

## **Amendments to For-profit Accounting Standards as a Consequence of XRB A1 and Other Amendments**

This Standard was issued on 10 December 2015 by the New Zealand Accounting Standards Board of the External Reporting Board pursuant to section 12(a) of the Financial Reporting Act 2013.

This Standard is a disallowable instrument for the purposes of the Legislation Act 2012, and pursuant to section 27(1) of the Financial Reporting Act 2013 takes effect on 7 January 2016.

Reporting entities that are subject to this Standard are required to apply it in accordance with the effective date, which is set out in Part E.

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.

This Standard amends for-profit accounting standards as a consequence of the issuance of XRB A1 *Application of the Accounting Standards Framework* and for other minor changes that are needed.

AMENDMENTS TO FOR-PROFIT ACCOUNTING STANDARDS AS A CONSEQUENCE OF  
XRB A1 AND OTHER AMENDMENTS

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AMENDMENTS TO FOR-PROFIT ACCOUNTING STANDARDS AS A CONSEQUENCE OF  
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## Part A

### Introduction

This Standard amends the For-profit Accounting Standards applied by Tier 1 and Tier 2 for-profit entities as a consequence of the issuance of XRB A1 *Application of the Accounting Standards Framework*. Those amendments are as follows.

- (a) A generic amendment to several standards and interpretations to change the title of XRB A1 from '*Accounting Standards Framework*' to '*Application of the Accounting Standards Framework*' and to change the references to 'Tier 2 accounting standards' to 'Tier 2 accounting requirements'.
- (b) A generic amendment to all for-profit accounting standards and interpretations (except for NZ IFRS 8 *Operating Segments* and NZ IAS 33 *Earnings per Share*) to delete the word 'only' from the first New Zealand specific scope paragraph.
- (c) A generic amendment to some standards to replace the term NZ IFRSs with NZ IFRS when referring to the Tier 1 For-profit Accounting Requirements as the suite of standards applied by Tier 1 for-profit entities.
- (d) Amendments to NZ IFRS 1 *First-time Adoption of New Zealand Equivalents to International Financial Reporting Standards* to:
  - (i) more closely align the terminology with IFRS 1 *First-time Adoption of International Financial Reporting Standards*;
  - (ii) provide Tier 2 entities with the same accounting choices as Tier 1 entities where an entity has previously applied NZ IFRS RDR but has not asserted compliance with NZ IFRS RDR in its most recent previous annual financial statements;
  - (iii) clarify the application of the Standard for an entity whose financial statements for its most recent previous reporting period contained an explicit and unreserved statement of compliance with IFRSs or NZ IFRS; and
  - (iv) amend the definition of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) to include domestic Financial Reporting Standards.
- (e) An amendment to NZ IFRS 4 *Insurance Contracts* to clarify that a Tier 2 entity is required to comply with all the requirements in paragraphs 31–42 of NZ IFRS 7 *Financial Instruments: Disclosures*.
- (f) An amendment to NZ IAS 1 *Presentation of Financial Statements* to amend the definition of NZ IFRS to be the same as the amended definition of NZ IFRS in NZ IFRS 1.
- (g) An amendment to NZ IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* to insert a footnote to the definition of IFRSs.
- (h) An amendment to NZ IAS 33 *Earnings per Share* to align the scope paragraph with that of NZ IFRS 8 *Operating Segments*.
- (i) Amendments to NZ IAS 34 *Interim Financial Reporting* regarding the statements of compliance by Tier 1 and Tier 2 entities.
- (j) An amendment to FRS-43 *Summary Financial Statements* to require an entity to display which accounting requirements the financial statements have been prepared under.
- (k) Amendments to FRS-44 *New Zealand Additional Disclosures* to:
  - (i) clarify the disclosures required by Tier 2 entities; and
  - (ii) clarify the statement of compliance with NZ IAS 34 *Interim Financial Reporting* to be made by Tier 1 entities.
- (l) IASB editorial amendments to NZ IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, NZ IFRS 9 *Financial Instruments* (2014) and other corrections issued in September 2015.

## Scope

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This Standard applies to Tier 1 and Tier 2 for-profit entities.

## Part B – Generic amendments to For-profit Accounting Standards

### Title of XRB A1

The title of XRB A1 is amended to XRB A1 *Application of the Accounting Standards Framework* and references to 'Tier 2 accounting standards' are changed to 'Tier 2 accounting requirements' in the following standards and interpretations.

