

Reporting Update

4 May 2016, 16RU-003



Remuneration Report Corporations Regulations amended

The *Corporations Amendment (Remuneration Disclosures) Regulation 2016* (Remuneration Disclosures Amendment) made on 14 April 2016 has amended the *Corporations Regulations 2001* relating to remuneration report disclosures required by sub-regulation 2M.3.03 to correct drafting oversights made in 2014.

ASIC had issued Class Order CO 14/632 *Key management personnel equity instrument disclosures* (CO 14/632) to mitigate any unintended consequences of the drafting oversights. The Corporations Regulations now reflect the original intended wording.

There is no expected impact on remuneration report disclosures.

Effective date

The updated Corporations Regulations apply in relation to financial years ending on or after 16 April 2016.

KEY POINTS

- Amendments made to Corporations Regulations 2001 – sub-regulation 2M.3.03
- No expected impacts on remuneration report disclosures
- ASIC Class Order CO 14/632 no longer required to be applied for financial years ending on or after 16 April 2016.

Background to amendments

Transfer of disclosures from accounting standard to Corporations Regulations 2001

Previously AASB 124 *Related Party Transactions* (AASB 124) paragraphs Aus 29.7 and Aus 29.7.3 to Aus 29.9.3 included requirements for certain individual key management personnel (KMP) transaction disclosures of listed disclosing entities to be included in the notes to the financial statements. Effective for financial years commencing on or after 1 July 2013, *The Corporations and Related Legislation Amendment Regulation (No. 1)* (the Amendments), transferred the requirements for disclosure of these individual KMP transactions from the notes to the financial statements to the remuneration report of a listed disclosing entity that is a company by amending the *Corporations Regulations 2001*.

Transitional Class Order issued by ASIC in 2014

However, some of the wording used in the Amendments differed from AASB 124, potentially implying the disclosures in the remuneration report would differ to those made previously in the notes to the financial statements. ASIC issued CO 14/632 as a transitional remedy to ensure that disclosures that were previously included in the notes to the annual financial statements would be included in the remuneration report without change, by effectively amending the wording back to that previously included in AASB 124.

Corporations Regulations now amended

The Remuneration Disclosures Amendment has now modified the *Corporations Regulations 2001* (sub-regulation 2M.3.03) to revert the wording back to that previously included in AASB 124.

Effective date

The updated Corporations Regulations apply in relation to financial years ending on or after 16 April 2016 (the day that the Remuneration Disclosures Amendment instrument commenced). Financial years ending prior to this date are still able to rely on ASIC CO 14/632 to achieve consistent disclosures.