

AMENDMENTS TO ACCOUNTING STANDARDS:
OMNIBUS AMENDMENTS (LEGISLATIVE UPDATE)



Amendments to Accounting Standards: Omnibus Amendments (Legislative Update)

Issued February 2014

This Standard was issued 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.

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OMNIBUS AMENDMENTS (LEGISLATIVE UPDATE)

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ISBN 978-1-927238-98-1

AMENDMENTS TO ACCOUNTING STANDARDS:
OMNIBUS AMENDMENTS (LEGISLATIVE UPDATE)

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Amendments to NZ IFRS for Tier 1 and Tier 2 For-Profit Entities

NZ IFRS 7 *Financial Instruments: Disclosures*

Insert new paragraph NZ 44Y.1. New text is underlined.

NZ 44Y.1 *Amendments to Accounting Standards: Omnibus Amendments (Legislative Update)*, issued in February 2014, amended the definition of 'deposit taker' in Appendix E. An entity shall apply that amendment for annual periods beginning on or after 1 April 2014. Earlier application is not permitted.

Delete the footnote to 'deposit taker' in Defined terms in Appendix E *New Zealand-Specific Additional Disclosure Requirements Applicable to Deposit Takers*. Deleted text is struck through.

deposit taker means 'deposit taker' as defined in the Reserve Bank of New Zealand Act 1989 (the Act)³

³—A deposit taker is defined in section 157C of the Act and means a person who (a)(i) offers debt securities to the public in New Zealand; and (ii) carries on the business of borrowing and lending money, or providing financial services, or both; and (b) includes: (i) a building society as defined in section 2(1) of the Building Societies Act 1965, unless the building society is a registered bank; and (ii) a credit union as defined in section 2 of the Friendly Societies and Credit Unions Act 1982; and (iii) a person or class of persons that is declared by regulation to be a deposit taker for the purposes of this Part [Part 5D of the Act] of the Act; but (c) does not include: (i) an issuer of a collective investment scheme; (ii) a registered bank; (iii) a local authority; (iv) the Crown (as defined in section 2(1) of the Public Finance Act 1989); (v) a person or class of persons that is declared by regulation not to be a deposit taker for the purposes of this Part [Part 5D of the Act]. For the purposes of this Part [Part 5D of the Act], a reference to an offer of debt securities to the public has the same meaning as an offer of securities to the public as set out in section 3 of the Securities Act 1978.

NZ IAS 1 *Presentation of Financial Statements*

Delete paragraphs NZ 19.1 and NZ 19.2. Deleted text is struck through.

~~**NZ 19.1** Entities that are required to comply with applicable financial reporting standards in accordance with the Financial Reporting Act 1993 are not permitted to depart from a requirement in an applicable financial reporting standard in the circumstances described in paragraph 19.~~

~~NZ 19.2 Entities that are required to prepare financial statements in accordance with a regulatory framework other than the Financial Reporting Act will need to ascertain whether that regulatory framework permits or prohibits a departure from a requirement of an applicable financial reporting standard in the circumstances described in paragraph 19.~~

Insert new paragraph NZ 139M.1. New text is underlined.

NZ 139M.1 *Amendments to Accounting Standards: Omnibus Amendments (Legislative Update)*, issued in February 2014, deleted paragraphs NZ 19.1 and NZ 19.2. An entity shall apply those amendments for annual periods beginning on or after 1 April 2014. Earlier application is not permitted.

FRS-42 *Prospective Financial Statements*

Amend paragraph 4(b). New text is underlined and deleted text is struck through.

- 4 General purpose prospective financial information includes, but is not limited to:
- (a) ...
 - (b) prospective financial statements published in a product disclosure statement, a disclosure document and/or an prospectus, ~~investment statement~~, advertisement for an offer of financial products securities or other similar documents, including prospective financial statements published in order to satisfy the requirements of financial markets conduct securities legislation or regulations.

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Amend paragraph 43. Deleted text is struck through.

