

January 2024

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

Welcome to the January edition of Reporting News. Set out below are the latest changes and developments in financial reporting, business reporting and business governance. In this edition:

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Financial Reporting

KPMG's Illustrative Financial Statements: Public Benefit Entities (PBE)

The [PBE illustrative financial statements - Tier 1 and 2 \(Dec 2023\)](#) are applicable to entities with an annual reporting period beginning on or after 1 January 2023. This guide illustrates how financial reports may be prepared and presented in accordance with the New Zealand PBE Accounting Standards (Not-For Profit) as applicable to Tier 1 and Tier 2 PBE under the XRB A1 Accounting Standards Framework (XRB A1).

Banks – illustrative disclosures

The [2023 illustrative disclosures for banks](#) is now available. The 2023 edition reflects IFRS Accounting Standards in issue at 30 November 2023 that apply for annual periods beginning on 1 January 2023. Access [here](#) to find out more.

Investment funds – Illustrative disclosures

The [illustrative disclosures for investment funds](#) under IFRS Standards is now available. The 2024 edition includes an illustration of new disclosures relating to *Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)*. Access [here](#) to find out more.

Areas of focus for 2023 year ends

The latest *IFRS Today* [podcast](#) offers clear and concise points for companies to consider in preparing their year-end financial statements. Access [here](#) for the transcript.

Lack of Exchangeability

The New Zealand External Reporting Board (XRB) recently issued the amending standard [Lack of Exchangeability](#) that amends the disclosure requirements in NZ IAS 21 *The Effects of Changes in Foreign Exchange Rates*. Application of the amendments is required for accounting periods which begin on or after 1 January 2025.

Merger between a Parent and Its Subsidiary in Separate Financial Statements

The IFRS Interpretations Committee (IFRIC) has recently issued a [final agenda decision](#) relating to a merger between a parent and its subsidiary in the parent's separate financial statements.

IFRIC agenda decisions | climate-related commitments

At its November meeting, the IFRS Interpretations Committee discussed accounting for climate-related commitments. Click [here](#) to watch KPMG's video, Brian O'Donovan summarises the discussions. Access the video [transcript](#) here.

Global updates on climate and sustainability reporting

PCAF publishes new standard on Facilitated (GHG) Emissions

Recognising their role in directing capital towards economic activities, this global [standard on facilitated emissions](#) was issued in December 2023 and is relevant for financial institutions reporting under PCAF that **facilitate / underwrite** the primary issuance of capital markets (e.g. new issuance of equity, common stock, bonds, etc) and loan syndication.

Australian Treasury releases final Climate-related financial disclosure: exposure draft legislation

This is relevant to New Zealand entities that are required to lodge financial reports in Australia under Chapter 2M of the Corporations Act 2001 and fall within sustainability reporting thresholds outlined in this [KPMG Australia Reporting Update](#). The phased-in-approach is based on entity size, with first reports for periods beginning on or after 1 July 2024.

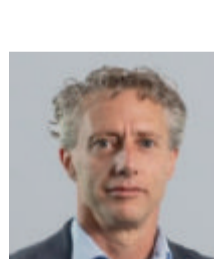
First Carbon Border Adjustment Mechanism (CBAM) reporting deadline is 31 Jan 2024

Importers of carbon intensive goods into the customs territory of the EU, including cement, iron and steel, aluminium, fertilizers, electricity and hydrogen, must submit quarterly reports that include direct and indirect embedded emissions associated with those goods, as well as carbon price applied in the country of origin. Please click [here](#) to read further about the EU CBAM campaign.

UK Carbon Border Adjustment Mechanism (CBAM) announced for 2027

New Zealand entities that export to the UK may be interested and can learn more [here](#). Whilst the details are subject to further consultation in 2024, iron, steel, aluminium, fertiliser, hydrogen and cement are named as covered sectors, as well as important distinctions with the EU rules in that glass and ceramics are included in the UK CBAM, while electricity has been excluded.

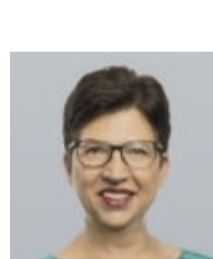
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Feedback

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



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