

**New Zealand Accounting Standards Board**

**Minutes of the Meeting held on Wednesday, 23 June 2021  
at the External Reporting Board Office, Level 7, 50 Manners St, Wellington  
and commenced at 9.10am**

<b>Members present:</b>	Carolyn Cordery (Chair) Michael Bradbury Francis Caetano Karl Hickey Denise Hodgkins Angela Ryan Richard Smyth Jason Stinchcombe
<b>Apologies:</b>	Keith Kendall (23 June) Nives Botica-Redmayne (23 June and 2 July)
<b>Guests:</b>	Robert Buchanan, Chair NZAuASB (agenda item 3) Misha Pieters, Interim Director, Assurance Standards (agenda item 3) Nikole Gyles, AASB (in place of Keith Kendall for meeting 23 June) Angus Thomson, AASB (agenda item 8)
<b>Observers:</b>	<i>AASB staff:</i> Clark Anstis (agenda item 9) Eric Lee (agenda item 6) Fredrich Housa (agenda item 4) Helena Sukova (agenda items 5, 6 and 10) Patricia Au (agenda items 8 and 9) Ao Li (agenda item 4) Jim Paul (agenda item 9) James Wake (agenda item 5) Maggie Man (agenda item 4)
<b>In attendance:</b>	Anthony Heffernan – Director, Accounting Standards Jamie Cattell – Project Manager, Accounting Standards Tracey Crookston – Project Manager, Accounting Standards Nicola Hankinson – 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

**Note:**

During the meeting, the New Zealand Government announced that Wellington was to go into Alert Level 2 at 6 pm that evening. To ensure that all travelling Board members and staff were able to return home on the meeting day, the meeting finished at 2.45pm. The meeting was completed via a virtual meeting on Friday 2 July 2021 from 9 am to 11 am.

At the 2 July meeting, Richard Smyth and Nives Botica-Redmayne were apologies and Keith Kendall was present.

No additional interests were declared on 2 July 2021.

---

**PUBLIC SESSION – AGENDA ITEMS 4 – 6**

---

**4. POST-IMPLEMENTATION REVIEW OF TIER 3 AND TIER 4 STANDARDS**

The Board CONSIDERED the detailed analysis of feedback received on the Tier 3 and Tier 4 standards as part of the post-implementation review and AGREED on the next steps for the key matters identified.

At its August 2021 meeting the Board will:

- (a) consider the draft feedback statement; and
- (b) begin considering options for the key matters on which it agreed standard setting activity is required.

**5. IASB AGENDA CONSULTATION**

The Board CONSIDERED and PROVIDED FEEDBACK on the draft comment letter on the IASB’s Request for Information on the *Third Agenda Consultation*.

The Board will meet informally ahead of the August 2021 meeting to discuss a revised draft of the comment letter. The Board will finalise the comment letter at its August 2021 meeting.

**6. BUSINESS COMBINATIONS UNDER COMMON CONTROL – 2 July item**

The Board PROVIDED FEEDBACK on the draft comment letter on IASB Discussion Paper IASB DP/2020/2 *Business Combinations under Common Control*.

The Board will approve the comment letter to the IASB out of session, by circular resolution.

The Board moved into non-public session.

---

**PUBLIC SESSION – AGENDA ITEMS 8 – 10**

---

**8. PUBLIC SECTOR INSURANCE**

The Board NOTED an updated project timetable and that the mandatory effective date of AASB 17/PBE IFRS 17 *Insurance Contracts* (which is currently reporting periods beginning on or after 1 January 2023) may need to be extended for public sector entities, in particular in Australia for entities applying AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* when measuring ‘insurance liabilities’.

The Board DISCUSSED the following topics relating to the requirements in PBE IFRS 17 and CONSIDERED staff recommendations in respect of each topic:

- (a) discounting;

- (b) presentation of the impacts of inflation in the statement of profit or loss and other comprehensive income; and
- (c) application by public sector entities of the premium allocation approach (PAA) to measuring liabilities for remaining coverage.

The Board will continue the discussion of issues in relation to the development of a public sector insurance exposure draft at a future meeting.

#### **9. IPSASB MEASUREMENT PROJECTS – 2 July item**

The four IPSASB EDs under consideration are:

- (a) ED 76 Conceptual Framework Update Chapter 7, *Measurement of Assets and Liabilities in Financial Statements*;
- (b) ED 77 *Measurement*;
- (c) ED 78 *Property, Plant and Equipment*; and
- (d) ED 79 *Non-current Assets Held for Sale and Discontinued Operations*.

The Board:

- (a) NOTED the comparison between discounted replacement cost (DRC) and the cost approach to estimating current operational value (COV) which was set out in the cover memo (agenda item 9.1);
- (b) NOTED the comments received from Board members and the TRG since the last Board meeting; and
- (c) PROVIDED FEEDBACK on the draft responses to selected Specific Matters for Comment (SMCs) in the draft comment letter (agenda item 9.2).

The Board will discuss its proposed responses further at future meetings. The Board will consider feedback from constituents at its October meeting.

#### **10. DEFERRED TAX RELATED TO ASSETS AND LIABILITIES ARISING FROM A SINGLE TRANSACTION**

The Board APPROVED for issue *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* and APPROVED the related signing memorandum from the Chair of the NZASB to the Chair of the XRB Board.

The Board NOTED the PBE Policy Approach and AGREED it was appropriate to incorporate the equivalent amendments into PBE IAS 12 *Income Taxes* as part of the next exposure draft for Omnibus Amendments to PBE Standards.

The Board moved into non-public session.