(a) In the Reduced Disclosure Regime paragraph in the Introduction section of the following standards:

- NZ IFRS 1 *First-time Adoption of New Zealand Equivalents to International Financial Reporting Standards*
- NZ IFRS 2 *Share-based Payment*
- NZ IFRS 3 *Business Combinations*
- NZ IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*
- NZ IFRS 7 *Financial Instruments: Disclosures*
- NZ IFRS 10 *Consolidated Financial Statements*
- NZ IFRS 12 *Disclosure of Interests in Other Entities*
- NZ IFRS 13 *Fair Value Measurement*
- NZ IFRS 15 *Revenue from Contracts with Customers*
- NZ IAS 1 *Presentation of Financial Statements (revised 2007)*
- NZ IAS 2 *Inventories*
- NZ IAS 7 *Statement of Cash Flows*
- NZ IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*
- NZ IAS 10 *Events after the Reporting Period*
- NZ IAS 11 *Construction Contracts*
- NZ IAS 12 *Income Taxes*
- NZ IAS 16 *Property, Plant and Equipment*
- NZ IAS 17 *Leases*
- NZ IAS 19 *Employee Benefits*
- NZ IAS 21 *The Effects of Changes in Foreign Exchange Rates*
- NZ IAS 23 *Borrowing Costs (revised 2007)*
- NZ IAS 24 *Related Party Disclosures*
- NZ IAS 27 *Separate Financial Statements*
- NZ IAS 28 *Investments in Associates and Joint Ventures*
- NZ IAS 34 *Interim Financial Reporting*
- NZ IAS 36 *Impairment of Assets*
- NZ IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*
- NZ IAS 38 *Intangible Assets*
- NZ IAS 40 *Investment Property*

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- NZ IAS 41 *Agriculture*
- FRS-44 *New Zealand Additional Disclosures*

(b) In the rubric of the following interpretations:

- NZ IFRIC 2 *Members' Shares in Cooperative Entities and Similar Instruments*
- NZ IFRIC 4 *Determining whether an Arrangement contains a Lease,*
- NZ IFRIC 5 *Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds*
- NZ IFRIC 15 *Agreements for the Construction of Real Estate*
- NZ IFRIC 17 *Distribution of Non-cash Assets to Owners*
- NZ SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*
- NZ SIC-29 *Service Concession Arrangements: Disclosures*

The first New Zealand specific scope paragraph in all for-profit accounting standards and interpretations other than NZ IFRS 8 *Operating Segments* and NZ IAS 33 *Earnings per Share* is amended as follows.

**NZ x.1 This Standard applies ~~only~~ to Tier 1 and Tier 2 for-profit entities.**

The term 'NZ IFRSs' is amended to refer to 'NZ IFRS' when referring to the Tier 1 For-profit Accounting Requirements as the suite of standards applied by Tier 1 for-profit entities in the following standards:

<b>Standard</b>	<b>Paragraphs</b>
NZ IFRS 3	Paragraphs IN8, 19 and B3
NZ IFRS 9 (2014)	Consequential amendments to: <u>NZ IFRS 1</u> – paragraphs B8, B8A (3 times), B8B (3 times), B8C (twice), B8G, D19A– D19C, D33, E1, E2(d) <u>NZ IAS 39</u> – paragraph 103C
NZ IAS 1	Paragraphs 2, 13(c), 14, 17(c), 38, 38C (twice), 50 (twice), 78 and 112(b)
NZ IAS 8	Paragraphs 8 (twice), 9 (3 times) 11(a) and 41
NZ IAS 21	Paragraphs 6, 22 and 55
NZ IAS 28	Paragraph 17(d)
NZ IAS 34	Paragraphs 1 and 2 (twice)
FRS-43	Introduction (twice), paragraphs 1, 7(a) and 41 (twice)
FRS-44	Introduction – reasons and main features – and paragraphs 1 and 2
NZ IFRIC 4	Transition
NZ IFRIC 12	Paragraph 8
NZ IFRIC 17	Paragraph 2

## Part C – Other Amendments to For-profit Accounting Standards

### NZ IFRS 1 *First-time Adoption of New Zealand Equivalents to International Financial Reporting Standards*

The following amendments are proposed to NZ IFRS 1:

#### Terminology

1. Amend the Introduction to align the terminology with that in the Standard.
2. Replace the term ‘New Zealand equivalents to IFRSs’ with the term ‘NZ IFRSs’ or ‘NZ IFRS’, depending on the context, throughout the Standard and appendices for consistency with the use of the term in XRB A1 *Application of the Accounting Standards Framework* and for alignment with IFRS 1. The title of the Standard is not amended.

In addition to the changes shown below, this change is made in paragraphs 1, 6 (3 times) and the preceding heading, 7 (3 times), the example following paragraph 8 (3 times), 9, 10 (5 times), 11 (3 times), 12, 14, 15 (3 times), 16 (5 times), 17 (3 times), 21, 22 (twice), 23 and the preceding heading, 24 (6 times), 27 (3 times), 27A, 28, 30 (3 times), 31 (twice), 31C (twice), 32 (5 times), Appendix A, B2 (3 times), B4, B5 (twice), B6, B7, B10 (3 times), B11, C1 (twice), C2, C3, C4 (21 times), D2 (twice), D3, D5, D6, D8 (5 times), D8A (twice), D8B (3 times), D9, D9A, D13 (3 times), D15 (twice), D16 (3 times), D18, D19 (twice), D20, D21 (4 times), D21A (twice), D24 (twice), D26 (3 times), D29 (3 times) and the footnote to paragraph E3.

