

Explanatory Statement

Accounting Standard AASB 2008-3
Amendments to Australian Accounting
Standards arising from AASB 3 and
AASB 127

March 2008



Australian Government

**Australian Accounting
Standards Board**

EXPLANATORY STATEMENT

Standards Amended by AASB 2008-3

This Standard makes amendments to the following Australian Accounting Standards and Interpretations:

1. AASB 1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standards*
2. AASB 2 *Share-based Payment*
3. AASB 4 *Insurance Contracts*
4. AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*
5. AASB 7 *Financial Instruments: Disclosures*
6. AASB 101 *Presentation of Financial Statements*
7. AASB 107 *Statement of Cash Flows*
8. AASB 112 *Income Taxes*
9. AASB 114 *Segment Reporting*
10. AASB 116 *Property, Plant and Equipment*
11. AASB 121 *The Effects of Changes in Foreign Exchange Rates*
12. AASB 128 *Investments in Associates*
13. AASB 131 *Interests in Joint Ventures*
14. AASB 132 *Financial Instruments: Presentation*
15. AASB 133 *Earnings per Share*
16. AASB 134 *Interim Financial Reporting*
17. AASB 136 *Impairment of Assets*
18. AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*
19. AASB 138 *Intangible Assets*

20. AASB 139 *Financial Instruments: Recognition and Measurement*
21. Interpretation 9 *Reassessment of Embedded Derivatives*
22. Interpretation 107 *Introduction of the Euro*.

These amendments arise from the issuance in March 2008 of the revised AASB 3 *Business Combinations* and the amended AASB 127 *Consolidated and Separate Financial Statements*, which correspond to the revised IFRS 3 *Business Combinations* and IAS 27 *Consolidated and Separate Financial Statements*, which were issued by the International Accounting Standards Board (IASB) in January 2008.

Main Features of AASB 2008-3

Application Date

This Standard is applicable to annual reporting periods beginning on or after 1 July 2009, with early adoption permitted for annual reporting periods beginning on or after 30 June 2007 but before 1 July 2009 provided the revised AASB 3 and amended AASB 127 are also adopted early for the same period. This Standard shall only be applied when AASB 3 (March 2008) and AASB 127 (March 2008) are applied.

Main Requirements

This Standard gives effect to consequential changes arising from revised AASB 3 and amended AASB 127. The Prefaces to those Standards summarise the main requirements of those Standards.

Consultation Prior to Issuing AASB 2008-3

The AASB issued Exposure Drafts ED 139 “Proposed Amendments to AASB 3 *Business Combinations*” and ED 141 Proposed Amendments to AASB 127 *Consolidated and Separate Financial Statements*” in July 2005, which invited comments from Australian constituents on proposed amendments to Australian equivalents to IFRSs relating to accounting for business combinations and consolidated and separate financial statements and consequential amendments to other Australian accounting Standards. Submissions received were generally supportive.

A Regulation Impact Statement has not been prepared in connection with the issue of AASB 2008-3 as the amendments made do not have a substantial direct or indirect impact on business or competition, are of a minor or machinery nature or clarify existing requirements.