

Reduced Disclosure Requirements

Reduced disclosure requirements

In June 2010, the Australian Accounting Standards Board ('AASB') introduced the Reduced Disclosure Requirements ('RDR') Framework.

This development has a significant impact on Australian entities' financial reporting requirements. It applies to the annual reporting periods beginning on or after 1 July 2013. However, entities may opt for early adoption of the new requirements from the financial year ended 30 June 2010.

How it works

Reporting entities which are currently preparing general purpose financial statements ('GPFS') will be classified according to a two-tier framework (tier 1 & 2).

- Tier 1 applies to for-profit private sector entities which have 'public accountability', and the Australian Government and State, Territory and Local Governments. These entities are required to comply with all requirements of Australian Accounting Standards.
- Tier 2 applies to for-profit private sector entities that do not have 'public accountability', not-for-profit private sector entities, and public sector entities other than the Australian Government and State, Territory and Local Governments. These entities are required to comply with all recognition and measurement requirements of Australian Accounting Standards but with reduced disclosure requirements. However, entities may elect to apply Tier 1 in whole or in part.

Examples of for-profit entities that have 'public accountability'

- Disclosing entities
- Co-operatives that issue debentures
- Registered managed investment schemes
- Superannuation plans regulated by the Australian Prudential Regulation Authority (APRA) other than Small APRA Funds
- Authorized deposit-taking institutions (ADIs)

If you would like further information about the reduced disclosure requirements, or any other accounting standards issue, please contact our accounting standards experts on 03 9018 4666 or email info@mcleandelmo.com.au.