

Welcome to the June edition of Eye on Reporting.

June 2019

Many entities are in the process of preparing and issuing their first annual financial statements under the new accounting standards, NZ IFRS 9 *Financial Instruments*, and NZ IFRS 15 *Revenue from contracts with customers*.

Regardless of the extent of the quantitative impact, these new standards introduce extensive new disclosure requirements. The Financial Markets Authority (FMA) has published a statement highlighting selected areas of interest for their upcoming financial statement reviews, which include the impacts of the new accounting standards, as well as disclosures around significant accounting judgements and sources of estimation uncertainty.

All entities should ensure sufficient attention is paid to new disclosure requirements which form part of the transition to the new standards.

This month we also highlight:

- ▶ The issue of 2019 Omnibus Amendments to NZ IFRS
- ▶ The issue of our new *IFRS developments publication on Curing of a credit impaired financial asset (IFRS 9 Financial instruments)*, and the *sale of output by a joint operator*

A range of other recent developments are included in this edition.  
Click [here](#) to view the entire edition online

Kind regards

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## Related content



## What's new from EY?



### [IFRS Developments Issue 147 - Curing of a credit impaired financial asset \(IFRS 9 Financial instruments\)](#)

The IFRS Interpretations Committee received a request as to how an entity presents unrecognised interest when a credit-impaired financial asset (commonly referred to as a 'Stage 3' financial asset) is subsequently paid in full or is no longer credit-impaired. More specifically, the request asked whether an entity can present the reversal related to previously unrecognised interest within interest revenue. At its March 2019 meeting, the Interpretations Committee published a final agenda decision concluding that an entity is required to present the reversal described in the request as a reversal of impairment losses.

### [IFRS Developments Issue 148 - IBOR reform: the IASB's proposals, part 3](#)

On 3 May 2019, the IASB published *Exposure Draft - Interest Rate Benchmark Reform – Proposed Amendments to IFRS 9 Financial Instruments and IAS 39 Financial Instruments: Recognition and Measurement*, providing relief to allow hedge

## Financial Reporting resources

accounting to continue despite the uncertainties resulting from the transition to IBOR from risk-free rates. In this issue, we summarise the IASB's proposals and share our views. Comments on the ED are due by 17 June 2019.



### **IFRS Developments, Issue 149 - Sale of output by a joint operator**

This publication summarises a recent IFRS Interpretations Committee agenda decision which clarifies that a joint operator recognises revenue only to the extent that it depicts the transfer of output to its customers in each reporting period, i.e., revenue recognised applying IFRS 15 *Revenue from Contracts with Customers*.

***Please note that the above publications are based on 'pure' IFRS, and do not cover New Zealand additional disclosure requirements.***

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