

FAQ on AASB 1056

FAQ 123 How does AASB 1056 *Superannuation Entities* impact APRA reporting?

A.

APRA generally expects superannuation entities to report in accordance with Australian Accounting Standards, unless otherwise specified.

The accounting standard AASB 1056 *Superannuation Entities* (AASB 1056) has superseded AAS 25 *Financial Reporting by Superannuation Plans*. AASB 1056 applies to annual reporting periods beginning on or after 1 July 2016¹. AASB 1056 changes the way items are presented and disclosed for financial reporting purposes.

While APRA's reporting standards, forms and instructions have not changed, it is APRA's expectation that entities report consistent with AASB 1056 from the financial year ending 30 June 2017 onward. This FAQ therefore applies to 30 June 2017 annual information due to be submitted to APRA by the end of September 2017, and all future submissions.

APRA acknowledges that the current APRA reporting framework differs from AASB 1056, and this FAQ aims to provide guidance to industry on how to implement AASB 1056 under the current APRA reporting requirements. Any proposed changes to APRA reporting requirements would be the subject of consultation with industry.

The table below summarises the impact on APRA reporting of the main changes arising from the adoption of AASB 1056.

Specific guidance is provided for the impact on *Reporting Form SRF 320.0 Statement of Financial Position* (SRF 320.0) for RSEs, *Reporting Form SRF 320.1 Statement of Financial Position* (SRF 320.1) for sub-funds, *Reporting Form SRF 720.0 ABS Statement of Financial Position* (SRF 720.0) for RSEs, and *Reporting Form SRF 800.0 Financial Statements* (SRF 800.0) for small APRA funds (SAFs) and single member approved deposit funds (SMADFs).

APRA expects entities to complete their returns as per prior practice after taking into account the differences discussed below.

| AASB 1056 change | Impact on APRA reporting |
|---|--|
| Changes to the face and number of financial statements to be presented | No change to forms, or number of forms, but some definitions and classifications clarified in this FAQ |
| Assets and liabilities to be measured at fair value (exceptions for member liabilities and tax items) | Assets and liabilities to be measured at fair value consistent with AASB 1056 |
| Employer sponsor receivables to be disclosed in Statement of Financial Position | See <i>How should employer sponsor receivables be recognised under APRA's reporting requirements?</i> |
| Member liabilities to be disclosed in Statement of Financial Position | See <i>How should liabilities for members' benefits be reported under APRA's reporting requirements?</i> |
| Restatement of prior comparative period | No requirement to restate prior comparative period therefore no requirement to resubmit |

¹ Refer to AASB website: <http://www.aasb.gov.au/>

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| | information previously reported to APRA for prior periods. |
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This Q&A below details specific impacts to APRA reporting arising from AASB 1056. This Q&A is not intended as an exhaustive list, and APRA anticipates that some entities may have additional queries. Entities that require further reporting advice are encouraged to contact APRA by email at DataAnalytics@apra.gov.au.

How should *employer sponsor receivables* be recognised under APRA’s reporting requirements?

Where a reporting entity recognises an employer sponsor receivable under AASB 1056, APRA expects this receivable would also be reported to APRA, regardless of whether the receivable is considered short or long term.

Entities should report employer sponsor receivables recognised under AASB 1056 as follows for the form(s) applicable to the reporting entity:

| Reporting form | Item |
|----------------|---|
| SRF 320.0 | 1. Total receivables |
| SRF 320.1 | 1. Total assets |
| SRF 720.0 | 11.3. Employer contributions receivable |
| SRF 800.0 | 1. Total assets |

How should *liabilities for members’ benefits* be reported under APRA’s reporting requirements?

AASB 1056 does not alter APRA’s expectations regarding the reporting of liability for members’ benefits. Entities should continue to report member liabilities consistent with prior reporting periods.

Entities should report member liabilities here:

| Reporting form | Item |
|----------------|---|
| SRF 320.0 | 23. Total liability for members’ benefits |
| SRF 320.1 | 5. Total liability for members’ benefits |
| SRF 720.0 | 26. Liability for members’ benefits |
| SRF 800.0 | 5. Total liability for members’ benefits |

Note that this means that benefits payable continues to exclude the liability for members’ benefits, consistent with prior reporting periods.

Entities should report benefits payable (excluding member liabilities) as follows for the form(s) applicable to the reporting entity:

| Reporting form | Item |
|----------------|-----------------------|
| SRF 320.0 | 12.1 Benefits payable |
| SRF 320.1 | 2. Total liabilities |
| SRF 720.0 | 20.1 Benefits payable |

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| SRF 800.0 | 2. Total liabilities |
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How does *Total Net Assets under AASB 1056* reconcile to APRA's reporting framework?

Total Net Assets under AASB 1056 in an entity's financial statements must equal *Net assets available for members' benefits* less *Total liability for members' benefits* under APRA's reporting requirements.

Total Net Assets in financial statements are equivalent to the following items for the form(s) applicable to the reporting entity:

| Reporting form | Item(s) |
|----------------|--|
| SRF 320.0 | 21. Net assets available for members' benefits <i>less</i> 23. Total liability for members' benefits |
| SRF 320.1 | 3. Net assets available for members' benefits <i>less</i> 5. Total liability for members' benefits |
| SRF 720.0 | 24. Net assets available to pay benefits <i>less</i> 26.3 Total liability for members' benefits |
| SRF 800.0 | 3. Net assets available for members' benefits <i>less</i> 5. Total liability for members' benefits |