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Sent: Wednesday, 4 December 2019 8:55 AM
To: Anthony Heffernan <anthony.heffernan@xrb.govt.nz>
Cc: Todd Beardsworth <todd.beardsworth@oag.govt.nz>
Subject: NZASB Exposure Draft 2019 Withdrawal of PBE FRS 46

Hi Anthony,

Thank you for the opportunity to comment on NZASB Exposure Draft 2019 *Withdrawal of PBE FRS 46*.

We agree with the proposal to withdraw PBE FRS 46, for the reasons stated in the ED.

We have one comment to make. It relates to proposed amendments to PBE FRS 47 in relation to the definition of "Previous GAAP".

The ED proposes to define "Previous GAAP" as:

"Previous GAAP is the basis of accounting that a first-time adopter used immediately before adopting PBE Standards or PBE Standards RDR. Previous GAAP refers to any basis of accounting previously used by a first-time adopter, including the Tier 4 PBE Accounting Requirements and the basis of accounting used in special purpose financial reports."

Tier 4 PBE Accounting Requirements is non-GAAP and the basis of accounting used in special purpose financial reports is not GAAP. We recommend that the definition be amended to "Previous basis of accounting" to more accurately reflect the accounting basis that the entities were using prior to adopting PBE Standards or PBE Standards RDR.

We suggest the definition be amended along the following lines:

"Previous ~~GAAP~~ basis of accounting is the basis of accounting that a first-time adopter used immediately before adopting PBE Standards or PBE Standards RDR. Previous ~~GAAP~~ basis of accounting refers to any basis of accounting previously used by a first-time adopter, including the Tier 4 PBE Accounting Requirements and the basis of accounting used in special purpose financial reports."

We recommend all other references to "previous GAAP" in the rest of the ED be amended accordingly.

Thank you.

Regards,

Lay Wee

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