



NZ ACCOUNTING  
STANDARDS  
BOARD

## **2014 Omnibus Amendments to NZ IFRSs**

This Standard was issued on 18 December 2014 by the New Zealand Accounting Standards Board of the External Reporting Board pursuant to section 12(a) of the Financial Reporting Act 2013.

This Standard is a disallowable instrument for the purposes of the Legislation Act 2012, and pursuant to section 27(1) of the Financial Reporting Act 2013 takes effect on 15 January 2015.

Reporting entities that are subject to this Standard are required to apply it in accordance with the effective date, which is set out in Part G.

In finalising this Standard, the New Zealand Accounting Standards Board has carried out appropriate consultation in accordance with section 22(1) of the Financial Reporting Act 2013.

This Standard has been issued to make minor amendments to NZ IFRSs.

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## Part A

### Introduction

This Standard amends the For-profit Accounting Standards applied by Tier 1 and Tier 2 for-profit entities as follows.

- (a) An amendment to NZ IFRS 1 *First-time Adoption of New Zealand Equivalents to International Financial Reporting Standards* to clarify the application of paragraph 4A.
- (b) An amendment to FRS-44 *New Zealand Additional Disclosures* to require for-profit entities to disclose the statutory basis or other reporting framework, if any, under which the financial statements have been prepared.
- (c) Amendments to align terminology with relevant legislation in:
  - (i) NZ IFRS 4 *Insurance Contracts* Appendix C *Life Insurance Entities*; and
  - (ii) NZ IFRS 7 *Financial Instruments: Disclosures* Appendix E.
- (d) Amendments in respect of RDR concessions in:
  - (i) NZ IFRS 10 *Consolidated Financial Statements*; and
  - (ii) NZ IAS 28 *Investments in Associates and Joint Ventures*.
- (e) Editorial corrections.

## Scope

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

### **PART B: Amendment to NZ IFRS 1 *First-time Adoption of New Zealand Equivalents to International Financial Reporting Standards***

Paragraph 4A is amended and new paragraph NZ 39U.1 is added. New text is underlined and deleted text is struck through.

Paragraphs 2, 3 (in part), 4 and NZ 4.1 are provided for context.

- 2 An entity shall apply this NZ IFRS in:
- (a) its first New Zealand equivalents to IFRSs 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 New Zealand equivalents to IFRSs financial statements.
- 3 An entity's first New Zealand equivalents to IFRSs financial statements are the first annual financial statements in which the entity adopts NZ IFRSs, by an explicit and unreserved statement in those financial statements of compliance with NZ IFRSs. ...
- 4 This NZ IFRS applies when an entity first adopts NZ IFRSs. 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 IFRSs;
  - (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 IFRSs; or
  - (c) presented financial statements in the previous year that contained an explicit and unreserved statement of compliance with NZ IFRSs, even if the auditors qualified their audit report on those financial statements.
- \*NZ 4.1 This NZ IFRS also applies when a Tier 1 for-profit entity:
- (a) makes in its financial statements an explicit and unreserved statement of compliance with IFRSs as required by NZ IAS 1; and
  - (b) did not make such a statement of compliance in its financial statements presented in the previous year.
- \*4A Notwithstanding the requirements in paragraphs 2, ~~and 3~~ and NZ 4.1, an entity that has applied NZ IFRSs in a previous reporting period, but whose most recent previous annual financial statements did not contain an explicit and unreserved statement of compliance with IFRSs, must either apply this NZ IFRS or else apply NZ IFRSs retrospectively in accordance with NZ IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* as if the entity had never stopped applying NZ IFRSs.

## Effective date

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...

NZ 39U.1 2014 Omnibus Amendments to NZ IFRSs, issued in December 2014, amended paragraph 4A. An entity shall apply that amendment for annual periods beginning on or after 1 April 2015. Earlier application is permitted.

## PART C: Amendment to FRS-44 *New Zealand Additional Disclosures*

Paragraph 7 is amended and new paragraph 17 is added. New text is underlined and deleted text is struck through.

