

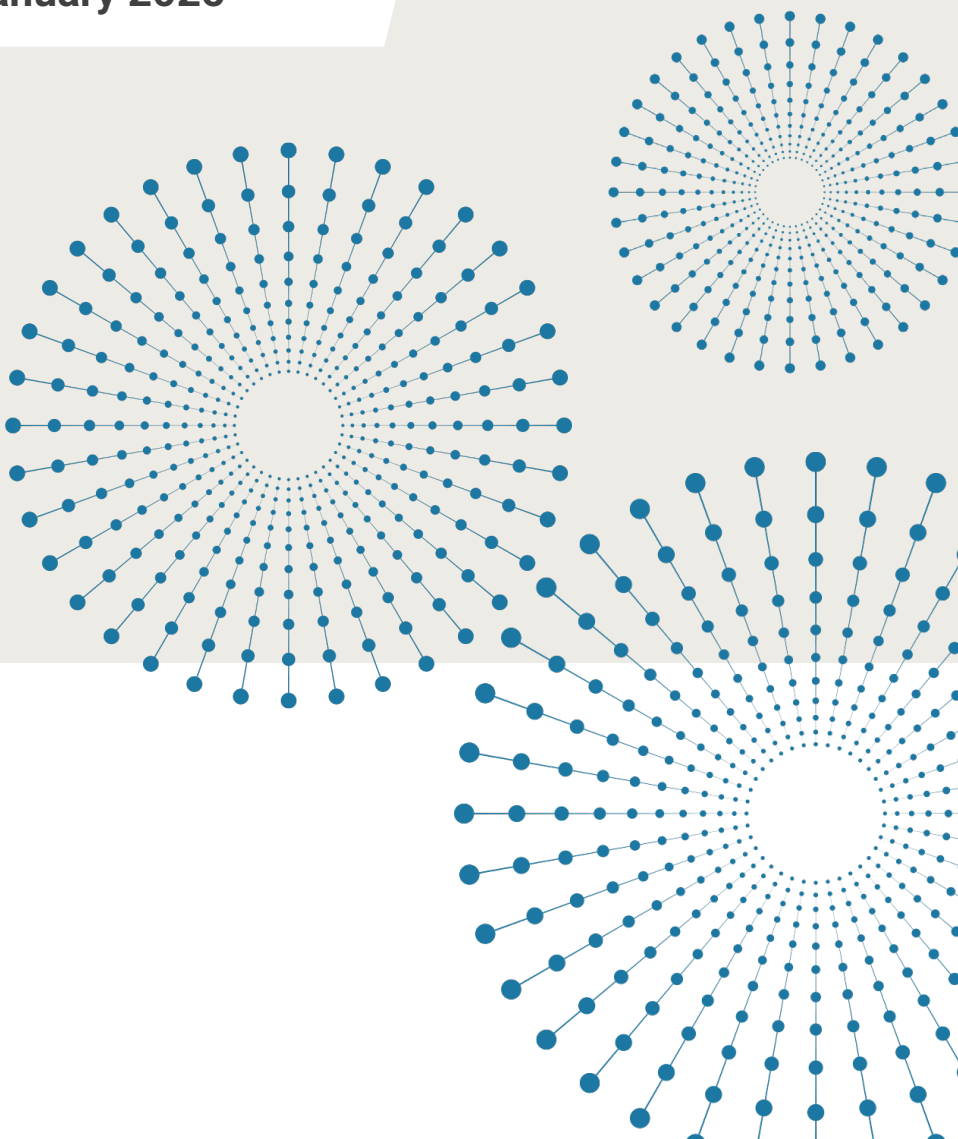
Exposure Draft

RDR Concessions - Amendments to the Classification and Measurement of Financial Instruments

Proposed amendments to NZ IFRS 7

Submissions close on 31 January 2025

December 2024



RDR CONCESSIONS - AMENDMENTS TO THE CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS



RDR Concessions - Amendments to the Classification and Measurement of Financial Instruments

Issued [Date]

This [draft] Tier 2 for-profit amending Standard introduces disclosure concessions in response to new disclosures established by *Amendments to the Classification and Measurement of Financial Instruments*, issued 27 June 2024. This [draft] amending Standard modifies the disclosure requirements in NZ IFRS 7 *Financial Instruments: Disclosures*.

In finalising this Standard, the New Zealand Accounting Standards Board has carried out appropriate consultation in accordance with section 22(1) of the Financial Reporting Act 2013.

Legal status of amending Standard

This [draft] amending Standard was issued on [date] by the New Zealand Accounting Standards Board of the External Reporting Board pursuant to section 12(a) of the Financial Reporting Act 2013.

