



EXPLANATORY MEMORANDUM TO PROFESSIONAL STANDARD 400

INVESTIGATIONS OF THE FINANCIAL CONDITION OF DEFINED BENEFIT SUPERANNUATION FUNDS

June 2017

About this Explanatory Memorandum

This Explanatory Memorandum has been prepared by the Superannuation Practice Committee (SPC) to assist Members in understanding changes to Professional Standard 400 (Investigations of the Financial Condition of Defined Benefit Superannuation Funds) (PS 400).

Changes from previous version of PS 400

AASB 1056 (Superannuation Entities) has replaced AAS 25 (Financial Reporting by Superannuation Plans) for annual reporting periods for superannuation entities beginning on or after 1 July 2016. In particular, one of the key changes on the introduction of AASB 1056 is the requirement for assets to be measured at fair value, which differs from the measurement of assets under AAS 25 at net market value.

The changes to PS 400 are to achieve consistency with:

- ▶ AASB 1056 in relation to defined benefit funds; and
- ▶ the valuation of assets under changes to Professional Standard 404 (Valuation of Superannuation Fund Assets).

Commencement Date

This revised version of Professional Standard 400 applies to Investigations with an Effective Date on or after 30 June 2017.

END OF EXPLANATORY MEMORANDUM