



What's new in the December 2015 financial reporting cycle?

The information on this page has been updated for developments as at 1 November 2015.

The analysis below provides a high level overview of new and revised financial reporting requirements that need to be considered for financial reporting periods ending on 31 December 2015. Entities can use this listing to perform a quick check that all the new financial reporting requirements have been fully considered as part of their December reporting close process.

The information below is organised as follows:

- [Key considerations for financial reporting at 31 December 2015](#)
- [Tables of new and revised accounting pronouncements](#), categorised as follows:
 - [New and revised Standards](#)
 - [New and revised domestic Standards](#)
 - [New Amending Standards](#)
 - [Interpretations](#)
 - [Pronouncements approved by the IASB/IFRIC where an equivalent pronouncement has not been issued by the AASB](#)
 - [Corporations Act 2001 developments](#)
 - [Other developments](#).

Key considerations for financial reporting at 31 December 2015

The last 12-18 months have been relatively quiet in terms of amending Standards and new Interpretations that have become mandatorily effective for the first time. This trend continues in the current year with the next wave of major changes not expected until 2018/19. We recommend entities use this time to consider the impact to their financial statements of the major changes that are coming which also have significant disclosure consequences. In light of the recommendations coming out of the disclosure initiative, in particular, around only disclosing material information and tailoring the structure of the notes, we also encourage entities to assess whether the existing disclosures in their financial statements are as clear and relevant as they could be.

The key new and amended reporting requirements that must be applied for the first time this year include:

- Annual Improvements 2010-2012 and 2011-13 Cycles:
 - AASB 2014-1 *Amendments to Australian Accounting Standards Part A – Annual Improvements 2010-2012 and 2011-2013 Cycles* makes various amendments to Australian Accounting Standards. Most notably, items that will impact disclosure requirements under AASB 8 *Operating Segments*, AASB 119 *Employee Benefits*, and AASB 124 *Related Party Disclosure*.
- Defined Benefit Plans: Employee Contributions (Amendments to AASB 119):
 - AASB 2014-1 *Amendments to Australian Accounting Standards Part B* clarifies accounting treatment in relation to contributions which are independent to years of service.

Some of the Australian-specific and other related factors that need to be considered in the current reporting season:

- **New IASB pronouncements** – the IASB has issued new standards on revenue and financial instruments that form the basis of the 'next big wave' of pronouncements, which will mandatorily apply from 1 January 2018. Further pronouncements are expected on lease accounting and insurance contracts although they are not expected to be mandatory until at least 1 January 2019. There may be some changes for which early adoption would be attractive. In addition, to the extent pronouncements have been issued prior to finalising the financial report, entities claiming full compliance with IFRSs in their financial statements will need to include the relevant AASB 101 disclosures about accounting standards on issue but not applied in their financial reports. Analysts and other stakeholders may also request more in-depth information about the impacts of the changes. More information can be found on our [IAS Plus website](#).
- **Corporate Governance Principles and Recommendations** – In March 2014, the ASX Corporate Governance Council released the **Third edition of its Corporate Governance Principles and Recommendations**, effective for financial years commencing on or after 1 July 2014. The new edition reflects developments in corporate governance which aim to elevate sustainability risks and disclosures, which is consistent with an increasing global focus on sustainability reporting and disclosures. The new edition includes a new recommendation 7.4 that deals with sustainability risks as follows: "A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages those risks or intends to manage those risks." The ASX governance-related listing rules have also been updated for the same period.

What are the new and revised accounting pronouncements for December 2015?

Note, this publication assumes that an entity will apply the final and complete version of AASB 9 *Financial Instruments* in full, rather than adopting AASB 9 in a piecemeal fashion. Earlier versions of AASB 9 (and related amending Standards) may still be adopted where the initial application date is before 1 February 2015. Refer the previous version of *What's New in the June 2015 financial reporting cycle?* for details.

