



**ASIC**

Australian Securities & Investments Commission

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# **ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191**

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I, Stephen Yen PSM, delegate of the Australian Securities and Investments Commission, make the following legislative instrument.

Dated 24 March 2016

Stephen Yen

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## Part 1—Preliminary

### 1 Name of legislative instrument

This is the *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*.

### 2 Commencement

This instrument commences on the day after it is recorded in the Federal Register of Legislation.

Note: The register may be accessed at <http://www.legislation.gov.au>.

### 3 Authority

This instrument is made under subsections 341(1) and 992B(1) of the *Corporations Act 2001*.

### 4 Definitions

In this instrument:

**alternative rounding factor** means, in relation to a rounding factor, any of the following amounts which is less than the rounding factor:

- (a) 1/10<sup>th</sup> of 1 cent;
- (b) 1 cent;
- (c) \$1;
- (d) \$1,000;
- (e) \$100,000.

**Act** means the *Corporations Act 2001*.

**eligible report** means:

- (a) a financial report;
- (b) a directors' report required by section 298 or section 302 of the Act;
- (c) a profit and loss statement and balance sheet required by section 989B of the Act.

**entity** means any of the following:

- (a) a company;
- (b) a registered scheme;

- (c) a disclosing entity;
- (d) a financial services licensee.

**rounding factor** means, in relation to an amount that is required or permitted to be stated exactly in an eligible report:

- (a) \$1,000, in relation to an entity with total assets in its consolidated balance sheet or if it does not prepare a consolidated balance sheet, its own balance sheet at the end of the relevant period of more than \$1,000,000,000, in respect of:
  - (i) details, values and aggregates required to be disclosed in the directors' report under paragraph 300(1)(g), subsections 300(8), (9), (11B) and (11C), paragraph 300(13)(a) and paragraphs 300A(1)(c) and (1)(e) of the Act;
  - (ii) amounts required to be disclosed under paragraph 50 of Accounting Standard AASB 2 *Share-based Payment (AASB 2)*;
  - (iii) remuneration of auditors required to be disclosed under paragraph 10 of Accounting Standard AASB 1054 *Australian Additional Disclosures*;
  - (iv) compensation of key management personnel required to be disclosed under paragraph 17 of Accounting Standard AASB 124 *Related Party Disclosures (AASB 124)*; and
  - (v) transactions between related parties required to be disclosed under paragraphs 18 and 19 of AASB 124;
- (b) 1/10<sup>th</sup> of 1 cent, in respect of amounts required to be disclosed in accordance with paragraphs 66 to 69 of Accounting Standard AASB 133 *Earnings per Share*;
- (c) 1 cent, in relation to amounts required to be disclosed in accordance with paragraphs 44 and 46 of AASB 2 and paragraphs 300(6)(c), (7)(d) and (7)(e) of the Act;
- (d) \$1, in relation to an entity with total assets in its consolidated balance sheet or if it does not prepare a consolidated balance sheet, its own balance sheet at the end of the relevant period of more than \$10,000,000 but not more than \$1,000,000,000, in respect of the items listed in subparagraphs (a)(i) to (v);
- (e) \$1, for all other purposes in relation to an entity with total assets in its consolidated balance sheet or if it does not prepare a consolidated balance sheet, its own balance sheet of less than \$10,000,000;

- (f) \$1,000, for all other purposes in relation to an entity with total assets of more than \$10,000,000 and not more than \$1,000,000,000, in its consolidated balance sheet or if it does not prepare a consolidated balance sheet, its own balance sheet at the end of the relevant period;
- (g) \$100,000, for all other purposes in relation to an entity with total assets of more than \$1,000,000,000 and not more than \$10,000,000,000, in its consolidated balance sheet or if it does not prepare a consolidated balance sheet, its own balance sheet at the end of the relevant period;
- (h) \$1,000,000, for all other purposes in relation to an entity with total assets of more than \$10,000,000,000, in its consolidated balance sheet or if it does not prepare a consolidated balance sheet, its own balance sheet at the end of the relevant period.

## Part 2—Order and exemption

### 5 Relief and exemption from disclosing exact amounts in a report

- (1) An entity does not have to comply with Part 2M.3 and Part 7.8 of the Act to the extent that those Parts require amounts required or permitted to be set out in an eligible report for a financial year (the *relevant period*) or half-year (the *relevant period*) to be stated exactly.

*Where the relief or exemption applies*

- (2) The relief or exemption in subsection (1) may be relied on where all of the following apply:
- (a) the eligible report includes in substitution for an amount that would otherwise be required or permitted to be set out exactly:
    - (i) if the amount is half or less than half the rounding factor or alternative rounding factor—“nil” or the equivalent thereof; or
    - (ii) in any other case, the amount rounded up or down to the nearest whole number multiple of the rounding factor or alternative rounding factor;
  - (b) where an alternative rounding factor is applied under paragraph (a)(ii) instead of a rounding factor in relation to an amount, the alternative rounding factor is also applied in relation to every other amount in the eligible report for which the rounding factor is relevant;
  - (c) where an amount is substituted under paragraph (a), the corresponding amount in respect of the comparative financial year or half-year is also shown in accordance that paragraph;
  - (d) where amounts are rounded to the nearest \$100,000 in accordance with subparagraph (a)(ii), those amounts are presented in the form of a whole number of millions of dollars and one place of decimals representing hundreds of thousands of dollars, with a clear indication that the amounts are presented in millions of dollars (for example, in column headings or by placing the word “million” after the amounts);
  - (e) none of the substitution or rounding of amounts in accordance with paragraphs (a) to (c) have the potential to adversely affect:
    - (i) decisions about the allocation of scarce resources made by users of the financial report (including consolidated financial statements, if any); or
    - (ii) the discharge of accountability by management or the directors of the entity or in relation to the auditors;

- (f) the relevant eligible report states that the entity is an entity to which this instrument applies and that amounts have been rounded off in accordance with this instrument;
- (g) the relevant eligible report clearly discloses on each page where amounts have been rounded the extent to which those amounts have been rounded.

## **6 Relief and exemption from including nil amount items in a report**

- (1) An entity does not have to comply with 2M.3 and Part 7.8 of the Act to the extent that those Parts require a financial report to include an item where the amount that would be shown against the item (including any comparative amount) would be nil.
- (2) The relief or exemption in subsection (1) may be relied on where the amount would be nil because it is covered by subparagraph 5(2)(a)(i) or otherwise.

## **Part 3—Savings and transitional**

### **7 Application of this instrument and ASIC Class Order [CO 98/100]**

- (1) Part 2 applies in relation to an eligible report for a financial year or a half year ending on or after 30 June 2016.
- (2) ASIC Class Order [CO 98/100] continues to apply, despite its repeal, in relation to an eligible report for a financial year or a half year ending before 30 June 2016.