

November 2021

Reporting News

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

Welcome to the November edition of Reporting News. Set out below are the latest changes and developments in financial reporting and business reporting.

Financial Reporting

Changes to statutory reporting and audit size thresholds

The Financial Reporting (Inflation Adjustments) Regulations 2021 comes into force on 1 January 2022 and this affects statutory reporting and audit size thresholds. External Reporting Board (XRB) recently published a [table](#) summarising the legislation impacted by the 2021 inflation adjustments.

IFRS Interpretation Committee's (IFRIC's) final agenda decisions:

- Non-refundable Value Added Tax on Lease Payments

The finalised IFRIC agenda decision considered how a lessee accounts for any non-refundable value added tax (VAT) charged on lease payments under IFRS 16, *Leases*. Read this [IFRIC agenda decision](#) to find out more.

- Accounting for Warrants that are Classified as Financial Liabilities on Initial Recognition

The [IFRIC agenda decision](#) considered reclassification of warrant from financial liabilities to equity instruments after initial recognition when the instrument's contractual terms are unchanged under IAS 32 *Financial Instruments: Presentation*.

Guidance on capitalisation of borrowing costs

The International Public Sector Accounting Standards Board (IPSASB) recently issued [Amendments to IPSAS 5, Borrowing Costs – Non-Authoritative Guidance](#) with illustrative examples and implementation guidance. Access this [link](#) for more details.

Temporary Compliance Relief for Entities Reinstated

Legislation under the COVID-19 Response (Requirements For Entities – Modifications and Exemptions) Act 2020 was reinstated by Government on 3 November 2021. This allows registered entities affected by COVID-19 restrictions to make certain changes to their constitutions or rules, and to carry out certain tasks electronically. Further information can be found [here](#).

Climate-related Disclosures

The Financial Sector (Climate-related Disclosures and Other Matters) Amendment Bill (CRD Bill) received Royal assent on 27 October 2021. Financial Markets Authority (FMA) recently published its [implementation approach](#) to enforcing and monitoring the Climate-related Disclosures regime over a period of approximately four years, through to 2025/26.

Read KPMG's web article "[What's the impact on restructuring provisions?](#)" on how climate-related risks impact on restructuring provisions.

The External Reporting Board (XRB) has also released [FAQs](#) for Climate-related Disclosures.

Business Reporting

Global sustainability disclosure standards

- The IFRS Foundation Trustees (Trustees) announced [three significant developments](#) to provide the global financial markets with high-quality disclosures on climate and other sustainability issues on COP26 held on 3 November 2021.

This announcement included formation of the International Sustainability Standards Board (ISSB) and it is welcomed by the International Public Sector Accounting Standards Board (IPSASB). Access this [article](#) and live [webcast](#) from COP26 here.

- KPMG's article "[New sustainability standards board](#)" summarises the role and focus areas of the new International Sustainability Standards Board (ISSB).

Read this [article](#) for more information on how global sustainability disclosure standards will affect financial markets.

Digital platform to navigate International Public Sector Accounting Standards (IPSAS)

The International Public Sector Accounting Standards Board (IPSASB) has launched a new digital platform – [e-International Standards](#) (eIS) for more accessible to navigate International Public Sector Accounting Standards (IPSAS). Read this [article](#) to find out more.



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Feedback

If there is anything you would like to see more or less of in these updates, [let us know](#).



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