- 43 Where an entity presents prospective financial statements in respect of the reporting entity for general purpose financial reporting and/or a subset of that reporting entity, ~~such as the borrowing group (as defined in the Securities Regulations 1983):~~
- (a) ...
 - (b) the prospective financial statements for the sub-entity ~~such as the borrowing group~~ shall be prepared in accordance with the accounting policies expected to be used in the future for reporting historical general purpose financial statements except where regulations otherwise require.

Amend paragraph 71. New text is underlined and deleted text is struck through.

- 71 Comparison of prospective financial statements with actual financial results is an essential element of accountability. In the case of FMC reporting entities ~~issuers~~ a comparison of actual financial results against the originally published statements is important because it provides users with a comparison of actual performance with the projected performance at the time the entity raised funds. Some entities provide long-term prospective financial statements which are updated annually, prior to the beginning of the year. In such cases a comparison of actual financial results with the most recent prospective financial statements published prior to the beginning of the period is generally relevant. Where information is revised during the course of a year, the reasons for revising the information and an explanation of the differences between the originally published prospective financial statements and the historical financial statements should be given.

Insert new paragraph 72F. New text is underlined.

- 72F Amendments to Accounting Standards: Omnibus Amendments (Legislative Update), issued in February 2014, amended paragraphs 4(b), 43 and 71. An entity shall apply those amendments for annual periods beginning on or after 1 April 2014. Earlier application is not permitted.

FRS-43 Summary Financial Statements

Amend the third paragraph of the Introduction in the section Main features of the Standard. New text is underlined and deleted text is struck through.

The Standard also applies to multi-period summary financial statements, including those provided in a product disclosure statement or a disclosure document ~~prospectus~~, to the extent that application of this Standard is required by regulations.

Amend paragraph 3(c). New text is underlined and deleted text is struck through.

- 3 **An entity shall apply this Standard when it provides summary financial statements, for a single period or multi-periods, instead of full annual financial statements to users who have public access to, or would otherwise receive, the entity's full annual financial statements. Except as required by regulations, this Standard does not apply to:**
- (a) ...
 - (b) ...
 - (c) **summary financial information such as a trend statement provided in an annual report or a product disclosure statement or a disclosure document ~~prospectus~~ that includes key financial indicators taken from the entity's financial statements;**
 - (d) ...

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Amend paragraph 42. Deleted text is struck through.

- 42 **If an entity's summary financial statements are in compliance with this Standard, that fact shall be disclosed. An entity shall not describe summary financial statements as complying with IFRSs or NZ GAAP. Summary financial statements may be described as complying with NZ GAAP as it relates to summary financial statements. ~~Section 209(6)(c) of the Companies Act 1993 states that "summary financial statements must give a true and fair view of the matters to which they relate and comply with generally accepted accounting practice (as defined in section 3 of the Financial Reporting Act 1993)".~~ In the context of summary financial statements in concise annual reports, compliance with GAAP means compliance with GAAP as it relates to summary financial statements.**

Insert new paragraph 43D. New text is underlined.

- 43D Amendments to Accounting Standards: Omnibus Amendments (Legislative Update), issued in February 2014, amended paragraphs 3(c) and 42. An entity shall apply those amendments for annual periods beginning on or after 1 April 2014. Earlier application is not permitted.

Amendments to PBE Standards for Tier 1 and Tier 2 Public Benefit Entities

PBE IPSAS 1 *Presentation of Financial Statements*

Amend paragraph 28.2. New text is underlined and deleted text is struck through.

28.2 A number of entities are required by legislation ~~the Financial Reporting Act 1993~~ to prepare general purpose financial statements that comply with GAAP. The legislative definition of GAAP in the Financial Reporting Act 2013 ~~this Act~~ refers to applicable financial reporting standards approved by the External Reporting Board, which include PBE Standards. PBE Standards include requirements and guidance specific to public benefit entities and provide reduced disclosures for entities that qualify to apply the Reduced Disclosure Regime. An entity asserting compliance with NZ GAAP therefore needs to describe the financial reporting standards that have been applied by the entity. For example:

(a) ...

Delete paragraphs 31.1 and 31.2. Deleted text is struck through.