3. Replace the terms ‘this/the NZ IFRS’ with the term ‘this/the Standard’, as appropriate, to remove any confusion between the application of NZ IFRS 1 and the application of NZ IFRS as a whole.

In addition to the changes shown below, this change is made in paragraphs 1 and 8 (3 times), Appendix B, paragraph B7, Appendix C, Appendix D, paragraph D8, paragraph D16 and Appendix E.

#### Other Changes

Paragraphs IN8 and IN10 are amended as follows:

#### New Zealand specific changes

IN8 In adopting IFRS 1 for application as NZ IFRS 1 no changes have been made to the requirements of IFRS 1 for Tier 1 for-profit entities. However, changes have been made for Tier 2 for-profit entities. The circumstances in which a Tier 2 entity applies NZ IFRS 1 are outlined in the Scope section of the Standard and some ~~Where identified~~, disclosure concessions have been ~~made available for Tier 2 for profit entities identified in the Standard.~~

IN9 Tier 1 for-profit entities that comply with NZ IFRS 1 will simultaneously be in compliance with IFRS 1.

#### Reduced Disclosure Regime

IN10 NZ IFRS 1 ~~sets out specific requirements for entities~~ ~~includes RDR disclosure concessions and associated RDR paragraphs for entities~~ that qualify for and elect to apply Tier 2 ~~For-profit~~ ~~Accounting standards~~ Requirements in accordance with XRB A1 *Application of the Accounting Standards Framework*. These specific requirements are set out in the: ~~Entities that elect to report in accordance with Tier 2 accounting standards are not required to comply with paragraphs denoted with an asterisk (\*) in this Standard. However, an entity is required to comply with any RDR paragraph associated with a disclosure concession that is adopted.~~

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- (a) Scope section of the Standard which identifies the circumstances in which a Tier 2 entity applies NZ IFRS 1; and
- (b) RDR disclosure concessions and associated RDR paragraphs. Tier 2 entities are not required to comply with disclosure paragraphs denoted with an asterisk (\*) in this Standard. However, an entity is required to comply with any RDR paragraph associated with a disclosure concession that is adopted.

Paragraphs NZ 2.1 and NZ 2.2 are renumbered as NZ 1.1 and NZ 1.2 respectively and paragraph NZ 1.2 is amended, a heading is added above paragraph 2, paragraphs 2–5, 23A, 23B and RDR 24.1 are amended, and a heading and paragraphs RDR 5.1–RDR 5.7 RDR 23A.1, RDR 23B.1 and 39AA.1 are added. New text is underlined and deleted text is struck through.

## Scope

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**NZ 21.1 This Standard applies ~~only~~ to Tier 1 and Tier 2 for-profit entities.**

**NZ 21.2 A Tier 2 entity:**

- (a) **complies with paragraphs RDR 5.1–RDR 5.7 rather than paragraphs 2–5; and**
- (b) **is not required to comply with the disclosure requirements in this Standard denoted with an asterisk (\*). Where an entity elects to apply a disclosure concession it shall comply with any RDR paragraphs associated with that concession.**

### **Tier 1 Entities**

2 Subject to paragraph NZ 4.1, ~~An~~ a Tier 1 entity shall apply this ~~NZ IFRS~~ Standard in:

- (a) its first ~~New Zealand equivalents to IFRSs~~ financial statements; and
- (b) each interim financial report, if any, that it presents in accordance with NZ IAS 34 *Interim Financial Reporting* for part of the period covered by its first ~~New Zealand equivalents to NZ IFRSs~~ financial statements.

3 ~~An~~ Tier 1 entity's first ~~New Zealand equivalents to NZ IFRSs~~ financial statements are the first annual financial statements in which the entity adopts NZ IFRSs, by an explicit and unreserved statement in those financial statements of compliance with NZ IFRSs. Financial statements in accordance with NZ IFRSs are an entity's first ~~New Zealand equivalents to NZ IFRSs~~ financial statements if, for example, the entity:

- (a) presented its most recent previous financial statements:
  - (i) in accordance with national requirements that are not consistent with NZ IFRSs in all respects;
  - (ii) in conformity with NZ IFRSs in all respects, except that the financial statements did not contain an explicit and unreserved statement that they complied with NZ IFRSs;
  - (iii) containing an explicit statement of compliance with some, but not all, NZ IFRSs;
  - (iv) in accordance with national requirements inconsistent with NZ IFRSs, using some individual NZ IFRSs to account for items for which national requirements did not exist; or
  - (v) in accordance with national requirements, with a reconciliation of some amounts to the amounts determined in accordance with NZ IFRSs;
- (b) prepared financial statements in accordance with NZ IFRSs for internal use only, without making them available to the entity's owners or any other external users;
- (c) prepared a reporting package in accordance with NZ IFRSs for consolidation purposes without preparing a complete set of financial statements as defined in NZ IAS 1 *Presentation of Financial Statements* (as revised in 2007); or
- (d) did not present financial statements for previous periods.



