



Technical Accounting Alert

ASIC remakes rounding financial reporting Class Order

The issue

References in directors' reports and notes to financial statements to ASIC Class Order 98/100 for rounding need to be changed for periods ending on or after 30 June 2016.

In addition, those companies reporting under the Corporations Act 2001 with amounts in whole dollars will need to include a similar rounding reference for periods ending on or after 30 June 2016.

Rounding instrument

ASIC class orders are automatically repealed on the tenth anniversary of their first date of registration. ASIC has recently remade the rounding class order as a new legislative instrument. The remade legislative instrument is no longer referred to as a class order.

No substantive amendments were made from the repealed class order to existing rounding requirements. The instrument commenced on 1 April 2016, the day after it was registered. The new rounding instrument includes transitional provisions which provide time for entities to amend references in directors' reports and financial statements.

The application of the legislative instrument and CO 98/100 is for a financial year or half-year ending:

- before 30 June 2016 – CO 98/100 *Rounding in Financial Reports and Directors' Reports* still applies; retain references to CO 98/100
- on or after 30 June 2016 – *ASIC Corporations (Rounding in Financial/ Directors' Reports) Instrument 2016/191* applies; change references regarding rounding of amounts to this instrument

The new rounding instrument does include a small, but important change. ASIC is now of the view that without the relief provided by this instrument, the amounts in directors' reports and financial statements would have to be stated to the nearest dollar and cents. This means that all companies should state that they have relied on the relief provided by the instrument in their directors' report and in the notes to the financial statements.

Effective date

The new legislative instrument is effective for annual and half-year periods ending on or after 30 June 2016.

Further information

For further information on any of the information included in this Technical Accounting Alert, please get in touch with your local Grant Thornton Australia contact or a member of the National Audit Support Team at nationalaudit.support@au.gt.com.