

# **Explanatory Statement**

## **Amending Standard AASB 2010-10 *Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First-time Adopters***

**December 2010**



**Australian Government**

**Australian Accounting  
Standards Board**

## **EXPLANATORY STATEMENT**

### **Reasons for Issuing AASB 2010-10**

In December 2010, the International Accounting Standards Board (IASB) issued *Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters* (Amendments to IFRS 1) and thereby replaced references to a fixed date of '1 January 2004' with 'the date of transition to IFRSs'.

AASB 2010-10 *Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First-time Adopters*, which incorporates relevant parts of the IASB's *Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters* (Amendments to IFRS 1), was made by the AASB in December 2010 to enable Australian reporting entities to continue to be compliant with International Financial Reporting Standards.

### **Main Features of AASB 2010-10**

AASB 2010-10 makes amendments to AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9* and AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)*.

The amendments ultimately affect AASB 1 *First-time Adoption of Australian Accounting Standards* and provide relief for first-time adopters of Australian Accounting Standards from having to reconstruct transactions that occurred before their date of transition to Australian Accounting Standards.

The amendments to AASB 2009-11 will only affect early adopters of AASB 2009-11 (and AASB 9 *Financial Instruments* as issued in December 2009) as it has been superseded by AASB 2010-7 for annual reporting periods beginning on or after 1 January 2013.

### **Application Date**

The Amending Standard AASB 2010-10 is applicable to annual reporting periods beginning on or after 1 January 2013 with early adoption permitted as set out in AASB 2009-11 and AASB 2010-7.

### **Consultation Prior to Issuing this Standard**

The AASB issued Exposure Draft ED 203 *Removal of Fixed Dates for First-time Adopters* in September 2010. ED 203 reproduced the proposals included in the IASB's Exposure Draft ED/2010/10 *Removal of Fixed Dates for First-time Adopters* (September 2010) without amendment.

The AASB received two submissions from Australian constituents on ED 203. The submissions received were generally supportive of the proposals in the ED.

A Regulation Impact Statement has not been prepared in connection with the issuance of AASB 2010-10 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.