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- 4 Subject to paragraph NZ 4.1, this NZ IFRS Standard applies when an Tier 1 entity first adopts NZ IFRSs. It does not apply when, for example, an entity:
- (a) stops presenting financial statements in accordance with national requirements, having previously presented them as well as another set of financial statements that contained an explicit and unreserved statement of compliance with NZ IFRSs;
  - (b) presented financial statements in the previous year in accordance with national requirements and those financial statements contained an explicit and unreserved statement of compliance with NZ IFRSs; or
  - (c) presented financial statements in the previous year that contained an explicit and unreserved statement of compliance with NZ IFRSs, even if the auditors qualified their audit report on those financial statements.
- ‡NZ 4.1 This NZ IFRS Standard also applies does not apply when a Tier 1 for-profit entity presented financial statements in its most recent previous reporting period that contained an explicit and unreserved statement of compliance with IFRSs.‡
- ~~(a) makes in its financial statements an explicit and unreserved statement of compliance with IFRSs as required by NZ IAS 1; and~~
  - ~~(b) did not make such a statement of compliance in its financial statements presented in the previous year.~~
- ‡4A Notwithstanding the requirements in paragraphs 2 and 3, an Tier 1 entity that has applied NZ IFRSs in a previous reporting period, but whose most recent previous annual financial statements did not contain an explicit and unreserved statement of compliance with NZ IFRSs, must either apply this NZ IFRS Standard or else apply NZ IFRSs retrospectively in accordance with NZ IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* as if the entity had never stopped applying NZ IFRSs.
- ‡4B When an Tier 1 entity does not elect to apply this NZ IFRS Standard in accordance with paragraph 4A, the entity shall nevertheless apply the disclosure requirements in paragraphs 23A–23B of NZ IFRS 1, in addition to the disclosure requirements in NZ IAS 8.
- ‡5 This NZ IFRS Standard does not apply to changes in accounting policies made by an Tier 1 entity that already applies NZ IFRSs. Such changes are the subject of:
- (a) requirements on changes in accounting policies in NZ IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*; and
  - (b) specific transitional requirements in other NZ IFRSs.

## **Tier 2 Entities**

RDR 5.1 Subject to paragraph RDR 5.4, a Tier 2 entity shall apply this Standard in:

- (a) its first NZ IFRS RDR financial statements; and
- (b) each interim financial report, if any, that it presents in accordance with NZ IAS 34 *Interim Financial Reporting* for part of the period covered by its first NZ IFRS RDR financial statements.

RDR 5.2 A Tier 2 entity's first NZ IFRS RDR financial statements are the first annual financial statements in which the entity adopts NZ IFRS RDR, by an explicit and unreserved statement in those financial statements of compliance with NZ IFRS RDR. Financial statements in accordance with NZ IFRS RDR are an entity's first NZ IFRS RDR financial statements if, for example, the entity:

- (a) presented its most recent previous financial statements:
  - (i) in accordance with national requirements that are not consistent with the minimum requirements in NZ IFRS RDR;
  - (ii) in conformity with the minimum requirements in NZ IFRS RDR, except that the financial statements did not contain an explicit and unreserved statement that they complied with NZ IFRS RDR;
  - (iii) containing an explicit statement of compliance with some, but not all, the requirements in NZ IFRS RDR;
  - (iv) in accordance with national requirements inconsistent with the minimum requirements in NZ IFRS RDR, using some individual NZ IFRSs with disclosure concessions to account for items for which national requirements did not exist; or

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- (v) in accordance with national requirements, with a reconciliation of some amounts to the amounts determined in accordance with NZ IFRS RDR;
- (b) prepared financial statements in accordance with the minimum requirements in NZ IFRS RDR for internal use only, without making them available to the entity's owners or any other external users;
- (c) prepared a reporting package in accordance with NZ IFRS RDR for consolidation purposes without preparing a complete set of financial statements as defined in NZ IAS 1 *Presentation of Financial Statements* (as revised in 2007); or
- (d) did not present financial statements for previous periods.

RDR 5.3 Subject to paragraph RDR 5.4, this Standard applies when a Tier 2 entity first adopts NZ IFRS RDR. It does not apply when, for example, an entity:

- (a) stops presenting financial statements in accordance with national requirements, having previously presented them as well as another set of financial statements that contained an explicit and unreserved statement of compliance with NZ IFRS RDR;
- (b) presented financial statements in the previous year in accordance with national requirements and those financial statements contained an explicit and unreserved statement of compliance with NZ IFRS RDR; or
- (c) presented financial statements in the previous year that contained an explicit and unreserved statement of compliance with NZ IFRS RDR, even if the auditors qualified their audit report on those financial statements.

RDR 5.4 This Standard does not apply when a Tier 2 entity presented financial statements in its most recent previous reporting period that contained an explicit and unreserved statement of compliance with IFRSs or NZ IFRS.

