Exempt Company Regime

“Exempt company” means a company, other than an overseas company or an issuer, if,—

a) as at the balance date of the accounting period for which financial statements are required,
   i) the value of the total assets of the company (including intangible assets) reported in the statement of financial position did not exceed $450,000 or any other amount that is, from time to time, prescribed by Order in Council for the purposes of this subparagraph; and
   ii) the company was not a subsidiary of another body corporate or association of persons; and
   iii) the company did not have any subsidiaries; and

b) in the accounting period for which financial statements are required, the turnover of the company did not exceed $1,000,000 or any other amount that is, from time to time, prescribed by Order in Council for the purposes of this paragraph

Differential Reporting Framework [Refer to the diagram on the next page]
DIFF REP FRAMEWORK

Figure 1: Framework for Differential Reporting

Note: material in the dotted box indicates the Framework for Differential Reporting

- Is the entity an exempt company?
  - Yes
  - Reference: Paras 3.2 – 3.4
  - No
    - Does the entity produce general purpose financial statements?
      - Yes
        - Is the entity publicly accountable?
          - Yes
        - Reference: Para 3.5 – 3.7
          - No
            - Are the owners and governing body separated?
              - No
              - Reference: Para 3.8
              - Yes
                - Does the parent or ultimate controlling entity have coercive power to tax, rate or levy?
                  - No
                  - Reference: Para 3.9
                  - Yes
                    - Is the entity large?
                      - Yes
            - Special purpose financial reports tailored to the specific requirements of the user.
            - Some exemptions from requirements of standards and interpretations. Differential reporting exemptions apply.
            - Full compliance with applicable standards and interpretations. Differential reporting exemptions do not apply.
            - Refer to the specific requirements of the Financial Reporting Act 1993.