### Reporting Framework

7 An entity shall disclose in the notes:

- (a) the statutory basis or other reporting framework, if any, under which the financial statements have been prepared.
- (b) a statement whether the financial statements have been prepared in accordance with NZ GAAP.
- ~~(c)~~ that, for the purposes of complying with NZ GAAP, it is a for-profit entity; and
- ~~(d)~~ if it is eligible for and has elected to report in accordance with Tier 2 For-profit Accounting Standards:
  - (i) that it is a Tier 2 for-profit entity and has elected to report in accordance with Tier 2 For-profit Accounting Standards; and
  - (ii) the criteria that establish the entity as eligible to report in accordance with Tier 2 For-profit Accounting Standards.

### Effective date and transition

...

17 2014 Omnibus Amendments to NZ IFRSs, issued in December 2014, amended paragraph 7. An entity shall apply that amendment for annual periods beginning on or after 1 April 2015. Earlier application is permitted.

## PART D: AMENDMENTS TO ALIGN TERMINOLOGY WITH RELEVANT LEGISLATION

### NZ IFRS 4 *Insurance Contracts*

New paragraph 1.2E is added in Appendix C and the definition of ‘life insurer’ in paragraph 20.1 of Appendix C is amended. New text is underlined and deleted text is struck through.

#### Application

...

1.2E 2014 Omnibus Amendments to NZ IFRSs, issued in December 2014, amended the definition of ‘life insurer’ in Appendix C. An entity shall apply that amendment for annual periods beginning on or after 1 April 2015. Earlier application is permitted.

...

**life insurer** means ~~an entity operating under~~ life insurer as defined in the Insurance (Prudential Supervision) Act 2010 and similar entities operating outside New Zealand.

### NZ IFRS 7 *Financial Instruments: Disclosures*

The heading above paragraph NZ 44.3 is amended and new paragraph NZ 44.4 is added. New text is underlined and deleted text is struck through.

#### Effective date and transition

...

##### **Deposit takers** NBDTs

NZ 44.3 *Amendments to NZ IFRS 7—Appendix E*, issued in March 2011, replaced the term ‘financial institution(s)’ with the term ‘deposit taker(s)’, deleted paragraphs NZ 44.1 and NZ 45.1, inserted a definition of ‘deposit taker’ in Appendix E and deleted the definition of ‘financial institution’ in Appendix E. An entity shall apply those amendments for annual periods beginning on or after 1 April 2011. Earlier application is permitted.

NZ 44.4 2014 Omnibus Amendments to NZ IFRSs, issued in December 2014, replaced the term ‘deposit taker(s)’ with the term ‘NBDT(s)’ in the heading above paragraph NZ 44.3, deleted the definition of ‘deposit taker’ in Appendix E, inserted a definition of ‘NBDT’ in Appendix E, replaced the term ‘deposit taker(s)’ with the term ‘NBDT(s)’ in paragraphs E1, E2, E3, E4 (7 times), E7, E8 (twice), E9 (twice), E10, E10(a), E11, E12, E14 (twice), E16, E17, E18, E19 and E20 and replaced the term ‘financial institution’ with ‘NBDT’ in paragraph E22. An entity shall apply those amendments for annual periods beginning on or after 1 April 2015. Earlier application is permitted.

Appendix E is amended by replacing the term ‘deposit taker(s)’ with the term ‘NBDT(s)’, deleting the definition of ‘deposit taker’ and inserting a definition of NBDT. New text is underlined and deleted text is struck through.

The term ‘deposit taker(s)’ is replaced with the term ‘NBDT(s)’ in the following paragraphs of Appendix E:

Paragraphs E1, E2, E3, E4 (7 times), E7, E8 (twice), E9 (twice), E10, E10(a), E11, E12, E14 (twice), E16, E17, E18, E19 and E20.

In paragraph E22, the term ‘financial institution’ is replaced with the term ‘NBDT’.

