

Explanatory Statement

Accounting Standard AASB 2009-6 *Amendments to Australian Accounting Standards*

June 2009



Australian Government

**Australian Accounting
Standards Board**

EXPLANATORY STATEMENT

Standards Amended by AASB 2009-6

This Standard makes amendments to the following Australian Accounting Standards and Interpretations:

1. AASB 1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standards*;
2. AASB 2 *Share-based Payment*;
3. AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*;
4. AASB 7 *Financial Instruments: Disclosures*;
5. AASB 101 *Presentation of Financial Statements*;
6. AASB 102 *Inventories*;
7. AASB 107 *Statement of Cash Flows*;
8. AASB 110 *Events after the Reporting Period*;
9. AASB 111 *Construction Contracts*;
10. AASB 112 *Income Taxes*;
11. AASB 116 *Property, Plant and Equipment*;
12. AASB 117 *Leases*;
13. AASB 119 *Employee Benefits*;
14. AASB 121 *The Effects of Changes in Foreign Exchange Rates*;
15. AASB 123 *Borrowing Costs*;
16. AASB 129 *Financial Reporting in Hyperinflationary Economies*;
17. AASB 132 *Financial Instruments: Presentation*;
18. AASB 133 *Earnings per Share*;
19. AASB 134 *Interim Financial Reporting*;

20. AASB 136 *Impairment of Assets*;
21. AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*;
22. AASB 138 *Intangible Assets*;
23. AASB 139 *Financial Instruments: Recognition and Measurement*;
24. AASB 140 *Investment Property*;
25. AASB 141 *Agriculture*;
26. AASB 1023 *General Insurance Contracts*;
27. AASB 1038 *Life Insurance Contracts*;
28. AASB 1039 *Concise Financial Reports*;
29. Interpretation 1 *Changes in Existing Decommissioning, Restoration and Similar Liabilities*;
30. Interpretation 2 *Members' Shares in Co-operative Entities and Similar Instruments*;
31. Interpretation 4 *Determining whether an Arrangement contains a Lease*;
32. Interpretation 7 *Applying the Restatement Approach under AASB 129 Financial Reporting in Hyperinflationary Economies*;
33. Interpretation 12 *Service Concession Arrangements*;
34. Interpretation 14 *AASB 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*;
35. Interpretation 107 *Introduction of the Euro*;
36. Interpretation 115 *Operating Leases – Incentives*;
37. Interpretation 125 *Income Taxes – Changes in the Tax Status of an Entity or its Shareholders*;
38. Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*; and
39. Interpretation 129 *Service Concession Arrangements: Disclosures*.

These amendments principally arise from editorial corrections made by the International Accounting Standards Board (IASB) to its Standards and Interpretations (IFRSs) and as a consequence of the issuance in September 2007 of a revised AASB 101 *Presentation of Financial Statements*.

Main Features of this Standard

Application Date

This Standard is applicable to annual reporting periods beginning on or after 1 January 2009 that end on or after 30 June 2009. Early adoption is permitted for annual reporting periods beginning on or after 1 January 2005 but before 1 January 2009 and for annual reporting periods beginning on or after 1 January 2009 that end before 30 June 2009, provided that the revised AASB 101 is also adopted for the same period.

Main Requirements

This Standard makes numerous editorial amendments to many Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. For example, the term 'revaluation reserve' is changed to 'revaluation surplus', which already appears in some places in the Australian pronouncements.

The Standard makes additional amendments as a consequence of the issuance in September 2007 of a revised AASB 101. These amendments were omitted from or incorrectly stated in AASB 2007-8 *Amendments to Australian Accounting Standards arising from AASB 101*.

These amendments have no major impact on the requirements of the amended pronouncements.

Consultation Prior to Issuing AASB 2009-6

The AASB issued AASB 2009-6 after publishing a draft of the proposed Standard on its website prior to the Board meeting at which it made the Standard. The Standard makes editorial corrections to many AASB pronouncements, most of which were themselves subject to consultation prior to issuance.

For example, prior to issuing AASB 101 and AASB 2007-8 in September 2007, the AASB invited comments from Australian constituents on Exposure Draft ED 148 *Proposed Amendments to AASB 101 Presentation of Financial Statements: A Revised Presentation*, the Australian equivalent to the IASB Exposure Draft of *Proposed Amendments to IAS 1 Presentation of Financial Statements: A Revised Presentation*, in April 2006. The AASB's ED 148:

- (a) reproduced the IASB proposals without amendment and sought constituents' views on the IASB's proposed amendments; and
- (b) identified differences between AASB 101 and IAS 1, provided the AASB's then preliminary views on each difference and sought constituents' comments on those views.

A Regulation Impact Statement has not been prepared in connection with the issue of AASB 2009-6 as the amendments made do not have a substantial direct or indirect impact on business or competition, are of a minor or machinery nature or clarify existing requirements.