31.1 ~~Entities that are required to comply with applicable financial reporting standards in accordance with the Financial Reporting Act 1993 are not permitted to depart from a requirement in an applicable financial reporting standard in the circumstances described in paragraph 31.~~

31.2 ~~Entities that are required to prepare financial statements in accordance with a regulatory framework other than the Financial Reporting Act 1993 will need to ascertain whether that regulatory framework permits or prohibits a departure from a requirement of an applicable financial reporting standard in the circumstances described in paragraph 31.~~

Insert new paragraph 154.2. New text is underlined.

154.2 *Amendments to Accounting Standards: Omnibus Amendments (Legislative Update)*, issued in February 2014, amended paragraph 28.2 and deleted paragraphs 33.1 and 31.2. An entity shall apply those amendments for annual financial statements covering periods beginning on or after 1 July 2014. Earlier application is not permitted.

PBE IAS 34 *Interim Financial Reporting*

Amend paragraph 25.3. New text is underlined and deleted text is struck through.

25.3 Comparison of prospective financial statements with actual financial results is an essential element of accountability. In the case of FMC reporting entities ~~issuers~~ a comparison of actual financial results against the originally published prospective statements is important because it provides users with a comparison of actual performance with the projected performance at the time the entity raised funds. In the case of other entities, comparisons between projected performance and actual performance for a period are a means of demonstrating accountability for the resources used and the financial management of assets and liabilities. Some entities provide long-term prospective financial statements which are updated annually, prior to the beginning of the year. In such cases a comparison of actual financial results with the most recent prospective financial statements published prior to the beginning of the period is generally relevant. Where information is revised during the course of a year, the reasons for revising the information and an explanation of the differences between the originally published prospective financial statements and the historical financial statements should be given.

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Insert new paragraph 49.3. New text is underlined.

49.3 Amendments to Accounting Standards: Omnibus Amendments (Legislative Update), issued in February 2014, amended paragraph 25.3. An entity shall apply that amendment for annual financial statements covering periods beginning on or after 1 July 2014. Earlier application is not permitted.

PBE FRS 42 Prospective Financial Statements

Amend paragraph 4(b). New text is underlined and deleted text is struck through.

4. General purpose prospective financial information includes, but is not limited to:
- (a) ...
 - (b) Prospective financial statements published in a product disclosure statement, a disclosure document and/or an prospectus, investment statement, advertisement for an offer of financial products securities or other similar documents, including prospective financial statements published in order to satisfy the requirements of financial markets conduct securities legislation or regulations.

Amend paragraph 43. Deleted text is struck through.

43. Where an entity presents prospective financial statements in respect of the reporting entity for general purpose financial reporting and/or a subset of that reporting entity, ~~such as the borrowing group:~~
- (a) ...
 - (b) The prospective financial statements for the sub-entity ~~such as the borrowing group~~ shall be prepared in accordance with the accounting policies expected to be used in the future for reporting historical general purpose financial statements except where regulations otherwise require.

Insert new paragraph 75. New text is underlined.

75. Amendments to Accounting Standards: Omnibus Amendments (Legislative Update), issued in February 2014, amended paragraphs 4(b) and 43. An entity shall apply those amendments for annual financial statements covering periods beginning on or after 1 July 2014. Earlier application is not permitted.

PBE FRS 43 Summary Financial Statements

Amend the third paragraph of the Introduction in the section Main features of the Standard. New text is underlined and deleted text is struck through.

The Standard also applies to multi-period summary financial statements, including those provided in a product disclosure statement or a disclosure document prospectus, to the extent that application of this Standard is required by regulations.

Amend paragraph 3(c). New text is underlined and deleted text is struck through.

3. **An entity shall apply this Standard when it provides summary financial statements, for a single period or multi-periods, instead of full annual financial statements to users who have public access to, or would otherwise receive, the entity's full annual financial statements. Except as required by regulations, this Standard does not apply to:**
- (a) ...
 - (b) ...

