AASB Style Guide (2024)

The objective of this document is to create a living guide in relation to issues that may be encountered in authoring or reviewing pronouncements and issues papers. The guide sets out rules that are expected to create greater consistency in writing.

Ideally, all AASB documents will follow a consistent style. This is not always possible as some of our documents are based on or incorporate material from other bodies (especially the IASB) that do not necessarily have a consistent style. Therefore, at a minimum, we should aim for consistency of style <u>within</u> a document.

The consideration of issues relating to the style of writing documents is not limited to grammatical or punctuation cases. It also encompass other issues, such as the way documents should be marked up for amendments or the use of italics in titles.

Drafting Conventions

AASB Convention	Example
1 **Staff** is used as a **plural**	✓ Staff are of the view ✗ Staff is of the view
2 **Board** is used as **singular** **Committee** or **Panel** is also singular 'Board members' is plural, but do not "look through" a reference to the Board to make it plural. Same rule applies to organisations, etc.	✓ The Board is considering … ✗ The Board are considering … ✓ The Board members are considering …
3 Board decisions are **decided**, not agreed upon The latter wording indicates that the Board agreed with a third party, which may not be the intended meaning. If that meaning is intended, include the name of the party with whom or with which the Board agreed.	✓ The Board decided that … ✗ The Board agreed that … ✓ The Board agreed with … that …
4 Define the specific **source of views** in submission letters made by the AASB	✓ The AASB is of the view that … ✗ We are of the view that …
5 **One** space after a full stop is preferred, but whatever the IASB uses in a pronouncement. At the least, be consistent within a document.	✓ …comprehensive income.•If an … ✓ …comprehensive income:•sub-text … ✗ …comprehensive income.••If an …

AASB Convention		Example
6	For **paragraph range cross references**, use an en dash without spaces – unless the document already uses a different format At the least, be consistent within a document.	✓ paragraphs 25–28 ✗ paragraphs 25 – 28 (with spaces) ✗ paragraphs 25—28 (with an em dash) ✗ paragraphs 25-28 (with a hyphen)
7	Include a **non-breaking space** [nbs] when numbers are used in conjunction with characters in titles when there is the potential to break across lines Use Ctrl + Shift + Space to insert a non-breaking space A non-breaking space prevents words that need to be kept together from being split across two lines (i.e. the end of one line to the beginning of the next).	[nbs] indicates a non-breaking space AASB [nbs] 3 Tier [nbs] 2 Section [nbs] 3.1 No need to keep "paragraphs" and the para numbers together, or any part of dates together, however it is good practice to keep "1" with the month because the single digit "1" is small and hard to see.
8	Use **a** before a **consonant** sound, and **an** before a **vowel** sound	✓ An AASB meeting … (even though some might pronounce AASB as 'double ASB') ✓ A FASB meeting … (even though some might pronounce FASB as 'eff ASB') ✗ A AASB meeting … ✗ An FASB meeting …
9	Avoid **contractions** in official documents	✓ Do not, cannot, should not ✗ Don't, can't, shouldn't
10	Use **single** quote marks **unless** presenting phrases as an actual quotation	✓ Correct: AASB 117 *Leases* defines the term 'fair value' as "the amount for which an asset could be exchanged or a liability settled, between …" ✗ Incorrect: AASB 117 *Leases* defines the term "fair value" as "the amount for which an asset could be exchanged or a liability settled, between …" AASB 117 *Leases* defines the term "fair value" as 'the amount for which an asset could be exchanged or a liability settled, between …'
11	Avoid **Latin terms**. Use plain English instead.	✓ Amongst other things … ✗ *Inter alia* …