Snapshot of the mandatory and optional requirements for December 2015 reporting periods

Full A-IFRS: Mandatory for December 2015 full year ends	
AASB 1055	Budgetary Reporting
AASB 2013-1	Amendments to AASB 1049 – Relocation of Budgetary Reporting Requirements
AASB 2014-1 (Part A)	Amendments to Australian Accounting Standards – Annual Improvements 2010-2012 and 2011-2013 Cycles
AASB 2014-1 (Part B)	Amendments to Australian Accounting Standards – Defined Benefit Plans: Employee Contributions (Amendments to AASB 119)
AASB 2014-1 (Part C)	Amendments to Australian Accounting Standards – Materiality
AASB 2014-2	Amendments to AASB 1053 – Transition to and between Tiers, and related Tier 2 Disclosure Requirements

Full A-IFRS: Optional for December 2015 full year ends	
AASB 9	Financial Instruments
AASB 14	Regulatory Deferral Accounts
AASB 15	Revenue from Contracts with Customers
AASB 1056	Superannuation Entities
AASB 2010-7	Amendments to Australian Accounting Standards arising from AASB 9
AASB 2014-1 (Part D)	Amendments to Australian Accounting Standards – Consequential Amendments arising from AASB 14 Regulatory Deferral Accounts
AASB 2014-1 (Part E)	Amendments to Australian Accounting Standards – Financial Instruments
AASB 2014-3	Amendments to Australian Accounting Standards – Accounting for Acquisitions if Interests in Joint Operations
AASB 2014-4	Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation
AASB 2014-5	Amendments to Australian Accounting Standards arising from AASB 15
AASB 2014-6	Amendments to Australian Accounting Standards – Agriculture: Bearer Plants
AASB 2104-7	Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)
AASB 2014-9	Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements
AASB 2014-10	Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate
AASB 2015-1	Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014
AASB 2015-2	Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101
AASB 2015-3	Amendments to Australian Accounting Standards arising from Withdrawal of AASB 1031 Materiality
AASB 2015-4	Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent
AASB 2015-5	Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception
AASB 2015-6	Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Non-for-Profit Public Sector Entities
AASB 2015-7	Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities
AASB 2015-8	Amendments to Australian Accounting Standards – Effective Date of AASB 15

Full A-IFRS: Mandatory for December 2015 half year ends (June 2016 full year ends)	
AASB 2015-3	Amendments to Australian Accounting Standards arising from Withdrawal of AASB 1031 Materiality
AASB 2015-4	Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent

Full A-IFRS: Optional for December 2015 half year ends (June 2016 full year ends)	
AASB 9	Financial Instruments
AASB 14	Regulatory Deferral Accounts
AASB 15	Revenue from Contracts with Customers
AASB 1056	Superannuation Entities
AASB 2014-1 (Part E)	Amendments to Australian Accounting Standards – Financial Instruments
AASB 2014-3	Amendments to Australian Accounting Standards – Accounting for Acquisitions if Interests in Joint Operations
AASB 2014-4	Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation
AASB 2014-5	Amendments to Australian Accounting Standards arising from AASB 15
AASB 2014-6	Amendments to Australian Accounting Standards – Agriculture: Bearer Plants
AASB 2104-7	Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)
AASB 2014-9	Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements
AASB 2014-10	Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate
AASB 2015-1	Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014
AASB 2015-2	Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101
AASB 2015-5	Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception
AASB 2015-6	Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Non-for-Profit Public Sector Entities
AASB 2015-7	Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities
AASB 2015-8	Amendments to Australian Accounting Standards – Effective Date of AASB 15

Reduced Disclosure Requirements (RDRs) – Mandatory for December 2015 full year ends	
AASB 2014-2	Amendments to AASB 1053 – Transition to and between Tiers, and related Tier 2 Disclosure Requirements

Note: The RDR regime may be adopted by eligible entities, but is not mandatory. When adopted the mandatory standards applicable for full A-IFRS (as noted above) are also applicable although with reduced disclosures as specified in the standards.

Reduced Disclosure Requirements (RDRs) – Optional for December 2015 full year ends**

AASB 2014-5	Amendments to Australian Accounting Standards arising from AASB 15*
AASB 2014-9	Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements
AASB 2015-2	Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101
AASB 2015-5	Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception

* AASB 15 should be adopted at the same time in order to adopt AASB 2014-5.