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- (c) **summary financial information such as a trend statement provided in an annual report or a product disclosure statement or a disclosure document prospectus that includes key financial indicators taken from the entity's financial statements;**

Insert new paragraph 45. New text is underlined.

45. Amendments to Accounting Standards: Omnibus Amendments (Legislative Update), issued in February 2014, amended paragraph 3(c). An entity shall apply that amendment for annual financial statements covering periods beginning on or after 1 July 2014. Earlier application is not permitted.

PBE Framework

Amend the footnote to paragraph 8 (footnote 2). New text is underlined and deleted text is struck through.

8. The PBE *Framework* applies to the financial reports of Tier 1 and Tier 2 public benefit entities. A reporting entity² is an entity for which there are users who rely on the financial statements as their major source of financial information about the entity.

² This definition of a reporting entity differs from ~~to~~ that used in the Financial Reporting Act 2013 1993. The Financial Reporting Act 2013 1993 defines a "reporting entity" as "an entity whose financial statements, or group financial statements, reports, or other information is required by any enactment to comply, or be prepared in accordance, with generally accepted accounting practice or non-GAAP standards". :

~~(a) An issuer; or~~

~~(b) A company, other than an exempt company; or~~

~~(c) A person that is required by any Act, other than this Act, to comply with this Act as if it were a reporting entity. The definition in the Financial Reporting Act is used to establish a legal requirement for certain entities to report in accordance with NZ GAAP.~~

Amend the footnote to paragraph 46 (footnote 5). New text is underlined and deleted text is struck through.

46. Financial statements are frequently described as showing a true and fair view of, or as presenting fairly, the financial position, performance and changes in financial position of an entity. Although the PBE *Framework* does not deal directly with such concepts, the application of the principal qualitative characteristics and of appropriate accounting standards normally results in financial statements that convey what is generally understood as a true and fair view of, or as presenting fairly such information.⁵

⁵ For details of regulatory requirements in New Zealand, refer to the Financial Reporting Act 2013 1993, the Public Finance Act 1989 and the Local Government Act 2002. Refer also to PBE IPSAS 1 *Presentation of Financial Statements*, paragraphs 27 to 37.

Amendments to NZ IFRS Diff Rep for Tier 3 For-profit Entities

NZ IAS 1 (Diff Rep) *Presentation of Financial Statements*

Delete paragraphs NZ 19.1 and NZ 19.2. Deleted text is struck through.

~~NZ 19.1 Entities that are required to comply with applicable financial reporting standards in accordance with the Financial Reporting Act 1993 are not permitted to depart from a requirement in an applicable financial reporting standard in the circumstances described in paragraph 19.~~

~~NZ 19.2 Entities that are required to prepare financial statements in accordance with a regulatory framework other than the Financial Reporting Act will need to ascertain whether that regulatory framework permits or prohibits a departure from a requirement of an applicable financial reporting standard in the circumstances described in paragraph 19.~~

Insert new paragraph NZ 139G.3. New text is underlined.

NZ 139G.3 Amendments to Accounting Standards: Omnibus Amendments (Legislative Update), issued in February 2014, deleted paragraphs NZ 19.1 and NZ 19.2. An entity shall apply those amendments for annual periods beginning on or after 1 April 2014. Earlier application is not permitted.

FRS-42 (Diff Rep) *Prospective Financial Statements*

Amend paragraph 4(b). New text is underlined and deleted text is struck through.

- 4 General purpose prospective financial information includes, but is not limited to:
- (a) ...
 - (b) prospective financial statements published in a product disclosure statement, a disclosure document and/or an prospectus, investment statement, advertisement for an offer of financial products securities or other similar documents, including prospective financial statements published in order to satisfy the requirements of financial markets conduct securities legislation or regulations.

Amend paragraph 43. Deleted text is struck through.

- 43 Where an entity presents prospective financial statements in respect of the reporting entity for general purpose financial reporting and/or a subset of that reporting entity, ~~such as the borrowing group (as defined in the Securities Regulations 1983):~~
- (a) ...
 - (b) the prospective financial statements for the sub-entity ~~such as the borrowing group~~ shall be prepared in accordance with the accounting policies expected to be used in the future for reporting historical general purpose financial statements except where regulations otherwise require.

