



Heads Up

Amendments to AASB 1053 – Transition to and between Tiers, and related Tier 2 Disclosure Requirements

Contents

External links

“In summary”

The AASB has issued AASB 2014-2 Amendments to AASB 1053 – *Transition to and between Tiers, and related Tier 2 Disclosure Requirements*. The AASB has issued this amending standard as a result of AASB 1 *First-time Adoption of Australian Accounting Standards* amendments previously issued as part of the Annual Improvements 2009-2011 Cycle that have implications for AASB 1053 *Application of Tiers of Australian Accounting Standards*.

AASB 2014-2 aims to:

- clarify that AASB 1053 applies to general purpose financial statements only;
- makes AASB 1053 consistent with AASB 1, which contains the option to apply Australian Accounting Standards retrospectively in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*;
- clarify circumstances in which entities that transition between Tiers can apply the AASB 108 option in AASB 1; and
- specify disclosure requirements when an entity resumes the application of Tier 2 reporting requirements by applying AASB 1 or the AASB 108 option, as appropriate.

AASB 2014-2 also included a table of common transition examples as an appendix to assist entities in determining the applicable reporting requirements.

Effective date

AASB 2014-2 applies to annual reporting periods beginning on or after 1 July 2014, with early adoption permitted.

New or changed guidance

The option to apply AASB 1 or AASB 108 depends on what reporting requirements were applied in the entity’s most recent previous financial statements and whether it contained a statement of compliance with the relevant Tiers of reporting requirements.

Application of AASB 2014-2

Current reporting period	Reporting framework applied in the most recent previous financial statements	Extent of application of recognition and measurement requirements in the most recent previous financial statements*	Statement of compliance in the most recent previous financial statements	Applicable transition requirement in the current period	Reference to the accounting standard
Transition to Tier 1 reporting requirements	Special Purpose Financial Statements (SPFS)	Recognition and measurement requirements of Australian Accounting Standards (AAS) applied or not applied	N/A	<ul style="list-style-type: none"> Apply all the requirements of AASB 1 	AASB 1053. 18
	Tier 2 reporting requirements	All recognition and measurement requirements of AAS applied	N/A	<ul style="list-style-type: none"> Apply AASB 1, if it is claiming compliance with IFRSs; and shall not apply AASB 1, if it is a not-for-profit entity not claiming compliance with IFRS 	AASB 1053.21
Transition to Tier 2 reporting requirements	SPFS	Recognition and measurement requirements of AAS not applied or selectively applied	N/A	<ul style="list-style-type: none"> Apply all requirements of AASB 1; or apply Tier 2 requirements retrospectively in accordance with AASB 108 	AASB 1053.18A(a)
	SPFS	All recognition and measurement requirements of AAS applied	N/A	<ul style="list-style-type: none"> Shall not apply AASB 1 and continues to apply the recognition and measurement requirements 	AASB 1053.18A(b)
Resumption of Tier 1 reporting requirement	Tier 2 reporting requirements or SPFS	All recognition and measurement requirements of AAS applied	Did not contain an explicit and unreserved statement of compliance with Tier 1 reporting requirements or IFRSs	<ul style="list-style-type: none"> Apply all requirements of AASB 1; or apply Tier 1 requirements retrospectively in accordance with AASB 108¹ 	AASB 1053.19

Current reporting period	Reporting framework applied in the most recent previous financial statements	Extent of application of recognition and measurement requirements in the most recent previous financial statements*	Statement of compliance in the most recent previous financial statements	Applicable transition requirement in the current period	Reference to the accounting standard
	Tier 2 reporting requirements or SPFS	Recognition and measurement requirements of AAS not applied or selectively applied	Did not contain an explicit and unreserved statement of compliance with Tier 1 reporting requirements or IFRSs	<ul style="list-style-type: none"> Apply all requirements of AASB 1; or apply Tier 1 requirements retrospectively in accordance with AASB 108¹ 	AASB 1053.19
Resumption of Tier 2 reporting requirement	SPFS	Did not apply all recognition and measurement requirements of AAS	Did not contain an explicit and unreserved statement of compliance with Tier 2 reporting requirements	<ul style="list-style-type: none"> Apply all requirements of AASB 1; or apply Tier 2 requirements retrospectively in accordance with AASB 108 	AASB 1053.19B(d)
	Tier 1 or SPFS	Applying all recognition and measurement requirements of AAS	Did not contain an explicit and unreserved statement of compliance with Tier 2 reporting requirements	<ul style="list-style-type: none"> Shall not apply AASB 1 or the AASB 1 option for retrospective application in accordance with AASB 108² 	AASB 1053.19B(e)

* Most recent previous reporting period refers to the period immediately before an entity transitioned to the relevant Tiers of reporting requirement in the current year

¹ An entity that is to claim IFRS compliance on resuming Tier 1 reporting requirements under paragraph 19, shall not use the AASB 1 option for retrospective application of AAS in accordance with AASB 108 if it was not previously IFRS compliant.

² Entity shall disclose the reason it stopped applying Tier 2 reporting requirements; and the reason it is resuming the application of Tier 2 reporting requirements.

External links

- [*AASB Media Release*](#)
- [*AASB 2014-2 'Amendments to AASB 1053 – Transition to and between Tiers, and related Tier 2 Disclosure Requirements*](#)

This publication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms, or their related entities (collectively the "Deloitte Network") is, by means of this publication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. No entity in the Deloitte Network shall be responsible for any loss whatsoever sustained by any person who relies on this publication.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/au/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

About Deloitte

Deloitte provides audit, tax, consulting, and financial advisory services to public and private clients spanning multiple industries. With a globally connected network of member firms in more than 150 countries, Deloitte brings world-class capabilities and deep local expertise to help clients succeed wherever they operate. Deloitte's approximately 170,000 professionals are committed to becoming the standard of excellence.

About Deloitte Australia

In Australia, the member firm is the Australian partnership of Deloitte Touche Tohmatsu. As one of Australia's leading professional services firms, Deloitte Touche Tohmatsu and its affiliates provide audit, tax, consulting, and financial advisory services through approximately 5,700 people across the country. Focused on the creation of value and growth, and known as an employer of choice for innovative human resources programs, we are dedicated to helping our clients and our people excel. For more information, please visit Deloitte's web site at www.deloitte.com.au.

Liability limited by a scheme approved under Professional Standards Legislation.
Member of Deloitte Touche Tohmatsu Limited