

Accounting Standard

AASB 2007-2

February 2007

**Amendments to Australian
Accounting Standards
arising from AASB
Interpretation 12**

**[AASB 1, AASB 117, AASB 118,
AASB 120, AASB 121, AASB 127,
AASB 131 & AASB 139]**



Australian Government

**Australian Accounting
Standards Board**

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The Customer Service Officer
Australian Accounting Standards Board
Level 7
600 Bourke Street
Melbourne Victoria
AUSTRALIA

Postal address:
PO Box 204 Collins Street West
Victoria 8007
AUSTRALIA

Phone: (03) 9617 7637
Fax: (03) 9617 7608
E-mail: publications@aaasb.com.au
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Other Enquiries

Phone: (03) 9617 7600
Fax: (03) 9617 7608
E-mail: standard@aaasb.com.au

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Australian Accounting Standard AASB 2007-2 *Amendments to Australian Accounting Standards arising from AASB Interpretation 12* is set out in paragraphs 1 – 12. All the paragraphs have equal authority.

PREFACE

Standards Amended by AASB 2007-2

This Standard makes amendments to the following Australian Accounting Standards:

1. AASB 1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standards*;
2. AASB 117 *Leases*;
3. AASB 118 *Revenue*;
4. AASB 120 *Accounting for Government Grants and Disclosure of Government Assistance*;
5. AASB 121 *The Effects of Changes in Foreign Exchange Rates*;
6. AASB 127 *Consolidated and Separate Financial Statements*;
7. AASB 131 *Interests in Joint Ventures*; and
8. AASB 139 *Financial Instruments: Recognition and Measurement*.

Main Features of this Standard

Application Dates

The amendments to AASB 1 in relation to service concession arrangements apply to annual reporting periods beginning on or after 1 January 2008. Early adoption is required for an annual reporting period beginning on or after 1 January 2005 but before 1 January 2008 if AASB Interpretation 12 *Service Concession Arrangements*, which is the Australian equivalent of International Financial Reporting Interpretations Committee (IFRIC) Interpretation 12, is applied to the period.

The amendments to references to UIG Interpretations apply to annual reporting periods ending on or after 28 February 2007, and may be applied to annual reporting periods beginning on or after 1 January 2005 that end before 28 February 2007.

Main Requirements

Service Concession Arrangements

These amendments arise from the approval of AASB Interpretation 12 and are consistent with those made by IFRIC Interpretation 12 to International Financial Reporting Standards (IFRSs).

AASB 1 generally requires prior period information, presented as comparative information, to be restated as if the requirements of an AASB Interpretation had always applied. The change made by this Standard is to include in AASB 1 an optional exemption from these requirements that allows a first-time adopter to apply AASB Interpretation 12 to a service concession arrangement essentially from the start of the earliest period presented, if it is impracticable for the entity to apply the Interpretation retrospectively to that arrangement. The accounting required when the exemption is followed is set out in the transitional provisions in the Interpretation.

References to UIG Interpretations

This Standard also amends the definition of “Australian equivalents to IFRSs” in Appendix A (“Defined Terms”) to AASB 1 to refer generally to Interpretations issued by the AASB rather than to Urgent Issues Group (UIG) Interpretations.

Similarly, other references in AASB Standards to UIG Interpretations are amended to refer simply to Interpretations instead.

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The Australian Accounting Standards Board makes Accounting Standard AASB 2007-2 *Amendments to Australian Accounting Standards arising from AASB Interpretation 12* under section 334 of the *Corporations Act 2001*.

Dated 15 February 2007

D.G. Boymal
Chair – AASB

ACCOUNTING STANDARD AASB 2007-2

AMENDMENTS TO AUSTRALIAN ACCOUNTING STANDARDS ARISING FROM AASB INTERPRETATION 12

Objective

1. The objective of this Standard is to make amendments to:
 - (a) AASB 1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standards*;
 - (b) AASB 117 *Leases*;
 - (c) AASB 118 *Revenue*;
 - (d) AASB 120 *Accounting for Government Grants and Disclosure of Government Assistance*;
 - (e) AASB 121 *The Effects of Changes in Foreign Exchange Rates*;
 - (f) AASB 127 *Consolidated and Separate Financial Statements*;
 - (g) AASB 131 *Interests in Joint Ventures*; and
 - (h) AASB 139 *Financial Instruments: Recognition and Measurement*.