RDR 5.5 Notwithstanding the requirements in paragraphs RDR 5.1 and RDR 5.2, a Tier 2 entity that has applied NZ IFRS RDR in a previous reporting period, but whose most recent previous annual financial statements did not contain an explicit and unreserved statement of compliance with NZ IFRS RDR, must either apply this Standard or else apply NZ IFRS RDR retrospectively in accordance with NZ IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* as if the entity had never stopped applying NZ IFRS RDR.

RDR 5.6 When a Tier 2 entity does not elect to apply this Standard in accordance with paragraph RDR 5.5, the entity shall nevertheless apply the disclosure requirements in paragraphs RDR 23A.1 and RDR 23B.1 of NZ IFRS 1, in addition to the disclosure requirements in NZ IAS 8.

RDR 5.7 This Standard does not apply to changes in accounting policies made by a Tier 2 entity that already applies NZ IFRS RDR. Such changes are the subject of:

- (a) requirements on changes in accounting policies in NZ IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*; and
- (b) specific transitional requirements in other NZ IFRSs.

...

## **Explanation of transition to NZ IFRSs**

\*23 ...

\*23A An entity that has applied NZ IFRSs in a previous period, as described in paragraph 4A, shall disclose:

- (a) the reason it stopped applying NZ IFRSs; and
- (b) the reason it is resuming the application of NZ IFRSs.

RDR 23A.1 A Tier 2 entity that has applied NZ IFRS RDR in a previous period, as described in paragraph RDR 5.5, shall disclose:

- (a) the reason it stopped applying NZ IFRS RDR; and
- (b) the reason it is resuming the application of NZ IFRS RDR.

\*23B When an entity, in accordance with paragraph 4A, does not elect to apply NZ IFRS 1, the entity shall explain the reasons for electing to apply NZ IFRSs as if it had never stopped applying NZ IFRSs.

RDR 23B.1 When a Tier 2 entity, in accordance with paragraph RDR 5.5, does not elect to apply NZ IFRS 1, the entity shall explain the reasons for electing to apply NZ IFRS RDR as if it had never stopped applying NZ IFRS RDR.

...

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RDR 24.1 A Tier 2 entity's first ~~New Zealand equivalent to IFRSs~~ NZ IFRS RDR financial statements shall include reconciliations of its equity reported in accordance with previous GAAP to its equity in accordance with NZ IFRS RDRs for both (i) the date of transition to NZ IFRS RDRs, and (ii) the end of the latest period presented in the entity's most recent annual financial statements in accordance with previous GAAP.

...

### Effective date

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34 ...

NZ 39AA.1 Amendments to For-profit Accounting Standards as a Consequence of XRB A1 and Other Amendments, issued in December 2015, amended terminology for consistency with terminology used in XRB A1 and for alignment with IFRS 1, renumbered paragraphs NZ 2.1 and NZ 2.2 as NZ 1.1 and NZ 1.2 respectively and amended paragraph NZ 1.2, amended paragraphs 2–5, 23A, 23B, RDR 24.1 and Appendix A and added a heading above paragraph 2, a heading and paragraphs RDR 5.1–RDR 5.7, paragraphs RDR 23A.1 and RDR 23B.1. An entity shall apply those amendments for annual periods beginning on or after 1 January 2016. Earlier application is permitted.

Appendix A is amended. New text is underlined and deleted text is struck through.

## Appendix A Defined terms

*This appendix is an integral part of the NZ IFRS.*

<b>date of transition to <del>New Zealand equivalents to NZ IFRSs</del></b>	The beginning of the earliest period for which an entity presents full comparative information under <del>New Zealand equivalents to NZ IFRSs</del> in its <b>first <del>New Zealand equivalents to NZ IFRSs</del> financial statements.</b>
<b>deemed cost</b>	...
<b>fair value</b>	...
<b>first <del>New Zealand equivalents to NZ IFRSs</del> financial statements</b>	The first annual financial statements in which an entity adopts <b>New Zealand equivalents to International Financial Reporting Standards (NZ IFRSs)</b> , by an explicit and unreserved statement of compliance with New Zealand equivalents to <u>International Financial Reporting Standards</u> .
<b><u>first NZ IFRS RDR financial statements</u></b>	The first annual financial statements in which a Tier 2 entity adopts <b>New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Regime (NZ IFRS RDR)</b> , by an explicit and unreserved statement of compliance with New Zealand equivalents to <u>International Financial Reporting Standards Reduced Disclosure Regime</u> .
<b>first <del>New Zealand NZ IFRSs</del> reporting period</b>	The latest reporting period covered by an entity's <b>first <del>New Zealand equivalents to NZ IFRSs</del> financial statements.</b>
<b>first-time adopter</b>	An entity that presents its <b>first <del>New Zealand equivalents to NZ IFRS</del> financial statements.</b>
<b>International Financial Reporting Standards (IFRSs)</b>	...