** All standards that are optional under full A-IFRS as noted above may also be applied, although with reduced disclosures as specified in the standards.

The pronouncements listed in the snapshot above, are discussed in further detail in this document below.

The tables below outline the new and revised pronouncements that are to be applied for the first time at 31 December 2015, or which may be early adopted at that date.

In the majority of cases, the disclosure requirements of the pronouncements listed in the tables below would not be applicable to half-year financial reports. However, where relevant, the recognition and measurement requirements of any relevant pronouncements would be applied where those pronouncements have been adopted by the entity.

As occurs so often with changes to accounting standards and financial reporting requirements, some of the new or revised pronouncements listed in the tables below may have a substantial impact on particular entities. Therefore, it is important that the pronouncements listed are carefully reviewed for any potential impacts or opportunities.

Where early adoption is being contemplated, it is important to address any necessary procedural requirements, e.g. for entities reporting under the *Corporations Act 2001*, appropriate director's resolutions for early adoption must be made under s.334(5). Disclosure in the financial statements must also be addressed.

In addition, the disclosure requirements required in relation to new and revised accounting pronouncements need to be carefully considered even where they have not yet been adopted.

New and revised Standards

New or revised requirement	When effective	31 December 2015 applicability		More information
		Full years	Half years	
<p>AASB 9 <i>Financial Instruments, AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010), AASB 2014-1 Amendments to Australian Accounting Standards [Part E – Financial Instruments], AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)</i></p> <p>The final version of AASB 9 brings together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace AASB 139 <i>Financial Instruments: Recognition and Measurement</i>. The Standard carries over the existing derecognition requirements from AASB 139 but all other areas of AASB 139 have been revised.</p> <p>AASB 9 introduces new requirements for classifying and measuring financial assets as follows:</p> <ul style="list-style-type: none"> • Debt instruments meeting both a 'business model' test and a 'cash flow characteristics' test are measured at amortised cost (the use of fair value is optional in some limited circumstances); • Investments in equity instruments not held for trading can be designated as 'fair value through other comprehensive income' with only dividends being recognised in profit or loss; • All other instruments (including all derivatives) are measured at fair value with changes recognised in the profit or loss; and • The concept of 'embedded derivatives' does not apply to financial assets within the scope of the Standard and the entire instrument must be classified and measured in accordance with the above guidelines. <p>The revised financial liability provisions maintain the existing amortised cost measurement basis for most liabilities. New requirements apply where an entity chooses to measure a liability at fair value through</p>	<p>Applies on a modified retrospective basis to annual periods beginning on or after 1 January 2018[^]</p>	<p>Optional[^]</p>	<p>Optional[^]</p>	<p>IFRS in Focus (Nov 2009)</p> <p>IFRS in Focus (Nov 2010)</p> <p>IFRS in Focus (Nov 2013)</p> <p>IFRS in Focus (July 2014)</p>

New or revised requirement	When effective	31 December 2015 applicability		More information
		Full years	Half years	
<p>profit and loss – in these cases, the portion of the change in fair value related to changes in fair value related to changes in the entity's own credit risk is presented in other comprehensive income rather than within profit or loss.</p> <p>A new hedge accounting model has been put in place that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures. However, some transition options exist that allow entities to essentially retain AASB 139 hedge accounting.</p> <p>A new impairment model based on expected credit losses will apply to debt instruments measured at amortised costs or FVTOCI, lease receivables, contract assets and written loan commitments and financial guarantee contracts. The loan loss allowance will be for either 12-month expected losses or lifetime expected losses. The latter applies if credit risk has increased significantly since initial recognition of the financial instrument.</p> <p><i>^ Note: this publication assumes that an entity will apply the final and complete version of AASB 9 in full, rather than adopting AASB 9 in a piecemeal fashion. Earlier versions of AASB 9 (and related amending Standards) may still be adopted where the initial application date is before 1 February 2015. Refer the previous version of What's New in the June 2015 financial reporting cycle?</i></p>				