AASB Convention	Example
12 **Abbreviated Latin terms** should contain punctuation marks. Furthermore, such abbreviations should only be used inside parentheses. The term should be written in full in italics in all other cases, if unavoidable. However, if an AASB document is dominated with IASB text, follow the convention in the IASB document, which is normally the abbreviation with no full stops. e.g. = *exempli gratia* = for example i.e. = *id est* = that is cet. par. = *ceteris paribus* = all other things being equal	✓ eg or ie – in IASB-based documents and in other AASB pronouncements for consistency with the majority of our pronouncements Otherwise: ✓ (e.g. research costs …) ✓ (i.e. research costs …) ✓ For example, research costs … ✗ eg or ie ✗ Costs for e.g. research costs … ✗ eg. or ie. ✗ e.g., or i.e.,
13 **Italicise** titles of documents, legislation etc. But when quoting a title within a title, use contrary font to signify the distinction Subsequent Act references use non-italics, without the year of the Act: … the Corporations Act requires …	In general: ✓ *Corporations Act 2001* ✗ Corporations Act 2001 Title within title: ✓ AASB 20XX-X *Amendments to AASB 4* Insurance Contracts ✗ AASB 20XX-X *Amendments to AASB 4 Insurance Contracts*
14 **Abbreviations** and acronyms should be defined when first used It might be appropriate to redefine an unfamiliar acronym at times through a lengthy document to save the reader having to repeatedly look for the definition.	First use: **Financial Reporting Council (FRC)** Subsequently: **FRC**
15 The words 'history' and 'experience' reflect events that have already occurred. Adding 'past' before a word that already indicates **events in the past** often confuses the sentence	✓ Experience has shown… ✗ Past experience has shown… Adding 'past' confuses the sentence, particularly when the sentence is already in the past tense. ✓ History shows… ✗ Past history shows… 'History' already indicates events in the past. Thus, this is a tautology (see no. 17).

AASB Convention	Example
16 **Hyphenate** compound adjectives but not adverbs or nouns Compound adjectives (hyphenated adjectives) form a single idea. Removing the hyphens can often lead to ambiguity. In the second incorrect example opposite, the meaning of the phrase is unclear. Does the phrase refer to approvals made out of session, or has the allotment of 'session approvals' been exhausted? Hyphenation makes the intended meaning clear.	✓ Time value of money ✗ Time-value of money and: ✓ Out-of-session approval ✗ Out of session approval ✓ AASB 12 was approved out of session ✗ AASB 12 was approved out-of-session
17 **Tautologies** are unwelcome!	✓ A group of disclosures ✓ A collection of disclosures ✗ A collective group of disclosures
18 Avoid **assertions** when describing the application of accounting standards	✓ Annual impairment testing might be necessary depending on the nature and characteristics of the asset ✗ The asset must be tested for impairment annually
19 Write in the **active voice**	✓ The Board considers… ✗ It is considered by the Board…
20 New thoughts go in **separate** paragraphs	Avoid a 'wall of text' and use paragraphs to structure arguments/discussions.
21 Keep sentences **short** to facilitate reading and understanding	Consider whether a comma is necessary or whether it can be replaced with a full stop. Although a semi-colon can link two sentences together, consider whether its use is appropriate.

Document Presentation Conventions

AASB Convention	Example
22 **Heading hierarchy** should be used consistently and logically in addition to using a template. Headings are best presented as left-aligned paragraphs rather than with justified formatting, which often leaves large spaces between the words of the heading.	✓ Correct: **Presentation** **Classification of exploration and evaluation assets** ✗ Incorrect: **Presentation** **Classification of exploration and evaluation assets**

AASB Convention	Example

23 Use '**Keep with next**' to ensure that headings are kept with paragraph text.
 	
This stops headings from being the last text at the bottom of a page with the related text starting on the next page.
 	
Should also use '**Keep with next**' for single-line paragraphs of lead-in text, to keep that paragraph with the following sub-paragraphs for better comprehension by readers.
 	
'Keep with next' can be found by clicking the 'Show paragraph dialog box' (▣) button in the bottom right of the Paragraph section on the 'Home' ribbon.
	[pb] indicates a page break in these examples
	
	✓ Correct:
	Heading
	Text
	
	✗ Incorrect:
	Heading
	[pb]
	Text
	
	✗ Incorrect:
	(c) single line of sub-para lead-in text:
	[pb]
	    (i) sub-paragraph text;
	    (ii) second sub-paragraph;

