



New Model for Interpreting Accounting Standards

The AASB has issued an Invitation to Comment *Proposed Interpretations Model for Australian Accounting Standards* proposing changes to the way in which Interpretations of Australian Accounting Standards are developed. Copies of the Invitation to Comment are available to download at www.aasb.com.au free of charge. The AASB is seeking comments on its proposals by 18 January 2006.

In announcing the proposals Professor David Boymal (AASB Chairman) said that:

“The significant changes in the financial reporting landscape particularly the adoption of Australian equivalents to IFRSs has given rise to the Board’s review of the interpretations structure. The Board believes that the proposals will result in a more flexible interpretations structure that will be better placed to adapt to changing circumstances and the nature of the issue to be addressed.”

He added that under the proposals:

- the AASB will assume direct responsibility for developing Interpretations and the Urgent Issues Group (UIG) will be disbanded;
- an Interpretations Agenda Committee would be formed with the purpose of recommending how an issue proposal is dealt with, for example, whether:
 - an interpretation is warranted;
 - whether it is a purely domestic issue or whether it should be referred to the International Financial Reporting Interpretations Committee (IFRIC) of the IASB;
 - an advisory panel chaired by the AASB Chairman or another AASB member will be formed on each issue where guidance may be necessary.

Professor Boymal added that:

“members of advisory panels will be appointed on the basis of professional competence and practical experience in the topic area and, as such, the composition of advisory panels would be expected to vary depending on the issue under consideration.”

Further enquiries

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