

## **Editorial Corrections to NZ IFRSs (2012)**

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## **Editorial Corrections to NZ IFRSs (2012)**

### **Introduction**

This document sets out editorial corrections to NZ IFRSs. These amendments result from IASB editorial corrections published on 31 July 2012 and other minor editorial changes identified by the New Zealand Accounting Standards Board to New Zealand specific requirements.

These editorial amendments are to take effect 28 days from the date of notification in the New Zealand Gazette.

The corrections set out in the document amend NZ IFRSs as applied by for-profit entities. Equivalent amendments have been incorporated in NZ IFRS Diff Rep.

These editorial corrections are to take effect 28 days from the date of notification in the New Zealand Gazette.

## **NZ IFRS 4 Insurance Contracts**

In Appendix C, references to the Life Insurance Act are updated in paragraph 2.1.3, and the definitions accompanying Appendix C are amended as shown.

2.1.3 A life insurer is defined as an entity operating under the Insurance (Prudential Supervision) Act 2010 ~~Life Insurance Act~~ and similar entities operating outside New Zealand.

**life insurer** means an entity operating under the Insurance (Prudential Supervision) Act 2010 ~~Life Insurance Act 1908~~ and similar entities operating outside New Zealand.

## **NZ IFRS 5 Non-current Assets Held for Sale and Discontinued Operations**

### **NZ IFRS 5 (Diff Rep) Non-current Assets Held for Sale and Discontinued Operations**

Paragraph 33 (b) is amended as shown.

33 An entity shall disclose:

- (a) ...
  - \*~~(b)~~ an analysis of the single amount in (a) into:
    - (i) the revenue, expenses and pre-tax profit or loss of discontinued operations;
    - (ii) the related income tax expense as required by paragraph 81(h) of NZ IAS 12; and
    - (iii) the gain or loss recognised on the measurement to fair value less costs to sell or on the disposal of the assets or disposal group(s) constituting the discontinued operation; ~~and~~
    - ~~(iv) the related income tax expense as required by paragraph 81(h) of NZ IAS 12.~~
- The analysis may be presented....

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

### **NZ IFRS 7 (Diff Rep) Financial Instruments: Disclosures**

Paragraph B29 is amended as shown.

B29 The assessment of continuing involvement in a transferred financial asset for the purposes of the disclosure requirements in paragraphs 42E–42H is made at the level of the reporting entity. For example, if a subsidiary transfers to an unrelated third party a financial asset in which the parent of the subsidiary has continuing involvement, the subsidiary does not include the parent’s involvement in the assessment of whether it has continuing involvement in the transferred asset in its separate or individual ~~stand-alone~~ financial statements (ie when the subsidiary is the reporting entity). However, a parent ...

The heading above paragraph B32 is amended as shown.

### **Transferred financial assets that are not derecognised in their entirety (paragraph 42D)**

## **NZ IFRS 9 *Financial Instruments* (2009)**

### **NZ IFRS 9 (Diff Rep) *Financial Instruments* (2009)**

Paragraph 8.2.10 is amended as shown.

8.2.10 If it is impracticable (as defined in NZ IAS 8) for an entity to apply retrospectively the *effective interest method* or the impairment requirements in paragraphs 58–65 and AG84–AG93 of NZ IAS 39, the entity shall treat the fair value of the financial asset at the end of each comparative period as its amortised cost if the entity restates prior periods. In those circumstances, ...

In Appendix C *Amendments to other NZ IFRSs*, paragraph NZ C8 (which sets out the amendments to NZ IFRS 7) is amended. Paragraph 44W(a) of NZ IFRS 7 is amended as shown.

44W If an entity presents the disclosures set out in paragraphs 44S–44U ..., must permit reconciliation between:  
(a) ~~of~~ the measurement categories...

## **NZ IFRS 9 *Financial Instruments* (2010)**

### **NZ IFRS 9 (Diff Rep) *Financial Instruments* (2010)**

Paragraph 5.3.1 is amended as shown.

**5.3.1 After initial recognition, an entity shall measure a financial liability in accordance with paragraphs 4.2.1–4.2.2 (see ~~paragraphs 5.4.1–5.4.3 and B5.4.1–B5.4.17~~ and paragraphs 9 and AG5–AG8 of NZ IAS 39 for amortised cost).**

Paragraph 7.2.10 is amended as shown.

7.2.10 If it is impracticable (as defined in NZ IAS 8) for an entity to apply retrospectively the effective interest method or the impairment requirements in paragraphs 58–65 and AG84–AG93 of NZ IAS 39, the entity shall treat the fair value of the financial asset at the end of each comparative period as its amortised cost if the entity restates prior periods. In those circumstances, ...