New or revised requirement	When effective	31 December 2015 applicability		More information
		Full years	Half years	
<p>AASB 14 <i>Regulatory Deferral Accounts</i>, AASB 2014-1 <i>Amendment to Australian Accounting Standards</i> [Part D – Consequential Amendments arising from AASB 14 <i>Regulatory Deferral Accounts</i>]</p> <p>Permits an entity to continue to account for regulatory deferral account balances in its financial statements in accordance with its previous GAAP when it adopts Australian Accounting Standards.</p> <p>AASB 2014-1 Part D makes consequential amendments arising from issuance of AASB 14.</p> <p><i>Note: An entity that is not a first-time adopter of Australian Accounting Standards will not apply AASB 14.</i></p>	<p>Applicable to annual reporting periods beginning on or after 1 January 2016</p>	<p>Optional <i>(for first-time adopters)</i></p>	<p>Optional <i>(for first-time adopters)</i></p>	<p>IFRS in Focus (Jan 2014)</p>
<p>AASB 15 <i>Revenue from Contracts with Customers</i>, AASB 2014-5 <i>Amendments to Australian Accounting Standards arising from AASB 15</i>, AASB 2015-8 <i>Amendments to Australian Accounting Standards – Effective Date of AASB 15</i></p> <p>AASB 15 outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers; and replaces AASB 111 <i>Construction Contracts</i>, AASB 118 <i>Revenue</i>, Interpretation 13 <i>Customer Loyalty Programmes</i>, Interpretation 15 <i>Agreements for the Construction of Real Estate</i>, Interpretation 18 <i>Transfers of Assets from Customers</i>, and Interpretation 131 <i>Revenue-Barter Transactions Involving Advertising Services</i>.</p> <p>The core principle is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.</p>	<p>Applicable to annual reporting periods beginning on or after 1 January 2018</p>	<p>Optional</p>	<p>Optional</p>	<p>Deloitte IFRS 15 publications</p>

New or revised domestic Standards

New or revised requirement	When effective	31 December 2015 applicability		More information
		Full years	Half years	
<p>AASB 1055 <i>Budgetary Reporting, and AASB 2013-1 Amendments to AASB 1049 – Relocation of Budgetary Reporting Requirements</i></p> <p>AASB 1055 sets out budgetary reporting requirements for not-for-profit entities within the General Government Sector (GGS) of the Australian Government and State and Territory Governments, and, together with AASB 2013-1, relocates the corresponding budgetary reporting requirements for the whole of government and GGS of the Australian Government and State and Territory Governments from AASB 1049.</p> <p><i>Note: All budgetary reporting requirements applicable to public sector entities are now located in a single, topic-based, Standard AASB 1055 Budgetary Reporting.</i></p>	<p>Applies to annual reporting periods beginning on or after 1 July 2014</p>	<p>Mandatory</p>	<p>Already Implemented</p>	<p>AASB 1055 (PDF)</p> <p>AASB 2013-1 (PDF)</p>
<p>AASB 1056 <i>Superannuation Entities</i></p> <p>Replaces AAS 25 <i>Financial Reporting by Superannuation Plans</i> and updates the requirements applying to superannuation entities in light of recent significant developments in the industry and the adoption of IFRS in Australia.</p> <p>Applies to large superannuation entities regulated by the APRA and to public sector superannuation entities. (Note: AASB 1056 does not apply to SMSFs or small APRA funds.)</p>	<p>Applies to annual reporting periods beginning on or after 1 July 2016</p>	<p>Optional</p>	<p>Optional</p>	<p>AASB 1056 (PDF)</p>

New Amending Standards

The table below lists the Amending Standards that do not relate to the pronouncements listed in other tables.