24 Do not use **single points or sub-paragraphs**. Include the point in the previous paragraph.	✓ Correct: Paragraph text. Paragraph text. ✗ Incorrect: Paragraph text: (a) single sub-paragraph. Paragraph text.
25 Footnote references should be in **superscript** in the main text but **normal** in the footnotes themselves. Furthermore, footnote references should appear **after** any punctuation The footnote font size should be noticeably **smaller** than the font size of the main text. The superscript button (x²) can be found in the 'Font' section on the 'Home' ribbon tab. Alternatively, it can be found by clicking the 'Show Font dialog box' button (▣) in the same section.	✓ nominal consideration.[1] ✓ transaction is settled in cash,[2] or … ✗ nominal consideration[3]. ✗ transaction is settled in cash[4], or … ————— ✓ 1 Paragraphs 10 to 18… ✓ 2 In paragraphs 35 to 43… ✗ [3] In paragraphs 10 to 18 ✗ [4] In paragraphs 35 to 43… (the entire footnote in superscript)
26 For **page numbering**, use non-bold 'Page x of y' notation	✓ Page 1 of 4 ✗ Page **1** of **4** ✗ Page 5

Mark-up Techniques

Mark-ups should be aimed at making the changes as easy as possible for the reader to quickly identify. Among other things, this requires making the changes clear and uncluttered (i.e. avoid marking up changes of no account to the reader, such as changes of case).

Marking up in pronouncements and similar external documents should be hard-formatted, so that it cannot "disappear" through inadvertent acceptance or rejection of Word marking up.

Technique	Example
Deleted text should be struck through	~~Example deleted text~~
Added text should be underlined	<u>Example new text</u>
Always show deleted text first, followed by added text, as this aids reader comprehension	This ~~text has been replaced~~ <u>is the new text</u>
Only mark up within a word if changes are at the beginning or the end of a word	✓ connect<u>ed</u> or <u>semi-</u>annual ✗ re~~habilit~~<u>storation</u> ✗ <u>inter</u>connect<u>ed</u>
If a string of words contains numerous scattered mark-ups, strikethrough the entire string and rewrite the text at the end of the struck-through text	**Instead of** ~~while retaining, without modification, the text of the IFRS,~~ This Standard includes~~, as~~ 'Aus' paragraphs~~, additional~~ <u>providing</u> guidance ~~specifically to~~ <u>that</u> address<u>es</u> ~~issues affecting~~ not-for-profit ~~entities~~ <u>entity-specific issues</u> ~~in particular~~ <u>while retaining, without modification, the text of the IFRS Standard</u>~~,~~ **Use:** ~~while retaining, without modification, the text of the IFRS,~~ This Standard includes~~, as 'Aus' paragraphs, additional guidance specifically to address issues affecting not-for-profit entities in particular,~~ <u>'Aus' paragraphs providing guidance that addresses not-for-profit entity-specific issues while retaining, without modification, the text of the IFRS Standard</u>

Australian Government
Australian Accounting Standards Board

Grammar

Subject to versus Notwithstanding	
Both phrases can be used to link a main rule to an exception	
Subject to might be used to place the emphasis on the exception.	**Notwithstanding** might be used to place the emphasis on the main rule
For example: Subject to paragraph Aus15.1, an item of property, plant and equipment that qualifies for recognition as an asset shall be measured at its cost	For example: Notwithstanding paragraph 15, in respect of *not-for-profit entities*, where an asset is acquired at no cost, or for a nominal cost, the cost is its *fair value* as at the date of acquisition

That versus Which	
Generally, **that** is used in restrictive clauses while **which** is used in non-restrictive clauses. In most cases, **which** is preceded with a **comma**.	
That is used to define a characteristic, or property, of the subject so as to limit the statement	**Which** is used to provide additional information that is incidental to the subject being discussed
For example: Development costs that do not satisfy the criteria in AASB 138 *Intangible Assets* cannot be capitalised.	For example: Research costs, which do not satisfy the criteria in AASB 138 *Intangible Assets*, cannot be capitalised.

May versus Might	
May and **might** are both ways of expressing possibility. However, in the context of writing Accounting Standards care needs to be taken because **may** could be interpreted by some as giving the preparer an option where there is none. In such a case, **might** could be the more suitable word.	
For example (**may**): Development costs may be capitalised in practice. In the above example, **may** is ambiguous – is it saying that Accounting Standards allow a capitalisation choice; or is it describing what happens in practice?	For example (**might**): Development costs might be capitalised in practice. It is clear that this sentence is describing practice.