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<b><u>New Zealand equivalents to International Financial Reporting Standards (NZ IFRSs)</u></b>	Standards and Interpretations <del>issued by the External Reporting Board (XRB) or the approved by the New Zealand Accounting Standards Board of the XRB comprising External Reporting Board. They comprise New Zealand equivalents to:</del> (a) <u>New Zealand equivalents to:</u> (i) <u>International Financial Reporting Standards;</u> (ii) <u>International Accounting Standards;</u> (iii) <u>IFRIC Interpretations; and</u> (iv) <u>SIC Interpretations; and</u> (b) <u>domestic Financial Reporting Standards.</u>
<b><u>New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Regime (NZ IFRS RDR)</u></b>	<u>NZ IFRS with disclosure concessions for Tier 2 for-profit entities.</u>
<b><u>opening New Zealand equivalents to NZ IFRSs statement of financial position</u></b>	An entity's statement of financial position at the <b>date of transition to New Zealand equivalents to NZ IFRSs.</b>
<b><u>previous GAAP</u></b>	The basis of accounting that a <b>first-time adopter</b> used immediately before adopting <b>New Zealand equivalents to NZ IFRSs or NZ IFRS RDR.</b>

## NZ IFRS 4 *Insurance Contracts*

A footnote is added to the reference to NZ IFRS 7 in paragraph 39(d) and paragraph NZ 41H.1 is added. New text is underlined. Paragraph 38 is shown for context.

### **Nature and extent of risks arising from insurance contracts**

**38 An insurer shall disclose information that enables users of its financial statements to evaluate the nature and extent of risks arising from insurance contracts.**

39 To comply with paragraph 38, an insurer shall disclose:

(a) ...

(d) information about credit risk, liquidity risk and market risk that paragraphs 31–42 of NZ IFRS 7<sup>1</sup> would require if the insurance contracts were within the scope of NZ IFRS 7. However:

(i) ...

<sup>1</sup> A Tier 2 entity shall comply in full with any requirements of NZ IFRS 7 which are referred to in NZ IFRS 4.

...

### **Effective date and transition**

...

NZ 41H.1 *Amendments to For-profit Accounting Standards as a Consequence of XRB A1 and Other Amendments*, issued in December 2015, amended terminology for consistency with terminology used in XRB A1 and amended paragraph 39(d). An entity shall apply those amendments for annual periods beginning on or after 1 January 2016. Earlier application is permitted.

## NZ IAS 1 *Presentation of Financial Statements*

Paragraphs NZ 8.1 and RDR 15.1 are amended and paragraph NZ 139P.1 is added. New text is underlined and deleted text is struck through. Paragraph 15 is shown for context.

### Definitions

...

NZ 8.1 The following term is used in this Standard with the meanings specified:

*New Zealand equivalents to International Financial Reporting Standards* (NZ IFRSs) are Standards and Interpretations issued by the External Reporting Board (XRB) or the New Zealand Accounting Standards Board ~~NZASB~~ of the XRB comprising:

(a) New Zealand equivalents to:

- (a) International Financial Reporting Standards;
- (b) International Accounting Standards;
- (c) IFRIC Interpretations; ~~and~~
- (d) SIC Interpretations<sup>3</sup>; and

(b) domestic Financial Reporting Standards.

<sup>3</sup>—Definition of IFRSs amended after the name changes introduced by the revised *Constitution of the IFRS Foundation* in 2010.

*New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Regime (NZ IFRS RDR)* comprises NZ IFRS with disclosure concessions for Tier 2 for-profit entities.

...

### General features

#### Fair presentation and compliance with IFRSs

\*15 Financial statements shall present fairly the financial position, financial performance and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the *NZ Framework*. [footnote omitted] The application of NZ IFRSs, with additional disclosure when necessary, is presumed to result in financial statements that achieve a fair presentation.

RDR 15.1 Financial statements shall present fairly the financial position, financial performance and cash flows of a Tier 2 entity. Fair presentation requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the *NZ Framework*. The application of ~~the~~ New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Regime (NZ IFRS RDR), with additional disclosure when necessary, is presumed to result in financial statements that achieve a fair presentation.

...

NZ 139P.1 *Amendments to For-profit Accounting Standards as a Consequence of XRB A1 and Other Amendments*, issued in December 2015, amended terminology for consistency with terminology used in XRB A1 and paragraphs NZ 8.1 and RDR 15.1. An entity shall apply those amendments for annual periods beginning on or after 1 January 2016. Earlier application is permitted.

## **NZ IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors***

Paragraph 5 is amended and paragraph NZ 54C.2 is added. New text is underlined and deleted text is struck through.

### **Definitions**

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5 The following term is used in this Standard with the meanings specified:

...

*International Financial Reporting Standards (IFRSs)* are Standards and Interpretations issued by the International Accounting Standards Board (IASB). They comprise:

- (a) International Financial Reporting Standards;
- (b) International Accounting Standards;
- (c) IFRIC Interpretations; and
- (d) SIC Interpretations<sup>1</sup>.

<sup>1</sup> Definition of IFRSs amended after the name changes introduced by the revised *Constitution of the IFRS Foundation* in 2010.

