



Reporting News



April 2020

Keeping you informed and up to date in the world of corporate reporting

This newsletter focuses on changes and developments in financial reporting, business reporting and business governance – which are included in this newsletter as they become available.

Financial Reporting

COVID-19 Updates

Financial reporting resource centre on COVID-19

KPMG's resource centre on Coronavirus (COVID-19) financial reporting requirements provides guidance on the various accounting and financial reporting matters that may arise as a result of the COVID-19 pandemic. The key areas considered are:

- Are assets being carried at appropriate amounts?
- What are the key financial instruments impacts?
- What are the relevant going concern considerations?
- How should government assistance be accounted for?
- Are all liabilities fully recorded and properly presented?
- What is the impact on employee benefits?
- What is the impact on revenue-cycle accounting?
- Have changes been made to lease contracts?
- What is the impact for insurers?
- What are the interim reporting considerations?
- Is COVID-19 an adjusting or a non-adjusting event?
- Podcasts

For more information, access the [resource centre](#).

Insolvency relief for businesses impacted by COVID-19

The Government will be introducing legislation to make changes to the Companies Act to help businesses facing insolvency due to COVID-19 to remain viable, with aim of keeping New Zealanders in jobs.

The key changes are to introduce a 'safe harbour' regime to protect directors from insolvency claims, and give businesses the ability to place existing debts into hibernation, until the business can return to normal trading.

For more information, click [here](#).

Proposed amendments to IFRS

The International Accounting Standard Board (the Board) has proposed the following targeted amendments to IFRS Standards:

- The Board proposes to allow lessees not to account for rent concessions as lease modifications in 2020 if they arise as a direct consequence of COVID-19.
- The Board proposes to delay the effective date of Classification of Liabilities as Current or Non-Current (amendments to IAS 1) by one year i.e. from 2022 to 2023.

The proposed amendments are expected to be finalised by the end of May 2020 and would be effective for periods beginning on or after 1 June 2020, with earlier application permitted. Click [here](#) to access KPMG's highlights on the amendments.

XRFB's resources: Implications for Financial Reporting from COVID-19

Implications for Financial Reporting from COVID-19 (Click [here](#))

KPMG's Illustrative Financial Statements: For-Profit Entities and Public Benefit Entities (PBE)

KPMG has issued the following updated illustrative financial statements:

- [NZ IFRS RDR Illustrative Financial Statements \(2019\)](#)
- [NZ IFRS PBE \(Tier 1 and 2\) Illustrative Financial Statements \(2019\)](#)

COVID-19 Relevant IPSASB Accounting Guidance

International Public Sector Accounting Standards Board (IPSASB) published a guidance which provide insights into the financial reporting issues associated with COVID-19 government response, and the relevant IPSAS and other guidance already available. Click [here](#) to access this guidance.

Business Governance

Governing Not-for-Profits (NFPs) through COVID-19

The Government has announced a number of economic support packages and relief programmes which NFPs may be eligible for. For more information, click [here](#).

Directors Wellbeing and Resilience during COVID-19

Institute of Directors (IOD) published the article which discusses the steps boards can take to support director wellbeing. Access the article [here](#).



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