



NZ ACCOUNTING
STANDARDS
BOARD

New Zealand Equivalent to International Financial Reporting Standard 1 First-time Adoption of New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS 1)

Issued December 2008 and incorporates amendments to 28 February 2018 other than consequential amendments resulting from early adoption of NZ IFRS 17 *Insurance Contracts*

This Standard was issued by the New Zealand Accounting Standards Board of the External Reporting Board pursuant to section 24(1)(a) of the Financial Reporting Act 1993.

This Standard is a Regulation for the purposes of the Regulations (Disallowance) Act 1989.

NZ IFRS 1 incorporates the equivalent IFRS[®] Standard as issued by the International Accounting Standards Board.

Tier 1 for-profit entities that comply with NZ IFRS 1 will simultaneously be in compliance with IFRS 1 *First-time Adoption of International Financial Reporting Standards*.

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

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New Zealand Equivalent to International Financial Reporting Standard *First-time Adoption of New Zealand Equivalents to International Financial Reporting Standards* (NZ IFRS 1) is set out in paragraphs 1–40 and Appendices A–E. NZ IFRS 1 is based on International Financial Reporting Standard 1 *First-time Adoption of International Financial Reporting Standards* (IFRS 1) (2008) published by the International Accounting Standards Board (IASB). All the paragraphs have equal authority. Paragraphs in **bold type** state the main principles. Terms defined in Appendix A are in *italics* the first time they appear in the Standard. Definitions of other terms are given in the Glossary. NZ IFRS 1 should be read in the context of its objective and the IASB’s Basis for Conclusions on IFRS 1 and the New Zealand Equivalent to the IASB *Conceptual Framework for Financial Reporting* (NZ Framework). NZ IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* provides a basis for selecting and applying accounting policies in the absence of explicit guidance.

Any New Zealand additional material is shown with either “NZ” or “RDR” preceding the paragraph number.

New Zealand Equivalent to International Financial Reporting Standard 1

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

Objective

- 1 The objective of this Standard is to ensure that an entity's *first NZ IFRS financial statements*, and its interim financial reports for part of the period covered by those financial statements, contain high quality information that:
- (a) is transparent for users and comparable over all periods presented;
 - (b) provides a suitable starting point for accounting in accordance with *New Zealand equivalents to International Financial Reporting Standards (NZ IFRS)*; and
 - (c) can be generated at a cost that does not exceed the benefits.

Scope

NZ 1.1 This Standard applies to Tier 1 and Tier 2 for-profit entities.

NZ 1.2 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, a Tier 1 entity shall apply this Standard in:
- (a) its first NZ IFRS 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 financial statements.
- 3 A Tier 1 entity's first NZ IFRS financial statements are the first annual financial statements in which the entity adopts NZ IFRS, by an explicit and unreserved statement in those financial statements of compliance with NZ IFRS. Financial statements in accordance with NZ IFRS are an entity's first NZ IFRS 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 IFRS in all respects;
 - (ii) in conformity with NZ IFRS in all respects, except that the financial statements did not contain an explicit and unreserved statement that they complied with NZ IFRS;
 - (iii) containing an explicit statement of compliance with some, but not all, NZ IFRSs;
 - (iv) in accordance with national requirements inconsistent with NZ IFRS, 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 IFRS;
 - (b) prepared financial statements in accordance with NZ IFRS for internal use only, without making them available to the entity's owners or any other external users;

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- (c) prepared a reporting package in accordance with NZ IFRS 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.
- 4 Subject to paragraph NZ 4.1, this Standard applies when a Tier 1 entity first adopts NZ IFRS. 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;
 - (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; or
 - (c) presented financial statements in the previous year that contained an explicit and unreserved statement of compliance with NZ IFRS, even if the auditors qualified their audit report on those financial statements.
- NZ 4.1 This Standard does not apply when a Tier 1 entity presented financial statements in its most recent previous reporting period that contained an explicit and unreserved statement of compliance with IFRSs.
- 4A Notwithstanding the requirements in paragraphs 2 and 3, a Tier 1 entity that has applied NZ IFRS 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, must either apply this Standard or else apply NZ IFRS 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.
- 4B When a Tier 1 entity does not elect to apply this 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 Standard does not apply to changes in accounting policies made by a Tier 1 entity that already applies NZ IFRS. 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
 - (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.

Recognition and measurement

Opening NZ IFRS statement of financial position

- 6 An entity shall prepare and present an *opening NZ IFRS statement of financial position* at the *date of transition to NZ IFRS*. This is the starting point for its accounting in accordance with NZ IFRS.

Accounting policies

- 7 **An entity shall use the same accounting policies in its opening NZ IFRS statement of financial position and throughout all periods presented in its first NZ IFRS financial statements. Those accounting policies shall comply with each NZ IFRS effective at the end of its first NZ IFRS reporting period, except as specified in paragraphs 13–19 and Appendices B–E.**
- 8 An entity shall not apply different versions of NZ IFRSs that were effective at earlier dates. An entity may apply a new NZ IFRS that is not yet mandatory if that NZ IFRS permits early application.

Example: Consistent application of latest version of NZ IFRS

Background

The end of entity A's first NZ IFRS reporting period is 31 December 20X5. Entity A decides to present comparative information in those financial statements for one year only (see paragraph 21). Therefore, its date of transition to NZ IFRS is the beginning of business on 1 January 20X4 (or, equivalently, close of business on 31 December 20X3). Entity A presented financial statements in accordance with its previous GAAP annually to 31 December each year up to, and including, 31 December 20X4.

Application of requirements

Entity A is required to apply the NZ IFRSs effective for periods ending on 31 December 20X5 in:

- (a) preparing and presenting its opening NZ IFRS statement of financial position at 1 January 20X4; and
- (b) preparing and presenting its statement of financial position for 31 December 20X5 (including comparative amounts for 20X4), statement of comprehensive income, statement of changes in equity and statement of cash flows for the year to 31 December 20X5 (including comparative amounts for 20X4) and disclosures (including comparative information for 20X4).

If a new NZ IFRS is not yet mandatory but permits early application, entity A is permitted, but not required, to apply that NZ IFRS in its first NZ IFRS financial statements.

- 9 The transitional provisions in other NZ IFRSs apply to changes in accounting policies made by an entity that already uses NZ IFRS; they do not apply to a *first-time adopter's* transition to NZ IFRS, except as specified in Appendices B–E.
- 10 Except as described in paragraphs 13–19 and Appendices B–E, an entity shall, in its opening NZ IFRS statement of financial position:
- (a) recognise all assets and liabilities whose recognition is required by NZ IFRS;
 - (b) not recognise items as assets or liabilities if NZ IFRS does not permit such recognition;
 - (c) reclassify items that it recognised in accordance with previous GAAP as one type of asset, liability or component of equity, but are a different type of asset, liability or component of equity in accordance with NZ IFRS; and
 - (d) apply NZ IFRS in measuring all recognised assets and liabilities.
- 11 The accounting policies that an entity uses in its opening NZ IFRS statement of financial position may differ from those that it used for the same date using its previous GAAP. The resulting adjustments arise from events and transactions before the date of transition to NZ IFRS. Therefore, an entity shall recognise those adjustments directly in retained earnings (or, if appropriate, another category of equity) at the date of transition to NZ IFRS.
- 12 This Standard establishes two categories of exceptions to the principle that an entity's opening NZ IFRS statement of financial position shall comply with each NZ IFRS:
- (a) Paragraphs 14–17 and Appendix B prohibit retrospective application of some aspects of other NZ IFRSs.
 - (b) Appendices C–E grant exemptions from some requirements of other NZ IFRSs.

Exceptions to the retrospective application of other NZ IFRSs

- 13 This Standard prohibits retrospective application of some aspects of other NZ IFRSs. These exceptions are set out in paragraphs 14–17 and Appendix B.

Estimates

- 14 **An entity's estimates in accordance with NZ IFRS at the date of transition to NZ IFRS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.**
- 15 An entity may receive information after the date of transition to NZ IFRS about estimates that it had made under previous GAAP. In accordance with paragraph 14, an entity shall treat the receipt of that information in

the same way as non-adjusting events after the reporting period in accordance with NZ IAS 10 *Events after the Reporting Period*. For example, assume that an entity's date of transition to NZ IFRS is 1 January 20X4 and new information on 15 July 20X4 requires the revision of an estimate made in accordance with previous GAAP at 31 December 20X3. The entity shall not reflect that new information in its opening NZ IFRS statement of financial position (unless the estimates need adjustment for any differences in accounting policies or there is objective evidence that the estimates were in error). Instead, the entity shall reflect that new information in profit or loss (or, if appropriate, other comprehensive income) for the year ended 31 December 20X4.

- 16 An entity may need to make estimates in accordance with NZ IFRS at the date of transition to NZ IFRS that were not required at that date under previous GAAP. To achieve consistency with NZ IAS 10, those estimates in accordance with NZ IFRS shall reflect conditions that existed at the date of transition to NZ IFRS. In particular, estimates at the date of transition to NZ IFRS of market prices, interest rates or foreign exchange rates shall reflect market conditions at that date.
- 17 Paragraphs 14–16 apply to the opening NZ IFRS statement of financial position. They also apply to a comparative period presented in an entity's first NZ IFRS financial statements, in which case the references to the date of transition to NZ IFRS are replaced by references to the end of that comparative period.

Exemptions from other NZ IFRSs

- 18 An entity may elect to use one or more of the exemptions contained in Appendices C–E. An entity shall not apply these exemptions by analogy to other items.
- 19 [Deleted by IASB]

Presentation and disclosure

- 20 This Standard does not provide exemptions from the presentation and disclosure requirements in other NZ IFRSs.

Comparative information

- *21 An entity's first NZ IFRS financial statements shall include at least three statements of financial position, two statements of profit or loss and other comprehensive income, two separate statements of profit or loss (if presented), two statements of cash flows and two statements of changes in equity and related notes, including comparative information.
- RDR 21.1 To comply with NZ IAS 1, a Tier 2 entity's first NZ IFRS RDR financial statements shall include at least two statements of financial position, two statements of comprehensive income, two separate income statements (if presented), two statements of cash flows and two statements of changes in equity, and related notes, including comparative information.

Non-NZ IFRS comparative information and historical summaries

- *22 Some entities present historical summaries of selected data for periods before the first period for which they present full comparative information in accordance with NZ IFRS. This Standard does not require such summaries to comply with the recognition and measurement requirements of NZ IFRS. Furthermore, some entities present comparative information in accordance with previous GAAP as well as the comparative information required by NZ IAS 1. In any financial statements containing historical summaries or comparative information in accordance with previous GAAP, an entity shall:
- (a) label the previous GAAP information prominently as not being prepared in accordance with NZ IFRS; and
 - (b) disclose the nature of the main adjustments that would make it comply with NZ IFRS. An entity need not quantify those adjustments.

Explanation of transition to NZ IFRS

- *23 An entity shall explain how the transition from previous GAAP to NZ IFRS affected its reported financial position, financial performance and cash flows.

- *23A An entity that has applied NZ IFRS in a previous period, as described in paragraph 4A, shall disclose:
- (a) the reason it stopped applying NZ IFRS; and
 - (b) the reason it is resuming the application of NZ IFRS.
- 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 IFRS as if it had never stopped applying NZ IFRS.
- 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.

