

Technical Alert

28 June 2022

Proposed amendments to APES 205 *Conformity with Accounting Standards*

Accounting Professional & Ethical Standards Board Limited (APESB) invites comments from accountants, professional accounting bodies, firms, regulators and other stakeholders on an exposure draft on proposed amendments to APES 205 *Conformity with Accounting Standards* to address recent changes by the Australian Accounting Standards Board (AASB).

The AASB have removed the applicability of the 'Reporting Entity' concept for certain for-profit private sector entities, which precludes these entities from preparing Special Purpose Financial Statements (SPFS), and increased SPFS disclosure requirements for certain not-for-profit and for-profit private sector entities.

The key proposed amendments to APES 205 consist of:

- including a footnote to the definition of Statement of Accounting Concepts 1 to highlight that the 'Reporting Entity' concept no longer applies to certain entities;
- amendments to paragraph 4.1 to remove the reference to the AASB's *Framework for the Preparation and Presentation of Financial Statements* and to include the same footnote noted above; and
- a new paragraph 6.2 to scope-out those entities required to comply with AASB SPFS requirements from the SPFS disclosure requirements in APES 205 to avoid duplication.

APESB is seeking specific comments and feedback from stakeholders on APESB's approach to not align the terminology on the disclosure of accounting policies in subparagraphs 6.1(b) and (c) of APES 205 to the AASB's terminology and whether there are other entity types that should be scoped-out of APES 205 SPFS disclosure requirements.

The proposed amendments are anticipated to be effective as of 1 January 2023, with earlier adoption permitted.

The Exposure Draft, which provides details of the proposed revisions, is available on the APESB website: www.apesb.org.au.

Feedback on the proposed changes should be received by the APESB no later than **15 August 2022**.

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