
Oceana

Australia

Local stock exchange

Australian Securities Exchange

<http://www.asx.com.au>

Rules for listed filings

IFRS required or permitted for listed companies?

Required for consolidated financial statements. There is no longer a requirement to prepare separate standalone financial statements for the parent entity.

Version of IFRS

IFRS as adopted locally

Australian accounting standards for for-profit entities are consistent with IFRS, with the exception of some additional disclosure requirements. There are also a couple of standards and interpretations on issues that are not dealt with under IFRS, for example specific accounting requirements for general and life insurance contracts and local issues such as the accounting for Petroleum Resource Rent Tax. These are withdrawn if a particular issue is subsequently addressed by the IASB or the IFRIC.

Australian accounting standards continue to have specific provisions added for not-for-profit and public sector entities which may not always be compliant with IFRS.

Are subsidiaries of foreign companies or foreign companies listed on local exchanges subject to different rules?

Some are. Subsidiaries of foreign companies that are incorporated in Australia are subject to the same rules as local companies. Foreign companies listed on the ASX may be able to file the same financial statements as they do in their place of origin, regardless of whether they are prepared in accordance with IFRS. However, the Australian regulator may require additional information (including IFRS compliant financial reports) if it is of the opinion that the documents filed do not sufficiently disclose the company's financial position.

Rules for statutory filings

Is IFRS or IFRS for SMEs required, permitted or prohibited for statutory filings?

IFRS is required for most consolidated and standalone/separate financial statements. IFRS for SMEs is prohibited.

Australia currently has a differential reporting regime where the extent of compliance with accounting standards (i.e., IFRS) depends on whether an entity is considered to be a reporting entity or not, and whether the entity is publicly accountable as defined in IFRS for SMEs.

Only reporting entities that have public accountability must comply with all aspects of all applicable IFRS. Since June 2010, reporting entities that do not have public accountability can elect to apply a new reduced disclosure framework which combines the recognition and measurement requirements of full IFRS with disclosures that are based on IFRS for SMEs.

Non-reporting entities that are required to prepare financial reports under the Corporations Act must also comply with all recognition and measurement aspects of full IFRS, but have further freedom in selecting which disclosures are relevant for the users of their financial reports. Other non-reporting entities (e.g., trusts or partnerships) do not need comply with any of the accounting standards.

An entity is a reporting entity if it is reasonable to expect that there are users which would be dependent on general purpose financial reports for information which will be useful to them for making and evaluating decisions about the allocation of scarce resources. Whether an entity is a reporting entity depends on factors such as the level of separation of management and ownership, economic or political importance and financial characteristics such as size and indebtedness.

Version of IFRS

IFRS as adopted locally. See above.

In addition to local GAAP statutory financial statements, are there any other regulatory financial statement requirements that permit or require the use of IFRS?

No

IFRS conversion plans

Plans for converging

Not applicable

Other expected changes

The AASB is currently undertaking research on the application of the 'reporting entity concept' to establish whether the concept should be retained in its present form or whether all entities that are required to lodge financial statements with a regulator should be deemed to be reporting entities. The AASB decided not to adopt IFRS for SMEs at this stage, but may reconsider this decision at a future point in time.

Other useful websites

Local standard setter (Australian Accounting Standards Board)

<http://www.aasb.gov.au>

Local regulator (Australian Securities and Investments Commission)

<http://www.asic.gov.au>

Tax information

Type of tax regime

Independent. Taxable profit is determined in accordance with a specific set of tax rules with little or no direct reliance on the legal entity statutory accounts. However, in the case of certain financial arrangements, entities can elect to align tax and accounting outcomes on those arrangements.

Comments on tax regime

Taxable profits are based on the tax law although IFRS may impact some determinations, where values are based on accounting standards.

Plans for IFRS converging as the basis of tax reporting

The local tax authorities have not announced any adoption or convergence plans of tax reporting to IFRS or IFRS for SMEs.