

**New Zealand Accounting Standards Board**

**Minutes of the Meeting held via videoconference on Thursday 13 August 2020  
commencing at 9.15am**

- Members present:** Michael Bradbury  
Nives Botica-Redmayne  
Francis Caetano  
Karl Hickey  
Denise Hodgkins  
Keith Kendall  
Angela Ryan  
Richard Smyth  
Jason Stinchcombe
- Apologies:** Keith Kendall (12.55 pm – 1.45 pm and from 2.30 pm)
- Guests:** Todd Beardsworth, IPSASB member (for agenda item 12.4)
- Observers:** Gerrie Burger, Senior Policy Advocate, CA ANZ  
Jana Schmitz, Policy and Research Analyst, CPA Australia
- AASB staff observed the following agenda items:  
Patricia Au (agenda item 5)  
Ao Li (agenda items 5 and 8)  
Kathy Xu (agenda item 6)
- In attendance:** April Mackenzie – Chief Executive (in part)  
Anthony Heffernan – Director, Accounting Standards  
Jamie Cattell – Project Manager, Accounting Standards  
Tracey Crookston – Project Manager, Accounting Standards  
Lisa Kelsey – Senior Project Manager, Accounting Standards  
Judith Pinny – Project Manager, Accounting Standards  
Joanne Scott – Senior Project Manager, Accounting Standards  
Vanessa Sealy-Fisher – Senior Project Manager, Accounting Standards  
Gali Slyuzberg – Project Manager, Accounting Standards

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**5. IPSASB REVENUE AND TRANSFER EXPENSES**

Staff sought feedback on the disclosure proposals in ED 70 *Revenue with Performance Obligations*, ED 71 *Revenue without Performance Obligations* and ED 72 *Transfer Expenses*. Staff also sought feedback on the draft comment letter, with a view to bringing a complete draft comment letter to the next meeting.

Agenda item 5.2 outlined the proposed disclosure requirements in EDs 70–72 and staff's proposed comments on the relevant SMCs. The Board generally supported the proposed responses and requested that some of the comments be expressed more strongly.

Agenda item 5.3 contained the draft comment letter, including background information on the specific matters for comment in each ED. The Board provided feedback on the proposed responses and gave direction for the next version of the draft comment letter.

## **6. TARGETED REVIEW OF THE ACCOUNTING STANDARDS FRAMEWORK**

The Board NOTED:

- (a) the update provided in agenda item 6.1 on the Targeted Review of the New Zealand Accounting Standards Framework (ASF), which is now at the stage of finalisation; and
- (b) the draft Feedback Statement on the results of the Targeted Review of the ASF (agenda item 6.2).

## **7. CLASSIFICATION OF LIABILITIES AS CURRENT OR NON-CURRENT – DEFERRAL OF EFFECTIVE DATE**

The Board:

- (a) APPROVED for issue *Classification of Liabilities as Current or Non-current—Deferral of Effective Date*;
- (b) APPROVED the related signing memorandum from the Acting Chair of the NZASB to the Chair of the XRB Board; and
- (c) CONSIDERED the application of the PBE Policy Approach to this amendment and AGREED to wait for the IPSASB to propose this amendment (which is expected to occur in 2021 as part of the IPSASB’s Improvements to IPSAS project).

## **8. GOING CONCERN DISCLOSURES**

The Board considered submissions and online feedback on NZASB ED 2020-2 *Going Concern Disclosures* (Proposed amendments to FRS-44) and NZASB ED 2020-3 *Going Concern Disclosures* (Proposed amendments to PBE IPSAS 1).

### Amendments to FRS-44

The Board

- (a) APPROVED for issue *Going Concern Disclosures* (Amendments to FRS-44); and
- (b) APPROVED the related signing memorandum from the Chair of the NZASB to the Chair of the XRB Board.

### Amendments to PBE IPSAS 1

The Board

- (a) APPROVED for issue *Going Concern Disclosures* (Amendments to PBE IPSAS 1); and
- (b) APPROVED the related signing memorandum from the Chair of the NZASB to the Chair of the XRB Board.

The amendments for both standards will be effective for annual periods ending on or after 30 September 2020, with earlier application permitted.

The Board noted the following issues to be raised at forthcoming Agenda Consultations at the IASB and IPSASB:

- (a) Support for increasing disclosures about close-call situations;
- (b) Inconsistent requirements as to the time period upon which to make a going concern assessment across international accounting and auditing standards. NZ IAS 1 refers to the 12 months following the end of the reporting period. The auditing standards and PBE IPSAS 1 refer to the 12 months following the approval of the financial statements.

## 9. INSURANCE

The amending standards in this item finalised the proposals in:

- IASB ED/2019/4 *Amendments to IFRS 17*;
- NZASB 2019-3 *Amendments to PBE IFRS 17*; and
- NZASB 2020-4 *PBE IFRS 17 – Deferral of Effective Date*.

### NZ IFRS 17

The Board:

- (a) APPROVED for issue *Amendments to NZ IFRS 17*;
- (b) APPROVED for issue *Extension of the Temporary Exemption from Applying NZ IFRS 9*; and
- (c) APPROVED the related signing memorandums from the Chair of the NZASB to the Chair of the XRB Board.

### PBE IFRS 17

The Board:

- (a) APPROVED for issue *Amendments to PBE IFRS 17*;
- (b) APPROVED the related signing memorandum from the Chair of the NZASB to the Chair of the XRB Board.

Amongst other things, these amendments deferred the effective date of NZ IFRS 17 and PBE IFRS 17 until 1 January 2023.

## 10. 2020 AMENDMENTS TO PBE FRS 48

The Board considered submissions and online feedback on NZASB ED 2020-1 *Proposed 2020 Amendments to PBE FRS 48* which, amongst other things, proposed to defer the effective date of PBE FRS 48 by one year from 1 January 2021 to 1 January 2022.

The Board noted that agenda item 10.4.4, distributed by email on 11 August, contained additional online feedback and submissions received since the main agenda papers were distributed. It also contained an updated overview of all responses. This paper was tabled on the day.

The Board

- (a) APPROVED for issue *2020 Amendments to PBE FRS 48*;

- (b) APPROVED the related signing memorandum from the Chair of the NZASB to the Chair of the XRB Board; and
- (c) NOTED Audit NZ Bulletin two: *Implications of the COVID-19 emergency for service performance reporting.*

#### **11. STANDARDS APPROVED**

The Board noted the following recent approvals:

- (a) Approval 117 *Covid-19-Related Rent Concessions*
- (b) Approval 118 *Reference to the Conceptual Framework*
- (c) Approval 119 *Onerous Contracts—Cost of Fulfilling a Contract*
- (d) Approval 120 *Annual Improvements to NZ IFRS 2018–2020*
- (e) Approval 121 *Property, Plant and Equipment: Proceeds before Intended Use.*

The Board moved into non-public session.