

AGENDA PAPER

Item Number: 9.2
Date of Meeting: 10 November 2008
Subject: Proposed Standard: APES 345 *Reporting on Prospective Financial Information included in a Disclosure Document*

Action Required

For Information Only

Purpose

To obtain Board approval to issue the proposed standard APES 345 *Reporting on Prospective Financial Information included in a Disclosure Document* to replace the existing F2 *Prospectuses and Reports on Profit Forecasts*.

Background

The current Professional Statement F2 *Prospectuses and Reports on Profit Forecasts* formed part of the Code of Professional Conduct (CPC) that was replaced by the *Code of Ethics for Professional Accountants* (APES 110). As the Code did not contain provisions dealing with prospectuses and reports on profit forecasts, Professional Statement F2 was retained and is applicable for Members in Public Practice. A project proposal to update Professional Statement F2 was approved by the APES Board in August 2007 and a taskforce was assembled in late 2007. In developing the proposed standard, the taskforce considered international developments in the area such as the *UK Ethical Standard for Reporting Accountants* issued in 2006 by the UK Auditing Practices Board. The taskforce developed the exposure draft which was considered and approved by the Board for public comment in June 2008.

Consideration of Issues

The Board considered the issues raised by the respondents at the August 2008 Board meeting and made amendments to the text of the proposed standard to address respondents' comments.

The Board also instructed the technical staff to consider whether the scope of the standard should be extended to deal with all documents that contain prospective financial information. However, as per subsequent discussions and deliberations it was determined that the scope in APES 345 is appropriate, and at a later date consideration will be given to extending the scope or having a separate pronouncement dealing with prospective financial information in documents other than disclosure documents.

Staff Recommendation

The Board approve the issue of the proposed Standard APES 345 *Reporting on Prospective Financial Information included in a Disclosure Document* to replace the existing F2 *Prospectuses and Reports on Profit Forecasts*.

Material Presented

- Proposed Standard: APES 345 *Reporting on Prospective Financial Information included in a Disclosure Document* – Marked up version
- Proposed Standard: APES 345 *Reporting on Prospective Financial Information included in a Disclosure Document* – Clean version
- Basis for Conclusions

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Date: 31 October 2008