

# **Explanatory Statement**

## **Accounting Standard AASB 2011-8 *Amendments to Australian Accounting Standards arising from AASB 13***

**September 2011**



**Australian Government**

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**Australian Accounting  
Standards Board**

## **EXPLANATORY STATEMENT**

### **Reasons for Issuing AASB 2011-8**

The International Accounting Standards Board (IASB) has issued IFRS 13 *Fair Value Measurement*, which includes an Appendix D that sets out amendments to other IFRSs that are a consequence of the issuance of IFRS 13. Appendix D of IFRS 13 has been incorporated into AASB 2011-8 *Amendments to Australian Accounting Standards arising from AASB 13*. The AASB needs to issue AASB 2011-8 (together with AASB 13 *Fair Value Measurement*) to enable Australian reporting entities to continue to be compliant with International Financial Reporting Standards in relation to fair value measurement.

### **Main Features of AASB 2011-8**

AASB 2011-8 makes amendments to Australian Accounting Standards and Interpretations, which arise from the issuance of AASB 13 in September 2011.

AASB 13 defines fair value, sets out a framework for measuring fair value and requires enhanced disclosures about fair value measurements. AASB 13 explains how to measure fair value for financial reporting purposes and does not require fair value measurements in addition to those already required or permitted by other Australian Accounting Standards.

### **Application Date**

AASB 2011-8 (and AASB 13) is applicable to annual reporting periods beginning on or after 1 January 2013. If AASB 13 is early applied, AASB 2011-8 shall be applied for that earlier period, for both for-profit and not-for-profit entities.

Through a separate due process, the AASB will consider the relief from certain disclosure requirements that should be provided to entities that adopt Tier 2 Reduced Disclosure Requirements.

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

The AASB issued Exposure Draft ED 181 *Fair Value Measurement* in June 2009. A second Exposure Draft ED 199 *Measurement Uncertainty Analysis Disclosure for Fair Value Measurements (Limited re-exposure of proposed disclosure)* was issued in July 2010. The submissions received on ED 181 were generally supportive of the objective of the project, whilst there was limited support for the proposals in ED 199. AASB 2011-8 (together with

AASB 13) generally takes into account the comments received on the Exposure Drafts.

A Regulation Impact Statement has not been prepared in connection with the issuance of AASB 2011-8 as the amendments made are minor in nature.