

Explanatory Statement

Accounting Standard AASB 2015-10 *Amendments to Australian Accounting Standards –* *Effective Date of Amendments to AASB 10 and AASB 128*

December 2015



Australian Government

**Australian Accounting
Standards Board**

EXPLANATORY STATEMENT

Standards Amended by AASB 2015-10

This Standard makes amendments to Accounting Standards AASB 10 *Consolidated Financial Statements* and AASB 128 *Investments in Associates and Joint Ventures*. These amendments arise from the issuance of International Financial Reporting Standard *Effective Date of Amendments to IFRS 10 and IAS 28* by the International Accounting Standards Board in December 2015.

Power to Make Amendments

Under subsection 33(3) of the *Acts Interpretation Act 1901*, where an Act confers a power to make, grant or issue any instrument of a legislative or administrative character (including rules, regulations or by-laws), the power shall be construed as including a power exercisable in the like manner and subject to the like conditions (if any) to repeal, rescind, revoke, amend, or vary any such instrument. Accordingly, the AASB has the power to amend the Accounting Standards that are made by the AASB as legislative instruments under the *Corporations Act 2001*.

Main Features of AASB 2015-10

This Standard defers the mandatory effective date (application date) of amendments to AASB 10 and AASB 128 that were originally made in AASB 2014-10 *Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (December 2014) so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2016.

Application Date

AASB 2015-10 is applicable to annual periods beginning on or after 1 January 2016. Early application is permitted.

References to Other AASB Standards

References in this Standard to the titles of other AASB Standards that are legislative instruments are to be construed as references to those other Standards as originally made and as amended from time to time and incorporate provisions of those Standards as in force from time to time.

Consultation Prior to Issuing this Standard

The AASB issued Exposure Draft ED 268 *Effective Date of Amendments to AASB 10 and AASB 128* in August 2015 for comment by 9 September 2015. Four submissions were received by the AASB in respect of the proposals in ED 268. There was general support from constituents for adopting the proposals, which would ensure that general purpose financial statements prepared by for-profit entities in accordance with AASB Standards would also comply with International Financial Reporting Standards. The AASB considered the comments it received in finalising AASB 2015-10.

A Regulation Impact Statement (RIS) has not been prepared in connection with the issue of AASB 2015-10 as the amendments made do not have a substantial direct or indirect impact on business or competition, or are of a minor or machinery nature.

Statement of Compatibility with Human Rights

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

Accounting Standard AASB 2015-10 *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128*

Overview of the Accounting Standard

This Standard defers the mandatory effective date (application date) of amendments to AASB 10 and AASB 128 that were originally made in AASB 2014-10 *Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2016.

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*.