

# **Explanatory Statement**

**Accounting Standard AASB 2009-4**  
***Amendments to Australian Accounting***  
***Standards arising from the Annual***  
***Improvements Project***

**May 2009**



**Australian Government**

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**Australian Accounting  
Standards Board**

## EXPLANATORY STATEMENT

### Standards Amended by AASB 2009-4

This Standard makes amendments to Australian Accounting Standards AASB 2 *Share-based Payment* and AASB 138 *Intangible Assets* and AASB Interpretations 9 *Reassessment of Embedded Derivatives* and 16 *Hedges of a Net Investment in a Foreign Operation*. These amendments are as a consequence of the annual improvements project.

The amendments result from proposals that were included in Exposure Draft ED 165 *Proposed Improvements to Australian Accounting Standards* issued in August 2008 and proposals included in ED 159 *Proposed Improvements to Australian Accounting Standards* issued in October 2007 and follow the issuance of the IASB Standard *Improvements to IFRSs* in April 2009. The IASB's annual improvements project provides a vehicle for making non-urgent but necessary amendments to Standards.

### Main Features of this Standard

#### Application Date

This Standard is applicable to annual reporting periods beginning on or after 1 July 2009, with early adoption permitted for annual reporting periods beginning on or after 1 January 2005 but before 1 July 2009.

The insertion of early adoption conditions in the individual Standards and Interpretations means that the amendments to each of those Standards and Interpretations can be applied separately from the amendments to the other Standards and Interpretations, provided the early adoption conditions in the particular Standard or Interpretation are satisfied.

#### Main Requirements

The subjects of the principal amendments to the Standards and Interpretations are set out below:

Australian Accounting Standard or Interpretation	Subject of amendment
AASB 2 <i>Share-based Payment</i>	Scope of AASB 2 and revised AASB 3
AASB 138 <i>Intangible Assets</i>	Additional consequential amendments arising from revised AASB 3

Australian Accounting Standard or Interpretation	Subject of amendment
	Measuring the fair value of an intangible asset acquired in a business combination
AASB Interpretation 9 <i>Reassessment of Embedded Derivatives</i>	Scope of Interpretation 9 and revised AASB 3
AASB Interpretation 16 <i>Hedges of a Net Investment in a Foreign Operation</i>	Amendment to the restriction on the entity that can hold hedging instruments

## Consultation Prior to Issuing AASB 2009-4

The AASB issued AASB 2009-4 after a due process, which included the issue of ED 165 *Proposed Improvements to Australian Accounting Standards* in August 2008 and ED 159 *Proposed Improvements to Australian Accounting Standards* issued in October 2007. The AASB received three submissions on ED 165 and nine submissions on ED 159. In general, those submissions were supportive of ED 165 and ED 159.

A Regulation Impact Statement has not been prepared in connection with the issue of AASB 2009-4 as the amendments do not have a substantial direct or indirect impact on business or competition.