



# Reporting News



November 2019

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

This newsletter focuses on changes and developments in financial reporting, business reporting and business governance – which are included in this newsletter as they become available.

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### Financial Reporting

#### Selecting and applying accounting policies – New guidance

To help preparers of IFRS financial statements use judgement when selecting and applying accounting policies, the IFRS Foundation's new [Guide to Selecting and Applying Accounting Policies – IAS 8](#) complements IAS 8, *Accounting Policies, Changing in Accounting Estimates and Errors* requirements. The guide presents a three-step process and illustrative examples.

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#### IFRS 17 amendments – Clarity on approach and open items

We now have certainty over specific areas of IFRS 17 *Insurance Contracts* that will not change, and which areas may be further revised.

The International Accounting Standards Board (the Board) will redeliberate the open items in its next three meetings. The Board's objective remains to issue the final amendments to IFRS 17 in mid-2020.

In the meantime, insurers should progress their implementation plans and build in some flexibility for change.

Find out more in our [web article](#).

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#### Interest Rate Benchmark Reforms

The New Zealand Accounting Standard Board (NZASB) approved for issue *Interest Rate Benchmark Reform* which amends the accounting guidance on financial instruments under NZ IFRS 9, NZ IAS 39 and NZ IFRS 7.

The objective of the amendments is to avoid situations where hedge accounting would need to be discontinued as a result of uncertainties related to the phasing out of interest-rate benchmarks such as interbank offered rates (IBORs).

The amendment is applicable to Tier 1 and Tier 2 for-profit entities. The amendments are effective from 1 January 2020, with early application permitted.

Read more details [here](#).

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### Business Reporting

#### Sustainable finance forum report 2019

The Aotearoa Circle (the Circle), a private-public partnership aims to achieve the sustainable prosperity for Aotearoa New Zealand ('New Zealand').

The Circle published the interim report 2019 on the Sustainable Finance Forum. The report focuses on the need for a sustainable finance system which will involve a new mindset of taking a long-term view for social, environmental and economic wellbeing, protecting natural resources for future generations.

Access the report [here](#).

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### Business Governance

#### Boards should be aware of, and mitigate for, impacts of climate change risks

The Institute of Directors (IoD) highlighted that there are only 35% of directors who said their boards were engaged and proactive on climate change.

The legal opinion provided to the Aotearoa Circle Sustainable Finance Forum by law firm Chapman Tripp, states that the directors must assess and manage climate change risk as they would other financial risks.

Read more information [here](#).



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