Amend paragraph 71. New text is underlined and deleted text is struck through.

- 71 Comparison of prospective financial statements with actual financial results is an essential element of accountability. In the case of FMC reporting entities issuers a comparison of actual financial results against the originally published statements is important because it provides users with a comparison of actual performance with the projected performance at the time the entity raised funds. In the case of public sector entities comparisons between projected performance and actual performance for a period are a means of demonstrating accountability for the resources used and the financial management of assets and liabilities. Some entities provide long-term prospective financial statements which are updated annually, prior to the beginning of the year. In such cases a comparison of actual financial results with the most recent prospective financial statements published prior to the beginning of the period is generally relevant. Where information is revised during the course of a year, the reasons for revising the information and an explanation of the differences

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between the originally published prospective financial statements and the historical financial statements should be given.

Insert new paragraph 72.2. New text is underlined.

72.2 Amendments to Accounting Standards: Omnibus Amendments (Legislative Update), issued in February 2014, amended paragraphs 4(b), 43 and 71. An entity shall apply those amendments for annual periods beginning on or after 1 April 2014. Earlier application is not permitted.

FRS-43 (Diff Rep) Summary Financial Statements

Amend the third paragraph on the Introduction in the section Main features of the Standard. New text is underlined and deleted text is struck through.

The Standard also applies to multi-period summary financial statements, including those provided in a product disclosure statement or disclosure document ~~prospectus~~, to the extent that application of this Standard is required by regulations.

Amend paragraph 3(c). New text is underlined and deleted text is struck through.

- 3 An entity shall apply this Standard when it provides summary financial statements, for a single period or multi-periods, instead of full annual financial statements to users who have public access to, or would otherwise receive, the entity’s full annual financial statements. Except as required by regulations, this Standard does not apply to:**
- (a) ...
 - (b) ...
 - (c) **summary financial information such as a trend statement provided in an annual report or a product disclosure statement or disclosure document ~~prospectus~~ that includes key financial indicators taken from the entity’s financial statements;**
 - (d) ...

Amend paragraph 42. Deleted text is struck through.

- 42 If an entity’s summary financial statements are in compliance with this Standard, that fact shall be disclosed. An entity shall not describe summary financial statements as complying with IFRSs or NZ GAAP. Summary financial statements may be described as complying with NZ GAAP as it relates to summary financial statements. ~~Section 209(6)(e) of the Companies Act 1993 states that “summary financial statements must give a true and fair view of the matters to which they relate and comply with generally accepted accounting practice (as defined in section 3 of the Financial Reporting Act 1993)”. In the context of summary financial statements in concise annual reports, compliance with GAAP means compliance with GAAP as it relates to summary financial statements.~~**

Insert new paragraph 43C. New text is underlined.

43C Amendments to Accounting Standards: Omnibus Amendments (Legislative Update), issued in February 2014, amended paragraphs 3(c) and 42. An entity shall apply those amendments for annual periods beginning on or after 1 April 2014. Earlier application is not permitted.

Amendments to NZ IFRS PBE (including Differential Reporting Concessions) for Public Benefit Entities

NZ IFRS 7 (PBE) *Financial Instruments: Disclosures*

Insert new paragraph NZ 44.5. New text is underlined.

NZ 44.5 *Amendments to Accounting Standards: Omnibus Amendments (Legislative Update)*, issued in February 2014, amended the definition of ‘deposit taker’ in Appendix E. An entity shall apply that amendment for annual periods beginning on or after 1 April 2014. Earlier application is not permitted.