Reconciliations

- *24 To comply with paragraph 23, an entity's first NZ IFRS financial statements shall include:
- (a) reconciliations of its equity reported in accordance with previous GAAP to its equity in accordance with NZ IFRS for both of the following dates:
 - (i) the date of transition to NZ IFRS; and
 - (ii) the end of the latest period presented in the entity's most recent annual financial statements in accordance with previous GAAP.
 - (b) a reconciliation to its total comprehensive income in accordance with NZ IFRS for the latest period in the entity's most recent annual financial statements. The starting point for that reconciliation shall be total comprehensive income in accordance with previous GAAP for the same period or, if an entity did not report such a total, profit or loss under previous GAAP.
 - (c) if the entity recognised or reversed any impairment losses for the first time in preparing its opening NZ IFRS statement of financial position, the disclosures that NZ IAS 36 *Impairment of Assets* would have required if the entity had recognised those impairment losses or reversals in the period beginning with the date of transition to NZ IFRS.
- RDR 24.1 A Tier 2 entity's first 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 RDR for both (i) the date of transition to NZ IFRS RDR, and (ii) the end of the latest period presented in the entity's most recent annual financial statements in accordance with previous GAAP.
- *25 The reconciliations required by paragraph 24(a) and (b) shall give sufficient detail to enable users to understand the material adjustments to the statement of financial position and statement of comprehensive income. If an entity presented a statement of cash flows under its previous GAAP, it shall also explain the material adjustments to the statement of cash flows.
- *26 If an entity becomes aware of errors made under previous GAAP, the reconciliations required by paragraphs 24(a) and (b) shall distinguish the correction of those errors from changes in accounting policies.
- *27 NZ IAS 8 does not apply to the changes in accounting policies an entity makes when it adopts NZ IFRS or to changes in those policies until after it presents its first NZ IFRS financial statements. Therefore, NZ IAS 8's requirements for disclosures about changes in accounting policies do not apply in an entity's first NZ IFRS financial statements.
- *27A If during the period covered by its first NZ IFRS financial statements an entity changes its accounting policies or its use of the exemptions contained in this Standard, it shall explain the changes between its first NZ IFRS interim financial report and its first NZ IFRS financial statements, in accordance with paragraph 23, and it shall update the reconciliations required by paragraph 24(a) and (b).
- *28 If an entity did not present financial statements for previous periods, its first NZ IFRS financial statements shall disclose that fact.

Designation of financial assets or financial liabilities

- *29 An entity is permitted to designate a previously recognised financial asset as a financial asset measured at fair value through profit or loss in accordance with paragraph D19A. The entity shall disclose the fair value of

financial assets so designated at the date of designation and their classification and carrying amount in the previous financial statements.

- 29A An entity is permitted to designate a previously recognised financial liability as a financial liability at fair value through profit or loss in accordance with paragraph D19. The entity shall disclose the fair value of financial liabilities so designated at the date of designation and their classification and carrying amount in the previous financial statements.

Use of fair value as deemed cost

- *30 If an entity uses fair value in its opening NZ IFRS statement of financial position as *deemed cost* for an item of property, plant and equipment, an investment property, an intangible asset or a right-of-use asset (see paragraphs D5 and D7), the entity's first NZ IFRS financial statements shall disclose, for each line item in the opening NZ IFRS statement of financial position:
- (a) the aggregate of those fair values; and
 - (b) the aggregate adjustment to the carrying amounts reported under previous GAAP.

Use of deemed cost for investments in subsidiaries, joint ventures and associates

- *31 Similarly, if an entity uses a deemed cost in its opening NZ IFRS statement of financial position for an investment in a subsidiary, joint venture or associate in its separate financial statements (see paragraph D15), the entity's first NZ IFRS separate financial statements shall disclose:
- (a) the aggregate deemed cost of those investments for which deemed cost is their previous GAAP carrying amount;
 - (b) the aggregate deemed cost of those investments for which deemed cost is fair value; and
 - (c) the aggregate adjustment to the carrying amounts reported under previous GAAP.

Use of deemed cost for oil and gas assets

- *31A If an entity uses the exemption in paragraph D8A(b) for oil and gas assets, it shall disclose that fact and the basis on which carrying amounts determined under previous GAAP were allocated.

Use of deemed cost for operations subject to rate regulation

- *31B If an entity uses the exemption in paragraph D8B for operations subject to rate regulation, it shall disclose that fact and the basis on which carrying amounts were determined under previous GAAP.

Use of deemed cost after severe hyperinflation

- *31C If an entity elects to measure assets and liabilities at fair value and to use that fair value as the deemed cost in its opening NZ IFRS statement of financial position because of severe hyperinflation (see paragraphs D26–D30), the entity's first NZ IFRS financial statements shall disclose an explanation of how, and why, the entity had, and then ceased to have, a functional currency that has both of the following characteristics:
- (a) a reliable general price index is not available to all entities with transactions and balances in the currency.
 - (b) exchangeability between the currency and a relatively stable foreign currency does not exist.

Interim financial reports

- *32 To comply with paragraph 23, if an entity presents an interim financial report in accordance with NZ IAS 34 for part of the period covered by its first NZ IFRS financial statements, the entity shall satisfy the following requirements in addition to the requirements of NZ IAS 34:
- (a) Each such interim financial report shall, if the entity presented an interim financial report for the comparable interim period of the immediately preceding financial year, include:
 - (i) a reconciliation of its equity in accordance with previous GAAP at the end of that comparable interim period to its equity under NZ IFRS at that date; and

- (ii) a reconciliation to its total comprehensive income in accordance with NZ IFRS for that comparable interim period (current and year to date). The starting point for that reconciliation shall be total comprehensive income in accordance with previous GAAP for that period or, if an entity did not report such a total, profit or loss in accordance with previous GAAP.
 - (b) In addition to the reconciliations required by (a), an entity's first interim financial report in accordance with NZ IAS 34 for part of the period covered by its first NZ IFRS financial statements shall include the reconciliations described in paragraph 24(a) and (b) (supplemented by the details required by paragraphs 25 and 26) or a cross reference to another published document that includes these reconciliations.
 - (c) If an entity changes its accounting policies or its use of the exemptions contained in this Standard, it shall explain the changes in each such interim financial report in accordance with paragraph 23 and update the reconciliations required by (a) and (b).
- *33 NZ IAS 34 requires minimum disclosures, which are based on the assumption that users of the interim financial report also have access to the most recent annual financial statements. However, NZ IAS 34 also requires an entity to disclose 'any events or transactions that are material to an understanding of the current interim period'. Therefore, if a first-time adopter did not, in its most recent annual financial statements in accordance with previous GAAP, disclose information material to an understanding of the current interim period, its interim financial report shall disclose that information or include a cross-reference to another published document that includes it.

Effective date

- 34 An entity shall apply this NZ IFRS if its first New Zealand equivalents to IFRSs financial statements are for a period beginning on or after 1 July 2009. Earlier application is permitted.
- 35 An entity shall apply the amendments in paragraphs D1(n) and D23 for annual periods beginning on or after 1 July 2009. If an entity applies NZ IAS 23 *Borrowing Costs* (as revised in 2007) for an earlier period, those amendments shall be applied for that earlier period.
- 36 NZ IFRS 3 *Business Combinations* (as revised in 2008) amended paragraphs 19, C1 and C4(f) and (g). An entity shall apply those amendments for annual periods beginning on or after 1 July 2009. If an entity applies NZ IFRS 3 (revised 2008) for an earlier period, the amendments shall also be applied for that earlier period.
- 37 NZ IAS 27 *Consolidated and Separate Financial Statements* (as amended in 2008) amended paragraphs B1 and B7. An entity shall apply those amendments for annual periods beginning on or after 1 July 2009. If an entity applies NZ IAS 27 (amended 2008) for an earlier period, the amendments shall be applied for that earlier period.
- 38 *Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate* (Amendments to NZ IFRS 1 and NZ IAS 27), issued in June 2008, added paragraphs 31, D1(g), D14 and D15. An entity shall apply those paragraphs for annual periods beginning on or after 1 January 2009. Earlier application is permitted. If an entity applies the paragraphs for an earlier period, it shall disclose that fact.
- 39 Paragraph B7 was amended by *Improvements to NZ IFRSs* issued in June 2008. An entity shall apply those amendments for annual periods beginning on or after 1 July 2009. If an entity applies NZ IAS 27 (amended 2008) for an earlier period, the amendments shall be applied for that earlier period.
- 39A *Additional Exemptions for First-time Adopters* (Amendments to NZ IFRS 1), issued in August 2009, added paragraphs 31A, D8A, D9A and D21A and amended paragraph D1(c), (d) and (l). An entity shall apply those amendments for annual periods beginning on or after 1 January 2010. Earlier application is permitted. If an entity applies the amendments for an earlier period it shall disclose that fact.
- 39B [Deleted by IASB]
- 39C NZ IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments* added paragraph D25. An entity shall apply that amendment when it applies NZ IFRIC 19.
- 39D [Deleted by IASB]
- 39E *Improvements to NZ IFRSs* issued in July 2010 added paragraphs 27A, 31B and D8B and amended paragraphs 27, 32, D1(c) and D8. An entity shall apply those amendments for annual periods beginning on or after 1 January 2011. Earlier application is permitted. If an entity applies the amendments for an earlier period it shall disclose that fact. Entities that adopted NZ IFRSs in periods before the effective date of NZ IFRS 1 or applied NZ IFRS 1 in a previous period are permitted to apply the amendment to paragraph D8 retrospectively in the first annual period after the amendment is effective. An entity applying paragraph D8 retrospectively shall disclose that fact.

- 39F [Deleted by IASB]
- 39G [Deleted by IASB]
- 39H *Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters* (Amendments to NZ IFRS 1), issued in February 2011, amended paragraphs B2, D1 and D20 and added paragraphs 31C and D26–D30. An entity shall apply those amendments for annual periods beginning on or after 1 July 2011. Earlier application is permitted.
- 39I NZ IFRS 10 *Consolidated Financial Statements* and NZ IFRS 11 *Joint Arrangements*, issued in June 2011, amended paragraphs 31, B7, C1, D14 and D15 and added paragraph D31. An entity shall apply those amendments when it applies NZ IFRS 10 and NZ IFRS 11.
- 39J NZ IFRS 13 *Fair Value Measurement*, issued in June 2011, deleted paragraph 19, amended the definition of fair value in Appendix A and amended paragraphs D15 and D20. An entity shall apply those amendments when it applies NZ IFRS 13.
- 39K *Presentation of Items of Other Comprehensive Income* (Amendments to NZ IAS 1), issued in August 2011, amended paragraph 21 and added paragraph NZ 2.1. An entity shall apply those amendments when it applies NZ IAS 1 as amended in August 2011.
- 39L NZ IAS 19 *Employee Benefits* (as amended in August 2011) amended paragraph D1 and deleted paragraphs D10 and D11. An entity shall apply those amendments when it applies NZ IAS 19 (as amended in August 2011).
- 39M NZ IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine* added paragraph D32 and amended paragraph D1. An entity shall apply that amendment when it applies NZ IFRIC 20.
- 39N *Government Loans* (Amendments to NZ IFRS 1), issued in April 2012, added paragraphs B1(f) and B10–B12. An entity shall apply those paragraphs for annual periods beginning on or after 1 January 2013. Earlier application is permitted.
- 39O Paragraphs B10 and B11 refer to NZ IFRS 9. If an entity applies this NZ IFRS but does not yet apply NZ IFRS 9, the references in paragraphs B10 and B11 to NZ IFRS 9 shall be read as references to NZ IAS 39 *Financial Instruments: Recognition and Measurement*.
- 39P *Annual Improvements 2009–2011 Cycle*, issued in June 2012, added paragraphs 4A–4B and 23A–23B. An entity shall apply that amendment retrospectively in accordance with NZ IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* for annual periods beginning on or after 1 January 2013. Earlier application is permitted. If an entity applies that amendment for an earlier period it shall disclose that fact.
- 39Q *Annual Improvements 2009–2011 Cycle*, issued in June 2012, amended paragraph D23. An entity shall apply that amendment retrospectively in accordance with NZ IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* for annual periods beginning on or after 1 January 2013. Earlier application is permitted. If an entity applies that amendment for an earlier period it shall disclose that fact.
- 39R *Annual Improvements 2009–2011 Cycle*, issued in June 2012, amended paragraph 21. An entity shall apply that amendment retrospectively in accordance with NZ IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* for annual periods beginning on or after 1 January 2013. Earlier application is permitted. If an entity applies that amendment for an earlier period it shall disclose that fact.
- 39S *Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance* (Amendments to NZ IFRS 10, NZ IFRS 11 and NZ IFRS 12), issued in July 2012, amended paragraph D31. An entity shall apply that amendment when it applies NZ IFRS 11 (as amended in July 2012).
- NZ 39S.1 *Framework: Tier 1 and Tier 2 For-profit Entities*, issued in November 2012, amended extant NZ IFRSs by deleting any public benefit entity paragraphs, deleting any differential reporting concessions, adding scope paragraphs for Tier 1 and Tier 2 for-profit entities and adding disclosure concessions for Tier 2 entities. It made no changes to the requirements for Tier 1 entities. A Tier 2 entity may elect to apply the disclosure concessions for annual periods beginning on or after 1 December 2012. Early application is permitted.
- 39T *Investment Entities* (Amendments to NZ IFRS 10, NZ IFRS 12 and NZ IAS 27), issued in December 2012, amended paragraphs D16, D17 and Appendix C. An entity shall apply those amendments for annual periods beginning on or after 1 January 2014. Earlier application of *Investment Entities* is permitted. If an entity applies those amendments earlier it shall also apply all amendments included in *Investment Entities* at the same time.
- 39U [Deleted by IASB]
- NZ 39U.1 *2014 Omnibus Amendments to NZ IFRSs*, issued in December 2014, amended paragraphs NZ 4.1 and 4A. An entity shall apply those amendments for annual periods beginning on or after 1 April 2015. Earlier application is permitted.