New or revised requirement	When effective	31 December 2015 applicability		More information
		Full years	Half years	
<p>AASB 2014-1 Amendments to Australian Accounting Standards [Part A – Annual Improvements 2010-2012 and 2011-2013 Cycles]</p> <p>Part A makes various amendments to Australian Accounting Standards arising from the issuance by IASB of <i>IFRSs Annual Improvements to IFRS 2010- 2012 Cycle and Annual Improvements to IFRSs 2011-2013 Cycle</i>.</p> <p>Key amendments include:</p> <ul style="list-style-type: none"> • AASB 2 – definition of vesting condition; • AASB 3 – accounting for contingent consideration in a business combination; • AASB 8 – aggregation of operating segments and reconciliation of the total of the reportable segments' assets to the entity's assets; • AASB 13 – short-term receivables and payables; • AASB 116 – revaluation method: proportionate restatement of accumulated depreciation; • AASB 124 – key management personnel; • AASB 138 – revaluation method: proportionate restatement of accumulated amortisation; • AASB 1 – meaning of 'effective IFRSs'; • AASB 3 – scope exceptions for joint ventures; • AASB 13 – scope of paragraph 52 (portfolio exception); and • AASB 140 – clarifying the interrelationship between AASB 3 and AASB 140 when classifying property as investment property or owner occupied property. 	<p>Part A Applicable to annual reporting periods beginning on or after 1 July 2014</p>	<p>Mandatory</p>	<p>Already Implemented</p>	<p>IFRS in focus (2010-2012)</p> <p>IFRS in focus (2011-2013)</p>

New or revised requirement	When effective	31 December 2015 applicability		More information
		Full years	Half years	
<p>AASB 2014-1 Amendments to Australian Accounting Standards [Part B – Defined Benefit Plans: Employee Contributions (Amendments to AASB 119)]</p> <p>Narrow scope amendments to AASB 119 <i>Employee Benefits</i> apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.</p>	<p>Part B</p> <p>Applicable to annual reporting periods beginning on or after 1 July 2014</p>	Mandatory	Already Implemented	IFRS in Focus (Nov 2013)
<p>AASB 2014-1 Amendments to Australian Accounting Standards [Part C – Materiality]</p> <p>AASB 2014-1 Part C makes amendments to particular Australian Accounting Standards to delete references to AASB 1031.</p>	<p>Part C</p> <p>Applicable to annual reporting periods beginning on or after 1 July 2014</p>	Mandatory	Already Implemented	AASB 2014-1 (PDF)
<p>AASB 2014-2 Amendments to AASB 1053 – Transition to and between Tiers, and related Tier 2 Disclosure Requirements</p> <p>Amends AASB 1053 <i>Application of Tiers of Australian Accounting Standards</i> to clarify that AASB 1053 relates only to general purpose financial statements.</p> <p>Aims to make AASB 1053 consistent with AASB 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> option in AASB 1 <i>First-time Adoption of Australian Accounting Standards</i>; and clarify certain circumstances in which an entity applying Tier 2 reporting requirements can apply the AASB 108 option in AASB 1.</p> <p>Specifies certain disclosure requirements when an entity resumes the application of Tier 2 reporting requirements.</p>	<p>Applicable to annual reporting periods beginning on or after 1 July 2014</p>	Mandatory	Already implemented	AASB 2014-2 (PDF)

New or revised requirement	When effective	31 December 2015 applicability		More information
		Full years	Half years	
<p>AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations</p> <p>Amends AASB 11 <i>Joint Arrangements</i> to provide guidance on the accounting for acquisitions of interests in a joint operation where the operation constitutes a business.</p>	Applicable to annual reporting periods beginning on or after 1 January 2016	Optional	Optional	IFRS in Focus (May 2014)
<p>AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation</p> <p>Amends AASB 116 <i>Property, Plant and Equipment</i> and AASB 138 <i>Intangible Assets</i> to provide additional guidance on how the depreciation or amortisation of property, plant and equipment and intangible assets should be calculated.</p>	Applicable to annual reporting periods beginning on or after 1 January 2016	Optional	Optional	IFRS in Focus (May 2014)
<p>AASB 2014-6 Amendments to Australian Accounting Standards – Agriculture: Bearer Plants</p> <p>Specifies that biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with AASB 116 <i>Property, Plant, and Equipment</i>, instead of AASB 141 <i>Agriculture</i>.</p>	Applicable to annual reporting periods beginning on or after 1 January 2016	Optional	Optional	IFRS in Focus (June 2014)
<p>AASB 2014-9 Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements</p> <p>Amends AASB 127 <i>Separate Financial Statements</i>, to allow an entity to account for investments in subsidiaries, joint ventures and associates in its separate financial statements:</p> <ul style="list-style-type: none"> • at cost, • in accordance with AASB 9 <i>Financial Instruments</i>, or • using the equity method as described in AASB 128 <i>Investments in Associates and Joint Ventures</i>. <p>The accounting policy option must be applied for each category of investment.</p>	Applicable to annual reporting periods beginning on or after 1 January 2016	Optional	Optional	IFRS in Focus (Aug 2014)

