



# Reporting News



August 2021

## 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.

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### Financial Reporting

#### Cloud computing

Customers in cloud computing arrangements often incur up-front costs to implement the software. Companies need to determine whether to capitalise or expense these implementation costs. This depends on whether the customer has a software asset or a service contract.

The IFRS Interpretations Committee's agenda decision published in April 2021 clarifies how to account for implementation costs incurred in a cloud service contract. KPMG's [Cloud implementation costs guide](#) will help you apply the Committee's decision and includes a framework for analysing these costs and illustrative examples.

The External Reporting Board (XRB) has also released [Q&A guidance](#) for common questions arising from the application of Committee's decision.

#### Filing of financial statements – review findings and guidance

The Financial Markets Authority's (FMA's) recently published report - [Filing of financial statements - review findings and guidance](#) provides a summary of the key findings and insights from the FMA's monitoring review of financial reporting filing obligations. It also provides guidance and sets out the FMA's expectations for future reporting periods.

#### Mergers and acquisitions

Merger and acquisition (M&A) activity continues to rise as the world begins its recovery from the COVID-19 pandemic and businesses deal with the impacts of climate change. KPMG's previous podcasts addressed buying a business and selling businesses. In our third [podcast](#) the presenters discuss partnering with others, determining the type of transaction, which accounting standard to apply and the accounting considerations for the different types of arrangements.

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### Business Reporting

#### Proposed guidance on Climate-related metrics and targets from the FSB

The Financial Stability Board's (FSB's) Task Force on Climate-related Financial Disclosures (TCFD) has recommended disclosures around climate-related metrics and targets. Read this [report](#) to find out more.

#### Climate change – launch of financial reporting resource centre

All companies are facing climate-related risks and opportunities – and are making strategic decisions in response. KPMG's climate change resources centre provides FAQs to help you identify the potential financial statement impacts from climate-related risks as well as blogs and podcasts exploring the issues further. Access the resource centre page [here](#).

#### Climate change and your financial statements

To complement the launch of KPMG's Climate change financial reporting centre, KPMG's first podcast asks contributors to provide insights into how these climate-related risks and strategic decisions could impact financial statements. Listen to the podcast on [climate change](#) here.



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