final version of IFRS 18 and more guidance has been provided on some matters, some concerns raised by entities without public accountability, including not-for-profit and public sector entities, may remain. As such, the AASB intends to commence further outreach on applying AASB 18 with stakeholders in the not-for-profit private sector, the public sector and stakeholders representing superannuation entities as soon as feasible. Subject to the outcomes of this outreach, the AASB may determine that modifications to AASB 18 are required for application by entities preparing Tier 2 GPFS. Any future modifications to the Standard suggested by the AASB will be subject to a further due process, including exposing the proposals for public comment.

The AASB considered the following options:

Option 1: Finalise and issue AASB 18 without delay (i.e. in June 2024) and consider any modifications required for entities other than those preparing Tier 1 GPFS later, but prior to the mandatory application of AASB 18. Australian-specific issues and amendments would be considered as soon as feasible.

Under option 1, entities preparing Tier 1 GPFS, including entities with public accountability, will continue to be able to state compliance with IFRS Accounting Standards. The Standard would also be available for early adoption.

Whilst the Standard would not be mandatory until annual periods beginning on or after 1 January 2027,[8] the timely issue would enable entities to start considering any system and process changes that may be required to capture the information needed to comply with the new presentation and disclosure requirements early, so that comparative information in the first year of application can be presented on the same basis as the first-year information. Entities would also be able to begin to consider training and education of internal and external stakeholders. Issuing the Standard without delay will provide entities with the longest possible implementation period to prepare for the application of the new requirements.

8 This is the same as the application date of IFRS 18.

Option 1 would also allow the AASB to meet its objective of issuing IASB-equivalent Standards within two months of their issue by the IASB.

Option 1 would not allow the AASB to consider whether modifications to IFRS 18 may be justified for application in Australia prior to AASB 18 being issued. However, as noted above, the AASB intends to conduct further outreach with stakeholders representing entities other than those preparing Tier 1 GPFS as soon as feasible and will complete this outreach prior to these entities being required to apply the Standard. Such entities will be aware of this process and have the opportunity to participate.

Option 2: Delay the finalisation and issue of AASB 18 until the AASB has had sufficient time to consider whether modifications to IFRS 18 are justified for entities other than those preparing Tier 1 GPFS.

Under option 2, the AASB would not meet its objective of issuing IASB-equivalent Standards within two months of their issue by the IASB. To meet this objective strictly, AASB 18 needs to be finalised and issued by 9 June 2024. Under option 2, the Standard would also not be immediately available for voluntary earlier application.

However, this option would allow the AASB to consider whether modifications to IFRS 18 for entities other than those preparing Tier 1 GPFS are justified by conducting further outreach with stakeholders. This option would ensure that AASB 18, when issued, can be applied by all entities complying with Australian Accounting Standards.

Provided the Standard was issued prior to 1 January 2027, entities preparing Tier 1 GPFS, including entities with public accountability, would continue to able to state compliance with IFRS Accounting Standards under Option 2.

However, if the finalisation and issue of the Standard is delayed, entities would have less time to consider any system and process changes that may be required to capture the information needed to comply with the new presentation and disclosure requirements. Entities would also have less time to consider training and education of internal and external stakeholders.

Option 3: Do not adopt IFRS 18 in Australia.

This option would result in non-compliance of Australian Accounting Standards with the IFRS Accounting Standards and, therefore, was not further considered by the Board, given the primacy of the FRC's strategic direction.

Question 4: What is the likely net benefit of each option?

As part of its due process, the IASB prepares an Effects Analysis document for any major new Standard.[9] The IASB's Effects Analysis is mainly a qualitative rather than quantitative evaluation of the expected effects of IFRS 18. This is because the IASB considers quantifying costs and, particularly, benefits to be a subjective and difficult process. Further, as the actual effects cannot be known until after the new requirements are applied, the actual effects will be evaluated during the IASB's subsequent Post-implementation Review process, which typically would occur some years after the application of the IFRS Standard.

9 IFRS 18 Effects Analysis

The effects of the new requirements will vary depending on an entity's existing presentation and disclosure practices and the nature of its business activities. Entities are more likely to be affected if their current classification of items differs significantly from the new IFRS 18 requirements or if the entity continues to disclose subtotals outside the financial statements that are no longer permitted in the financial statements.

