

15 August 2022

Mr Channa Wijesinghe
Chief Executive Officer
Accounting Professional & Ethical Standards Board Limited
Level 11, 99 William Street
Melbourne VIC 3000

By email: sub@apesb.org.au

Dear Channa,

Re: Exposure Draft 03/22 Proposed Standard: APES 205 Conformity with Accounting Standards

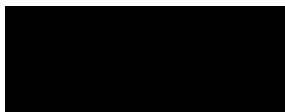
Thank you for the opportunity to comment on Exposure Draft 03/22 *Proposed Standard: APES 205 Conformity with Accounting Standards*.

IPA supports the APESB's approach to not amend subparagraphs 6.1(b) and (c) of APES 205 to align the terminologies in the AASB's special purpose financial statements disclosure requirements. The IPA's support is based on practical expediency, as the proposals relate to AASB requirements that are already applicable, and for the reasons provided in ED 03/22 for not making the amendments.

However, IPA is of the view that where possible, alignment of requirements and the consistencies of terminologies between standards would assist users in applying the requirements. Some suggestions to assist the APESB in achieving this is contained in IPA's response to the specific comments in the Attachment to this letter.

If you have any queries with respect to our comments or require further information, please do not hesitate to contact me at vicki.stylianou@publicaccountants.org.au or on mobile 0419 942 733.

Yours sincerely



Vicki Stylianou
Group Executive, Advocacy & Policy
Institute of Public Accountants

About the IPA

The IPA is one of the professional accounting bodies in Australia with over 47,000 members and students across 80 countries. Approximately three-quarters of our members either work in or are advisers to the small business and SME sectors. Since merging with the Institute of Financial Accountants UK, the IPA Group has become the largest SME and SMP focused accounting body in the world.

IPA responses to APESB Exposure Draft 03/22 – Request for Specific Comments

Comment 1

Do you agree with the APESB's approach to not amend subparagraphs 6.1(b) and (c) of APES 205 to align to the terminology in the AASB's SPFS disclosure requirements? Please provide reasons and justification for your response.

IPA supports the APESB's approach based on practical expediency, as the proposals relate to AASB requirements that are already applicable, and for the reasons¹ provided in ED 03/22 for not making the amendments.

However, IPA is of the view that where possible, aligning requirements and consistencies of terminologies between standards would assist users in applying the requirements. Consequently, IPA suggest that:

- The APESB assess the impact of such alignment as a post-implementation review of the issued APES 205 and/or when the AASB finalises its Not-For-Profit Private Sector Financial Reporting Framework project for Tier 3 reporting with the view of aligning the requirements and terminologies and
- In the interim, to assist users in applying the requirements, the revised APES 205 include a footnote noting the difference in terminologies between APES 205 and the AASB's SPSF disclosure requirements. This footnote would be similar to footnotes 1 and 2 (on pages 6 and 7 of ED 03/22) for the Statement of Accounting Concepts 1.

Comment 2

Do you agree with the APESB's approach to not amend subparagraphs 6.1(c) of APES 205 to align to the terminology in AASB 2021-2 and AASB 2021-6? Please provide reasons and justification for your response.

IPA supports APESB's approach for similar reasons and suggestions in Comment 1.

Comment 3

Do you believe there are other entity types than those listed in proposed paragraph 6.2 of APES 205 that should be scoped-out of the SPFS disclosure requirements in APES 205? Please provide reasons and justification for your response.

IPA is not aware of other entity types in addition to those listed in proposed paragraph 6.2 of APES 205 that should be scoped-out of the SPFS disclosure requirements in APES 205.

¹ "Aligning the requirements would create consistency between the respective standards and might benefit Members that deal with entities subject to either APES 205 or the AASB SPFS disclosures. However, this would impact all other entities that are only required to comply with APES 205, potentially resulting requirements are deficient." (page iv).