New or revised requirement	When effective	31 December 2015 applicability		More information
		Full years	Half years	
<p>AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</p> <p>Addresses a conflict between the requirements of AASB 128 <i>Investments in Associates and Joint Ventures</i> and AASB 10 <i>Consolidated Financial Statements</i> and clarifies that in a transaction involving an associate or joint venture the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business.</p>	Applicable to annual reporting periods beginning on or after 1 January 2016	Optional	Optional	IFRS in Focus (Dec 2014)
<p>AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle</p> <p>Amends a number of pronouncements as a result of the IASB's 2012-2014 annual improvements cycle.</p> <p>Key amendments include:</p> <ul style="list-style-type: none"> • AASB 5 – Change in methods of disposal; • AASB 7 – Servicing contracts and applicability of the amendments to AASB 7 to condensed interim financial statements; • AASB 119 – Discount rate: regional market issue; and • AASB 134 – Disclosure of information 'elsewhere in the interim financial report'. 	Applicable to annual reporting periods beginning on or after 1 January 2016	Optional	Optional	IFRS in Focus (Sept 2014)
<p>AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101</p> <p>Amends AASB 101 <i>Presentation of Financial Statements</i> to provide clarification regarding the disclosure requirements in AASB 101.</p> <p>Includes narrow-focus amendments to address concerns about existing presentation and disclosure requirements and to ensure entities are able to use judgements when applying a Standard in determining what information to disclose in their financial statements.</p>	Applicable to annual reporting periods beginning on or after 1 January 2016	Optional	Optional	IFRS in Focus (Dec 2014)

New or revised requirement	When effective	31 December 2015 applicability		More information
		Full years	Half years	
<p>AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality</p> <p>Completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing that Standard to effectively be withdrawn.</p>	Applicable to annual reporting periods beginning on or after 1 July 2015	Optional	Mandatory	AASB 2015-3 (PDF)
<p>AASB 2015-4 Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent</p> <p>Amends AASB 128 <i>Investments in Associates and Joint Ventures</i> to align the relief available in AASB 10 <i>Consolidated Financial Statements</i> and AASB 128 in respect of the financial reporting requirements for Australian groups with a foreign parent.</p> <p>Amendments are made to AASB 128 to require that the ultimate Australian entity shall apply the equity method in accounting for interests in associates and joint ventures if either the entity or the group is a reporting entity, or both the entity and group are reporting entities.</p>	Applicable to annual reporting periods beginning on or after 1 July 2015	Optional	Mandatory	AASB 2015-4 (PDF)
<p>AASB 2015-5 Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception</p> <p>Amends AASB 10 <i>Consolidated Financial Statements</i>, AASB 12 <i>Disclosures of Interests in Other Entities</i> and AASB 128 <i>Investments in Associates and Joint Ventures</i>, to:</p> <ul style="list-style-type: none"> confirm that the exemption from preparing consolidated financial statements set out in paragraph 4(a) of AASB 10 is available to a parent entity that is a subsidiary of an investment entity; clarify the applicability of AASB 12 to the financial statements of an investment entity; and introduce relief in AASB 128 to permit a non-investment entity investor in an associate or joint venture that is an investment entity to retain the fair value through profit or loss measurement applied by the associate or joint venture to its subsidiaries. 	Applicable to annual reporting periods beginning on or after 1 January 2016	Optional	Optional	IFRS in Focus (Dec 2014)