Delete the footnote to ‘deposit taker’ in Defined terms in Appendix E New Zealand-Specific Additional Disclosure Requirements Applicable to Deposit Takers. Deleted text is struck through.

deposit taker means ‘deposit taker’ as defined in the Reserve Bank of New Zealand Act 1989 (the Act)⁴

⁴ — A deposit taker is defined in section 157C of the Act and means a person who (a)(i) offers debt securities to the public in New Zealand; and (ii) carries on the business of borrowing and lending money, or providing financial services, or both; and (b) includes: (i) a building society as defined in section 2(1) of the Building Societies Act 1965, unless the building society is a registered bank; and (ii) a credit union as defined in section 2 of the Friendly Societies and Credit Unions Act 1982; and (iii) a person or class of persons that is declared by regulation to be a deposit taker for the purposes of this Part [Part 5D of the Act] of the Act; but (c) does not include: (i) an issuer of a collective investment scheme; (ii) a registered bank; (iii) a local authority; (iv) the Crown (as defined in section 2(1) of the Public Finance Act 1989); (v) a person or class of persons that is declared by regulation not to be a deposit taker for the purposes of this Part [Part 5D of the Act]. For the purposes of this Part [Part 5D of the Act], a reference to an offer of debt securities to the public has the same meaning as an offer of securities to the public as set out in section 3 of the Securities Act 1978.

NZ IAS 1 (PBE) *Presentation of Financial Statements*

Delete paragraphs NZ 19.1 and 19.2 and heading above the paragraphs. Deleted text is struck through.

~~All Entities~~

~~NZ 19.1 — Entities that are required to comply with applicable financial reporting standards in accordance with the Financial Reporting Act 1993 are not permitted to depart from a requirement in an applicable financial reporting standard in the circumstances described in paragraph 19.~~

~~NZ 19.2 — Entities that are required to prepare financial statements in accordance with a regulatory framework other than the Financial Reporting Act will need to ascertain whether that regulatory framework permits or prohibits a departure from a requirement of an applicable financial reporting standard in the circumstances described in paragraph 19.~~

Insert new paragraph NZ 139G.3. New text is underlined.

NZ 139G.3 *Amendments to Accounting Standards: Omnibus Amendments (Legislative Update)*, issued in February 2014, deleted paragraphs NZ 19.1 and NZ 19.2. An entity shall apply those amendments for annual periods beginning on or after 1 April 2014. Earlier application is not permitted.

FRS-42 (PBE) *Prospective Financial Statements*

Amend paragraph 4(b). New text is underlined and deleted text is struck through.

- 4 General purpose prospective financial information includes, but is not limited to:
- (a) ...

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- (b) prospective financial statements published in a product disclosure statement, a disclosure document and/or an prospectus, investment statement, advertisement for an offer of financial products securities or other similar documents, including prospective financial statements published in order to satisfy the requirements of financial markets conduct securities legislation or regulations.

Amend paragraph 43. Deleted text is struck through.

- 43 Where an entity presents prospective financial statements in respect of the reporting entity for general purpose financial reporting and/or a subset of that reporting entity, ~~such as the borrowing group (as defined in the Securities Regulations 1983):~~
- (a) ...
- (b) the prospective financial statements for the sub-entity ~~such as the borrowing group~~ shall be prepared in accordance with the accounting policies expected to be used in the future for reporting historical general purpose financial statements except where regulations otherwise require.

Amend paragraph 71. New text is underlined and deleted text is struck through.

- 71 Comparison of prospective financial statements with actual financial results is an essential element of accountability. In the case of FMC reporting entities ~~issuers~~ a comparison of actual financial results against the originally published statements is important because it provides users with a comparison of actual performance with the projected performance at the time the entity raised funds. In the case of public sector entities comparisons between projected performance and actual performance for a period are a means of demonstrating accountability for the resources used and the financial management of assets and liabilities. Some entities provide long-term prospective financial statements which are updated annually, prior to the beginning of the year. In such cases a comparison of actual financial results with the most recent prospective financial statements published prior to the beginning of the period is generally relevant. Where information is revised during the course of a year, the reasons for revising the information and an explanation of the differences between the originally published prospective financial statements and the historical financial statements should be given.

Insert new paragraph 72.3. New text is underlined.

- 72.3 Amendments to Accounting Standards: Omnibus Amendments (Legislative Update), issued in February 2014, amended paragraphs 4(b), 43 and 71. An entity shall apply those amendments for annual periods beginning on or after 1 April 2014. Earlier application is not permitted.