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- 39V NZ IFRS 14 *Regulatory Deferral Accounts*, issued in March 2014, amended paragraph D8B. An entity shall apply that amendment for annual periods beginning on or after 1 January 2016. Earlier application is permitted. If an entity applies NZ IFRS 14 for an earlier period, the amendment shall be applied for that earlier period.
- 39W *Accounting for Acquisitions of Interests in Joint Operations* (Amendments to NZ IFRS 11), issued in June 2014, amended paragraph C5. An entity shall apply that amendment in annual periods beginning on or after 1 January 2016. If an entity applies related amendments to NZ IFRS 11 from *Accounting for Acquisitions of Interests in Joint Operations* (Amendments to NZ IFRS 11) in an earlier period, the amendment to paragraph C5 shall be applied in that earlier period.
- 39X NZ IFRS 15 *Revenue from Contracts with Customers*, issued in July 2014, amended paragraph D1, deleted paragraph D24 and its related heading and added paragraphs D34–D35 and their related heading. An entity shall apply those amendments when it applies NZ IFRS 15.
- 39Y NZ IFRS 9 *Financial Instruments*, as issued in September 2014, amended paragraphs 29, B1–B6, D1, D14, D15, D19 and D20, deleted paragraphs 39B, 39G and 39U and added paragraphs 29A, B8–B8G, B9, D19A–D19C, D33, E1 and E2. An entity shall apply those amendments when it applies NZ IFRS 9.
- 39Z *Equity Method in Separate Financial Statements* (Amendments to NZ IAS 27), issued in October 2014, amended paragraph D14 and added paragraph D15A. An entity shall apply those amendments for annual periods beginning on or after 1 January 2016. Earlier application is permitted. If an entity applies those amendments for an earlier period, it shall disclose that fact.
- 39AA [Deleted by IASB]
- 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.
- 39AB NZ IFRS 16 *Leases*, issued in February 2016, amended paragraphs 30, C4, D1, D7, D8B and D9, deleted paragraph D9A and added paragraphs D9B–D9E. An entity shall apply those amendments when it applies NZ IFRS 16.
- 39AC NZ IFRIC 22 *Foreign Currency Transactions and Advance Consideration* added paragraph D36 and amended paragraph D1. An entity shall apply that amendment when it applies NZ IFRIC 22.
- 39AD *Annual Improvements to NZ IFRSs 2014–2016 Cycle*, issued in February 2017, amended paragraphs 39L and 39T and deleted paragraphs 39D, 39F, 39AA and E3–E7. An entity shall apply those amendments for annual periods beginning on or after 1 January 2018.
- 39AF NZ IFRIC 23 *Uncertainty over Income Tax Treatments*, added paragraph E8. An entity shall apply that amendment when it applies NZ IFRIC 23.

Withdrawal of NZ IFRS 1 (issued 2004)

- 40 This Standard supersedes NZ IFRS 1 (issued in 2004 and amended in 2008).

Appendix A Defined terms

This appendix is an integral part of the Standard.

date of transition to NZ IFRS	The beginning of the earliest period for which an entity presents full comparative information under NZ IFRS in its first NZ IFRS financial statements .
deemed cost	An amount used as a surrogate for cost or depreciated cost at a given date. Subsequent depreciation or amortisation assumes that the entity had initially recognised the asset or liability at the given date and that its cost was equal to the deemed cost.
fair value	The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. (See NZ IFRS 13)
first NZ IFRS financial statements	The first annual financial statements in which an entity adopts New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) , by an explicit and unreserved statement of compliance with New Zealand equivalents to International Financial Reporting Standards.
first NZ IFRS RDR financial statements	The first annual financial statements in which a Tier 2 entity adopts New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Regime (NZ IFRS RDR) , by an explicit and unreserved statement of compliance with New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Regime.
first NZ IFRS reporting period	The latest reporting period covered by an entity's first NZ IFRS financial statements .
first-time adopter	An entity that presents its first NZ IFRS financial statements .
International Financial Reporting Standards (IFRSs)	Standards and Interpretations issued by the International Accounting Standards Board (IASB). They comprise: <ul style="list-style-type: none"> (a) International Financial Reporting Standards; (b) International Accounting Standards; (c) IFRIC Interpretations; and (d) SIC Interpretations.^(a)
New Zealand equivalents to International Financial Reporting Standards (NZ IFRS)	Standards and Interpretations issued by the External Reporting Board (XRB) or the New Zealand Accounting Standards Board of the XRB comprising: <ul style="list-style-type: none"> (a) New Zealand equivalents to: <ul style="list-style-type: none"> (i) International Financial Reporting Standards; (ii) International Accounting Standards; (iii) IFRIC Interpretations; and (iv) SIC Interpretations; and (b) domestic Financial Reporting Standards.
New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Regime (NZ IFRS RDR)	NZ IFRS with disclosure concessions for Tier 2 for-profit entities.
opening NZ IFRS statement of financial position	An entity's statement of financial position at the date of transition to NZ IFRS .

previous GAAP The basis of accounting that a **first-time adopter** used immediately before adopting NZ IFRS or NZ IFRS RDR.

^(a) Definition of IFRSs amended after the name changes introduced by the revised Constitution of the IFRS Foundation in 2010.

Appendix B

Exceptions to the retrospective application of other NZ IFRSs

This appendix is an integral part of the Standard.

- B1 An entity shall apply the following exceptions:
- (a) derecognition of financial assets and financial liabilities (paragraphs B2 and B3);
 - (b) hedge accounting (paragraphs B4–B6);
 - (c) non-controlling interests (paragraph B7);
 - (d) classification and measurement of financial assets (paragraphs B8–B8C);
 - (e) impairment of financial assets (paragraphs B8D–B8G);
 - (f) embedded derivatives (paragraph B9); and
 - (g) government loans (paragraphs B10–B12).

Derecognition of financial assets and financial liabilities

- B2 Except as permitted by paragraph B3, a first-time adopter shall apply the derecognition requirements in NZ IFRS 9 prospectively for transactions occurring on or after the date of transition to NZ IFRS. For example, if a first-time adopter derecognised non-derivative financial assets or non-derivative financial liabilities in accordance with its previous GAAP as a result of a transaction that occurred before the date of transition to NZ IFRS, it shall not recognise those assets and liabilities in accordance with NZ IFRS (unless they qualify for recognition as a result of a later transaction or event).
- B3 Despite paragraph B2, an entity may apply the derecognition requirements in NZ IFRS 9 retrospectively from a date of the entity's choosing, provided that the information needed to apply NZ IFRS 9 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

Hedge accounting

- B4 As required by NZ IFRS 9, at the date of transition to NZ IFRS, an entity shall:
- (a) measure all derivatives at fair value; and
 - (b) eliminate all deferred losses and gains arising on derivatives that were reported in accordance with previous GAAP as if they were assets or liabilities.
- B5 An entity shall not reflect in its opening NZ IFRS statement of financial position a hedging relationship of a type that does not qualify for hedge accounting in accordance with NZ IFRS 9 (for example, many hedging relationships where the hedging instrument is a stand-alone written option or a net written option; or where the hedged item is a net position in a cash flow hedge for another risk than foreign currency risk). However, if an entity designated a net position as a hedged item in accordance with previous GAAP, it may designate as a hedged item in accordance with NZ IFRS an individual item within that net position, or a net position if that meets the requirements in paragraph 6.6.1 of NZ IFRS 9, provided that it does so no later than the date of transition to NZ IFRS.
- B6 If, before the date of transition to NZ IFRS, an entity had designated a transaction as a hedge but the hedge does not meet the conditions for hedge accounting in NZ IFRS 9, the entity shall apply paragraphs 6.5.6 and 6.5.7 of NZ IFRS 9 to discontinue hedge accounting. Transactions entered into before the date of transition to NZ IFRS shall not be retrospectively designated as hedges.

Non-controlling interests

- B7 A first-time adopter shall apply the following requirements of NZ IFRS 10 prospectively from the date of transition to NZ IFRS:
- (a) the requirement in paragraph B94 that total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance;

- (b) the requirements in paragraphs 23 and B96 for accounting for changes in the parent’s ownership interest in a subsidiary that do not result in a loss of control; and
- (c) the requirements in paragraphs B97–B99 for accounting for a loss of control over a subsidiary, and the related requirements of paragraph 8A of NZ IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

However, if a first-time adopter elects to apply NZ IFRS 3 retrospectively to past business combinations, it also shall apply NZ IFRS 10 in accordance with paragraph C1 of this Standard.

Classification and measurement of financial instruments

- B8 An entity shall assess whether a financial asset meets the conditions in paragraph 4.1.2 or the conditions in paragraph 4.1.2A of NZ IFRS 9 on the basis of the facts and circumstances that exist at the date of transition to NZ IFRS.
- B8A If it is impracticable to assess a modified time value of money element in accordance with paragraphs B4.1.9B–B4.1.9D of NZ IFRS 9 on the basis of the facts and circumstances that exist at the date of transition to NZ IFRS, an entity shall assess the contractual cash flow characteristics of that financial asset on the basis of the facts and circumstances that existed at the date of transition to NZ IFRS without taking into account the requirements related to the modification of the time value of money element in paragraphs B4.1.9B–B4.1.9D of NZ IFRS 9. (In this case, the entity shall also apply paragraph 42R of NZ IFRS 7 but references to ‘paragraph 7.2.4 of NZ IFRS 9’ shall be read to mean this paragraph and references to ‘initial recognition of the financial asset’ shall be read to mean ‘at the date of transition to NZ IFRS’.)
- B8B If it is impracticable to assess whether the fair value of a prepayment feature is insignificant in accordance with paragraph B4.1.12(c) of NZ IFRS 9 on the basis of the facts and circumstances that exist at the date of transition to NZ IFRS, an entity shall assess the contractual cash flow characteristics of that financial asset on the basis of the facts and circumstances that existed at the date of transition to NZ IFRS without taking into account the exception for prepayment features in paragraph B4.1.12 of NZ IFRS 9. (In this case, the entity shall also apply paragraph 42S of NZ IFRS 7 but references to ‘paragraph 7.2.5 of NZ IFRS 9’ shall be read to mean this paragraph and references to ‘initial recognition of the financial asset’ shall be read to mean ‘at the date of transition to NZ IFRS’.)
- B8C If it is impracticable (as defined in NZ IAS 8) for an entity to apply retrospectively the effective interest method in NZ IFRS 9, the fair value of the financial asset or the financial liability at the date of transition to NZ IFRS shall be the new gross carrying amount of that financial asset or the new amortised cost of that financial liability at the date of transition to NZ IFRS.

Impairment of financial assets

- B8D An entity shall apply the impairment requirements in Section 5.5 of NZ IFRS 9 retrospectively subject to paragraphs B8E–B8G and E1–E2.
- B8E At the date of transition to NZ IFRS, an entity shall use reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised (or for loan commitments and financial guarantee contracts the date that the entity became a party to the irrevocable commitment in accordance with paragraph 5.5.6 of NZ IFRS 9) and compare that to the credit risk at the date of transition to NZ IFRS (also see paragraphs B7.2.2–B7.2.3 of NZ IFRS 9).
- B8F When determining whether there has been a significant increase in credit risk since initial recognition, an entity may apply:
- (a) the requirements in paragraph 5.5.10 and B5.5.22–B5.5.24 of NZ IFRS 9; and
 - (b) the rebuttable presumption in paragraph 5.5.11 of NZ IFRS 9 for contractual payments that are more than 30 days past due if an entity will apply the impairment requirements by identifying significant increases in credit risk since initial recognition for those financial instruments on the basis of past due information.
- B8G If, at the date of transition to NZ IFRS, determining whether there has been a significant increase in credit risk since the initial recognition of a financial instrument would require undue cost or effort, an entity shall recognise a loss allowance at an amount equal to lifetime expected credit losses at each reporting date until that financial instrument is derecognised (unless that financial instrument is low credit risk at a reporting date, in which case paragraph B8F(a) applies).

