

New Zealand Accounting Standards Board

**Minutes of the meeting held virtually on Thursday, 8 August 2024,
which commenced at 9.00 am**

Members Present:	Carolyn Cordery (Chair) Michael Bradbury (Deputy Chair) Francis Caetano Richard Perry Lara Truman Richard Smyth Jason Stinchcombe Warwick White
Apologies:	Keith Kendall
Guests:	Angela Ryan, IPSASB Member (agenda items 11.1)
Observers:	John Ngiam, CAANZ (agenda items 3, 4, and 9) Zowie Pateman, CAANZ (agenda item 6) <i>AASB staff:</i> Fridrich Housa (agenda items 1–5 and 8–11) Helena Simkova (agenda items 1–2 and 6–10) Patricia Au (agenda items 3 and 4) Lan Lu (agenda items 2.1 and 2.3–2.6)
In attendance:	April Mackenzie – Chief Executive (agenda item 2) Michelle Lombaard – Director, Accounting Standards (all agenda items) Gali Slyuzberg – Senior Project Manager, Accounting Standards (all agenda items) Leana Van Heerden – Senior Project Manager, Accounting Standards (all agenda items) Carly Berry – Project Manager, Accounting Standards (agenda items 4, 5, 6, 10, 11) Jamie Cattell – Project Manager, Accounting Standards (all agenda items) Tereza Bublikova – Project Manager, Accounting Standards (agenda items 2.1, 3, 5–8) Jason Tualima, Chief Advisor – Public Sector (agenda item 2.6)

PUBLIC SESSION – AGENDA ITEMS 3–9

3. Measurement - Application Phase

The Board AGREED to comment on IPSASB ED 90 *Amendments to IPSAS as a Result of the Application of IPSAS 46, Measurement* and PROVIDED FEEDBACK on the ED proposals to inform the development of the comment letter.

4. PBE Revenue and Transfer Expenses – Issues discussion and project update

As we move to the next phase of these projects, four Board Members offered to support staff during the ED drafting phase, by acting as a consultative resource if complexities are encountered.

The Board AGREED:

- (a) to retain, unaltered, the binding arrangement requirements in IPSAS 47 *Revenue* regarding the allocation of the transaction price;
- (b) to add, within IPSAS 47 Implementation Guidance, a reference to the binding arrangement requirements for allocation of the transaction price as a method to proportion and recognise revenue across multiple obligations in transactions without binding arrangements;
- (c) to expand on Illustrative Example 35 in IPSAS 47 to include a scenario where the transaction is without a binding arrangement;
- (d) that ED PBE IPSAS 47 and ED PBE IPSAS 48 do not need further New Zealand-specific guidance on appropriations;
- (e) to align the scope exclusions in ED PBE IPSAS 48 with those in IPSAS 48 *Transfer Expenses* (excluding consideration of the IPSAS 48 scope exclusion for social benefits);
- (f) that a clarifying paragraph on the applicability of onerous contracts to transfer expense transactions should be added to ED PBE IPSAS 48;
- (g) to retain, unaltered, the new terminology introduced by IPSAS 47 and IPSAS 48.

The Board NOTED the analysis regarding the expected implications of accounting for revenue and expenses under the proposed requirements in ED PBE IPSAS 47 *Revenue* and ED PBE IPSAS 48 *Transfer Expenses*, specifically with respect to entities transitioning from Tier 2 to Tier 3 PBE Accounting Requirements (and vice versa).

5. Social Benefits and Collective and Individual Services – PBE Policy Approach

The Board CONSIDERED staff's application of the PBE Policy Approach to IPSAS 42 *Social Benefits and Collective and Individual Services* (amendments to IPSAS 19 *Provisions, Contingent Liabilities and Contingent Assets*).

The Board:

- (a) AGREED NOT to develop a PBE Standard using IPSAS 42 as a starting point;
- (b) AGREED NOT to develop amendments to PBE IPSAS 19 *Provisions, Contingent Liabilities and Contingent Assets*, using *Collective and Individual Services* as a starting point; and
- (c) AGREED NOT to develop a domestic standard that may incorporate parts of IPSAS 42 at this time.

The Board AGREED to expand the scope of ED PBE IPSAS 48 *Transfer Expenses*, through deletion of the IPSAS 48 *Transfer Expenses* scope exclusion relating to social benefits.

The Board provided FEEDBACK on the continuing relevance of the Crown-specific scope exclusion in PBE IPSAS 19 paragraph 2.2, and how / whether to replace this paragraph with appropriate authoritative guidance within PBE IPSAS 19.

6. IASB Equity Method – education session

The Board NOTED the update on the IASB Equity Method project.

7. PBE Conceptual Framework Update

The Board APPROVED for issue the Authoritative Notice *PBE Conceptual Framework Update* (Amendments to Chapter 3 *Qualitative Characteristics* and Chapter 5 *Elements in General Purpose Financial Reports*) and related signing memo.

8. Annual Improvements to NZ IFRS

The Board APPROVED for issue the Amending Standard *Annual Improvements to NZ IFRS 2024* and related signing memo.

The Board AGREED to wait for the IPSASB to propose these amendments as part of its *Improvements to IPSAS* project.

9. Climate-related and Other Uncertainties in Financial Statements

The Board AGREED to comment on the IASB ED *Climate-related and Other Uncertainties in the Financial Statements* and PROVIDED PRELIMINARY VIEWS on the eight illustrative examples that were proposed for the ED, as outlined in the IASB April 2024 staff papers.

Next meeting

Tuesday 15 October 2024 is a full-day meeting in Auckland.

Meeting closes