Explanatory Statement

Accounting Standard AASB 2015-1
*Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards
2012–2014 Cycle*

**January 2015**


# EXPLANATORY STATEMENT

## Reasons for Issuing AASB 2015-1

AASB 2015-1 *Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle* makes amendments to various Australian Accounting Standards arising from the issuance of International Financial Reporting Standard *Annual Improvements to IFRSs 2012–2014 Cycle* in September 2014 by the IASB, and editorial corrections. The IASB’s Annual Improvements process provides a vehicle for making non-urgent but necessary amendments to Standards.

## Main Features of AASB 2015-1

### Main Requirements

The subjects of the principal amendments to the Standards are set out below:

| Standard | Subject of amendment |
| --- | --- |
| AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* | Changes in methods of disposal. |
| AASB 7 *Financial Instruments: Disclosures* | Servicing contracts. |
| Applicability of the amendments to AASB 7 to condensed interim financial statements. |
| AASB 119 *Employee Benefits* | Discount rate: regional market issue. |
| AASB 134 *Interim Financial Reporting* | Disclosure of information ‘elsewhere in the interim financial report’. |

This Standard also makes various editorial corrections to Australian Accounting Standards.

### Application Date

AASB 2015-1 applies to annual reporting periods beginning on or after 1 January 2016. Earlier application is permitted for annual reporting periods beginning on or after 1 January 2005 but before 1 January 2016.

## Consultation Prior to Issuing this Standard

The AASB issued Exposure Draft ED 247 *Annual Improvements to IFRSs 2012–2014 Cycle* in December 2013 for comment by 27 February 2014. Three submissions were received by the AASB in respect of the proposals in ED 247 and there was general support for adopting the proposals in Australian Accounting Standards. The AASB considered the comments it received on ED 247 in making its submission to the IASB and in finalising AASB 2015-1.

The AASB also considered comments received by the AASB in respect of proposals exposed for comment in Exposure Draft ED 256 *Removal of Cross-References from Financial Statements to Other Documents* in finalising AASB 2015-1.

A Regulation Impact Statement (RIS) has not been prepared in connection with the issue of AASB 2015-1 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.

**Statement of Compatibility with Human Rights**

Prepared in accordance with Part 3 of the
*Human Rights (Parliamentary Scrutiny) Act 2011*

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**Overview of the Accounting Standard**

The amendments in AASB 2015-1 *Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle* makes amendments to various Australian Accounting Standards arising from the International Accounting Standards Board’s (IASB) Annual Improvements process, and for editorial corrections.

**Human Rights Implications**

This Standard is issued by the AASB in furtherance of the objective of facilitating the Australian economy. It does not diminish or limit any of the applicable human rights or freedoms, and thus does not raise any human rights issues.

**Conclusion**

This Standard is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.