

Mr Douglas Niven  
Senior Executive Leader  
Financial Reporting and Audit  
Australian Securities and Investments Commission  
Level 5, 100 Market Street  
Sydney NSW 2000

17 August 2015

Dear Mr Niven

## **Comments on Consultation Paper 233 Remaking ASIC Class Orders on Financial Reporting**

Deloitte is pleased to provide ASIC with our comments on ASIC Consultation Paper 233 *Remaking ASIC Class Orders on Financial Reporting*.

For ease of reference we have set out our comments on a basis consistent with your request however, we would like to open our comments with some general observations.

The class orders identified for remaking, in general, provide relief from reporting requirements. Deloitte has long supported moves to facilitate a simpler regulatory system and remaking these class orders is consistent with these goals. We note the Australian Accounting Standards Board is currently undertaking a research project on the Australian financial reporting framework and we believe the progression of this project should include the involvement of government policymakers and regulators in order to create a practical, meaningful financial reporting framework that is responsive and relevant to the needs of the various users of financial statements whilst acknowledging that one size does not fit all.

### **1 Class Order [CO 05/638] *Anomalies preventing certain large proprietary companies from being grandfathered***

We agree with the proposal to remake this class order and the rationale provided. The Class Order provides relief to those grandfathered large proprietary companies that would have otherwise lost their grandfathered status under certain circumstances. Until a complete review of the financial reporting framework has been completed and recommendations issued we do not believe it is appropriate to amend this relief.

We have not experienced any issues with the operation of this class order in practice. In our experience relevant clients apply this class order effectively and efficiently.

We do not recommend any amendments to 'Attachment 1 to CP 233: Draft instrument'.

### **2 Class Order [CO 05/639] *Application of accounting standards by non-reporting entities***

We agree with the proposal to remake this class order and the rationale provided.

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We have not experienced any issues with the operation of this class order in practice and whilst companies in Australia prepare financial statements in accordance with the same recognition and measurement principles (whether in general purpose financial reports or special purpose financial reports) its application is necessary in order to maintain consistency irrespective of the nature of the entity, that is, as a reporting or non-reporting entity.

We do not recommend any amendments to 'Attachment 2 to CP 233: Draft instrument'.

### **3 Class Order [CO 05/642] *Combining financial reports of stapled security issuers***

We agree with the proposal to remake this class order and the rationale provided. The class order provides stapled entities with the flexibility of preparing financial reports in a format that includes all interrelated information in one report. This enhances the completeness of the information for the users of the financial report by having relevant information in one document.

We have not experienced any issues with the operation of this class order in practice. In our experience stapled groups generally apply this class order as it enhances the usefulness of the financial reports for the users.

We recommend the following amendment to 'Attachment 3 to CP 233: Draft instrument':

- Paragraph 5, subsection 2(c)(i) – insert the word 'and' at the end of the sentence to be consistent with the drafting of the rest of the document.

### **4 Class Order [CO 05/644] *Disclosing post balance date acquisitions and disposals***

We agree with the proposal to remake this class order and the rationale provided.

We have not experienced any issues with the operation of this class order in practice although have not seen the need for it to be applied on a regular basis.

We do not recommend any amendments to 'Attachment 4 to CP 233: Draft instrument'.

### **5 Class Order [CO 06/441] *Including different registered scheme financial reports in a single document***

We agree with the proposal to remake this class order and the rationale provided.

We have not experienced any issues with the operation of this class order in practice. In our experience this class order is commonly used. Registered schemes generally apply this class order to enable them to include the financial information of related schemes that have a common responsible entity in a single financial report.

We do not recommend any amendments to 'Attachment 5 to CP 233: Draft instrument'.

We thank you for this opportunity to comment on this Consultation Paper. Please do not hesitate to contact Anna Crawford on +61 02 9322 7177 or Melissa Sim on +61 02 9322 7934 if you would like to discuss any of our comments raised in this letter further.

Yours sincerely



Anna Crawford  
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