



Reporting News

March 2023

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

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

Financial Reporting

Leases - Sales and leaseback

KPMG recently published its [Sale and leaseback](#) handbook that covers the new [amendments](#) to IFRS 16 published in September 2022, with detailed worked examples showing how to account for sale and leaseback transactions that feature variable payments on initial recognition and subsequently.

Access this [article](#) to find out more.

IFRS 9 Classification and measurement

The International Accounting Standards Board (IASB) is [proposing](#) to amend IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures* following the post-implementation review of classification and measurement requirements in IFRS 9. These include [financial assets with ESG-linked features](#), and financial assets and liabilities settled using [electronic payment systems](#).

Issued financial guarantee contracts

Under a financial guarantee contract, the issuer is required to reimburse a loss incurred by the holder of which the contract transfers significant insurance risk that typically meets the definition of an insurance contract.

The replacement of IFRS 4 Insurance Contracts by IFRS 17 Insurance Contracts may change the accounting for these contracts significantly. The impact on the financial statements will differ depending on whether a company applies IFRS 17 or IFRS 9.

KPMG's [Issued financial guarantee contracts talkbook](#) includes a worked example of a financial guarantee contract under IFRS 17 and IFRS 9 that helps you with the assessment.

Read this [article](#) to find out more.

Going Concern

The New Zealand External Reporting Board (XRB) has released publications with a spotlight on going concern disclosures. The publications include [for-profit](#) and [not-for-profit](#) sectors and highlight key considerations when assessing and disclosing going concern related matters.

Business Reporting

NZX confirms amendments to the NZX Corporate Governance Code 2023

The New Zealand Exchange (NZX) confirmed amendments to the NZX Corporate Governance Code (Code), the NZX Listing Rules (Rules) and ESG Guidance Note (ESG Note). These amendments will become effective on 1 April 2023 and the final versions of each document will be made available once they become effective on the NZX Rules and Guidance webpage.

Access the Institute of Director's New Zealand [article](#) to find out more.

Goods and Services Tax – Directors' fees

Inland Revenue has issued [public rulings](#) that address the GST treatment of directors' fees and board members' fees. These GST rulings clarify whether directors' fees and board members' fees are subject to GST. The rulings will apply from 1 April 2023 for an indefinite period.

The Institute of Director's New Zealand has recently published an [article](#) in relating to the GST on director's fee that includes the discussion of some of the common situations directors may be in and the practical changes that are required in those circumstances.



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Feedback

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



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