Paragraph 7.2.14 is amended as shown.

7.2.14 Despite the requirement in paragraph 7.2.1, an entity that adopts the classification and measurement requirements of this NZ IFRS for reporting periods:  
(a) ...

Paragraph B5.7.19 is amended as shown.

B5.7.19 The example in paragraph B5.7.18... In those cases, an entity is required to use an alternative method that more faithfully measures the effects of changes in the liability's credit risk (see paragraph B5.7.16(~~ab~~)). For example, ...

In Appendix C *Amendments to other NZ IFRSs*, paragraph C3 (which sets out the amendments to NZ IFRS 1, Appendix D) is amended. The first sentence of paragraph D20 of NZ IFRS 1 is amended as shown.

- C3 In Appendix D, paragraphs D1(j), D14, D15, D19 and D20 are amended to read as follows and paragraphs D19A–D19D are added:

D1 ....

**Fair value measurement of financial assets or financial liabilities at initial recognition**

- D20 Despite the requirements of paragraphs 7 and 9, an entity may apply the requirements in paragraph B5.1.2A(b) ~~the last sentence of paragraph B5.4.8 and in paragraph B5.4.9 of NZ IFRS 9, in either of the following ways:~~

(a) ...

In Appendix C *Amendments to other NZ IFRSs*, paragraph NZ C11 (which sets out the amendments to NZ IFRS 7) is amended. Paragraph 44W(a) of NZ IFRS 7 is amended as shown.

- 44W If an entity presents the disclosures set out in paragraphs 44S–44U ....., must permit reconciliation between:

(a) ~~of~~ the measurement categories...

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

### **NZ IFRS 10 (Diff Rep) Consolidated Financial Statements**

Paragraph B43 is amended as shown.

- B43 When the direction of relevant activities.... listed in paragraph B42(a)–(c) alone, that the investor has power over the investee.

## **NZ IFRS 12 Disclosure of Interests in Other Entities**

### **NZ IFRS 12 (Diff Rep) Disclosure of Interests in Other Entities**

Paragraph 9(c) is amended as shown.

- 9 To comply with paragraph 7, an entity shall disclose, for example, significant judgements and assumptions made in determining that:

- (a) it does not control another entity even though it holds more than half of the voting rights of the other entity.
- (b) it controls another entity even though it holds less than half of the voting rights of the other entity.
- (c) it is an agent or a principal (see paragraphs B58–B72 of NZ IFRS 10).
- (d) ...

## **NZ IFRS 13 *Fair Value Measurement***

### **NZ IFRS 13 (Diff Rep) *Fair Value Measurement***

Paragraph 48 is amended as shown.

- 48 An entity that holds a group of financial assets and financial liabilities... That exception permits an entity to measure the fair value of a group of financial assets and financial liabilities on the basis of the price that would be received to sell a net long position (ie an asset) for a particular risk exposure or paid to transfer a net short position (ie a liability) for a particular risk exposure ....

## **NZ IAS 19 *Employee Benefits* (as amended in 2011)**

### **NZ IAS 19 (Diff Rep) *Employee Benefits* (as amended in 2011)**

Paragraph 113 is amended as shown.

- 113 The fair value of any plan assets is deducted from the present value of the defined benefit obligation in determining the deficit or surplus. ~~When no market price is available, the fair value of plan assets is estimated, for example, by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligation).~~

## **NZ IAS 27 *Separate Financial Statements* (as amended in 2011)**

### **NZ IAS 27 (Diff Rep) *Separate Financial Statements* (as amended in 2011)**

Paragraph 17 is amended as shown.

- 17 When a parent (other than a parent covered by paragraph 16) or an investor with joint control of, or significant influence over, an investee prepares separate financial statements, the parent or investor shall identify the financial statements prepared in accordance with NZ IFRS 10, NZ IFRS 11 or NZ IAS 28 (as amended in 2011) to which they relate. The parent or investor shall also disclose in its separate financial statements:

- (a) ...
- \* (b) ...
- \* (c) ...

~~The parent or investor shall also identify the financial statements prepared in accordance with NZ IFRS 10, NZ IFRS 11 or NZ IAS 28 (as amended in 2011) to which they relate.~~

**NZ IAS 32 *Financial Instruments: Presentation***

**NZ IAS 32 (Diff Rep) *Financial Instruments: Presentation***

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The heading above paragraph 42 is amended as shown.

**Offsetting a financial asset and a financial liability  
(see also paragraphs AG38A–AG38F and AG39)**