At a high level, the main changes are that the new Standard requires:

- changes in the presentation and disclosure of information. For example, in the statement of profit or loss, entities will need to report two newly defined subtotals (operating profit and profit before financing and income taxes) based on a new set of requirements for classifying income and expenses into categories;
- in the notes, entities will need to disclose information about any 'management-defined performance measures' (MPMs), which are subtotals of income and expenses used in public communications to communicate management's view of an aspect of the entity's financial performance; and
- grouping items in both the primary financial statements and the notes, based on enhanced requirements for the aggregation and disaggregation of information.

Having regard to the possible effects as set out in the IASB's Effects Analysis and the existing regulatory framework in Australia, the following is a summary of the main areas where the AASB expects some increase in costs may arise and of the expected benefits.

<u>Transition and implementation costs</u>

Changes to systems, processes and policies

Broadly, implementing new presentation and disclosure requirements may increase costs for affected entities. The significance of the increase depends on the entities' current systems and the granularity of the information being currently reported.

For example, preparers may need to change their internal processes and adapt their accounting systems to comply with the new requirements if their current processes and systems do not capture the required information. These additional costs are expected to occur only on transition to the new requirements. Once the new requirements have been applied it is not anticipated that any significant additional or ongoing costs would be incurred as a result of the Standard.

At a more granular level entities may incur implementation costs to comply with specific elements of the new Standard, such as changing the financial statement presentation of some of their expenses to comply with the new guidance on classification of expenses in categories.

If an entity needs to change how information is presented in it's financial statements, some costs will likely be incurred. An entity may also incur costs if currently it only discloses limited information about some expenses. However, the new Standard includes some measures intended to mitigate costs. For example, an entity reporting expenses by function is only required to disclose five specified expenses by nature in the notes (depreciation, amortisation, employee benefits, impairment losses and write-downs of inventory costs). Further, the amount disclosed for the five specified expenses does not need to be the amount recognised as an expense during the period. This simplification was introduced in response to stakeholder concerns that being required to determine amounts recognised only as an expense for disclosure purposes could be costly.

It is expected that most entities will incur implementation costs to develop internal policies and processes to apply the new principles of aggregation and disaggregation of information presented in the financial statements.

It is expected that all entities will incur at least some additional costs whether they are preparing the financial statements using new template/s or whether they are updating models, agreements or benchmarks to reflect the new presentation requirements. There may also be additional audit costs, particularly in the first year as the auditors ensure compliance with the new requirements. The extent of these costs will depend on the facts and circumstances of the entity. For example, the new requirements could require remapping of the existing accounting system to present information differently in the financial statements or an entity may need to update their accounting system to capture more granular information for presentation and disclosure purposes. Other stakeholders such as users, auditors and regulators may also incur minor incremental costs in the year of implementation as they adjust their practices for presentation and disclosure requirements.

Disclosures for MPMs

The new Standard requires entities to disclose information about management-defined performance measures (MPMs) within the financial statements.

Entities that already communicate MPMs may incur some costs to implement the new requirements if they do not currently provide all the required disclosures. However, given there is existing guidance on the reporting of MPMs that do not comply with the requirements of Australian Accounting Standards, these new disclosures are not expected to be onerous.[10] ASIC Regulatory Guide 230 *Disclosing non-IFRS financial information* provides guidance to directors and preparers of financial reports on the use of financial information presented other than in accordance with accounting standards inside and outside of financial statements. A number of similarities exist between the requirements of the new Standard and RG 230.

The new Standard will require entities to disclose the income tax effect of each reconciling item disclosed in the MPM reconciliation. It will also need to disclose the effect on non-controlling interests for each reconciling item. This will give rise to some costs; however, the Standard includes a simplified calculation for determining the income tax effect of each reconciling item which is intended to mitigate the costs and ensure that no undue costs are incurred.

On balance, even if an entity already provides the required information in relation to MPMs, it is likely there will be some incremental costs to have the information audited as currently this information is generally presented outside the financial statements and is therefore not subject to audit. Other stakeholders such as users and regulators may also incur incremental costs in the year of implementation as they adjust to new MPM disclosures. However, given the existing regulatory requirements in Australia, these possible costs are not expected to be significant.

