



Technical Accounting Alert

AASB to remove Key Management Personnel disclosure requirements

Introduction

The purpose of this alert is to bring attention to the recent amending pronouncement released AASB 2011-4 *Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements* by the AASB that makes changes to AASB 124 *Related Party Disclosures* that remove all the individual key management personnel (KMP) disclosures contained in Aus paragraphs 29.1 to 29.9.3.

Changes made by the Amendments to AASB 124

The changes apply to each disclosing entity, or group of which a disclosing entity is the parent required to prepare financial reports in accordance with Part 2M.3 of the *Corporations Act* for their first annual reporting period beginning on or after 1 July 2013. Early adoption is **not** permitted.

Removal of these disclosures forms part of the AASB's convergence objectives. The individual disclosures are not required by either AASB 124's international equivalent IAS 24 *Related Parties* (which requires only aggregate, rather than individual, amounts of KMP compensation) or its New Zealand equivalent. Their possible removal was exposed in ED 200A *Proposals to Harmonise Australian and New Zealand Standards in Relation to Entities Applying IFRSs as Adopted in Australia and New Zealand* in July 2010, with the idea receiving universal support.

In addition, the AASB believes that these disclosures are more in the nature of governance and so are better dealt with as part of the *Corporations Act 2001*. The AASB intends, during the transition period for this standard, to recommend to Treasury that the *Corporations Act* requirements dealing with executive remuneration (especially section 300A) be reviewed to ensure that they are now appropriate in light of government policy.

For further detail refer to the [AASB Media Alert](#).

Further information

For further information on any of the information included in this TA alert, please contact your local Grant Thornton Australia contact or a member of the National Audit Support team at NAS@grantthornton.com.au

All TA alerts can be found on the National Extranet (www.gtassist.com.au/extranet) under Professional Services/Assurance/Forms and Precedents/Technical Assistance for Grant Thornton staff only and the Grant Thornton website (www.grantthornton.com.au) under Publications/IFRS and technical resources. This alert is not a comprehensive analysis of the subject matter covered and is not intended to provide accounting or auditing advice. All relevant facts and circumstances, including the pertinent authoritative literature, need to be considered to arrive at accounting and audit decisions that comply with matters addressed in this alert. Grant Thornton is a trademark owned by Grant Thornton International Ltd (UK) and used under licence by independent firms and entities throughout the world. Grant Thornton Australia Limited is a member firm within Grant Thornton International Ltd. Grant Thornton International Ltd and the member firms are not a worldwide partnership. Grant Thornton Australia Limited, together with its subsidiaries and related entities, delivers its services independently in Australia.

Liability limited by a scheme approved under Professional Standards Legislation.