2014 OMNIBUS AMENDMENTS TO NZ IFRSs

Paragraph E23, Defined Terms, is amended as follows:

**deposit taker** means ‘~~deposit taker~~’ as defined in the Reserve Bank of New Zealand Act 1989 (~~the Act~~)

**financial asset acquired through the enforcement of security** means any financial asset which is legally owned as the result of enforcing security. Where a NBDT~~deposit taker~~ assumes ownership of a financial asset in settlement of all or part of a debt, that asset is regarded as a financial asset acquired through the enforcement of security. A financial asset acquired through the enforcement of security must be owned outright, and accordingly the definition does not include “mortgagee in possession” assets.

...

**NBDT** means NBDT as defined in the Non-bank Deposit Takers Act 2013



## PART E: AMENDMENTS IN RESPECT OF RDR CONCESSIONS

### **NZ IFRS 10 *Consolidated Financial Statements***

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New paragraphs NZ 3.2 and NZ C1B.1 are added. New text is underlined.

#### **Scope**

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...

**NZ 3.2 A Tier 2 entity is not required to comply with the requirements in this Standard denoted with an asterisk (\*). Where an entity elects to apply a concession it shall comply with any RDR paragraphs associated with that concession.**

...

#### **Effective date**

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**NZ C1B.1 2014 Omnibus Amendments to NZ IFRSs, issued in December 2014, added paragraph NZ 3.2. An entity shall apply that amendment for annual periods beginning on or after 1 April 2015. Earlier application is permitted.**

### **NZ IAS 28 *Interests in Associates and Joint Ventures***

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New paragraphs NZ 1.2 and NZ 45.2 are added. New text is underlined.

#### **Scope**

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...

**NZ 1.2 A Tier 2 entity is not required to comply with the requirements in this Standard denoted with an asterisk (\*). Where an entity elects to apply a concession it shall comply with any RDR paragraphs associated with that concession.**

...

#### **Effective date and transition**

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...

**NZ 45.2 2014 Omnibus Amendments to NZ IFRSs, issued in December 2014, added paragraph NZ 1.2. An entity shall apply that amendment for annual periods beginning on or after 1 April 2015. Earlier application is permitted.**

## PART F: EDITORIAL CORRECTIONS

### New Zealand Editorial Corrections

These editorial corrections are made to the following standards (new text is underlined and deleted text is struck through).

#### **NZ IAS 8 Accounting Policies, Changes in Estimated and Errors**

8 ~~New Zealand equivalents to~~ NZ IFRSs set out accounting policies that the ~~ASRB~~ NZASB has concluded result in financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply. Those policies need not be applied when the effect of applying them is immaterial. However, it is inappropriate to make, or leave uncorrected, immaterial departures from ~~New Zealand equivalents to~~ NZ IFRSs to achieve a particular presentation of an entity's financial position, financial performance or cash flows.

...

#### **Errors**

41 Errors can arise in respect of the recognition, measurement, presentation or disclosure of elements of financial statements. Financial statements do not comply with ~~New Zealand equivalents to~~ NZ IFRSs if they contain either material errors or immaterial errors made intentionally to achieve a particular presentation of an entity's financial position, financial performance or cash flows. ...

#### **FRS-42 Prospective Financial Statements**

##### **Main features of the Standard**

FRS-42 applies .....

The assumptions used must:

- (a) be based on the best information that could be reasonably expected to be available at the time prospective financial statements are prepared;
- (b) be internally consistent among themselves;
- (c) ...

## IASB Editorial Corrections

These amendments result from IASB editorial corrections published between November 2012 and November 2014.

New text is underlined and deleted text is struck through.

