

May 2022

## Reporting News

### Keeping you informed and up to date in the world of corporate reporting

Welcome to the May edition of Reporting News. Set out below are the latest changes and developments in financial reporting, business reporting and business governance.

---

## Financial Reporting

### Demand Deposits with Restrictions on Use arising from a Contract with a Third Party (IAS 7 Statement of Cash Flows)

The IFRS Interpretations Committee (IFRIC) has recently issued a [final agenda decision](#) relating to demand deposits meeting the definition of 'cash' in IAS 7.

This agenda decision addresses whether an entity includes a demand deposit as a component of cash and cash equivalents in its statements of cash flows and financial position when the demand deposit is subject to contractual restrictions on use agreed with a third party.

#### KPMG's essential guides to interim financial statements under IFRS

Access KPMG's guide to condensed [interim financial statements](#) (2022 edition) incorporating illustrative disclosures and a companion [disclosure checklist](#) in accordance with IFRS standards (equivalent to NZ IFRS).

### Banks' climate-related disclosures - Benchmarking how banks reported in 2021 annual reports

KPMG has performed [benchmarking of the climate-related disclosures](#) included in the 2021 annual reports of 35 major, global banks spanning across the UK and Europe, Australia, Canada, Asia, and the US. The [report](#) covers how banks reported on climate-related matters.

#### Reminder to test leased office space for impairment

With COVID-19 and its latest Omicron variant affecting most businesses working practices, it is important to understand and assess the potential indication of impairment on a decision to vacate or sub-let property.

Read KPMG's [Testing leased office space for impairment guide](#) released in July 2021 which consider the ten key questions that can help with your assessment.

#### IFRS 17 for non-insurers

The *IFRS 17 Insurance Contracts* standard is effective for annual reporting periods beginning on or after 1 January 2023. Under the scope of IFRS 17, some contracts issued by companies could be insurance contracts, even if they are not called insurance contracts.

KPMG's [publication](#) provides guidance for companies to determine whether it issues any insurance contracts in the scope of IFRS 17. Read this [article](#) to find out more.

#### Compilation of Agenda Decisions

The IFRS Interpretations Committee (IFRIC) recently published the IFRS Foundation's [sixth Compilation of Agenda Decisions](#) that compiles all agenda decisions from November 2021 to April 2022.

---

## Business Reporting

### International Sustainability Standards Board outlines actions required to deliver global baseline of sustainability disclosures

The IFRS Foundation's International Sustainability Standards Board (ISSB) outlined the necessary steps required to establish a comprehensive global baseline of sustainability disclosures. Click [here](#) for more information.

#### Sustainability reporting: Proposals for general and climate-related requirements

The release of the first two proposed IFRS Sustainability Disclosure Standards on climate-related disclosures and general requirements, indicate a major change that would put sustainability reporting in the same league with financial reporting.

With these proposals open for public comment until 29 July 2022, KPMG's [New on the Horizon publication](#) explores some of the key impacts, and how companies might apply the proposals, using KPMG's insight and illustrative examples.

#### KPMG Impact

[KPMG IMPACT](#) is the accelerator for KPMG's global ESG strategy. It is a platform that supports and empowers KPMG professionals as they assist clients in fulfilling their purpose, achieving their ESG goals, and supporting the world's attainment of the UN Sustainable Development Goals. [Subscribe](#) to KPMG NZ IMPACT for insights and news relating to climate change and sustainability reporting.

---

## Business Governance

### No action relief for financial reporting obligations

Financial Markets Authority New Zealand (FMA) has released a "no action relief" for Financial Market Conduct (FMC) reporting entities facing difficulty in preparing and filing audited financial statements within the statutory timelines under the FMC Act.

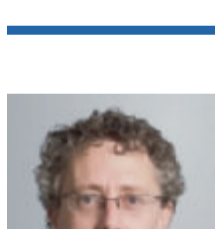
The FMA has discretion to take an individual or class 'no-action' approach which may help the affected FMC entities with additional time to meet their financial reporting or other related obligations. Click [here](#) to learn more about applying for a no-action relief.

#### Compliance relief for entities extended

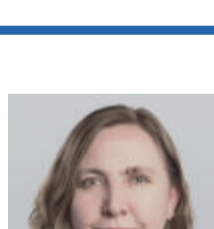
In response to COVID 19, the NZ Government extended the temporary compliance relief measures in November 2021 for entities registered with New Zealand's Companies office. These measures were set to expire in April 2022 but have been extended to 30 October 2022. Click [here](#) to learn more.

#### Exemptions for companies and limited partnerships affected by COVID-19

The Registrar of Companies (the Registrar) has granted [exemptions](#) under section 26A of the COVID-19 Response (Requirements for Entities—Modifications and Exemptions) Act 2020 that will ease compliance obligations on companies and limited partnerships affected by COVID-19. The effect is to modify or relax time frames for holding annual meetings, financial reporting duties and annual reports and applies to acts and omissions in the period 3 November 2021 to 30 October 2022.



**Simon Lee**  
Technical Director  
KPMG



**Marcia Smith**  
Director  
KPMG

---

## Feedback

If there is anything you would like to see more or less of in these updates, [let us know](#).



[Legal](#) | [Privacy](#) | [kpmg.com/nz](#)

#### [Forward to a colleague.](#)

KPMG New Zealand:  
18 Viaduct Harbour Avenue  
PO Box 1584  
Auckland 1140  
T: +64 9 367 5800

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.

© 2022 KPMG, a New Zealand Partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.