

# Extract from draft *Australian Charities and Not-for-profits Commission Regulation 2012*

## Part 1 Preliminary

### 1 Name of regulation

This regulation is the *Australian Charities and Not-for-profits Commission Regulation 2012*.

### 2 Commencement

This regulation commences on the earlier of:

- (a) 1 July 2013; and
- (b) the day after it is registered.

### 3 Definitions

In this regulation:

*accounting standards*—see section 300-5 of the Act.

*Act* means the *Australian Charities and Not-for-profits Commission Act 2012*.

*registered entity* means an entity that is registered under Division 10 of the Act.

## Part 3 Requirements for annual financial reports

### 6 Purpose of Part

This Part prescribes requirements for annual financial reports, for subsection @60-15 (1) of the Act.

### 7 Contents of annual financial report

A registered entity's *financial report* for a financial year consists of:

**DRAFT ONLY**

- (a) the registered entity's financial statements for the year; and
- (b) the notes to the financial statements; and
- (c) the responsible entities' declaration about the statements and notes.

## **8 Financial statements and notes**

- (1) The *financial statements* for the financial year are the financial statements in relation to the registered entity that are required to be prepared by the accounting standards.
- (2) The *notes* to the financial statements are:
  - (a) notes required by the accounting standards; and
  - (b) any other information necessary to give a true and fair view of the financial position and performance of the registered entity.
- (3) The financial statements and notes:
  - (a) must give a true and fair view of the financial position and performance of the registered entity; and
  - (b) subject to subsections (4) and (5), must comply with the accounting standards.

*Note 1* The accounting standards set out a test for whether a registered entity will need to prepare a general purpose financial report or a special purpose financial report.

*Note 2* If the financial statements and notes prepared in compliance with the accounting standards would not give a true and fair view, additional information must be included in the notes to the financial statements under paragraph (2)(b).

- (4) Paragraphs 38 to 44 of AASB 101 do not apply to a registered entity for:
  - (a) the financial year that commences on 1 July 2013; or
  - (b) if the Commissioner approves a different accounting period, under subsection 60-85 (1) of the Act—the accounting period that starts during the financial year that commences on 1 July 2013.

**DRAFT ONLY**

- (5) If the accounting standards are inconsistent with Subdivisions 60-E and 60-G of the Act then, to the extent of the inconsistency, the financial statements and notes do not have to comply with the accounting standards.

*Note* In requiring further information under Subdivision 60-E, or allowing joint and collective reporting under Subdivision 60-G, the Commissioner may specify requirements relating to the information or reports, including particular accounting standards that do not need to be complied with.

## **9 Responsible entities' declaration**

- (1) The *responsible entities' declaration* is a declaration by the responsible entities of the registered entity that states:
  - (a) whether, in their opinion, there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
  - (b) whether, in their opinion, the financial statements and notes satisfy the requirements of the Act.
- (2) The declaration must be signed by a responsible entity that is authorised to do so by the responsible entities.

**DRAFT ONLY**

## Extract from draft amendment of *Corporations Regulations 2001*

### [1] Regulation 2M.4.01A

*substitute*

#### 2M.4.01A Membership designations (Act s 324BE)

For paragraph 324BE (1) (b) of the Act, a designation mentioned in an item of the table is prescribed for membership of the professional accounting body mentioned in the item.

Item	Professional accounting body	Designation
1	Institute of Chartered Accountants in Australia	CA; or FCA
2	Certified Practising Accountants Australia	CPA; or FCPA
3	Institute of Public Accountants	FIPA or MIPA

#### Note

1. All legislative instruments and compilations are registered on the Federal Register of Legislative Instruments kept under the *Legislative Instruments Act 2003*. See [www.comlaw.gov.au](http://www.comlaw.gov.au).

**DRAFT ONLY**