Standard	Paragraph	Amendment
NZ IFRS 7	B5(g)	... that are the subject of renegotiated terms <del>(see paragraph 36(d))</del> .
NZ IFRS 9 and NZ IFRS 9 (2010)	C5 – paragraph 16(b) of NZ IFRS 3	designation of a derivative instrument as a hedging instrument in accordance with NZ IAS 39 <u><i>Financial Instruments: Recognition and Measurement</i></u> ; and
NZ IFRS 9 and NZ IFRS 9 (2010)	C11 – paragraphs 44S and 44 U of NZ IFRS 7	44S When an entity... in accordance with NZ IFRS 9 (see paragraph 8.2.12 of NZ IFRS 9 (2009), <del>and</del> paragraph 7.2.14 of NZ IFRS 9 (2010) <del>and</del> <u>paragraph 7.1.13 of NZ IFRS 9 (2013) (<i>Hedge Accounting and amendments to NZ IFRS 9, NZ IFRS 7 and NZ IAS 39</i>)</u> ). ... 44U In the reporting period.... (a) ... If an entity treats the fair value of a financial asset or a financial liability as its amortised cost at the date of initial application (see paragraph 8.2.10 of NZ IFRS 9 (2009), <del>and</del> paragraph 7.2.10 of NZ IFRS 9 (2010)) <del>and</del> <u>paragraph 7.2.10 of NZ IFRS 9 (2013) (<i>Hedge Accounting and amendments to NZ IFRS 9, NZ IFRS 7 and NZ IAS 39</i>)</u> , the disclosures in (c) and (d) of this paragraph shall be made for each reporting period following reclassification until derecognition. ....
NZ IFRS 9 (2014)	5.1.3	...trade receivables <del>that do not have a significant financing component (determined in accordance with NZ IFRS 15)</del> at their transaction price (as defined in NZ IFRS 15) <u>if the trade receivables do not contain a significant financing component in accordance with NZ IFRS 15 (or when the entity applies the practical expedient in accordance with paragraph 63 of NZ IFRS 15)</u> .
	5.5.15(a)(i)	(i) do not contain a significant financing component <u>in accordance with NZ IFRS 15 (or when the entity applies the practical expedient for contracts that are one year or less)</u> in accordance with <u>paragraph 63 of NZ IFRS 15</u> ); or
	B4.1.7	Paragraph 4.1.1(b) requires an entity to classify a financial <u>asset</u> on the ...
	C13 – paragraph 3(a) of NZ IFRS 7	(a) ...requirements of this NZ IFRS <del>and, for those measured at fair value, the requirements of NZ IFRS 13 <i>Fair Value Measurement</i></del> . Entities....
	C15 – paragraph B8B of NZ IFRS 7	(a) ... ( <del>c</del> b) an arrangement...
	C15 – paragraph B8I of NZ IFRS 7	...with paragraph 35F(f)(ii) are subsequently...
	C43 – paragraph 71 of NZ IAS 39	<b>71</b> ... <del>(see paragraph 7.2.2119 of NZ IFRS 9)</del> , it....
NZ IFRS 10	Application example after B13	<p><b>Application examples</b></p> <p><b>Example 1</b></p> <p>Two investors .... manufacture and market it—this investor has the unilateral ability to make all decisions about the manufacture and marketing of the <u>product</u>project. ....</p>