Embedded derivatives

- B9 A first-time adopter shall assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative on the basis of the conditions that existed at the later of the date it first became a party to the contract and the date a reassessment is required by paragraph B4.3.11 of NZ IFRS 9.

Government loans

- B10 A first-time adopter shall classify all government loans received as a financial liability or an equity instrument in accordance with NZ IAS 32 *Financial Instruments: Presentation*. Except as permitted by paragraph B11, a first-time adopter shall apply the requirements in NZ IFRS 9 *Financial Instruments* and NZ IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance* prospectively to government loans existing at the date of transition to NZ IFRS and shall not recognise the corresponding benefit of the government loan at a below-market rate of interest as a government grant. Consequently, if a first-time adopter did not, under its previous GAAP, recognise and measure a government loan at a below-market rate of interest on a basis consistent with NZ IFRS requirements, it shall use its previous GAAP carrying amount of the loan at the date of transition to NZ IFRS as the carrying amount of the loan in the opening NZ IFRS statement of financial position. An entity shall apply NZ IFRS 9 to the measurement of such loans after the date of transition to NZ IFRS.
- B11 Despite paragraph B10, an entity may apply the requirements in NZ IFRS 9 and NZ IAS 20 retrospectively to any government loan originated before the date of transition to NZ IFRS, provided that the information needed to do so had been obtained at the time of initially accounting for that loan.
- B12 The requirements and guidance in paragraphs B10 and B11 do not preclude an entity from being able to use the exemptions described in paragraphs D19–D19C relating to the designation of previously recognised financial instruments at fair value through profit or loss.

Appendix C

Exemptions for business combinations

This appendix is an integral part of the Standard. An entity shall apply the following requirements to business combinations that the entity recognised before the date of transition to NZ IFRS. This Appendix should only be applied to business combinations within the scope of NZ IFRS 3 Business Combinations.

- C1 A first-time adopter may elect not to apply NZ IFRS 3 retrospectively to past business combinations (business combinations that occurred before the date of transition to NZ IFRS). However, if a first-time adopter restates any business combination to comply with NZ IFRS 3, it shall restate all later business combinations and shall also apply NZ IFRS 10 from that same date. For example, if a first-time adopter elects to restate a business combination that occurred on 30 June 20X6, it shall restate all business combinations that occurred between 30 June 20X6 and the date of transition to NZ IFRS, and it shall also apply NZ IFRS 10 from 30 June 20X6.
- C2 An entity need not apply NZ IAS 21 *The Effects of Changes in Foreign Exchange Rates* retrospectively to fair value adjustments and goodwill arising in business combinations that occurred before the date of transition to NZ IFRS. If the entity does not apply NZ IAS 21 retrospectively to those fair value adjustments and goodwill, it shall treat them as assets and liabilities of the entity rather than as assets and liabilities of the acquiree. Therefore, those goodwill and fair value adjustments either are already expressed in the entity's functional currency or are non-monetary foreign currency items, which are reported using the exchange rate applied in accordance with previous GAAP.
- C3 An entity may apply NZ IAS 21 retrospectively to fair value adjustments and goodwill arising in either:
- (a) all business combinations that occurred before the date of transition to NZ IFRS; or
 - (b) all business combinations that the entity elects to restate to comply with NZ IFRS 3, as permitted by paragraph C1 above.
- C4 If a first-time adopter does not apply NZ IFRS 3 retrospectively to a past business combination, this has the following consequences for that business combination:
- (a) The first-time adopter shall keep the same classification (as an acquisition by the legal acquirer, a reverse acquisition by the legal acquiree, or a uniting of interests) as in its previous GAAP financial statements.
 - (b) The first-time adopter shall recognise all its assets and liabilities at the date of transition to NZ IFRS that were acquired or assumed in a past business combination, other than:
 - (i) some financial assets and financial liabilities derecognised in accordance with previous GAAP (see paragraph B2); and
 - (ii) assets, including goodwill, and liabilities that were not recognised in the acquirer's consolidated statement of financial position in accordance with previous GAAP and also would not qualify for recognition in accordance with NZ IFRS in the separate statement of financial position of the acquire (see (f)–(i) below).

The first-time adopter shall recognise any resulting change by adjusting retained earnings (or, if appropriate, another category of equity), unless the change results from the recognition of an intangible asset that was previously subsumed within goodwill (see (g)(i) below).
 - (c) The first-time adopter shall exclude from its opening NZ IFRS statement of financial position any item recognised in accordance with previous GAAP that does not qualify for recognition as an asset or liability under NZ IFRS. The first-time adopter shall account for the resulting change as follows:
 - (i) the first-time adopter may have classified a past business combination as an acquisition and recognised as an intangible asset an item that does not qualify for recognition as an asset in accordance with NZ IAS 38 *Intangible Assets*. It shall reclassify that item (and, if any, the related deferred tax and non-controlling interests) as part of goodwill (unless it deducted goodwill directly from equity in accordance with previous GAAP, see (g)(i) and (i) below).
 - (ii) the first-time adopter shall recognise all other resulting changes in retained earnings.¹
 - (d) NZ IFRS requires subsequent measurement of some assets and liabilities on a basis that is not based on original cost, such as fair value. The first-time adopter shall measure these assets and liabilities on that

¹ Such changes include reclassifications from or to intangible assets if goodwill was not recognised in accordance with previous GAAP as an asset. This arises if, in accordance with previous GAAP, the entity (a) deducted goodwill directly from equity or (b) did not treat the business combination as an acquisition.

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basis in its opening NZ IFRS statement of financial position, even if they were acquired or assumed in a past business combination. It shall recognise any resulting change in the carrying amount by adjusting retained earnings (or, if appropriate, another category of equity), rather than goodwill.

- (e) Immediately after the business combination, the carrying amount in accordance with previous GAAP of assets acquired and liabilities assumed in that business combination shall be their deemed cost in accordance with NZ IFRS at that date. If NZ IFRS requires a cost-based measurement of those assets and liabilities at a later date, that deemed cost shall be the basis for cost-based depreciation or amortisation from the date of the business combination.
- (f) If an asset acquired, or liability assumed, in a past business combination was not recognised in accordance with previous GAAP, it does not have a deemed cost of zero in the opening NZ IFRS statement of financial position. Instead, the acquirer shall recognise and measure it in its consolidated statement of financial position on the basis that NZ IFRS would require in the statement of financial position of the acquiree. To illustrate: if the acquirer had not, in accordance with its previous GAAP, capitalised leases acquired in a past business combination in which the acquirer was a lessee, it shall capitalise those leases in its consolidated financial statements, as NZ IFRS 16 *Leases* would require the acquiree to do in its NZ IFRS statement of financial position. Similarly, if the acquirer had not, in accordance with its previous GAAP, recognised a contingent liability that still exists at the date of transition to NZ IFRS, the acquirer shall recognise that contingent liability at that date unless NZ IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* would prohibit its recognition in the financial statements of the acquiree. Conversely, if an asset or liability was subsumed in goodwill in accordance with previous GAAP but would have been recognised separately under NZ IFRS 3, that asset or liability remains in goodwill unless NZ IFRS would require its recognition in the financial statements of the acquiree.
- (g) The carrying amount of goodwill in the opening NZ IFRS statement of financial position shall be its carrying amount in accordance with previous GAAP at the date of transition to NZ IFRS, after the following two adjustments:
 - (i) If required by (c)(i) above, the first-time adopter shall increase the carrying amount of goodwill when it reclassifies an item that it recognised as an intangible asset in accordance with previous GAAP. Similarly, if (f) above requires the first-time adopter to recognise an intangible asset that was subsumed in recognised goodwill in accordance with previous GAAP, the first-time adopter shall decrease the carrying amount of goodwill accordingly (and, if applicable, adjust deferred tax and non-controlling interests).
 - (ii) Regardless of whether there is any indication that the goodwill may be impaired, the first-time adopter shall apply NZ IAS 36 in testing the goodwill for impairment at the date of transition to NZ IFRS and in recognising any resulting impairment loss in retained earnings (or, if so required by NZ IAS 36, in revaluation surplus). The impairment test shall be based on conditions at the date of transition to NZ IFRS.
- (h) No other adjustments shall be made to the carrying amount of goodwill at the date of transition to NZ IFRS. For example, the first-time adopter shall not restate the carrying amount of goodwill:
 - (i) to exclude in-process research and development acquired in that business combination (unless the related intangible asset would qualify for recognition in accordance with NZ IAS 38 in the statement of financial position of the acquiree);
 - (ii) to adjust previous amortisation of goodwill;
 - (iii) to reverse adjustments to goodwill that NZ IFRS 3 would not permit, but were made in accordance with previous GAAP because of adjustments to assets and liabilities between the date of the business combination and the date of transition to NZ IFRS.
- (i) If the first-time adopter recognised goodwill in accordance with previous GAAP as a deduction from equity:
 - (i) it shall not recognise that goodwill in its opening NZ IFRS statement of financial position. Furthermore, it shall not reclassify that goodwill to profit or loss if it disposes of the subsidiary or if the investment in the subsidiary becomes impaired.
 - (ii) adjustments resulting from the subsequent resolution of a contingency affecting the purchase consideration shall be recognised in retained earnings.
- (j) In accordance with its previous GAAP, the first-time adopter may not have consolidated a subsidiary acquired in a past business combination (for example, because the parent did not regard it as a subsidiary in accordance with previous GAAP or did not prepare consolidated financial statements). The first-time adopter shall adjust the carrying amounts of the subsidiary's assets and liabilities to the amounts that NZ IFRS would require in the subsidiary's statement of financial position. The deemed cost of goodwill equals the difference at the date of transition to NZ IFRS between:

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- (i) the parent's interest in those adjusted carrying amounts; and
 - (ii) the cost in the parent's separate financial statements of its investment in the subsidiary.
- (k) The measurement of non-controlling interests and deferred tax follows from the measurement of other assets and liabilities. Therefore, the above adjustments to recognised assets and liabilities affect non-controlling interests and deferred tax.

C5 The exemption for past business combinations also applies to past acquisitions of investments in associates, interests in joint ventures and interests in joint operations in which the activity of the joint operation constitutes a business as defined in NZ IFRS 3. Furthermore, the date selected for paragraph C1 applies equally for all such acquisitions.

Appendix D Exemptions from other NZ IFRSs

This appendix is an integral part of the Standard.

- D1 An entity may elect to use one or more of the following exemptions:
- (a) share-based payment transactions (paragraphs D2 and D3);
 - (b) insurance contracts (paragraph D4);
 - (c) deemed cost (paragraphs D5–D8B);
 - (d) leases (paragraphs D9 and D9B–D9E);
 - (e) [deleted by IASB];
 - (f) cumulative translation differences (paragraphs D12 and D13);
 - (g) investments in subsidiaries, joint ventures and associates (paragraphs D14–D15A);
 - (h) assets and liabilities of subsidiaries, associates and joint ventures (paragraphs D16 and D17);
 - (i) compound financial instruments (paragraph D18);
 - (j) designation of previously recognised financial instruments (paragraphs D19–D19C);
 - (k) fair value measurement of financial assets or financial liabilities at initial recognition (paragraph D20);
 - (l) decommissioning liabilities included in the cost of property, plant and equipment (paragraphs D21 and D21A);
 - (m) financial assets or intangible assets accounted for in accordance with NZ IFRIC 12 *Service Concession Arrangements* (paragraph D22);
 - (n) borrowing costs (paragraph D23);
 - (o) transfers of assets from customers (paragraph D24);
 - (p) extinguishing financial liabilities with equity instruments (paragraph D25);
 - (q) severe hyperinflation (paragraphs D26–D30);
 - (r) joint arrangements (paragraph D31);
 - (s) stripping costs in the production phase of a surface mine (paragraph D32);
 - (t) designation of contracts to buy or sell a non-financial item (paragraph D33);
 - (u) revenue (paragraphs D34 and D35); and
 - (v) foreign currency transactions and advance consideration (paragraph D36).