FRS-43 (PBE) Summary Financial Statements

Amend the third paragraph of the Introduction in the section Main features of the Standard. New text is underlined and deleted text is struck through.

The Standard also applies to multi-period summary financial statements, including those provided in a product disclosure statement or disclosure document ~~prospectus~~, to the extent that application of this Standard is required by regulations.

Amend paragraph 3(c). New text is underlined and deleted text is struck through.

- 3 An entity shall apply this Standard when it provides summary financial statements, for a single period or multi-periods, instead of full annual financial statements to users who have public access to, or would otherwise receive, the entity's full annual financial statements. Except as required by regulations, this Standard does not apply to:**
- (a) ...
- (b) ...

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- (c) **summary financial information such as a trend statement provided in an annual report or a product disclosure statement or disclosure document ~~prospectus~~ that includes key financial indicators taken from the entity's financial statements;**
- (d) ...

Amend paragraph 42. Deleted text is struck through.

- 42 If an entity's summary financial statements are in compliance with this Standard, that fact shall be disclosed. An entity shall not describe summary financial statements as complying with IFRSs or NZ GAAP. Summary financial statements may be described as complying with NZ GAAP as it relates to summary financial statements. ~~Section 209(6)(e) of the Companies Act 1993 states that "summary financial statements must give a true and fair view of the matters to which they relate and comply with generally accepted accounting practice (as defined in section 3 of the Financial Reporting Act 1993)". In the context of summary financial statements in concise annual reports, compliance with GAAP means compliance with GAAP as it relates to summary financial statements.~~**

Insert new paragraph 43C. New text is underlined.

- 43C Amendments to Accounting Standards: Omnibus Amendments (Legislative Update), issued in February 2014, amended paragraphs 3(c) and 42. An entity shall apply those amendments for annual periods beginning on or after 1 April 2014. Earlier application is not permitted.**

NZ Framework PBE

Amend the footnote to paragraph B8. New text is underlined and deleted text is struck through.

- B8. The PBE *Framework* applies to the financial reports of Tier 1 and Tier 2 public benefit entities. A reporting entity* is an entity for which there are users who rely on the financial statements as their major source of financial information about the entity.**

* This definition of a reporting entity differs ~~from~~ to that used in the Financial Reporting Act ~~2013~~ 1993. The Financial Reporting Act ~~2013~~ 1993 defines a "reporting entity" as "an entity whose financial statements, or group financial statements, reports, or other information is required by any enactment to comply, or be prepared in accordance, with generally accepted accounting practice or non-GAAP standards". :

~~(a) An issuer; or~~

~~(b) A company, other than an exempt company; or~~

~~(c) A person that is required by any Act, other than this Act, to comply with this Act as if it were a reporting entity. The definition in the Financial Reporting Act is used to establish a legal requirement for certain entities to report in accordance with NZ GAAP.~~

Amend the footnote to paragraph B46. New text is underlined and deleted text is struck through.

- B46. Financial statements are frequently described as showing a true and fair view of, or as presenting fairly, the financial position, performance and changes in financial position of an entity. Although the PBE *Framework* does not deal directly with such concepts, the application of the principal qualitative characteristics and of appropriate accounting standards normally results in financial statements that convey what is generally understood as a true and fair view of, or as presenting fairly such information.***

* For details of regulatory requirements in New Zealand, refer to the Financial Reporting Act ~~2013~~ 1993, the Public Finance Act 1989 and the Local Government Act 2002. Refer also to PBE IPSAS 1 *Presentation of Financial Statements*, paragraphs 27 to 37.

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Effective Date

A for-profit entity shall apply the amendments in this Standard for annual periods beginning on or after 1 April 2014. Earlier application is not permitted.

A Public Sector PBE shall apply the amendments in this Standard for periods beginning on or after 1 July 2014. Earlier application is not permitted.

A NFP PBE shall apply the amendments in this Standard for annual periods beginning on or after 1 April 2015. Earlier application is permitted from 1 April 2014. If an entity applies this Standard earlier, it shall disclose that fact.