



# Reporting News

March 2024

## 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. In this edition:

[New tier thresholds for Public Benefit Entities | Amendments to XRB A1](#) [KPMG's essential guides to interim financial statements under IFRS](#)

[Exposure draft for Business Combinations and Impairment](#)

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[IFAC publishes updated State of Play in Sustainability Disclosure and Assurance](#)

[European Union Corporate Sustainability Due Diligence Directive \(CSDDD\)](#)

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## Financial Reporting

### New tier thresholds for Public Benefit Entities | Amendments to XRB A1

On 29 February 2024 the New Zealand External Reporting Board (XRB) issued the [amendments to XRB A1 Application of the Accounting Standards Framework](#) which increases the size thresholds based on total expenses for Public Benefit Entities (PBE):

Tier 1 & 2 PBE size threshold (total expenses) from \$30 million to \$33 million

Tier 3 PBE size threshold (total expenses) from \$2 million to \$5 million

The changes will also affect those Incorporated Societies that are required to produce annual accounts applying XRB standards under the new Incorporated Societies rules introduced in 2023.

The new thresholds apply to accounting periods ending on or after 28 March 2024. That means entities whose financial year ends on 31 March 2024 can apply the new thresholds immediately.

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

Access [KPMG's guides](#) to condensed interim financial statements (2024 edition) incorporating [illustrative disclosures](#) and a companion [disclosure checklist](#) in accordance with IFRS standards (equivalent to NZ IFRS).

### Exposure draft for Business Combinations and Impairment

The International Accounting Standards Board (IASB) published the Exposure Draft [Business Combinations—Disclosures, Goodwill and Impairment](#) to propose new disclosure requirements for information about the performance of business combinations and quantitative information about the synergies expected to arise from a business combination.

The IASB also proposes to maintain the impairment-only model for goodwill, with some simplifications and clarifications made to the impairment test.

Read the [KPMG web article](#) here.

### Acquiring insurance contracts

The International Standards Group (ISG) has recently updated its guide that sets out a [step-by-step approach](#) to accounting for acquired *insurance contracts* under IFRS 17 Insurance Contracts and IFRS 3 *Business Combinations*.

Read the [KPMG web article](#) here.

### Accounting for deferred tax – removal of tax depreciation deduction for commercial buildings

In March 2024 the [Government issued the Taxation \(Annual Rates for 2023–24, Multinational Tax, and Remedial Matters\) Bill](#). This Bill went through its Third Reading in Parliament on 26 March and includes a range of changes to tax legislation including the removal of tax deduction for depreciation on non-residential buildings. Specifically, when passed, this Bill will remove tax deductions for depreciation on commercial and industrial buildings with application from the 2024/25 income year.

Depending on when the building was acquired and whether or not the initial recognition exemption applies or continues to apply will impact on the measurement of deferred tax. KPMG will be issuing guidance on the accounting impact in the next few weeks.

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## Business Reporting

### KPMG's survey shows bank profit plateau for 2023

KPMG's [survey of the banking sector results](#) for 2023 shows that the sector's growth appears to have plateaued, with a net profit after tax (NPAT) \$7.21 billion for 2023 – up just 0.28% from 2022.

Read the full insights in our latest report: [KPMG's Financial Institutions Performance Survey \(FIPS\) Bank review of 2023](#)

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## Global updates on climate and sustainability reporting

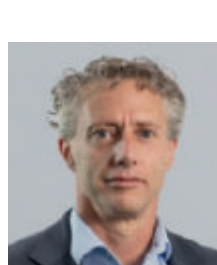
### IFAC publishes updated State of Play in Sustainability Disclosure and Assurance

This [annual benchmark study](#) on the sustainability reporting and assurance practices of the largest global companies now includes trends & analysis for the period 2019-2022.

### European Union Corporate Sustainability Due Diligence Directive (CSDDD)

Mandatory requirements for corporate reporting will enter into force following European elections in June 2024. The European Commission will publish a list of non-EU businesses (those listed and based outside the EU) which fall in scope. These businesses will have three years longer than their EU-based counterparts before the CSDDD obligations apply to them. Learn more [here](#).

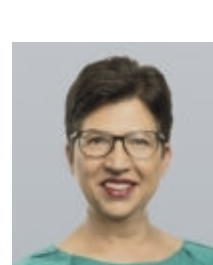
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## Feedback

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