An entity shall not apply these exemptions by analogy to other items.

Share-based payment transactions

- D2 A first-time adopter is encouraged, but not required, to apply NZ IFRS 2 *Share-based Payment* to equity instruments that were granted on or before 7 November 2002. A first-time adopter is also encouraged, but not required, to apply NZ IFRS 2 to equity instruments that were granted after 7 November 2002 and vested before the later of (a) the date of transition to NZ IFRS and (b) 1 January 2005. However, if a first-time adopter elects to apply NZ IFRS 2 to such equity instruments, it may do so only if the entity has disclosed publicly the fair value of those equity instruments, determined at the measurement date, as defined in NZ IFRS 2. For all grants of equity instruments to which NZ IFRS 2 has not been applied (eg equity instruments granted on or before 7 November 2002), a first-time adopter shall nevertheless disclose the information required by paragraphs 44 and 45 of NZ IFRS 2. If a first-time adopter modifies the terms or conditions of a grant of equity instruments to which NZ IFRS 2 has not been applied, the entity is not required to apply paragraphs 26–29 of NZ IFRS 2 if the modification occurred before the date of transition to NZ IFRS.
- D3 A first-time adopter is encouraged, but not required, to apply NZ IFRS 2 to liabilities arising from share-based payment transactions that were settled before the date of transition to NZ IFRS. A first-time adopter is also encouraged, but not required, to apply NZ IFRS 2 to liabilities that were settled before 1 January 2005. For

liabilities to which NZ IFRS 2 is applied, a first-time adopter is not required to restate comparative information to the extent that the information relates to a period or date that is earlier than 7 November 2002.

Insurance contracts

- D4 A first-time adopter may apply the transitional provisions in NZ IFRS 4 *Insurance Contracts*. NZ IFRS 4 restricts changes in accounting policies for insurance contracts, including changes made by a first-time adopter.

Deemed cost

- D5 An entity may elect to measure an item of property, plant and equipment at the date of transition to NZ IFRS at its fair value and use that fair value as its deemed cost at that date.

- D6 A first-time adopter may elect to use a previous GAAP revaluation of an item of property, plant and equipment at, or before, the date of transition to NZ IFRS as deemed cost at the date of the revaluation, if the revaluation was, at the date of the revaluation, broadly comparable to:

- (a) fair value; or
- (b) cost or depreciated cost in accordance with NZ IFRS, adjusted to reflect, for example, changes in a general or specific price index.

- D7 The elections in paragraphs D5 and D6 are also available for:

- (a) investment property, if an entity elects to use the cost model in NZ IAS 40 *Investment Property*;
- (aa) right-of-use assets (NZ IFRS 16 *Leases*); and
- (b) intangible assets that meet:
 - (i) the recognition criteria in NZ IAS 38 (including reliable measurement of original cost); and
 - (ii) the criteria in NZ IAS 38 for revaluation (including the existence of an active market).

An entity shall not use these elections for other assets or for liabilities.

- D8 A first-time adopter may have established a deemed cost in accordance with previous GAAP for some or all of its assets and liabilities by measuring them at their fair value at one particular date because of an event such as a privatisation or initial public offering.

- (a) If the measurement date is *at or before* the date of transition to NZ IFRS, the entity may use such event-driven fair value measurements as deemed cost for NZ IFRS at the date of that measurement.
- (b) If the measurement date is *after* the date of transition to NZ IFRS, but during the period covered by the first NZ IFRS financial statements, the event-driven fair value measurements may be used as deemed cost when the event occurs. An entity shall recognise the resulting adjustments directly in retained earnings (or if appropriate, another category of equity) at the measurement date. At the date of transition to NZ IFRS, the entity shall either establish the deemed cost by applying the criteria in paragraphs D5–D7 or measure assets and liabilities in accordance with the other requirements in this Standard.

- D8A Under some national accounting requirements exploration and development costs for oil and gas properties in the development or production phases are accounted for in cost centres that include all properties in a large geographical area. A first-time adopter using such accounting under previous GAAP may elect to measure oil and gas assets at the date of transition to NZ IFRS on the following basis:

- (a) exploration and evaluation assets at the amount determined under the entity's previous GAAP; and
- (b) assets in the development or production phases at the amount determined for the cost centre under the entity's previous GAAP. The entity shall allocate this amount to the cost centre's underlying assets pro rata using reserve volumes or reserve values as of that date.

The entity shall test exploration and evaluation assets and assets in the development and production phases for impairment at the date of transition to NZ IFRS in accordance with NZ IFRS 6 *Exploration for and Evaluation of Mineral Resources* or NZ IAS 36 respectively and, if necessary, reduce the amount determined in accordance with (a) or (b) above. For the purposes of this paragraph, oil and gas assets comprise only those assets used in the exploration, evaluation, development or production of oil and gas.

- D8B Some entities hold items of property, plant and equipment, right-of-use assets or intangible assets that are used, or were previously used, in operations subject to rate regulation. The carrying amount of such items might include amounts that were determined under previous GAAP but do not qualify for capitalisation in accordance with NZ IFRS. If this is the case, a first-time adopter may elect to use the previous GAAP carrying amount of such an item at the date of transition to NZ IFRS as deemed cost. If an entity applies this exemption to an item,

it need not apply it to all items. At the date of transition to NZ IFRS, an entity shall test for impairment in accordance with NZ IAS 36 each item for which this exemption is used. For the purposes of this paragraph, operations are subject to rate regulation if they are governed by a framework for establishing the prices that can be charged to customers for goods and services and that framework is subject to oversight and/or approval by a rate regulator (as defined in NZ IFRS 14 *Regulatory Deferral Accounts*).

Leases

- D9 A first-time adopter may assess whether a contract existing at the date of transition to NZ IFRS contains a lease by applying paragraphs 9–11 of NZ IFRS 16 to those contracts on the basis of facts and circumstances existing at that date.
- D9A [Deleted by IASB]
- D9B When a first-time adopter that is a lessee recognises lease liabilities and right-of-use assets, it may apply the following approach to all of its leases (subject to the practical expedients described in paragraph D9D):
- (a) measure a lease liability at the date of transition to NZ IFRS. A lessee following this approach shall measure that lease liability at the present value of the remaining lease payments (see paragraph D9E), discounted using the lessee’s incremental borrowing rate (see paragraph D9E) at the date of transition to NZ IFRS.
 - (b) measure a right-of-use asset at the date of transition to NZ IFRS. The lessee shall choose, on a lease-by-lease basis, to measure that right-of-use asset at either:
 - (i) its carrying amount as if NZ IFRS 16 had been applied since the commencement date of the lease (see paragraph D9E), but discounted using the lessee’s incremental borrowing rate at the date of transition to NZ IFRS; or
 - (ii) an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of transition to NZ IFRS.
 - (c) apply NZ IAS 36 to right-of-use assets at the date of transition to NZ IFRS.
- D9C Notwithstanding the requirements in paragraph D9B, a first-time adopter that is a lessee shall measure the right-of-use asset at fair value at the date of transition to NZ IFRS for leases that meet the definition of investment property in NZ IAS 40 and are measured using the fair value model in NZ IAS 40 from the date of transition to NZ IFRS.
- D9D A first-time adopter that is a lessee may do one or more of the following at the date of transition to NZ IFRS, applied on a lease-by-lease basis:
- (a) apply a single discount rate to a portfolio of leases with reasonably similar characteristics (for example, a similar remaining lease term for a similar class of underlying asset in a similar economic environment).
 - (b) elect not to apply the requirements in paragraph D9B to leases for which the lease term (see paragraph D9E) ends within 12 months of the date of transition to NZ IFRS. Instead, the entity shall account for (including disclosure of information about) these leases as if they were short-term leases accounted for in accordance with paragraph 6 of NZ IFRS 16.
 - (c) elect not to apply the requirements in paragraph D9B to leases for which the underlying asset is of low value (as described in paragraphs B3-B8 of NZ IFRS 16). Instead, the entity shall account for (including disclosure of information about) these leases in accordance with paragraph 6 of NZ IFRS 16.
 - (d) exclude initial direct costs (see paragraph D9E) from the measurement of the right-of-use asset at the date of transition to NZ IFRS.
 - (e) use hindsight, such as in determining the lease term if the contract contains options to extend or terminate the lease.
- D9E Lease payments, lessee, lessee’s incremental borrowing rate, commencement date of the lease, initial direct costs and lease term are defined terms in NZ IFRS 16 and are used in this Standard with the same meaning.
- D10–D11 [Deleted by IASB]

Cumulative translation differences

- D12 NZ IAS 21 requires an entity:
- (a) to recognise some translation differences in other comprehensive income and accumulate these in a separate component of equity; and
 - (b) on disposal of a foreign operation, to reclassify the cumulative translation difference for that foreign operation (including, if applicable, gains and losses on related hedges) from equity to profit or loss as part of the gain or loss on disposal.
- D13 However, a first-time adopter need not comply with these requirements for cumulative translation differences that existed at the date of transition to NZ IFRS. If a first-time adopter uses this exemption:
- (a) the cumulative translation differences for all foreign operations are deemed to be zero at the date of transition to NZ IFRS; and
 - (b) the gain or loss on a subsequent disposal of any foreign operation shall exclude translation differences that arose before the date of transition to NZ IFRS and shall include later translation differences.

Investments in subsidiaries, joint ventures and associates

- D14 When an entity prepares separate financial statements, NZ IAS 27 requires it to account for its investments in subsidiaries, joint ventures and associates either:
- (a) at cost;
 - (b) in accordance with NZ IFRS 9; or
 - (c) using the equity method as described in NZ IAS 28.
- D15 If a first-time adopter measures such an investment at cost in accordance with NZ IAS 27, it shall measure that investment at one of the following amounts in its separate opening NZ IFRS statement of financial position:
- (a) cost determined in accordance with NZ IAS 27; or
 - (b) deemed cost. The deemed cost of such an investment shall be its:
 - (i) fair value at the entity's date of transition to NZ IFRS in its separate financial statements; or
 - (ii) previous GAAP carrying amount at that date.

A first-time adopter may choose either (i) or (ii) above to measure its investment in each subsidiary, joint venture or associate that it elects to measure using a deemed cost.
- D15A If a first-time adopter accounts for such an investment using the equity method procedures as described in NZ IAS 28:
- (a) the first-time adopter applies the exemption for past business combinations (Appendix C) to the acquisition of the investment.
 - (b) if the entity becomes a first-time adopter for its separate financial statements earlier than for its consolidated financial statements, and
 - (i) later than its parent, the entity shall apply paragraph D16 in its separate financial statements.
 - (ii) later than its subsidiary, the entity shall apply paragraph D17 in its separate financial statements.

Assets and liabilities of subsidiaries, associates and joint ventures

- D16 If a subsidiary becomes a first-time adopter later than its parent, the subsidiary shall, in its financial statements, measure its assets and liabilities at either:
- (a) the carrying amounts that would be included in the parent's consolidated financial statements, based on the parent's date of transition to NZ IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary (this election is not available to a subsidiary of an investment entity, as defined in NZ IFRS 10, that is required to be measured at fair value through profit or loss); or
 - (b) the carrying amounts required by the rest of this Standard, based on the subsidiary's date of transition to NZ IFRS. These carrying amounts could differ from those described in (a):
 - (i) when the exemptions in this Standard result in measurements that depend on the date of transition to NZ IFRS.

- (ii) when the accounting policies used in the subsidiary's financial statements differ from those in the consolidated financial statements. For example, the subsidiary may use as its accounting policy the cost model in NZ IAS 16 *Property, Plant and Equipment*, whereas the group may use the revaluation model.

A similar election is available to an associate or joint venture that becomes a first-time adopter later than an entity that has significant influence or joint control over it.

