

Tier 1 and Tier 2 Public Benefit Entities (PBEs) New Accounting Standards effective from 1 January 2020

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EXTERNAL REPORTING BOARD
Te Kāwai Arahi Pūrongo Mōwaho

When preparing financial statements in accordance with PBE Standards issued by External Reporting Board (XRB), it is important for PBEs to consider the impact of new PBE Standards issued.

Those charged with governance, preparers and auditors are encouraged to consider as early as possible the impact of applying new PBE Standards.

The publication will assist Tier 1 and Tier 2 PBEs (public sector and NFPs) when:

- (a) identifying new accounting standards impacting the preparation of the annual financial statements for the first time in the current year; and
- (b) disclosing information about new accounting standards that have been issued but are not yet effective (disclosure only required by Tier 1 PBEs).¹

Entities must apply professional judgment in determining the impact of new accounting standards, including their relevance to the entity's activities.

The table on the next page provides a checklist of the new PBE Standards issued by the XRB as of January 2021 which require first-time application by PBEs with a 31 December 2020 year-end or subsequent annual reporting date. Each new standard listed has a link to the full final pronouncement on our website.

New PBE Standards

The [table](#) on the next page provides a list of all new PBE Standards issued by the XRB as of January 2021 and which are effective for annual reporting periods beginning on or after 1 January 2020, and standards that are effective in subsequent annual reporting periods.

In other words, the list includes all new PBE Standards that will require application for the first-time by PBEs with a year-end (balance date) of 31 December 2020 or subsequent annual reporting date.

Explanatory video

Please refer to the following explanatory video for further information on the effective dates of accounting standards —[What is the effective date for an accounting standard and how does it apply to your reporting entity? What does early adoption mean?](#)

Disclaimer

This publication has been prepared by staff of the XRB for information purposes only. It does not form part of the standards or authoritative publications of the XRB.

¹ Paragraph 35 of PBE IPSAS 3 *Accounting Policies, Changes in Accounting Estimates and Errors*.

PBE Standard (link provided to the relevant XRB webpage)	Issue date	Effective date ²	Early adoption permitted	Balance date first-time application required (if not adopted earlier)					
				31 Dec 2020	31 Mar 2021	30 Jun 2021	30 Sep 2021	31 Dec 2021	Later
Going Concern Disclosures (Amendments to PBE IPSAS 1)	Aug 2020	30 Sep 2020 ³	✓	✓	✓	✓			
2019 Amendments to XRB A1 Appendix A – When is an Entity a Public Benefit Entity?	May 2019	1 Jan 2020	✓	✓	✓	✓	✓		
Uncertainty over Income Tax Treatments (Amendments to PBE IAS 12)	Aug 2019	1 Jan 2020	✓	✓	✓	✓	✓		
PBE Interest Rate Benchmark Reform	Feb 2020	1 Jan 2020	✓	✓	✓	✓	✓		
2018 Omnibus Amendments to PBE Standards	Nov 2018	1 Jan 2021 ⁴	✓					✓	✓
PBE IPSAS 40 PBE Combinations	July 2019	1 Jan 2021	✓					✓	✓
Withdrawal of PBE FRS 46 (Amendments to PBE FRS 47)	Feb 2020	1 Jan 2021	✓					✓	✓
Revocation of PBE FRS 46	Feb 2020	1 Jan 2021	✓					✓	✓
PBE FRS 48 Service Performance Reporting	Nov 2017	1 Jan 2022 ⁵	✓						✓
PBE IPSAS 41 Financial Instruments	Mar 2019	1 Jan 2022	✓						✓
PBE IFRS 17 Insurance Contracts (NFP entities only)	July 2019	1 Jan 2023 ⁶	✓						✓
Amendments to PBE IFRS 17 (NFP entities only)	Aug 2020	1 Jan 2023	✓						✓
PBE IFRS 9 Financial Instruments	Jan 2017	See footnote ⁷	✓						✓

² The Standard shall be applied for annual reporting periods beginning on or after the effective date (except if otherwise noted). For example, if an entity has a 31 December balance date, its annual reporting period begins 1 January.

³ The Standards is effective for annual periods ending on or after 30 September 2020.

⁴ Most of the amendments were effective from 1 January 2019. The amendments to PBE IPSAS 2 *Cash Flow Statements* are effective from 1 January 2021.

⁵ The original effective date of this Standard was 1 January 2021. In August 2020 the XRB issued an amending standard to defer the effective date to 1 January 2022.

⁶ The original effective date of this Standard was 1 January 2022. In August 2020 the XRB issued an amending standard to defer the effective date to 1 January 2023.

⁷ PBE IFRS 9 is superseded by PBE IPSAS 41 *Financial Instruments*, which is effective for periods beginning on or after 1 January 2022. An entity may elect to apply PBE IFRS 9 early if, and only if, the entity's date of initial application is before 1 January 2020.