



Heads Up

Amendments to AASB 1053 – Transition to and between Tiers, and related Tier 2 Disclosure Requirements

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“In summary”

The AASB has issued AASB 2014-2 Amendments to AASB 1053 – *Transition to and between Tiers, and related Tier 2 Disclosure Requirements*. The AASB has issued this amending standard as a result of AASB 1 *First-time Adoption of Australian Accounting Standards* amendments previously issued as part of the Annual Improvements 2009-2011 Cycle that have implications for AASB 1053 *Application of Tiers of Australian Accounting Standards*.

AASB 2014-2 aims to:

- clarify that AASB 1053 applies to general purpose financial statements only;
- makes AASB 1053 consistent with AASB 1, which contains the option to apply Australian Accounting Standards retrospectively in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*;
- clarify circumstances in which entities that transition between Tiers can apply the AASB 108 option in AASB 1; and
- specify disclosure requirements when an entity resumes the application of Tier 2 reporting requirements by applying AASB 1 or the AASB 108 option, as appropriate.

AASB 2014-2 also included a table of common transition examples as an appendix to assist entities in determining the applicable reporting requirements.

Effective date

AASB 2014-2 applies to annual reporting periods beginning on or after 1 July 2014, with early adoption permitted.

New or changed guidance

The option to apply AASB 1 or AASB 108 depends on what reporting requirements were applied in the entity's most recent previous financial statements and whether it contained a statement of compliance with the relevant Tiers of reporting requirements.

Application of AASB 2014-2

Current reporting period	Reporting framework applied in the most recent previous financial statements	Extent of application of recognition and measurement requirements in the most recent previous financial statements*	Statement of compliance in the most recent previous financial statements	Applicable transition requirement in the current period	Reference to the accounting standard
Transition to Tier 1 reporting requirements	Special Purpose Financial Statements (SPFS)	Recognition and measurement requirements of Australian Accounting Standards (AAS) applied or not applied	N/A	<ul style="list-style-type: none"> Apply all the requirements of AASB 1 	AASB 1053. 18
	Tier 2 reporting requirements	All recognition and measurement requirements of AAS applied	N/A	<ul style="list-style-type: none"> Apply AASB 1, if it is claiming compliance with IFRSs; and shall not apply AASB 1, if it is a not-for-profit entity not claiming compliance with IFRS 	AASB 1053.21
Transition to Tier 2 reporting requirements	SPFS	Recognition and measurement requirements of AAS not applied or selectively applied	N/A	<ul style="list-style-type: none"> Apply all requirements of AASB 1; or apply Tier 2 requirements retrospectively in accordance with AASB 108 	AASB 1053.18A(a)
	SPFS	All recognition and measurement requirements of AAS applied	N/A	<ul style="list-style-type: none"> Shall not apply AASB 1 and continues to apply the recognition and measurement requirements 	AASB 1053.18A(b)
Resumption of Tier 1 reporting requirement	Tier 2 reporting requirements or SPFS	All recognition and measurement requirements of AAS applied	Did not contain an explicit and unreserved statement of compliance with Tier 1 reporting requirements or IFRSs	<ul style="list-style-type: none"> Apply all requirements of AASB 1; or apply Tier 1 requirements retrospectively in accordance with AASB 108¹ 	AASB 1053.19

Current reporting period	Reporting framework applied in the most recent previous financial statements	Extent of application of recognition and measurement requirements in the most recent previous financial statements*	Statement of compliance in the most recent previous financial statements	Applicable transition requirement in the current period	Reference to the accounting standard
	Tier 2 reporting requirements or SPFS	Recognition and measurement requirements of AAS not applied or selectively applied	Did not contain an explicit and unreserved statement of compliance with Tier 1 reporting requirements or IFRSs	<ul style="list-style-type: none"> • Apply all requirements of AASB 1; or • apply Tier 1 requirements retrospectively in accordance with AASB 108¹ 	AASB 1053.19
Resumption of Tier 2 reporting requirement	SPFS	Did not apply all recognition and measurement requirements of AAS	Did not contain an explicit and unreserved statement of compliance with Tier 2 reporting requirements	<ul style="list-style-type: none"> • Apply all requirements of AASB 1; or • apply Tier 2 requirements retrospectively in accordance with AASB 108 	AASB 1053.19B(d)
	Tier 1 or SPFS	Applying all recognition and measurement requirements of AAS	Did not contain an explicit and unreserved statement of compliance with Tier 2 reporting requirements	<ul style="list-style-type: none"> • Shall not apply AASB 1 or the AASB 1 option for retrospective application in accordance with AASB 108² 	AASB 1053.19B(e)

* Most recent previous reporting period refers to the period immediately before an entity transitioned to the relevant Tiers of reporting requirement in the current year

¹ An entity that is to claim IFRS compliance on resuming Tier 1 reporting requirements under paragraph 19, shall not use the AASB 1 option for retrospective application of AAS in accordance with AASB 108 if it was not previously IFRS compliant.

² Entity shall disclose the reason it stopped applying Tier 2 reporting requirements; and the reason it is resuming the application of Tier 2 reporting requirements.

External links

- [AASB Media Release](#)
- [AASB 2014-2 'Amendments to AASB 1053 – Transition to and between Tiers, and related Tier 2 Disclosure Requirements](#)

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