



FUELLING
PROSPERITY

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Reporting News

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

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

Financial Reporting

NZ IFRS 9 Financial Instruments- for insurers

Many insurers apply the temporary exemption under NZ IFRS 9, Financial Instruments. This exemption will cease upon NZ IFRS 17, Insurance Contracts becoming effective – i.e. for annual periods beginning on or after 1 January 2023.

KPMG's publication [IFRS 9 for Insurers – Are you good to go?](#) considers some of the key accounting issues that insurers need to focus on to get to the finish line. It offers practical examples, analysis and insight on the scope requirements; classification and measurement; impairment; hedging; transition; and presentation and disclosure under NZ IFRS 9.

The impact of climate-related risks on financial statements

Companies are facing climate-related risks and opportunities. The impacts of climate-related risks on the financial statements are broad, potentially complex and dependant on the industry specific risks.

Read KPMG's talkbook "[How might climate-related risks impact the financial statements?](#)" containing ten questions to help to audit committees understand the potential impacts.

Business Reporting

Standards for greater transparency

Global Reporting Initiative (GRI) Standards have been strengthened to deliver the highest level of transparency for impacts on the economy, environment and people. The launch of the revised Universal Standards reflect due diligence expectations for organisations to manage their sustainability impacts, including on human rights. Read this [article](#) to find out more.

New climate-related disclosure expands FMA's responsibilities

With the passage of the financial Sector (Climate-related Disclosures and Other Matters) Amendment Bill's third reading, the Financial markets Authority (FMA) plans to issue high level guidance for Climate Reporting Entities (CREs) on compliance expectations by December 2022 and provide more detailed guidance throughout calendar year 2023.

The FMA will be responsible for monitoring and enforcing this new regime. Read [this](#) article to learn more about FMA's next steps.

Climate-related disclosure standards - External reporting Board

In addition to the above, the External Reporting Board (XRB) has been charged with the responsibility to develop climate-related reporting standards based on the Financial Stability Task Force on Climate-related Financial Disclosures (TCFD). Further information can be found [here](#).

Subject to parliamentary approval, mandatory climate disclosures will apply to listed companies, and large Crown financial institutions, insurers, registered banks and managers of registered schemes with more than \$1 billion in assets. Entities will be required to publish a separate climate statement from 2023 that includes 3rd party assurance for greenhouse gas emission disclosures.

TCFD: What you need to know

This article by the Chartered Accountants ANZ (CAANZ) summarises the Task Force's Climate-Related Financial Disclosures (TCFD) recommendations on sustainability reporting and provides access to the webinar "Importance of Climate Related Financial Disclosures for the Property Sector". Read it [here](#).



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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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