

AASB Standard

AASB 2010-10

December 2010

**Further Amendments to
Australian Accounting
Standards – Removal of
Fixed Dates for First-time
Adopters**

[AASB 2009-11 & AASB 2010-7]



Australian Government

**Australian Accounting
Standards Board**

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2

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CONTENTS

PREFACE

**ACCOUNTING STANDARD
AASB 2010-10 FURTHER AMENDMENTS TO AUSTRALIAN
ACCOUNTING STANDARDS – REMOVAL OF FIXED DATES FOR
FIRST-TIME ADOPTERS**

	<i>Paragraphs</i>
Objective	1
Application	2 – 5
Amendments to AASB 2009-11	6 – 7
Amendments to AASB 2010-7	8 – 9

Australian Accounting Standard AASB 2010-10 *Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First-time Adopters* is set out in paragraphs 1 – 9. All the paragraphs have equal authority.

PREFACE

Standards Amended by AASB 2010-10

This Standard makes amendments to the following Australian Accounting Standards:

1. AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9*; and
2. AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)*.

These amendments arise from the issuance of *Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters* (Amendments to IFRS 1) by the International Accounting Standards Board in December 2010.

Main Features of this Standard

Application Date

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

Main Requirements

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affect early adopters of AASB 2009-11 (and AASB 9 *Financial Instruments* as issued in December 2009) as it has been superseded by AASB 2010-7 for annual reporting periods beginning on or after 1 January 2013.

ACCOUNTING STANDARD AASB 2010-10

The Australian Accounting Standards Board makes Accounting Standard AASB 2010-10 *Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First-time Adopters* under section 334 of the *Corporations Act 2001*.

Dated 31 December 2010

Kevin M. Stevenson
Chair – AASB

ACCOUNTING STANDARD AASB 2010-10

FURTHER AMENDMENTS TO AUSTRALIAN ACCOUNTING STANDARDS – REMOVAL OF FIXED DATES FOR FIRST-TIME ADOPTERS

Objective

- 1 The objective of this Standard is to make amendments to:
 - (a) AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9*; and
 - (b) AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)*;

as a consequence of the issuance of *Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters* (Amendments to IFRS 1) by the International Accounting Standards Board in December 2010.

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;**
 - (b) **general purpose financial statements of each other reporting entity; and**

(c) **financial statements that are, or are held out to be, general purpose financial statements.**

3 This Standard applies to annual reporting periods beginning on or after 1 January 2013.

4 Early application of the amendments in this Standard is permitted in accordance with the early application provisions of AASB 2009-11 or AASB 2010-7, as relevant.

5 This Standard uses underlining, striking out and other typographical material to identify some of the amendments to a Standard, in order to make the amendments more understandable. However, the amendments made by this Standard do not include that underlining, striking out or other typographical material.

Amendments to AASB 2009-11

6 Paragraph 9 is amended (new text is underlined and deleted text is struck through) and paragraph B2 added (new text is underlined and deleted text is struck through) as follows:

9 In Appendix B, paragraphs B1 and B2 ~~is~~ are amended, ...

...

B2 Except as permitted by paragraph B3, a first-time adopter shall apply the derecognition requirements in AASB 139 *Financial Instruments: Recognition and Measurement* prospectively for transactions occurring on or after 1 January 2004 the date of transition to Australian Accounting Standards. ~~In other words~~ For example, if a first-time adopter derecognised non-derivative financial assets or non-derivative financial liabilities in accordance with its previous GAAP as a result of a transaction that occurred before 1 January 2004 the date of transition to Australian Accounting Standards, it shall not recognise those assets and liabilities in accordance with Australian Accounting Standards (unless they qualify for recognition as a result of a later transaction or event).

...

7 Paragraph 10 is amended (new text is underlined and deleted text is struck through) and paragraph D20 added (new text is underlined and deleted text is struck through) as follows:

10 In Appendix D (Exemptions from other Australian Accounting Standards), paragraphs D19 and D20 ~~is~~ are amended ...

...

D20 Notwithstanding the requirements of paragraphs 7 and 9, an entity may apply the requirements in the last sentence of AASB 139 paragraph AG76 and in paragraph AG76A, ~~in either of the following ways:~~

(a) ~~—prospectively to transactions entered into on or after the date of transition to Australian Accounting Standards 25 October 2002; or~~

(b) ~~—prospectively to transactions entered into after 1 January 2004.~~

Amendments to AASB 2010-7

8 In paragraph 10, the amended paragraph B2 is amended as follows (new text is underlined and deleted text is struck through):

B2 Except as permitted by paragraph B3, a first-time adopter shall apply the derecognition requirements in AASB 9 *Financial Instruments* prospectively for transactions occurring on or after ~~1 January 2004~~ the date of transition to Australian Accounting Standards. ~~In other words~~ For example, if a first-time adopter derecognised non-derivative financial assets or non-derivative financial liabilities in accordance with its previous GAAP as a result of a transaction that occurred before ~~1 January 2004~~ the date of transition to Australian Accounting Standards, it shall not recognise those assets and liabilities in accordance with Australian Accounting Standards (unless they qualify for recognition as a result of a later transaction or event).

- 9 In paragraph 11, the amended paragraph D20 is amended as follows (new text is underlined and deleted text is struck through):

D20 Despite the requirements of paragraphs 7 and 9, an entity may apply the requirements in the last sentence of paragraph B5.4.8 and in paragraph B5.4.9 of AASB 9, ~~in either of the following ways:~~

- (a) ~~prospectively to transactions entered into after 1 January 2004.~~ prospectively to transactions entered into on or after the date of transition to Australian Accounting Standards 25 October 2002; or
- (b) ~~prospectively to transactions entered into after 1 January 2004.~~