Application

2. **This Standard applies to:**
 - (a) **each entity that is required to prepare financial reports in accordance with Part 2M.3 of the Corporations Act and that is a reporting entity;**

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- (b) **general purpose financial reports of each other reporting entity; and**
 - (c) **financial reports that are, or are held out to be, general purpose financial reports.**
3. **This Standard applies to annual reporting periods beginning on or after 1 January 2008, except as specified in paragraph 9.**
 4. **If an entity applies AASB Interpretation 12 *Service Concession Arrangements*, identified in AASB 1048 *Interpretation and Application of Standards* as corresponding to IFRIC 12, to an annual reporting period beginning on or after 1 January 2005 but before 1 January 2008, this Standard shall be applied to that period.**

Service Concession Arrangement Amendments to AASB 1

5. Paragraph 9 of AASB 1 is amended to read as follows:
 - 9 The transitional provisions in other Australian equivalents to IFRSs apply to changes in accounting policies made by an entity that already uses Australian equivalents to IFRSs; they do not apply to a *first-time adopter's* transition to Australian equivalents to IFRSs, except as specified in paragraphs 25D, 25H, 34A and Aus34B.1.
6. In paragraph 12(a), the reference to paragraphs 13-25G is changed to 13-25H.
7. In paragraph 13, subparagraph (k) is amended to delete the word “and” at the end, subparagraph (l) is amended to replace the full stop at the end with “; and”, and subparagraph (m) is inserted to read as follows:
 - 13 An entity may elect to use one or more of the following exemptions:
 - ...
 - (m) a financial asset or an intangible asset accounted for in accordance with Interpretation 12 *Service Concession Arrangements*, identified in AASB 1048 *Interpretation and Application of Standards* as corresponding to IFRIC 12 (paragraph 25H).

8. After paragraph 25G, a new heading and paragraph 25H are inserted as follows:

Service Concession Arrangements

25H A first-time adopter may apply the transitional provisions in Interpretation 12 *Service Concession Arrangements*, identified in AASB 1048 as corresponding to IFRIC 12.

References to UIG Interpretations

9. The amendments in paragraphs 10 to 12 apply to annual reporting periods ending on or after 28 February 2007. They may be applied to annual reporting periods beginning on or after 1 January 2005 that end before 28 February 2007.
10. References to “UIG Interpretation” are amended to “Interpretation” in:
- (a) paragraphs 25E and 25F of AASB 1;
 - (b) paragraphs IG13, IG16, IG202, IG204 and IG205 and IG Example 202 in the Implementation Guidance accompanying AASB 1;
 - (c) footnote 1 to paragraph 10, footnote 2 to paragraph 33 and footnote 3 to paragraph 50 of AASB 117;
 - (d) footnote 1 to paragraph 9 and footnotes 2 and 3 to paragraph 20 of AASB 118;
 - (e) footnote 1 to the definition of “Government grants” in paragraph 3 of AASB 120;
 - (f) footnote 1 to paragraph 3 of AASB 121;
 - (g) footnote 2 to paragraph 13 of AASB 127;
 - (h) footnote 1 to paragraph 48 of AASB 131; and
 - (i) paragraph 15 of AASB 139.
11. References to “UIG Interpretations” are amended to “Australian Interpretations” in the first heading and the rubric preceding paragraph IG201 in the Implementation Guidance accompanying AASB 1.

Definition of “Australian equivalents to IFRSs”

12. Paragraph (b) of the definition of “Australian equivalents to IFRSs” in Appendix A (“Defined Terms”) to AASB 1 is amended to read as follows:

Australian equivalents to IFRSs comprise:

...

- (b) Interpretations issued by the AASB corresponding to the Interpretations adopted by the IASB, as listed in AASB 1048 *Interpretation and Application of Standards*.