- D17 However, if an entity becomes a first-time adopter later than its subsidiary (or associate or joint venture) the entity shall, in its consolidated financial statements, measure the assets and liabilities of the subsidiary (or associate or joint venture) at the same carrying amounts as in the financial statements of the subsidiary (or associate or joint venture), after adjusting for consolidation and equity accounting adjustments and for the effects of the business combination in which the entity acquired the subsidiary. Notwithstanding this requirement, a non-investment entity parent shall not apply the exception to consolidation that is used by any investment entity subsidiaries. Similarly, if a parent becomes a first-time adopter for its separate financial statements earlier or later than for its consolidated financial statements, it shall measure its assets and liabilities at the same amounts in both financial statements, except for consolidation adjustments.

Compound financial instruments

- D18 NZ IAS 32 *Financial Instruments: Presentation* requires an entity to split a compound financial instrument at inception into separate liability and equity components. If the liability component is no longer outstanding, retrospective application of NZ IAS 32 involves separating two portions of equity. The first portion is in retained earnings and represents the cumulative interest accreted on the liability component. The other portion represents the original equity component. However, in accordance with this Standard, a first-time adopter need not separate these two portions if the liability component is no longer outstanding at the date of transition to NZ IFRS.

Designation of previously recognised financial instruments

- D19 NZ IFRS 9 permits a financial liability (provided it meets certain criteria) to be designated as a financial liability at fair value through profit or loss. Despite this requirement an entity is permitted to designate, at the date of transition to NZ IFRS, any financial liability as at fair value through profit or loss provided the liability meets the criteria in paragraph 4.2.2 of NZ IFRS 9 at that date.
- D19A An entity may designate a financial asset as measured at fair value through profit or loss in accordance with paragraph 4.1.5 of NZ IFRS 9 on the basis of the facts and circumstances that exist at the date of transition to NZ IFRS.
- D19B An entity may designate an investment in an equity instrument as at fair value through other comprehensive income in accordance with paragraph 5.7.5 of NZ IFRS 9 on the basis of the facts and circumstances that exist at the date of transition to NZ IFRS.
- D19C For a financial liability that is designated as a financial liability at fair value through profit or loss, an entity shall determine whether the treatment in paragraph 5.7.7 of NZ IFRS 9 would create an accounting mismatch in profit or loss on the basis of the facts and circumstances that exist at the date of transition to NZ IFRS.
- D19D [Deleted by IASB]

Fair value measurement of financial assets or financial liabilities at initial recognition

- D20 Despite the requirements of paragraphs 7 and 9, an entity may apply the requirements in paragraph B5.1.2A(b) of NZ IFRS 9 prospectively to transactions entered into on or after the date of transition to NZ IFRS.

Decommissioning liabilities included in the cost of property, plant and equipment

- D21 NZ IFRIC 1 *Changes in Existing Decommissioning, Restoration and Similar Liabilities* requires specified changes in a decommissioning, restoration or similar liability to be added to or deducted from the cost of the asset to which it relates; the adjusted depreciable amount of the asset is then depreciated prospectively over its remaining useful life. A first-time adopter need not comply with these requirements for changes in such

liabilities that occurred before the date of transition to NZ IFRS. If a first-time adopter uses this exemption, it shall:

- (a) measure the liability as at the date of transition to NZ IFRS in accordance with NZ IAS 37;
- (b) to the extent that the liability is within the scope of NZ IFRIC 1, estimate the amount that would have been included in the cost of the related asset when the liability first arose, by discounting the liability to that date using its best estimate of the historical risk-adjusted discount rate(s) that would have applied for that liability over the intervening period; and
- (c) calculate the accumulated depreciation on that amount, as at the date of transition to NZ IFRS, on the basis of the current estimate of the useful life of the asset, using the depreciation policy adopted by the entity in accordance with NZ IFRS.

D21A An entity that uses the exemption in paragraph D8A(b) (for oil and gas assets in the development or production phases accounted for in cost centres that include all properties in a large geographical area under previous GAAP) shall, instead of applying paragraph D21 or NZ IFRIC 1:

- (a) measure decommissioning, restoration and similar liabilities as at the date of transition to NZ IFRS in accordance with NZ IAS 37; and
- (b) recognise directly in retained earnings any difference between that amount and the carrying amount of those liabilities at the date of transition to NZ IFRS determined under the entity's previous GAAP.

Financial assets or intangible assets accounted for in accordance with NZ IFRIC 12

D22 A first-time adopter may apply the transitional provisions in NZ IFRIC 12.

Borrowing costs

D23 A first-time adopter can elect to apply the requirements of NZ IAS 23 from the date of transition or from an earlier date as permitted by paragraph 28 of NZ IAS 23. From the date on which an entity that applies this exemption begins to apply NZ IAS 23, the entity:

- (a) shall not restate the borrowing cost component that was capitalised under previous GAAP and that was included in the carrying amount of assets at that date; and
- (b) shall account for borrowing costs incurred on or after that date in accordance with NZ IAS 23, including those borrowing costs incurred on or after that date on qualifying assets already under construction.

D24 [Deleted by IASB]

Extinguishing financial liabilities with equity instruments

D25 A first-time adopter may apply the transitional provisions in NZ IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments*.

Severe hyperinflation

D26 If an entity has a functional currency that was, or is, the currency of a hyperinflationary economy, it shall determine whether it was subject to severe hyperinflation before the date of transition to NZ IFRS. This applies to entities that are adopting NZ IFRS for the first time, as well as entities that have previously applied NZ IFRS.

D27 The currency of a hyperinflationary economy is subject to severe hyperinflation if it has both of the following characteristics:

- (a) a reliable general price index is not available to all entities with transactions and balances in the currency.
- (b) exchangeability between the currency and a relatively stable foreign currency does not exist.

D28 The functional currency of an entity ceases to be subject to severe hyperinflation on the functional currency normalisation date. That is the date when the functional currency no longer has either, or both, of the characteristics in paragraph D27, or when there is a change in the entity's functional currency to a currency that is not subject to severe hyperinflation.

- D29 When an entity's date of transition to NZ IFRS is on, or after, the functional currency normalisation date, the entity may elect to measure all assets and liabilities held before the functional currency normalisation date at fair value on the date of transition to NZ IFRS. The entity may use that fair value as the deemed cost of those assets and liabilities in the opening NZ IFRS statement of financial position.
- D30 When the functional currency normalisation date falls within a 12-month comparative period, the comparative period may be less than 12 months, provided that a complete set of financial statements (as required by paragraph 10 of NZ IAS 1) is provided for that shorter period.

Joint arrangements

- D31 A first-time adopter may apply the transition provisions in NZ IFRS 11 with the following exceptions:
- (a) When applying the transition provisions in NZ IFRS 11, a first-time adopter shall apply these provisions at the date of transition to NZ IFRS.
 - (b) When changing from proportionate consolidation to the equity method, a first-time adopter shall test for impairment the investment in accordance with NZ IAS 36 as at the date of transition to NZ IFRS, regardless of whether there is any indication that the investment may be impaired. Any resulting impairment shall be recognised as an adjustment to retained earnings at the date of transition to NZ IFRS.

Stripping costs in the production phase of a surface mine

- D32 A first-time adopter may apply the transitional provisions set out in paragraphs A1 to A4 of NZ IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine*. In that paragraph, reference to the effective date shall be interpreted as 1 January 2013 or the beginning of the first NZ IFRS reporting period, whichever is later.

Designation of contracts to buy or sell a non-financial item

- D33 NZ IFRS 9 permits some contracts to buy or sell a non-financial item to be designated at inception as measured at fair value through profit or loss (see paragraph 2.5 of NZ IFRS 9). Despite this requirement an entity is permitted to designate, at the date of transition to NZ IFRS, contracts that already exist on that date as measured at fair value through profit or loss but only if they meet the requirements of paragraph 2.5 of NZ IFRS 9 at that date and the entity designates all similar contracts.

Revenue

- D34 A first-time adopter may apply the transition provisions in paragraph C5 of NZ IFRS 15. In those paragraphs references to the 'date of initial application' shall be interpreted as the beginning of the first NZ IFRS reporting period. If a first-time adopter decides to apply those transition provisions, it shall also apply paragraph C6 of NZ IFRS 15.
- D35 A first-time adopter is not required to restate contracts that were completed before the earliest period presented. A completed contract is a contract for which the entity has transferred all of the goods or services identified in accordance with previous GAAP.

Foreign currency transactions and advance consideration

- D36 A first-time adopter need not apply NZ IFRIC 22 *Foreign Currency Transactions and Advance Consideration* to assets, expenses and income in the scope of that Interpretation initially recognised before the date of transition to NZ IFRS.

Appendix E

Short-term exemptions from NZ IFRS

This appendix is an integral part of the Standard.

Exemption from the requirement to restate comparative information for NZ IFRS 9

- E1 If an entity's first NZ IFRS reporting period begins before 1 January 2019 and the entity applies the completed version of NZ IFRS 9 (issued in 2014), the comparative information in the entity's first NZ IFRS financial statements need not comply with NZ IFRS 7 *Financial Instruments: Disclosure* or the completed version of NZ IFRS 9 (issued in 2014), to the extent that the disclosures required by NZ IFRS 7 relate to items within the scope of NZ IFRS 9. For such entities, references to the 'date of transition to NZ IFRS' shall mean, in the case of NZ IFRS 7 and NZ IFRS 9 (2014) only, the beginning of the first NZ IFRS reporting period.
- E2 An entity that chooses to present comparative information that does not comply with NZ IFRS 7 and the completed version of NZ IFRS 9 (issued in 2014) in its first year of transition shall:
- (a) apply the requirements of its previous GAAP in place of the requirements of NZ IFRS 9 to comparative information about items within the scope of NZ IFRS 9.
 - (b) disclose this fact together with the basis used to prepare this information.
 - (c) treat any adjustment between the statement of financial position at the comparative period's reporting date (ie the statement of financial position that includes comparative information under previous GAAP) and the statement of financial position at the start of the first NZ IFRS reporting period (ie the first period that includes information that complies with NZ IFRS 7 and the completed version of NZ IFRS 9 (issued in 2014)) as arising from a change in accounting policy and give the disclosures required by paragraph 28(a)–(e) and (f)(i) of NZ IAS 8. Paragraph 28(f)(i) applies only to amounts presented in the statement of financial position at the comparative period's reporting date.
 - (d) apply paragraph 17(c) of NZ IAS 1 to provide additional disclosures when compliance with the specific requirements in NZ IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.
- E3–E7 [Deleted by IASB]

Uncertainty over income tax treatments

- E8 A first-time adopter whose date of transition to NZ IFRS is before 1 July 2017 may elect not to reflect the application of NZ IFRIC 23 *Uncertainty over Income Tax Treatments* in comparative information in its first NZ IFRS financial statements. An entity that makes that election shall recognise the cumulative effect of applying NZ IFRIC 23 as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of its first NZ IFRS reporting period.

HISTORY OF AMENDMENTS

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

This table lists the pronouncements establishing and substantially amending NZ IFRS 1. The table is based on amendments approved as at 28 February 2018 other than consequential amendments resulting from early adoption of NZ IFRS 17 *Insurance Contracts*.