This [draft] amending Standard is secondary legislation for the purposes of the Legislation Act 2019.

The [draft] amending Standard, pursuant to section 27(1) of the Financial Reporting Act 2013, takes effect on the 28th day after the date of its publication. The amending Standard was published under the Legislation Act 2019 on [date] and takes effect on [date].

Commencement and application

The [draft] amending Standard has a mandatory date of [1 January 2026], meaning it must be applied by Tier 2 for-profit entities for accounting periods that begin on or after this date.

Application to an earlier accounting period is permitted for accounting periods that end after this amending Standard takes effect – refer to paragraph NZ 44MM.1–NZ 44MM.4 of this [draft] amending Standard.

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RDR CONCESSIONS - AMENDMENTS TO THE CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS

Part A – Introduction

This amending Standard modifies the disclosure requirements in NZ IFRS 7 *Financial Instruments: Disclosures* established by *Amendments to the Classification and Measurement of Financial Instruments*, issued 27 June 2024, for Tier 2 for-profit entities.

Part B – Scope

This Standard applies to Tier 2 for-profit entities. A Tier 2 entity is not required to comply with the disclosure requirements in this Standard denoted with an asterisk (*).

Part C – Amendments to NZ IFRS 7 *Financial Instruments: Disclosures*

Paragraphs NZ 44MM.1, NZ 44MM.2, NZ 44MM.3 and NZ44MM.4 are added. For ease of reading these paragraphs have not been underlined. Asterisks are added to paragraphs 11A and 11B, which were amended by *Amendments to the Classification and Measurement of Financial Instruments* in June 2024, to indicate disclosure concessions for Tier 2 entities with respect to these paragraphs. The asterisks are underlined.

Significance of financial instruments for financial position and performance

...

Statement of financial position

...

Investments in equity instruments designated at fair value through other comprehensive income

*11A If an entity has designated investments in equity instruments to be measured at fair value through other comprehensive income, as permitted by paragraph 5.7.5 of NZ IFRS 9, it shall disclose for each class of investment:

- (a) which investments in equity instruments have been designated to be measured at fair value through other comprehensive income.
- (b) the reasons for using this presentation alternative.
- (c) the fair value at the end of the reporting period.
- (d) dividends recognised during the period, showing separately those related to investments derecognised during the reporting period and those related to investments held at the end of the reporting period.
- (e) any transfers of the cumulative gain or loss within equity during the period including the reason for such transfers.
- (f) the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss related to investments derecognised during the reporting period and the fair value gain or loss related to investments held at the end of the reporting period.

*11B If an entity derecognised investments in equity instruments measured at fair value through other comprehensive income during the reporting period, it shall disclose:

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- (a) the reasons for disposing of the investments.
- (b) the fair value of the investments at the date of derecognition.
- (c) the cumulative gain or loss on disposal.
- (d) any transfers of the cumulative gain or loss within equity during the reporting period related to the investments derecognised during that reporting period.

...

Commencement and application

...

RDR Concessions – Amendments to the Classification and Measurement of Financial Instruments

NZ44MM.1 *RDR Concessions – Amendments to the Classification and Measurement of Financial Instruments*, issued in [date], amended disclosure requirements in paragraph 11A and 11B. An entity shall apply those amendments in accordance with the commencement and application date provisions in paragraphs NZ 44MM.2 - NZ 44MM.4. An entity that applies the amendments to an ‘early adoption accounting period’ shall disclose that fact.

When amending Standard takes effect (section 27 Financial Reporting Act 2013)

NZ44MM.2 The amending Standard takes effect on the 28th day after the date of its publication under the Legislation Act 2019. The amending Standard was published on [date] and takes effect on [date].

Accounting period in relation to which standards commence to apply (section 28 Financial Reporting Act)

NZ44MM.3 The accounting periods in relation to which this amending Standard commences to apply are:

- (a) for an **early adopter**, those accounting periods following and including, the **early adoption accounting period**.
- (b) for any other reporting entity, those accounting periods following, and including, the first accounting period for the entity that begins on or after the **mandatory date**.

NZ44MM.4 In paragraph NZ 44MM.3:

early adopter means a reporting entity that applies this amending Standard for an early adoption accounting period

early adoption accounting period means an accounting period of the early adopter:

- (a) that begins before the mandatory date but has not ended or does not end before this amending Standard takes effect (and to avoid doubt, that period may have begun before this amending Standard takes effect); and
- (b) for which the early adopter:
 - (i) first applies this amending Standard in preparing its financial statements; and
 - (ii) discloses in its financial statements for that accounting period that this amending Standard has been applied for that period.

mandatory date means 1 January 2026.