NZ 54E.1 *Amendments to For-profit Accounting Standards as a Consequence of XRB A1 and Other Amendments*, issued in December 2015, amended terminology for consistency with terminology used in XRB A1 and paragraph 5. An entity shall apply those amendments for annual periods beginning on or after 1 January 2016. Earlier application is permitted.

## **NZ IAS 33 *Earnings per Share***

Paragraph NZ 74D.2 is added and paragraph NZ 1.1 is deleted. New text is underlined and deleted text is struck through.

### **Scope**

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NZ 1.1 ~~[Deleted]~~This Standard applies only to Tier 1 for-profit entities.

...

### **Effective date**

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...

NZ 74D.2 *Amendments to For-profit Accounting Standards as a Consequence of XRB A1 and Other Amendments*, issued in December 2015, amended terminology for consistency with terminology used in XRB A1 and deleted paragraph NZ 1.1. An entity shall apply those amendments for annual periods beginning on or after 1 January 2016. Earlier application is permitted.

## NZ IAS 34 *Interim Financial Reporting*

Paragraph RDR 19.1 is renumbered to RDR 19.2 and paragraphs NZ 19.1 and NZ 57.1 are added. New text is underlined and deleted text is struck through.

### Disclosure of compliance with IFRSs

\*19 If an entity's interim financial report is in compliance with IAS 34, that fact shall be disclosed. An interim financial report shall not be described as complying with IFRSs unless it complies with all of the requirements of IFRSs. [Paragraph 19 of IAS 34 amended by the FRSB to clarify that the paragraph refers to IAS 34.]

\*NZ 19.1 If an entity's interim financial report is in compliance with this Standard, that fact shall be disclosed. An entity's interim financial report shall not be described as complying with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) unless it complies with all the requirements of NZ IFRS.

RDR 19.2~~4~~ If an entity's interim financial report is in compliance with this Standard as it applies to Tier 2 entities, that fact shall be disclosed. An interim financial report shall not be described as complying with New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Regime (NZ IFRS RDR) s if any disclosure concession available to Tier 2 entities is applied unless it complies with all of the requirements of NZ IFRS RDR.

...

### Effective date

...

NZ 57.1 Amendments to For-profit Accounting Standards as a Consequence of XRB A1 and Other Amendments, issued in December 2015, amended terminology for consistency with terminology used in XRB A1, renumbered paragraph RDR19.1 to RDR 19.2 and amended paragraph RDR 19.2 and added paragraph NZ 19.1. An entity shall apply those amendments for annual periods beginning on or after 1 January 2016. Earlier application is permitted.

## FRS-43 *Summary Financial Statements*

Paragraph 38(c) is amended and paragraph 43E is added. New text is underlined and deleted text is struck through.

### Other disclosures

#### Relationship to full financial statements

38 The summary financial statements shall prominently display the following information:

- (a) ...
- (c) whether the entity's full financial statements have been prepared in accordance with NZ GAAP, NZ IFRS or NZ IFRS RDR, including that the entity is a for-profit entity;
- (d) whether the entity has made an explicit and unreserved statement of compliance with IFRSs in its full financial statements for each period presented in the summary;
- (e) ...

...

## Effective date

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43 ...

43E Amendments to For-profit Accounting Standards as a Consequence of XRB A1 and Other Amendments, issued in December 2015, amended terminology for consistency with terminology used in XRB A1 and paragraph 38(c). An entity shall apply those amendments for annual periods beginning on or after 1 January 2016. Earlier application is permitted.

## FRS-44 New Zealand Additional Disclosures

Paragraphs 3, 5 and 7 are amended, paragraph 6 and its related heading are deleted and paragraphs RDR 5.1, RDR 7.1 and 18 are added. New text is underlined and deleted text is struck through.

## Scope

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1.1 ...

3 The requirements in this Standard are part of Generally Accepted Accounting Practice (GAAP)~~in New Zealand (NZ GAAP).~~

## Disclosures

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### Compliance with NZ IFRSs

\*5 An entity whose financial statements comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRSs) shall make an explicit and unreserved statement of such compliance in the notes. An entity shall not describe financial statements as complying with NZ IFRSs unless they comply with all the requirements of NZ IFRSs.

RDR 5.1 A Tier 2 entity whose financial statements comply with New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Regime (NZ IFRS RDR) shall make an explicit and unreserved statement of such compliance in the notes. An entity shall not describe financial statements as complying with NZ IFRS RDR unless they comply with all the requirements of NZ IFRS RDR.

