



Australian Government

**Australian Accounting
Standards Board**

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11 November 2013

Documents Manager
Senate Regulations and Ordinances Committee
Suite S1.111
Parliament House
Canberra ACT 2600

Dear Sir or Madam,

Revised Explanatory Statement for AASB 2013-2 (FRLI Reference: F2013L00579)

Please find attached a revised Explanatory Statement for AASB 2013-2 *Amendments to AASB 1038 – Regulatory Capital*. The revision has been made to address the comments from the Committee.

The existing Explanatory Statement to AASB 2013-2 includes the following paragraph under the heading ‘Consultation Prior to Issuing this Standard’:

‘The AASB conducted targeted outreach with industry participants to confirm that the amendments to AASB 1038 are appropriate to achieve the purpose of aligning requirements with the changed prudential regulations.

In the attached amended Explanatory Statement, the paragraph above has been replaced with the following two paragraphs, in order to expand on the nature of the outreach performed in respect of issuing AASB 2013-2, as follows:

‘Given that the amendments to AASB 1038 arise from a change to the terminology used by the prudential regulator APRA, they have only a limited impact on financial reporting. Accordingly, rather than undertake broad outreach, the AASB conducted targeted outreach with industry participants to confirm that the amendments to AASB 1038 are appropriate to achieve the purpose of aligning requirements with the changed prudential regulations. The industry participants consulted, via telephone and email, included representatives of APRA, financial statement preparers in the life insurance industry and members of the accounting profession involved in the life insurance industry.

Feedback received from the targeted outreach indicated support for the changes in the amendment. No substantial changes were made to the amendment as a result of the outreach performed.’

Yours faithfully,

Sue Lightfoot