



Reporting News

June 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

Rent concessions- Practical guidance on applying the exemption

The International Accounting Standards Board (IASB) has issued amendments to IFRS 16 *Leases* to allow lessees an option not to account for rent concessions as lease modifications if they are a direct consequence of COVID-19 and meet certain conditions. The amendments are effective for periods beginning on or after 1 June 2020, with earlier application permitted.

KPMG's "[Leases – Rent concessions](#)" publication contains practical guidance and examples relating to lease concessions.

Find out more in this [web article](#).

Annual Improvements to IFRS Standards

The IASB has issued narrow-scope amendments to the following standards:

- IFRS 1 *First-time Adoption of International Financial Reporting Standards*,
- IFRS 9 *Financial Instruments*,
- Illustrative examples accompanying IFRS 16, and IAS 41 *Agriculture*.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022, with earlier application permitted. Link to the [web article](#).

ESMA calls for transparency on COVID-19 effects in half-yearly financial reports

The European regulator, ESMA, has issued a [statement](#) on the implications of the COVID-19 pandemic on the half-yearly financial reports of listed companies.

Although this statement is most relevant at a European level, other regulatory bodies outside of Europe are also likely to take notice to many of the same areas.

KPMG's Podcasts

Accounting for government assistance- IFRS podcast

Listen to KPMG's [podcast](#) on how to account for government assistance under IFRS. Link to the [transcript](#).

COVID-19 – Estimating in uncertain times

KPMG's [podcast](#) provides insights on some of the key challenges around making estimates in uncertain times as a result of COVID-19 pandemic. Access the transcript [here](#).

COVID-19 | Accounting for provisions

This [podcast](#) provides a reminder of what can and can't be provided for when capturing the impacts of the pandemic on your business under NZ IAS 37 Provisions, Contingent Liabilities and Contingent Assets. Read [here](#).

Business Reporting

Climate disclosures within the Annual Report

KPMG's publication "[Climate disclosures within the Annual Report](#)" help businesses communicate the impacts of climate on their business models, strategy, financial performance, and future prospects in their Annual Reports and Financial Statements.

Although this is an Australian focussed guide, it will be useful to New Zealand CFOs, accountants and other preparers as they look to communicate the impacts of climate in their financial statements.

FMA statement on director liability and continuous disclosure

The Financial Markets Authority (FMA) has considered the need for regulatory relief in relation to director liability thresholds, following changes in Australia. Link to [media release](#).

Business Governance

Myths about not-for-profit (NFP) governance

World Vision board member Matthew Prichard reflects what he has learned in three years of not-for-profit governance. Read [this article](#).

Managing an incorporated society through a pandemic – what are the duties of officers?

Read [this article](#) by Institute of Directors (IoD) which discusses some of the issues officers should consider as they navigate the COVID-19 environment.

KPMG Survey of Corporate Responsibility Reporting

KPMG has launched the 2020 Global ESG Reporting survey, which will be the largest sample of global companies to participate in the survey (5000 companies, representing 50 countries).

KPMG New Zealand will be contributing to this survey and will be releasing a New Zealand supplement of these findings and related insights in November 2020. The previous [global](#) and [local supplement](#) were well received in the market and we look forward to engaging with our broader reporting community in the coming months. If you have any queries about this research, please direct them to ianjameson@kpmg.co.nz.



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