### ~~Compliance with applicable financial reporting standards~~

6 ~~[Deleted] If an entity's interim financial report is in compliance with NZ IAS 34 *Interim Financial Reporting* that fact shall be disclosed. An interim financial report shall not assert compliance with NZ IFRSs, and other applicable Financial Reporting Standards, as appropriate for that entity, unless the financial statements comply with all the relevant requirements of those standards.~~

### Reporting framework

7 An entity shall disclose in the notes:

- (a) the statutory basis or other reporting framework, if any, under which the financial statements have been prepared;
- (b) a statement whether the financial statements have been prepared in accordance with ~~NZ-GAAP~~; and
- (c) that, for the purposes of complying with ~~NZ-GAAP~~, it is a for-profit entity; ~~and~~
- (d) ~~if it is eligible for and has elected to report in accordance with Tier 2 For profit Accounting Standards;~~



AMENDMENTS TO FOR-PROFIT ACCOUNTING STANDARDS AS A CONSEQUENCE OF  
XRB A1 AND OTHER AMENDMENTS

- ~~(i) that it is a Tier 2 for profit entity and has elected to report in accordance with Tier 2 For-profit Accounting Standards; and~~
- ~~(ii) the criteria that establish the entity as eligible to report in accordance with Tier 2 For-profit Accounting Standards.~~

RDR 7.1 If an entity elects to report in accordance with NZ IFRS RDR, it shall disclose in the notes the criteria that establish the entity as eligible to report in accordance with NZ IFRS RDR.

...

## Effective date

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17

...

18 *Amendments to For-profit Accounting Standards as a Consequence of XRB A1 and Other Amendments, issued in December 2015, amended terminology for consistency with terminology used in XRB A1 and paragraphs 3, 5 and 7, deleted paragraph 6 and its related heading and added paragraphs RDR 5.1 and RDR 7.1. An entity shall apply those amendments for annual periods beginning on or after 1 January 2016. Earlier application is permitted.*

## Part D: IASB Editorial amendments

### **NZ IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations***

Paragraph 33 is amended and paragraph NZ 44L.1 is added. New text is underlined and deleted text is struck through.

- 33 An entity shall disclose:
- (a) a single amount in the statement of comprehensive income comprising the total of:
    - (i) the post-tax profit or loss of discontinued operations; and
    - (ii) the post-tax gain or loss recognised on the measurement to fair value less costs to see or on the disposal of the assets or disposal group(s) constituting the discontinued operation.
  - (b) an analysis of the single amount in (a) into:
    - (i) the revenue, expenses and pre-tax profit or loss of discontinued operations;
    - (ii) the related income tax expense as required by paragraph 81(h) of NZ IAS 12; ~~and~~
    - (iii) the gain or loss recognised on the measurement of fair value less costs to sell or on the disposal of the assets or disposal group(s) constituting the discontinued operation-; and
    - (iv) the related income tax expense as required by paragraph 81(h) of NZ IAS 12.
- The analysis....

...

### **Effective date**

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...

NZ 44L.1 *Amendments to For-profit Accounting Standards as a Consequence of XRB A1 and Other Amendments*, issued in December 2015, amended terminology for consistency with terminology used in XRB A1 and paragraph 33. An entity shall apply those amendments for annual periods beginning on or after 1 January 2016. Earlier application is permitted.

### **NZ IFRS 9 *Financial Instruments (2014)***

Paragraphs 7.2.27 and C13 are amended and paragraphs NZ 7.1.4.1 and 7.2.14A are added. New text is underlined and deleted text is struck through.

### **7.1 Effective date**

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...

NZ 7.1.4.1 *Amendments to For-profit Accounting Standards as a Consequence of XRB A1 and Other Amendments*, issued in December 2015, amended terminology for consistency with terminology used in XRB A1 and paragraphs 7.2.27 and C13 and added paragraph 7.2.14A. An entity shall apply those amendments for annual periods beginning on or after 1 January 2016. Earlier application is not permitted unless an entity has applied NZ IFRS 9.

...

## 7.2 Transition

...

7.2.14A At the date of initial application, an entity is permitted to make the designation in paragraph 2.5 for contracts that already exist on the date but only if it designates all similar contracts. The change in the net assets resulting from such designations shall be recognised in retained earnings at the date of initial application.

....

7.2.27 ...transition provisions in paragraphs 7.2.3–7.2.14A and...

## Appendix C Amendments to other Standards

### NZ IFRS 7 *Financial Instruments: Disclosures*

C13 In the rubric, the reference to ‘Appendices A–E’ is amended to ‘Appendices A–C and E’. Paragraphs 2–5, 8–11, 14, 20, 28–30, 34, 36 and 42C–42E are amended .....

...

- 34 For each type of risk arising from financial instruments, an entity shall disclose:
- (a) ...
  - (b) the disclosures required by paragraphs ~~36~~35A–42, to the extent not provided in accordance with (a).
  - (c) ...

### Editorial Amendments to other Standards issued by the IASB in September 2015

Standard	Paragraph	Amendments
NZ IFRS 1	Paragraph D1	D1 An entity may elect to use one or more of the following exemptions: (a) ... (g) Investments in subsidiaries, joint ventures and associates (paragraphs D14– <del>D15A</del> and <del>D15</del> ); (h) ...
NZ IFRS 9 (2014) – consequential amendments	NZ IAS 1 paragraph 95  NZ IAS 39 paragraph AG118(b)	...hedged forecast cash flows affect...  ...In particular, because NZ IFRS <del>139</del> specifies...

## Part E – Effective Date

This Standard is effective for annual periods beginning on or after 1 January 2016. Earlier application is permitted.