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Removing confusion removes barrier to investment

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CPA Australia has come out strongly in support of the Australian Accounting Standards Board's (AASB) proposal to make Australia's accounting requirements the same as those of the International Financial Reporting Standards (IFRS) in respect of for-profit entities.

It has also encouraged the AASB to include a 'statement of compliance with IFRS' within the Australian equivalents to IFRS (AIFRS).

The AASB has proposed to reinstate into the AIFRS all of the options currently excluded from AIFRS that are currently available in IFRS.

CPA Australia's chief executive officer Geoff Rankin said 'We analysed the proposal based on whether or not reinstatement was in the best interests of the Australian economy. We didn't find sufficient reason for the continued exclusion of the options.

'We understand there is some confusion in international markets regarding the status of Australian company financial reports - are AIFRS the same as IFRS?

'Where that confusion exists some overseas investors will make different investment decisions into Australia on the basis that they do not understand Australian company financial reports. Removing that confusion removes one barrier to those investment funds flowing into Australia.'

'In order for Australian for-profit entities to obtain the full benefits of the Australian adoption of IFRS, it is important that the same requirements as IFRS are in the AIFRS.

The issued financial reports of a number of for-profit entities do not contain an explicit statement of compliance with IFRS.

Mr Rankin said 'The AASB should explicitly communicate its opinion on the equivalence of the thirty-seven AIFRS and the corresponding IFRS. Without that certainty some entities who should be making the statement will be silent - an outcome that is not delivering the full benefits of international adoption. We think inclusion of a statement of compliance with IFRS within the AIFRS is appropriate'.

To download a copy of the submission, please visit the [News & Advocacy](#) section of the website.

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