Changes to the Statement of Cash Flows

Entities that use the indirect method of reporting cash flows from operating activities may incur some additional costs as a result of the new Standard as they will be required to use operating profit as the starting point for reporting cash flows from operating activities. The quantum of costs will depend on the extent to which the entity prepares the statement of cash flows

10 In Australia, these measures are generally referred to as non-IFRS information.

automatically using information in the accounting system or prepares the statement manually. However, such costs are likely to be minor.

Education and communication

It is expected that costs will be incurred educating those involved in preparing and using financial statements that will comply with the new requirements. This will include preparers, auditors, business advisors, financial statement users including analysts, shareholders and financiers, financial statement software developers and regulators.

As some of the new requirements might also affect employee remuneration and other contracts that refer to specific financial performance metrics, there may be additional costs incurred in educating stakeholders or renegotiating contracts/agreements to reflect the new requirements. Such costs are not expected to be significant.

Ongoing costs

It is expected that most costs related to the new Standard will be one-time implementation costs. However, any ongoing costs are expected to decrease gradually or be eliminated as new systems are implemented and processes and procedures become embedded in an entity’s ordinary business practice.

Expected benefits

As summarised above, the new requirements will improve the quality of financial reporting by:

- providing investors with additional useful information about entities’ financial performance;
- improving investors’ ability to compare performance between entities and between reporting periods for the same entity; and
- improving transparency to help investors understand how management defines the entity’s own performance measures and how those performance measures compare with measures defined by Australian Accounting Standards.

These improvements will enable investors to make more informed decisions leading to better allocations of capital that will contribute to market confidence and long-term financial stability.

Options that were considered

Option 1: Finalise and issue AASB 18 without delay (i.e. in June 2024) and consider any modifications required for entities other than those preparing Tier 1 GPFS later, but prior to the mandatory application of AASB 18. Australian-specific issues and amendments would be considered as soon as feasible.

This option would result in the AASB meeting its stated KPI of issuing IFRS-equivalent Standards within two months of their issue by the IASB. This option would also ensure there is no doubt about the IFRS compliance status for publicly accountable, for-profit private sector entities preparing Tier 1 GPFS in accordance with Australian Accounting Standards. The Standard would be available for voluntary early adoption, which would permit entities to adopt the improvements to financial reporting earlier and to report consistency with the requirements of AASB 18.

This option would result in stakeholders having the longest possible implementation period to make necessary system updates, upskill staff and stakeholders and provide education as needed, which would spread any additional costs over a longer period of time, thus reducing any increase in costs in a single financial reporting period.

The Option 1 approach is considered to have greater net benefits than Option 2 as it permits all entities to see the requirements well in advance of the mandatory application date, and to adopt them as early as appropriate for an entity. The AASB would also address the need for any modifications for not-for-profit entities, public sector entities, superannuation entities and entities preparing Tier 2 GPFS in time for a suitable implementation period for such entities where they chose not to adopt the requirements earlier.

Option 2: Delay the finalisation and issue of AASB 18 until the AASB has had sufficient time to consider whether modifications to IFRS 18 are justified for entities other than those preparing Tier 1 GPFS.

This option would not result in the AASB meeting its stated KPI of issuing IFRS-equivalent Standards within two months of their issue by the IASB. This may affect the confidence of capital markets in Australia's IFRS-compliant status, notwithstanding that the Standard would still be issued in time for the mandatory application date as set out in IFRS 18.

Delaying the finalisation and issue of the Standard would prevent entities from being able to early adopt all of the requirements or to refer to compliance with AASB 18.

Conducting additional due process in regard to the application of the Standard to entities other than those preparing Tier 1 GPFS would reduce any concerns about how the Standard will affect them as it would clarify the ultimate requirements for them. However, this option would reduce the preparation and implementation time available to all entities as the new Standard would be finalised and issued only at a much later date than under Option 1.

Option 3: Do not issue AASB 18

Whilst this option would result in no direct additional effort, time or costs, it would be inconsistent with the FRC's broad strategic direction, AASB Strategic Objective 1, the standard-setting frameworks and the AASB's previous practice of issuing Australian-equivalents of all IASB Standards (with Australian modifications where needed). The AASB does however expect there would be a consequential cost to capital markets if Australia were no longer an IFRS compliant jurisdiction and entities such as those with publicly accountability were no longer able to state compliance with IFRS Accounting Standards in their financial statements when they complied with Australian Accounting Standards. This would be regarded as a major problem.

Question 5: Who did you consult about these options and how did you consult them?

