

20 October 2016

Mr Warren Allen  
The Chief Executive  
External Reporting Board  
PO Box 11250  
Manners St Central  
Wellington  
6142

Dear Sir

**Requests to comment on Exposure Draft ED NZASB 2016-8 2016 Omnibus Amendments to PBE Standards**

Thank you for the opportunity to comment on the above Exposure Draft.

We are making this submission to you to assist the New Zealand Accounting Standards Board (NZASB) with the above Exposure Draft. We are happy for you to publish our comments publically.

In responding we have addressed the specific questions for respondents in Appendix 1.

More information on BDO is provided in Appendix 2 to this letter.

We hope that our responses and comments are helpful. Should you wish to discuss any of the points we have raised please contact me ([michael.rondel@bdo.co.nz](mailto:michael.rondel@bdo.co.nz)) should you have any queries or require further information.

Yours faithfully,



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## Appendix 1 - Response to questions

### Question 1

Do you agree with the proposed amendments to standards arising from consideration of Chapters 1-4 of the PBE Conceptual Framework? If you disagree, please provide reasons.

**Yes, we agree with the proposed amendments to standards arising from consideration of Chapters 1 – 4 of the PBE Conceptual Framework.**

### Question 2

Do you agree with the proposed amendments to PBE IPSAS 32 *Service Concession Arrangements: Grantor*? If you disagree, please provide reasons.

**Yes, we agree with the proposed amendments to PBE IPSAS 32 *Service Concession Arrangements: Grantor*.**

### Question 3

Do you agree with the proposed amendments to PBE IPSAS 17 *Property, Plant and Equipment* and PBE IPSAS 27 *Agriculture*? If you disagree, please provide reasons.

**Yes, we agree with the proposed amendments to PBE IPSAS 17 *Property, Plant and Equipment* and PBE IPSAS 27 *Agriculture*. This amendment will also align the accounting treatment with that of Tier 1 and Tier 2 for-profit entities going forward, which we encourage.**

### Question 4

Do you agree that the IPSASB's changes to better align terms in IPSASs with those used in GFS should be incorporated into PBE Standards? Specifically, do you agree with the proposals to amend:

- (a) PBE IPSAS 12 *Inventories*; and
- (b) PBE IPSAS 17 *Property, Plant and Equipment*?

If you disagree, please provide reasons.

**Yes, we agree with the terminology being aligned that used in GFS.**

### Question 5

Do you agree with the proposed amendments to PBE IAS 12 *Income Taxes*? If you disagree, please provide reasons.

**Yes, we agree with the proposed amendments to PBE IAS 12 *Income Taxes*. This amendment will also align the accounting treatment with that of Tier 1 and Tier 2 for-profit entities going forward, which we encourage.**

**Question 6**

Do you agree with the proposed amendments to PBE IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*? If you disagree, please provide reasons.

***Yes, we agree with the proposed amendments to PBE IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.***

**Question 7**

Do you agree with the proposed effective dates for the amendments? If not, please give reasons.

***Yes, we agree with the proposed effective dates for the amendments.***

**Question 8**

Do you have any other comments on ED NZASB 2016-8?

***We have no further comments on ED NZASB 2016-8.***

## **Appendix 2 - Information on BDO**

1. BDO New Zealand is a network of eleven independently owned accounting practices, with fifteen offices located throughout New Zealand.
2. BDO firms in New Zealand offer a full range of accountancy services, including business advisory, audit, taxation, risk advisory, internal audit, corporate finance, forensic accounting and business recovery and insolvency.
3. BDO in New Zealand has 91 partners and over 750 staff.
4. BDO firms throughout New Zealand have a significant number of clients in the not-for-profit sector.
5. Five BDO firms in New Zealand (BDO Auckland, BDO Christchurch, BDO Northland, BDO Waikato and BDO Wellington) are registered audit firms and thirteen audit partners are licensed auditors.
6. Internationally, BDO is the fifth largest full-service audit, tax and advisory firm in the world, with almost 60,000 people in 1,328 offices across over 152 territories.