Pronouncements	Date approved	Early operative date	Effective date (annual reporting periods... on or after ...)
NZ IFRS 1 <i>First-time Adoption of New Zealand Equivalents to International Financial Reporting Standards</i>	Dec 2008	Early application permitted	1 July 2009
NZ IFRIC 18 <i>Transfers of Assets from Customers</i>	Feb 2009	Early application permitted	1 July 2009 – applies to transfers on or after this date
<i>Additional Exemptions for First-time Adopters</i> (Amendments to NZ IFRS 1)	Aug 2009	Early application permitted	1 Jan 2010
NZ IFRS 9 <i>Financial Instruments</i> (2009)	Nov 2009	Early application permitted	1 Jan 2013 ¹
NZ IFRIC 19 <i>Extinguishing Financial Liabilities with Equity Instruments</i>	Dec 2009	Early application permitted	1 July 2010
<i>Limited Exemption from Comparative NZ IFRS 7 Disclosures for First-time Adopters</i> (Amendment to NZ IFRS 1)	March 2010	Early application permitted	1 July 2010
<i>Improvements to NZ IFRSs</i>	July 2010	Early application permitted	1 Jan 2011
Minor Amendments to NZ IFRSs	July 2010	Immediate	Immediate
NZ IFRS 9 <i>Financial Instruments</i> (2010)	Nov 2010	Early application permitted	1 Jan 2013 ²
<i>Disclosures—Transfers of Financial Assets</i> (Amendments to NZ IFRS 7)	Nov 2010	Early application permitted	1 July 2011
<i>Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters</i> (Amendments to NZ IFRS 1)	Feb 2011	Early application permitted	1 July 2011
<i>Presentation of Items of Other Comprehensive Income</i> (Amendments to NZ IAS 1)	Aug 2011	Early application permitted	1 July 2012
NZ IFRS 10 <i>Consolidated Financial Statements</i>	June 2011	Early application permitted	1 Jan 2013
NZ IFRS 11 <i>Joint Arrangements</i>	June 2011	Early application permitted	1 Jan 2013
NZ IFRS 13 <i>Fair Value Measurement</i>	June 2011	Early application permitted	1 Jan 2013
NZ IAS 19 <i>Employee Benefits</i>	Aug 2011	Early application permitted	1 Jan 2013
NZ IFRIC 20 <i>Stripping Costs in the Production Phase of a Surface Mine</i>	Dec 2011	Early application permitted	1 Jan 2013
<i>Government Loans</i> (Amendments to NZ IFRS 1)	April 2012	Early application permitted	1 Jan 2013

¹ Superseded by NZ IFRS 9 *Financial Instruments* (2014). NZ IFRS 9 (2014) restricted early application of earlier versions of NZ IFRS 9.

² Superseded by NZ IFRS 9 *Financial Instruments* (2014). NZ IFRS 9 (2014) restricted early application of earlier versions of NZ IFRS 9.

NZ IFRS 1

Pronouncements	Date approved	Early operative date	Effective date (annual reporting periods... on or after ...)
<i>Annual Improvements 2009–2011 Cycle</i>	June 2012	Early application permitted	1 Jan 2013
<i>Framework: Tier 1 and Tier 2 For-profit Entities</i> ³	Nov 2012	Early application permitted	1 Dec 2012
<i>Investment Entities</i> (Amendments to NZ IFRS 10, NZ IFRS 12 and NZ IAS 27)	Dec 2012	Early application permitted	1 Jan 2014
NZ IFRS 9 <i>Financial Instruments</i> (2013) (<i>Hedge Accounting and Amendments to NZ IFRS 9, NZ IFRS 7 and NZ IAS 39</i>)	Dec 2013	Early application permitted	1 Jan 2017 ⁴
NZ IFRS 14 <i>Regulatory Deferral Accounts</i>	March 2014	Early application permitted	1 Jan 2016
<i>Accounting for Acquisitions of Interests in Joint Operations</i> (Amendments to NZ IFRS 11)	June 2014	Early application permitted	1 Jan 2016
NZ IFRS 15 <i>Revenue from Contracts with Customers</i>	July 2014	Early application permitted	1 Jan 2018 ⁵
NZ IFRS 9 <i>Financial Instruments</i> (2014)	Sept 2014	Early application permitted	1 Jan 2018
<i>Equity Method in Separate Financial Statements</i> (Amendments to NZ IAS 27)	Oct 2014	Early application permitted	1 Jan 2016
<i>Annual Improvements to NZ IFRSs 2012–2014 Cycle</i>	Nov 2014	Early application permitted	1 Jan 2016
<i>2014 Omnibus Amendments to NZ IFRSs</i>	Dec 2014	Early application permitted	1 April 2015
<i>Amendments to For-profit Accounting Standards as a Consequence of XRB A1 and Other Amendments</i>	Dec 2015	Early application permitted	1 Jan 2016
NZ IFRIC 22 <i>Foreign Currency Transactions and Advance Consideration</i>	Feb 2017	Early application permitted	1 Jan 2018
<i>Annual Improvements to NZ IFRSs 2014–2016 Cycle</i>	Feb 2017	Early application is not permitted	1 Jan 2018
<i>2017 Omnibus Amendments to NZ IFRS</i> (editorial corrections only)	Nov 2017	Early application permitted	1 Jan 2018
NZ IFRS 16 <i>Leases</i>	Feb 2016	Early application permitted	1 Jan 2019
NZ IFRIC 23 <i>Uncertainty over Income Tax Treatments</i>	Aug 2017	Early application permitted	1 Jan 2019

³ This pronouncement amended extant NZ IFRSs by (i) deleting any public benefit entity paragraphs, (ii) deleting any differential reporting paragraphs, (iii) adding scope paragraphs for Tier 1 and Tier 2 for-profit entities, and (iv) adding RDR disclosure concessions.

⁴ Superseded by NZ IFRS 9 *Financial Instruments* (2014). NZ IFRS 9 (2014) restricted early application of earlier versions of NZ IFRS 9.

⁵ *Effective date of NZ IFRS 15*, issued in November 2015, deferred the mandatory effective date of NZ IFRS 15 from annual reporting periods beginning on or after 1 January 2017 to annual reporting periods beginning on or after 1 January 2018.

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Table of Amended Paragraphs in NZ IFRS 1 (revised 2008)		
Paragraph affected	How affected	By ... [date]
Paragraph NZ 2.1	Added	<i>Presentation of Items of Other Comprehensive Income</i> [Aug 2011]
Paragraph NZ 2.1	Amended	<i>Framework: Tier 1 and Tier 2 For-profit Entities</i> [Nov 2012]
Paragraph NZ 2.1	Renumbered as NZ 1.1	<i>Amendments to For-Profit Accounting Standards</i> [Dec 2015]
Paragraph NZ 2.2	Added	<i>Framework: Tier 1 and Tier 2 For-profit Entities</i> [Nov 2012]
Paragraph NZ 2.2	Renumbered as NZ 1.2 and amended	<i>Amendments to For-Profit Accounting Standards</i> [Dec 2015]
Paragraphs 2–5 and heading above paragraph 2 added	Amended	<i>Amendments to For-Profit Accounting Standards</i> [Dec 2015]
Paragraph NZ 4.1	Added	<i>Framework: Tier 1 and Tier 2 For-profit Entities</i> [Nov 2012]
Paragraph NZ 4.1	Amended	<i>2014 Omnibus Amendments to NZ IFRSs</i> [Dec 2014]
Paragraph 4A	Added	<i>Annual Improvements</i> [June 2012]
Paragraph 4A	Amended	<i>2014 Omnibus Amendments to NZ IFRSs</i> [Dec 2014]
Paragraph 4B	Added	<i>Annual Improvements</i> [June 2012]
Paragraphs RDR 5.1–RDR 5.7 and preceding heading	Added	<i>Amendments to For-Profit Accounting Standards</i> [Dec 2015]
Paragraph 19	Deleted	NZ IFRS 13 [June 2011]
Paragraph 21	Amended	<i>Presentation of Items of Other Comprehensive Income</i> [Aug 2011]
Paragraph 23A	Added	<i>Annual Improvements</i> [June 2012]
Paragraph 23A	Amended	<i>Amendments to For-Profit Accounting Standards</i> [Dec 2015]
Paragraph RDR 23A.1	Added	<i>Amendments to For-Profit Accounting Standards</i> [Dec 2015]
Paragraph 23B	Added	<i>Annual Improvements</i> [June 2012]
Paragraph 23B	Amended	<i>Amendments to For-Profit Accounting Standards</i> [Dec 2015]
Paragraph RDR 23B.1	Added	<i>Amendments to For-Profit Accounting Standards</i> [Dec 2015]
Paragraph RDR 24.1	Amended	<i>Amendments to For-Profit Accounting Standards</i> [Dec 2015]
Paragraph 27	Amended	<i>Improvements to NZ IFRSs</i> [July 2010]
Paragraph 27A	Added	<i>Improvements to NZ IFRSs</i> [July 2010]
Paragraph 29	Amended	NZ IFRS 9 (2009) [Nov 2009], NZ IFRS 9 (2010) [Nov 2010], NZ IFRS 9 (2013) [Dec 2013] and NZ IFRS 9 (2014) [Sept 2014]
Paragraph 29A	Added	NZ IFRS 9 (2009) [Nov 2009], NZ IFRS 9 (2010) [Nov 2010], NZ IFRS 9 (2013) [Dec 2013] and NZ IFRS 9 (2014) [Sept 2014]
Paragraph 30	Amended	NZ IFRS 16 [Feb 2016]
Paragraph 31A and preceding heading	Added	<i>Additional Exemptions for First-time Adopters</i> [Aug 2009]
Paragraph 31B and preceding heading	Added	<i>Improvements to NZ IFRSs</i> [July 2010]
Paragraph 31C and preceding heading	Added	<i>Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters</i> [Feb 2011]
Paragraph 32	Amended	<i>Improvements to NZ IFRSs</i> [July 2010]
Paragraph 39A	Added	<i>Additional Exemptions for First-time Adopters</i> [Aug 2009]
Paragraph 39B	Added	NZ IFRS 9 (2009) [Nov 2009]

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Table of Amended Paragraphs in NZ IFRS 1 (revised 2008)		
Paragraph affected	How affected	By ... [date]
Paragraph 39B	Deleted	NZ IFRS 9 (2010) [Nov 2010], NZ IFRS 9 (2013) [Dec 2013] and NZ IFRS 9 (2014) [Sept 2014]
Paragraph 39C	Added	<i>Limited Exemption from Comparative NZ IFRS 7 Disclosures for First-time Adopters</i> [March 2010]
Paragraph 39D	Added	Minor Amendments [July 2010]
Paragraph 39D	Deleted	<i>Annual Improvements to NZ IFRSs 2014–2016 Cycle</i> [Feb 17]
Paragraph 39E	Added	<i>Improvements to NZ IFRSs</i> [July 2010]
Paragraph 39F	Added	<i>Disclosures—Transfers of Financial Assets</i> [Nov 2010]
Paragraph 39F	Deleted	<i>Annual Improvements to NZ IFRSs 2014–2016 Cycle</i> [Feb 17]
Paragraph 39G	Added	NZ IFRS 9 (2010) [Nov 2010]
Paragraph 39G	Deleted	NZ IFRS 9 (2013) [Dec 2013] and NZ IFRS 9 (2014) [Sept 2014]
Paragraph 39H	Added	<i>Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters</i> [Feb 2011]
Paragraph 39I	Added	NZ IFRS 10 and NZ IFRS 11 [June 2011]
Paragraph 39J	Added	NZ IFRS 13 [June 2011]
Paragraph 39K	Added	<i>Presentation of Items of Other Comprehensive Income</i> [Aug 2011]
Paragraph 39L	Added	NZ IAS 19 [Aug 2011]
Paragraph 39L	Amended	<i>Annual Improvements to NZ IFRSs 2014–2016 Cycle</i> [Feb 17]
Paragraph 39M	Added	NZ IFRIC 20 [Dec 2011]
Paragraph 39N	Added	<i>Government Loans</i> [April 2012]
Paragraph 39O	Added	<i>Government Loans</i> [April 2012]
Paragraph 39P	Added	<i>Annual Improvements</i> [June 2012]
Paragraph 39Q	Added	<i>Annual Improvements</i> [June 2012]
Paragraph 39S	Added	<i>Transition Guidance</i> [July 2012]
Paragraph NZ 39S.1	Added	<i>Framework: Tier 1 and Tier 2 For-profit Entities</i> [Nov 2012]
Paragraph 39T	Added	<i>Investment Entities</i> [Dec 2012]
Paragraph 39T	Amended	<i>Annual Improvements to NZ IFRSs 2014–2016 Cycle</i> [Feb 17]
Paragraph 39U	Added	NZ IFRS 9 (2013) [Dec 2013]
Paragraph 39U	Deleted	NZ IFRS 9 (2014) [Sept 2014]
Paragraph NZ 39U.1	Added	<i>2014 Omnibus Amendments to NZ IFRSs</i> [Dec 2014]
Paragraph 39V	Added	NZ IFRS 14 [March 2014]
Paragraph 39W	Added	<i>Accounting for Acquisitions of Interests in Joint Operations</i> [June 2014]
Paragraph 39X	Added	NZ IFRS 15 [July 2014]
Paragraph 39Y	Added	NZ IFRS 9 (2104) [Sept 2014]
Paragraph 39Z	Added	<i>Equity Method in Separate Financial Statements</i> [Oct 2014]
Paragraph 39AA	Added	<i>Annual Improvements to NZ IFRSs 2012–2014 Cycle</i> [Nov 2014]
Paragraph 39AA	Deleted	<i>Annual Improvements to NZ IFRSs 2014–2016 Cycle</i> [Feb 17]
Paragraph NZ 39AA.1	Added	<i>Amendments to For-Profit Accounting Standards</i> [Dec 2015]
Paragraph 39AB	Added	NZ IFRS 16 [Feb 2016]
Paragraph 39AC	Added	NZ IFRIC 22 [Feb 2017]
Paragraph 39AD	Added	<i>Annual Improvements to NZ IFRSs 2014–2016 Cycle</i> [Feb 17]

