

AC-2-7

11 July 2022

Ms April MacKenzie
Chief Executive
External Reporting Board
PO Box 11 250
Manners Street Central
Wellington 6142

Dear April

**ED NZASB 2022-4 –PUBLIC SECTOR SPECIFIC FINANCIAL INSTRUMENTS
(Proposed non-authoritative amendments to PBE IPSAS 41)**

Thank you for the opportunity to comment on ED NZASB 2022-4 –Public Sector Specific Financial Instruments. Our responses to your questions are as follows:

1. Do you agree with the proposal to incorporate amendments equivalent to Non-Authoritative Amendments to IPSAS 41, Financial Instruments as issued by the IPSAB into PBE IPSAS 41 Financial Instruments?

If you disagree, please explain why.

The Treasury agrees with proposals to incorporate the amendments.

We note the amendments relate to non-authoritative guidance, which accompanies but does not form part of a PBE standard, does not establish mandatory requirements and does not change the underlying principles and requirements of PBE IPSAS 41.

Despite the non-authoritative status, and despite some of the guidance not being relevant in New Zealand (for example, monetary gold is not held by the Reserve Bank of New Zealand as a reserve asset), maintaining alignment with the international non-authoritative guidance, particularly regarding currency in circulation and IMF transactions, as part of PBE IPSAS 41 is still helpful. The alignment in the PBE suite of standards makes it easier for New Zealand constituents to access any relevant guidance locally and in one place when applying PBE IPSAS 41 to public sector specific financial instruments.

2. Do you agree with the proposed effective date of the amendments of 1 January 2023 with early adoption permitted?

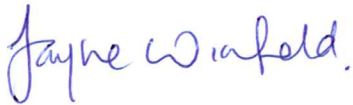
If you disagree, please explain why.

The Treasury agrees with the proposed effective date and the ability to early adopt. This helpfully links to the required adoption date of PBE IPSAS 41 in the Financial Statements of the Government of 1 July 2022.

3. Do you have any other comments on the proposals in this ED?

No.

Yours sincerely



Jayne Winfield
Chief Government Accountant