



CHARTERED ACCOUNTANTS™
AUSTRALIA + NEW ZEALAND

22 March 2019

Kris Peach
Chair and CEO
Australian Accounting Standards Board

Via website: <http://www.aasb.gov.au/Work-In-Progress/Comments-to-AASB.aspx>

Dear Kris

ITC 39 Applying the IASB's Revised Conceptual Framework Phase 1

Thank you for the opportunity to comment on the fatal flaw draft of the AASB's amending standard implementing Phase 1 of the adoption of the new IASB conceptual framework into Australia (AASB 2019 –X). We commend the board for its work on this significant reform and are also grateful that the board provided this final opportunity to ensure its implementation has no unintended consequences.

The draft AASB 2019-X has made the nature and scope of the amendments much clearer, allowing for a more informed final review of the proposed changes. Its release has therefore adequately resolved our most significant concern about the implementation of this phase.

Adopting the IASB's Revised Conceptual Framework in Australia

As noted in our submission on August 2018 submission on Phase 1, we believe it is important that the new IASB conceptual framework is available as soon as possible to those entities that already prepare IFRS compliant general purpose financial reports and wish to continue to do so. We believe AASB 2019-X will achieve this end for 'reporting entities', while also ensure that existing 'non reporting entities' are not inadvertently caught by its requirements while work on Phase 2 progresses.

We therefore support the amending standard in its current form.

We also support the 2020 implementation date for AASB 2019-X, in line with the IASB's conceptual framework implementation date.

Progressing Phase 2

We also agree with the AASB that it is not appropriate to operate our financial reporting framework with two conceptual frameworks for any significant length of time. Therefore we will continue to support the AASB in its efforts to progress Phase 2 of ITC 39, seeking as it should to produce a financial reporting framework that is fit for purpose and in the best interests of the Australian economy. We look forward to further opportunities to engage with the AASB, Treasury and other stakeholders as this work progresses.

Appendix A contains further information about Chartered Accountants Australia and New Zealand.

If you have any questions about our submission, please contact Jeanette Dawes CA ANZ Senior Policy Advocate at Jeanette.dawes@charteredaccountantsanz.com.

Yours sincerely



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Appendix A

About Chartered Accountants Australia and New Zealand

Chartered Accountants Australia and New Zealand is a professional body comprised of over 121,000 diverse, talented and financially astute members who utilise their skills every day to make a difference for businesses the world over.

Members are known for their professional integrity, principled judgment, financial discipline and a forward-looking approach to business which contributes to the prosperity of our nations.

We focus on the education and lifelong learning of our members, and engage in advocacy and thought leadership in areas of public interest that impact the economy and domestic and international markets. We are a member of the International Federation of Accountants, and are connected globally through the 800,000-strong Global Accounting Alliance and Chartered Accountants Worldwide which brings together leading Institutes in Australia, England and Wales, Ireland, New Zealand, Scotland and South Africa to support and promote over 320,000 Chartered Accountants in more than 180 countries.

We also have a strategic alliance with the Association of Chartered Certified Accountants. The alliance represents 788,000 current and next generation accounting professionals across 181 countries and is one of the largest accounting alliances in the world providing the full range of accounting qualifications to students and business.