Due process when developing accounting standards

The development of an IFRS Accounting Standard begins with the IASB, which follows a thorough, open, participatory, and transparent due process. As part of that due process, the IASB engages with investors, regulators, businesses and the global accountancy profession at every stage. The AASB and Australian stakeholders are active participants in the IASB's due process as each new IFRS Standard is developed.

The AASB's focus – and that of other Australian stakeholders – is on contributing to the IASB's due process so that any domestic concerns with an IASB proposal can be addressed by the IASB when it finalises the IFRS Standard. The AASB is still considering whether modifications from the requirements of IFRS 18 are justified to address any domestic concerns relating to entities other than those preparing Tier 1 GPFS.

In order to obtain Australian stakeholder views on an IASB proposal, the AASB issues consultative documents, conducts roundtables, receives formal and informal feedback and, where appropriate, engages directly with the IASB to provide feedback from Australian stakeholders.

The IASB's proposals preceding IFRS 18 were issued for public comment in December 2019. The AASB issued the same proposals in Australia in January 2020 in Exposure Draft ED 298. The initial comment period was subsequently extended to 15 August 2020, when the IASB extended its comment deadline.

Between January and October 2020, the IASB and staff participated in 139 events with stakeholders from various jurisdictions globally and met with 32 individuals or groups of investors to discuss feedback on the IASB's Exposure Draft. The AASB hosted some of these events, ensuring feedback from Australian stakeholders was heard. From October to December 2022, the IASB sought feedback on selected changes to proposed requirements in the Exposure Draft. The IASB and others, including the AASB, organised discussions with stakeholders to obtain their views on these changes to the proposed requirements in the Exposure Draft.[11]

In developing its views on the proposals, the AASB consulted with the AASB's User Advisory Committee, comprising a range of primary users of financial statements, hosted two webinars seeking feedback on the proposals, with participation from over 130 stakeholders, consulted with the AASB's Disclosure Initiative Project Advisory Panel, which comprises subject matter experts across a range of stakeholder groups, received three formal comment letters from stakeholders and conducted other targeted consultation with key stakeholders, such as other regulators in Australia.

As noted above there are some possible concerns for not-for-profit private sector entities, public sector entities and superannuation entities and the AASB intends to commence outreach with these stakeholders as soon as feasible. This will inform whether any modifications to AASB 18 are justified for these entities.

Question 6: What is the best option from those you have considered?

The AASB considered the adoption of IFRS 18 at its November 2023 meeting and decided that option 1 was most appropriate.[12]

This option will provide stakeholders with the most time to prepare for the implementation of the new requirements. This option also ensures that IFRS compliance is maintained for publicly accountable, for-profit private sector entities, and will give the AASB sufficient time to consider the need for any domestic amendments for application by other entities.

11 IFRS 18 Feedback Statement
12 See Agenda Paper 8.1 to the November 2023 AASB meeting and meeting minutes.

Question 7: How will you implement and evaluate your chosen option?

The AASB's chosen option would be implemented through the making of the new Standard AASB 18 *Presentation and Disclosure in Financial Statements* in June 2024. Consequential amendments would also be required to amend other Australian Accounting Standards to give effect to AASB 18, and these amendments would be made at the same time.

To support the implementation of the Standard, the AASB will hold education sessions. These sessions would address the main requirements of the new Standard and enable stakeholders to ask questions. These sessions would be hosted by AASB staff but would be presented by IASB staff. The IASB has also started to issue other materials to support implementation, such as summaries and explanatory guides. This material will also be made available to Australian stakeholders.

The AASB will commence further outreach as soon as feasible on applying AASB 18 with stakeholders in the not-for-profit private sector, the public sector, and superannuation entities. Subject to the outcomes of this outreach, the AASB may consider making modifications to AASB 18 for application by these entities, and any amendments would be issued in due course. The AASB would complete this process prior to AASB 18's mandatory effective date of annual reporting periods beginning on or after 1 January 2027.

The AASB will provide additional educational material to ensure relevant entities and stakeholders are aware of and understand the amendments and their potential effect on the financial statements of not-for-profit entities, public sector entities and superannuation entities.

The IASB and the AASB carry out post-implementation reviews of Standards after they have been applied for several years. This permits the Boards to assess whether amendments to the Standards are required to further improve financial reporting requirements.