New or revised requirement	When effective	31 December 2015 applicability		More information
		Full years	Half years	
<p>AASB 2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Non-for-Profit Public Sector Entities</p> <p>Extends the scope of AASB 124 to not-for-profit public sector entities. Implementation guidance is included to assist application of the Standard by not-for-profit public sector entities.</p>	Applicable to annual reporting periods beginning on or after 1 July 2016	Optional	Optional	AASB Media release (April 2015)
<p>AASB 2015-7 Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector</p> <p>Amends AASB 13 <i>Fair Value Measurement</i> to relieve not-for-profit public sector entities from certain disclosures applying to assets within the scope of AASB 16 <i>Property, Plant and Equipment</i> that are held primarily for their current service potential rather than to generate future net cash inflows.</p> <p>The relief is temporary pending the outcome of related current AASB projects.</p>	Applicable to annual reporting periods beginning on or after 1 July 2016	Optional	Optional	AASB Media release (July 2015)

New and revised Interpretations

At the date of publication, there are no new or revised Interpretations issued by the AASB.

Pronouncements approved by the IASB/IFRIC where an equivalent pronouncement has not been issued by the AASB

At the date of publication, there are no pronouncements approved by the AASB/IFRIC that have yet to be issued by the AASB.

Corporations Act 2001 developments

Development	When effective	More information
<p>Corporations Legislation Amendment (Deregulatory and Other Measures) Act 2015</p> <p>Amends some of the remuneration report requirements. The most significant amendments are:</p> <ul style="list-style-type: none">• limiting the requirement to prepare a remuneration report to only listed disclosing entities that are companies;• removing the requirement to disclose percentage value of remuneration consisting of options; and• removing the requirement to report the value of lapsed options and the percentage value of remuneration consisting of options, and replacing this with a requirement to disclose the number of lapsed options and the year in which the lapsed options were granted.	19 March 2015	Deloitte Heads Up (PDF)

Other developments

The following are other developments that may have direct or indirect impacts on financial reporting:

- ASIC focus areas for financial reporting - Consistent with prior periods the Australian Securities & Investments Commission (ASIC) is focused on the quality of financial reporting and disclosures that provide useful and meaningful information for investors and other users. ASIC continues to encourage preparers of financial reports to focus on the appropriateness of key accounting policy choices that can significantly affect reported results. ASIC also emphasised the importance of evaluating the need to impair goodwill and other assets. Key areas of focus for this financial season include:
 - accounting estimates – impairment testing and asset values;
 - accounting policy choices – off-balance sheet arrangements, revenue recognition, expense deferral and tax accounting; and
 - key disclosures – estimates and accounting policy judgements and impact of new revenue and financial instrument standard.
- In March 2014, The ASX Corporate Governance Council released the [Third edition of its Corporate Governance Principles and Recommendations](#), effective for financial years commencing on or after 1 July 2014. The new edition reflects developments in corporate governance which aim to elevate sustainability risks and disclosures, which is consistent with an increasing global focus on sustainability reporting and disclosures. The new edition includes a new recommendation 7.4 that deals with sustainability risks is as follows: “A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages those risks or intends to manage those risks.” The ASX governance-related listing rules have also been updated for the same period.
- In July 2015, the ASIC announced the results from a [review](#) of 31 December 2014 financial reports that covered 100 listed and other public interest entities. ASIC noted that their findings continue to relate to impairment of non-financial assets and inappropriate accounting treatments. ASIC has issued Information Sheet 203 *Impairment of non-financial assets: Materials for directors* to assist directors and audit committees in considering whether the value of non-financial assets shown in a company’s financial report continue to be supportable. Based on its findings, ASIC has made inquiries of entities in areas such as:
 - impairment testing and other asset values
 - off-balance sheet arrangements and business combinations
 - revenue recognition
 - tax accounting
 - non-IFRS financial information
 - treatment of expenses
 - estimates and accounting policy judgements.

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