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Table of Amended Paragraphs in NZ IFRS 1 (revised 2008)		
Paragraph affected	How affected	By ... [date]
Paragraph 39AF	Added	NZ IFRIC 23 [Aug 2017]
Paragraph B1	Amended	NZ IFRS 9 (2009) [Nov 2009], NZ IFRS 9 (2010) [Nov 2010], NZ IFRS 9 (2013) [Dec 2013] and NZ IFRS 9 (2014) [Sept 2014]
Paragraph B1	Amended	<i>Government Loans</i> [April 2012]
Paragraph B2	Amended	NZ IFRS 9 (2009) [Nov 2009], NZ IFRS 9 (2010) [Nov 2010], NZ IFRS 9 (2013) [Dec 2013] and NZ IFRS 9 (2014) [Sept 2014]
Paragraph B2	Amended	<i>Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters</i> [Feb 2011]
Paragraph B3	Amended	NZ IFRS 9 (2010) [Nov 2010], NZ IFRS 9 (2013) [Dec 2013] and NZ IFRS 9 (2014) [Sept 2014]
Paragraph B4	Amended	NZ IFRS 9 (2010) [Nov 2010], NZ IFRS 9 (2013) [Dec 2013] and NZ IFRS 9 (2014) [Sept 2014]
Paragraph B5	Amended	NZ IFRS 9 (2009) [Nov 2009], NZ IFRS 9 (2010) [Nov 2010], NZ IFRS 9 (2013) [Dec 2013] and NZ IFRS 9 (2014) [Sept 2014]
Paragraph B6	Amended	NZ IFRS 9 (2013) [Dec 2013] and NZ IFRS 9 (2014) [Sept 2014]
Paragraph B7	Added	NZ IFRS 10 [June 2011]
Paragraphs B8–B8G and preceding heading	Added and Amended	NZ IFRS 9 (2009) [Nov 2009], NZ IFRS 9 (2010) [Nov 2010], NZ IFRS 9 (2013) [Dec 2013] and NZ IFRS 9 (2014) [Sept 2014]
Paragraph B9 and preceding heading	Added	NZ IFRS 9 (2010) [Nov 2010], NZ IFRS 9 (2013) [Dec 2013] and NZ IFRS 9 (2014) [Sept 2014]
Paragraph B10 and preceding heading	Added	<i>Government Loans</i> [April 2012]
Paragraph B11	Added	<i>Government Loans</i> [April 2012]
Paragraph B12	Added	<i>Government Loans</i> [April 2012]
Paragraph C1	Amended	NZ IFRS 10 [June 2011]
Paragraph C4	Amended	NZ IFRS 16 [Feb 2016]
Paragraph C5	Amended	<i>Accounting for Acquisitions of Interests in Joint Operations</i> [June 2014]
Paragraph D1	Amended	<i>Additional Exemptions for First-time Adopters</i> [Aug 2009]
Paragraph D1	Amended	<i>Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters</i> [Feb 2011]
Paragraph D1(c)	Amended	<i>Improvements to NZ IFRSs</i> [July 2010]
Paragraph D1(d)	Amended	NZ IFRS 16 [Feb 2016]
Paragraph D1(e)	Deleted	NZ IAS 19 [Aug 2011]
Paragraph D1(g)	Amended	<i>Amendments to For-Profit Accounting Standards</i> [Dec 2015]
Paragraph D1(j)	Amended	NZ IFRS 9 (2010) [Nov 2010], NZ IFRS 9 (2013) [Dec 2013] and NZ IFRS 9 (2014) [Sept 2014]
Paragraph D1(o)	Added	NZ IFRIC 18 [Feb 2009]
Paragraph D1(r)	Added	NZ IFRS 11 [June 2011]
Paragraph D1(r)	Amended	NZ IFRS 9 (2013) [Dec 2013] and NZ IFRS 9 (2014) [Sept 2014]
Paragraph D1(s)	Added	NZ IFRIC 20 [Dec 2011]
Paragraph D1(s)	Amended	NZ IFRS 9 (2013) [Dec 2013] and NZ IFRS 9 (2014) [Sept 2014]
Paragraph D1(t)	Added	NZ IFRS 9 (2013) [Dec 2013] and NZ IFRS 9 (2014) [Sept 2014]
Paragraph D1(u)	Added	NZ IFRS 15 [July 2014]
Paragraph D1(v)	Added	NZ IFRIC 22 [Feb 2017]

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Table of Amended Paragraphs in NZ IFRS 1 (revised 2008)		
Paragraph affected	How affected	By ... [date]
Heading preceding paragraph D5	Amended	<i>Additional Exemptions for First-time Adopters</i> [Aug 2009]
Paragraph D7	Amended	NZ IFRS 16 [Feb 2016]
Paragraph D8	Amended	<i>Improvements to NZ IFRSs</i> [July 2010]
Paragraph D8A	Added	<i>Additional Exemptions for First-time Adopters</i> [Aug 2009]
Paragraph D8B	Added	<i>Improvements to NZ IFRSs</i> [July 2010]
Paragraph D8B	Amended	NZ IFRS 14 [March 2014]
Paragraph D8B	Amended	NZ IFRS 16 [Feb 2016]
Paragraph D9	Amended	NZ IFRS 16 [Feb 2016]
Paragraph D9A and preceding heading	Added	<i>Additional Exemptions for First-time Adopters</i> [Aug 2009]
Paragraph D9A	Deleted	NZ IFRS 16 [Feb 2016]
Paragraphs D9B–D9E	Added	NZ IFRS 16 [Feb 2016]
Paragraphs D10–D11 and preceding heading	Deleted	NZ IAS 19 [Aug 2011]
Paragraph D14	Amended	NZ IFRS 9 (2009) [Nov 2009], NZ IFRS 9 (2010) (Nov 2010), NZ IFRS 9 (2013) [Dec 2013] and NZ IFRS 9 (2014) [Sept 2014]
Paragraph D14	Amended	<i>Equity Method in Separate Financial Statements</i> [Oct 2014]
Paragraph D15	Amended	NZ IFRS 13 [June 2011]
Paragraph D15	Amended	NZ IFRS 9 (2010) (Nov 2010), NZ IFRS 9 (2013) [Dec 2013] and NZ IFRS 9 (2014) [Sept 2014]
Paragraph D15A	Added	<i>Equity Method in Separate Financial Statements</i> [Oct 2014]
Paragraph D16	Amended	<i>Investment Entities</i> [Dec 2012]
Paragraph D17	Amended	<i>Investment Entities</i> [Dec 2012]
Paragraph D19 and preceding heading	Amended	NZ IFRS 9 (2009) [Nov 2009], NZ IFRS 9 (2010) (Nov 2010), NZ IFRS 9 (2013) [Dec 2013] and NZ IFRS 9 (2014) [Sept 2014]
Paragraph D19A	Added	NZ IFRS 9 (2009) [Nov 2009], NZ IFRS 9 (2010) [Nov 2010], NZ IFRS 9 (2013) [Dec 2013] and NZ IFRS 9 (2014) [Sept 2014]
Paragraph D19B	Added	NZ IFRS 9 (2009) [Nov 2009], NZ IFRS 9 (2010) [Nov 2010], NZ IFRS 9 (2013) [Dec 2013] and NZ IFRS 9 (2014) [Sept 2014]
Paragraph D19C	Added	NZ IFRS 9 (2009) [Nov 2009], NZ IFRS 9 (2010) [Nov 2010], NZ IFRS 9 (2013) [Dec 2013] and NZ IFRS 9 (2014) [Sept 2014]
Paragraph D19D	Added	NZ IFRS 9 (2010) [Nov 2010] and NZ IFRS 9 (2013) [Dec 2013]
Paragraph D19D	Deleted	NZ IFRS 9 (2014) [Sept 2014]
Paragraph D20	Amended	NZ IFRS 9 (2009) [Nov 2009], NZ IFRS 9 (2010) [Nov 2010], NZ IFRS 9 (2013) [Dec 2013] and NZ IFRS 9 (2014) [Sept 2014]
Paragraph D20	Amended	<i>Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters</i> [Feb 2011]
Paragraph D20	Amended	NZ IFRS 13 [June 2011]
Paragraph D21A and preceding heading	Added	<i>Additional Exemptions for First-time Adopters</i> [Aug 2009]
Paragraph D23	Amended	<i>Annual Improvements</i> [June 2012]
Paragraph D24 and preceding heading	Added	NZ IFRIC 18 [Feb 2009]

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Table of Amended Paragraphs in NZ IFRS 1 (revised 2008)		
Paragraph affected	How affected	By ... [date]
Paragraph D24 and preceding heading	Deleted	NZ IFRS 15 [July 2014]
Paragraph D25 and preceding heading	Added	NZ IFRIC 19 [Dec 2009]
Paragraphs D26–D30 and preceding heading	Added	<i>Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters</i> [Feb 2011]
Paragraph D31 and preceding heading	Added	NZ IFRS 11 [June 2011]
Paragraph D31	Amended	<i>Transition Guidance</i> [July 2012]
Paragraph D32 and preceding heading	Added	NZ IFRIC 20 [Dec 2011]
Paragraph D33 and preceding heading	Added	NZ IFRS 9 (2013) [Dec 2013] and NZ IFRS 9 (2014) [Sept 2014]
Paragraph D34–35 and preceding heading	Added	NZ IFRS 15 [July 2014]
Paragraph D36	Added	NZ IFRIC 22 [Feb 2017]
Paragraph E1 and preceding heading	Added	NZ IFRS 9 (2009) [Nov 2009], NZ IFRS 9 (2010) [Nov 2010], NZ IFRS 9 (2013) [Dec 2013] and NZ IFRS 9 (2014) [Sept 2014]
Paragraph E2	Added	NZ IFRS 9 (2009) [Nov 2009], NZ IFRS 9 (2010) [Nov 2010], NZ IFRS 9 (2013) [Dec 2013] and NZ IFRS 9 (2014) [Sept 2014]
Paragraph E3 and preceding heading	Added	<i>Limited Exemption from Comparative NZ IFRS 7 Disclosures for First-time Adopters</i> [March 2010]
Paragraph E3 and preceding heading	Deleted	<i>Annual Improvements to NZ IFRSs 2014–2016 Cycle</i> [Feb 17]
Paragraph E4	Added	<i>Disclosures—Transfers of Financial Assets</i> [Nov 2010]
Paragraph E4	Deleted	<i>Annual Improvements to NZ IFRSs 2014–2016 Cycle</i> [Feb 17]
Paragraph E4A	Added	<i>Annual Improvements to NZ IFRSs 2012–2014 Cycle</i> [Nov 2014]
Paragraph E4A	Deleted	<i>Annual Improvements to NZ IFRSs 2014–2016 Cycle</i> [Feb 17]
Paragraph E5 and preceding heading	Added	NZ IAS 19 [Aug 2011]
Paragraph E5 and preceding heading	Deleted	<i>Annual Improvements to NZ IFRSs 2014–2016 Cycle</i> [Feb 17]
Paragraphs E6–E7 and preceding heading	Added	<i>Investment Entities</i> [Dec 2012]
Paragraph E6–E7 and preceding heading	Deleted	<i>Annual Improvements to NZ IFRSs 2014–2016 Cycle</i> [Feb 17]
Paragraph E8 and preceding heading	Added	NZ IFRIC 23 [Aug 2017]