2014 OMNIBUS AMENDMENTS TO NZ IFRSs

Standard	Paragraph	Amendment
NZ IFRS 11	Paragraphs C12A and C12B	Renumber these paragraphs C13A and C13B, move them to follow paragraph 13 and insert the following heading above them: <b><u>References to the ‘immediately preceding period’</u></b>
NZ IAS 1	7	<b>Notes contain information in addition to that presented in the statement of financial position, statement(s) of profit or loss and other comprehensive income, <del>separate income statement (if presented)</del>, statement of changes in equity...</b>
NZ IAS 1	33	An entity reports separately both assets and liabilities, and income and expenses. Offsetting in the statement(s) of profit or loss and other comprehensive income or financial position <del>or in the separate income statement (if presented)</del> , except when offsetting reflects the substance of the transaction...
	38D	For example, an entity may present a third statement of profit <del>or</del> loss and other comprehensive income...
	47	This Standard requires particular disclosures in the statement of financial position <del>or of the statement(s) of profit or loss and other comprehensive income, in the separate income statement (if presented)</del> ; or in the statement of changes in equity...
	113	<b>An entity shall, as far as practicable, present notes in a systematic manner. An entity shall cross-reference each item in the statements of financial position and <del>of in the statement(s) of profit or loss and other comprehensive income, in the separate income statement (if presented)</del>, and in the statements of changes in equity and of cash flows to any related information in the notes.</b>
	114(c)	supporting information for items presented in the statements of financial position and <del>of in the statement(s) of profit or loss and other comprehensive income, in the separate income statement (if presented)</del> , and in the statements of changes in equity and of cash flows, in the order in which each statement and each line item is presented; and
NZ IAS 19 (2011)	Paragraph 142 – footnote deleted	... those that have a quoted market price in an active market (as defined in NZ IFRS 13 <i>Fair Value Measurement</i> <sup>2</sup> ) and those that do not. ... <sup>2</sup> —If an entity has not yet applied NZ IFRS 13, it may refer to paragraph AG71 of NZ IAS 39 <i>Financial Instruments: Recognition and Measurement</i> , or paragraph B.5.4.3 of NZ IFRS 9 <i>Financial Instruments</i> (November 2010), if applicable.
NZ IAS 27 (2011)	Paragraph 15	<b>15 An entity shall apply all applicable NZ IFRSs... , including the requirements in paragraphs 16 and 17</b>
NZ IAS 32	Paragraph 97M is inserted and the paragraphs following renumbered	<b>97M <u>Disclosures—Offsetting Financial Assets and Financial Liabilities (Amendments to NZ IFRS 7)</u></b> , issued in February 2012, amended paragraph 43 by requiring an entity to disclose the information required in paragraphs 13B–13E of NZ IFRS 7 for recognised financial assets that are within the scope of paragraph 13A of NZ IFRS 7. An entity shall apply that amendment for annual periods beginning on or after 1 January 2013 and interim periods within those annual periods. An entity shall provide the disclosures required by this amendment retrospectively. <del>97NM Annual Improvements...</del> <del>NZ 97NM.1 Framework: Tier 1 and Tier 2 For-profit Entities...</del> <del>97ON Investment Entities...</del>
NZ IAS 34	7	7 ... disclosures required by this Standard (particularly the selected note disclosures in paragraph 16A) as well as those required by other Standards.
NZ IAS 39	46(c)	<b>investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such</b>

## 2014 OMNIBUS AMENDMENTS TO NZ IFRSs

Standard	Paragraph	Amendment
		<del>unquoted</del> —equity instruments, which shall be measured at cost (see Appendix A paragraphs AG80 and AG81).
NZ IAS 39	66	<b>If there is objective evidence that an impairment loss has been incurred on an <u>unquoted</u> equity instrument <u>that does not have a quoted price in an active market and</u> that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an <u>unquoted</u> equity instrument, the amount...</b>
NZ IAS 40	75(f)	(f) ... (i) ... (ii) <b>direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income during the period; <del>and</del></b> (iii) <b>direct operating expenses (including repairs and maintenance) arising from investment property that did not generate rental income during the period; <u>and</u></b> (iv) ...
NZ IAS 40	79	<b>In addition....</b> (a) ... (b) <b>the useful lives or the depreciation rates used; <del>and</del></b> (c) <b>the gross carrying amount and the accumulated depreciation (aggregated with accumulated impairment losses) at the beginning and end of the period;</b> (d) ... (i) ... (vii) <b>...owner-occupied property; and</b> (viii) <b>other changes; <del>and</del></b>
NZ IFRIC 2	A10	The reference to paragraph 49 of IAS 39 is footnoted as follows: * NZ IFRS 13 <i>Fair Value Measurement</i> , issued in June 2011, deleted paragraph 49 of NZ IAS 39. The requirements in that paragraph were relocated, unchanged, to paragraph 47 of NZ IFRS 13 as a consequence of the IASB's fair value measurement project.
NZ IFRIC 5	References	• <del>NZ SIC 12 Consolidation—Special Purpose Entities</del>

**Part G: Effective date**

This Standard is effective for annual periods beginning on or after 1 April 2015. Earlier application is permitted.