



## Australian Government

### Department of the Prime Minister and Cabinet Office of Best Practice Regulation

Reference: 17965  
Telephone: 6271 6270  
e-mail: helpdesk@obpr.gov.au

Mr Angus Thompson  
Deputy CEO  
The Australian Accounting Standards Board

Dear Mr Thompson

#### **Final Assessment Regulation Impact Statement – AASB 9 Financial Instruments**

Thank you for forwarding the Regulation Impact Statement (RIS) for the above proposal for final assessment by the Office of Best Practice Regulation (OBPR) which we received on 10 December 2014. I note that you have formally certified the RIS as required by the best practice regulation requirements.

The OBPR's final assessment is that the Australian Accounting Standards Board (AASB) is compliant with the Government's requirements. This assessment is based on:

- the regulatory cost and cost offset estimates having been agreed with the OBPR;
- the AASB having twice submitted the certified RIS for the OBPR's assessment prior to a final decision being taken; and
- your letter of 10 December 2014 certifying the RIS responds to the OBPR's formal comments on the RIS submitted for first-pass assessment.

In addition, I note that the RIS:

- answers the seven RIS questions; and
- does not contain obvious errors.

However, the OBPR considers the RIS is not consistent with best practice. This is because analysis of the impacts is not of sufficient quality given the expected magnitude of the regulatory change. We note there is limited depth to the analysis of the benefits to industry of accounting standards that are regulated to be harmonised with international standards, and there is limited analysis of the flow-on economic consequences of a change in affected companies operating balance.

I note that your staff have been working constructively with mine. The RIS as a whole is now much clearer at second pass, better structured and has a more precise discussion of the problem. The OBPR will continue to work with the AASB to assist in improving the standard structure and approach of your RISs to assist in achieving best practice.

*Publication requirements*

The Office of Best Practice Regulation (OBPR) maintains a RIS website and the Government requires that RISs be posted within 5 business days of a regulatory decision being publicly announced. We would appreciate you advising us when a decision on this proposal is announced, and forwarding a final copy of the RIS in *Microsoft Word .doc* format in a form meeting the Australian Government's *Web Content Accessibility Guidelines*.

We suggest liaising with your web services team to ensure these guidelines are met. The OBPR should be consulted if the RIS is amended. It is the agency preparing the RIS, not the OBPR, which is responsible for the content of the published RIS.

The website provides a public comment facility on RISs posted on the site. The OBPR moderates this facility for offensive content but does not moderate debate. Please retain this letter as a record of the OBPR's advice.

Our reference number for this issue is 17965. If you have any further queries, please do not hesitate to contact me.

Yours sincerely

A handwritten signature in black ink, appearing to be 'J. McNamara', with a long horizontal flourish extending to the right.

Jason McNamara  
Executive Director  
Office of Best Practice Regulation  
12 December 2014