

Welcome to the March edition of Eye on Reporting.

Sustainability reporting is has become a hot topic around the globe. Consistency and comparability is often lacking, therefore the IFRS Foundation Trustees issued a consultation paper on this topic in 2020. Over 500 comment letters were received and based on this feedback, the IFRS Foundation Trustees has determined to form a steering committee to consider strategic direction now. Find more [here](#).

When preparing financial statements, entities are often required to distinguish between changes in accounting estimates and accounting policies. The distinction can have a significant impact on the financial statements. The IASB has issued amendments IAS 8, to provide guidance on making the distinction. The publication [IASB defines accounting estimates](#) provides more details.

The IASB also issued amendments to IAS 1 to replace the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose only 'material' accounting policies. The publication [The Disclosure Initiative – IASB amends the accounting policy requirements](#) provides more details of the amendments

We are also pleased to announce the issuance of the updated version of [Accounting considerations of the coronavirus pandemic \(Updated February 2021\)](#).

For more details on these and other publications and activities in financial reporting please see below.

Kind regards

[Lara Truman](#)

IFRS | Professional Practice

Quick links

- ▶ [EY New Zealand IFRS home page](#)
- ▶ [EY IFRS technical resources](#)
- ▶ [Illustrative New Zealand For-profit entity's financial statements for 31 December 2020 \(and 30 June 2021\)](#)
- ▶ [Illustrative New Zealand For-profit entity's financial report for 31 December 2020 \(and 30 June 2021\)](#)
- ▶ [EY International GAAP® 2021](#)
- ▶ [Illustrative New Zealand Public Benefit entity's financial statements for 30 June 2020](#)

Recent EY Publications



Applying IFRS

These publications provide detailed analysis of specific standards, discuss implementation issues and include recent developments.

- ▶ [Accounting considerations of the coronavirus pandemic \(Updated February 2021\)](#)
 - *This publication provides a reminder of the existing accounting requirements that should be considered when addressing the financial effects of the coronavirus pandemic in the preparation of IFRS financial statements for the annual or interim reporting periods ending in 2020.*



IFRS Developments

These publications highlight the latest Exposure Drafts and Amendments issued by IASB as well as the IFRS Interpretations Committee's agenda decision.

- ▶ [IFRS Developments issue 186 - IASB defines accounting estimates](#)
 - *The IASB issued amendments to IAS 8 Accounting Policies, Changes to Accounting Estimates and Errors, in which it introduces a new definition of 'accounting estimates'. The amendments are designed to clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. The amendments become effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted.*
- ▶ [IFRS Developments issue 187 - The Disclosure Initiative - IASB amends the accounting policy requirements](#)

- The IASB issued amendments to IAS 1 Presentation of Financial Statements in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments to IAS 1 will be effective for annual periods starting on or after 1 January 2023.
- The IASB also issued amendments to IFRS Practice Statement 2 Making Materiality Judgements to support the amendments in IAS 1 by explaining and demonstrating the application of the 'four-step materiality process' to accounting policy disclosures.

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

IFRS news and other NZ specific updates: for-profit entities



[IASB Update February 2021](#)

- ▶ The summaries of the February 2021 IASB meetings are now available.
- ▶ The [February 2021](#) podcast summarises the Board's discussions in these meetings.

[IFRS Interpretations Committee Update February 2021](#)

- ▶ The summary of the February 2021 IFRS Interpretations Committee meeting is now available. Several topics around IAS 2, IAS 10 and IFRS 16 are discussed.

[Global sustainability standards - Next step?](#)

- ▶ Over 500 responses to the consultation paper indicate growing and urgent demand to improve global consistency and comparability in sustainability reporting. A new board will be formed and focus on the following strategic directions:
 - Investor focus for enterprise value
 - Sustainability scope, prioritising climate
 - Build on existing frameworks
 - Building blocks approach

[Have you missed the IASB's webinars/webcasts?](#)

Recordings of the following webinar/webcasts are now available.

- ▶ [How can academics inform post-implementation reviews of IFRS 15?](#)
- ▶ [Virtual workshop on Discussion Paper Business Combinations under Common Control](#)
- ▶ [Explaining the Exposure Draft Regulatory Assets and Regulatory Liabilities](#)

On the horizon



Below are recent proposals that are currently open for comment from the NZASB, IASB and/or IPSASB. Please refer to the current exposure draft section on the XRB website for more details (www.xrb.govt.nz).

Standard/Exposure Draft	Comments due to NZASB/XRB by	Comments due to IASB by	Comments due to IPASB by

<u>IASB DP/2020/2 Business Combinations under Common Control</u>	1 June 2021	1 September 2021	
<u>IASB ED/2020/4 Lease Liability in a Sale and Leaseback Proposed amendment to IFRS 16</u>		29 March 2021	
<u>IASB ED/2021/1 Regulatory Assets and Regulatory Liabilities</u>	30 April 2021	30 June 2021	
<u>IASB Request for Information - Post Implementation Review of IFRS 10, 11 and 12</u>		10 May 2021	
<u>IPSASB ED 75 Leases and Request for Information, Concessionary Leases and Other Arrangements similar to Leases</u>	22 April 2021		17 May 2021
<u>Request for Information - Simple Format Reporting Standards used by not-for-profit and public sector entities - Post-Implementation Review</u>	31 March 2021		

The links to the third-party sites are not under the control of the EY organization and EY member firms are not responsible for the contents.

Contact

Lara Truman

Associate Partner, Wellington
+64 274 899 896

EY | Assurance | Tax | Strategy and Transactions | Consulting

About EY

EY is a global leader in assurance, tax, strategy, transaction and consulting services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation is available via ey.com/privacy. For more information about our organization, please visit www.ey.com.

© 2021 Ernst & Young, New Zealand.
All Rights Reserved.

This communication provides general information which is current at the time of production. The information contained in this communication does not constitute advice and should not be relied on as such. Professional advice should be sought prior to any action being taken in reliance on any of the information. Ernst & Young disclaims all responsibility and liability (including, without limitation, for any direct or indirect or consequential costs, loss or damage or loss of profits) arising from anything done or omitted to be done by any party in reliance, whether wholly or partially, on any of the information. Any party that relies on the information does so at its own risk.

Privacy

EY collects your personal information in order to provide you with relevant updates, research, invitations and materials about our services. Without this information we cannot provide these services and communications to you. We use tools which can track and collect statistics on recipient activity to enhance the quality of the marketing services we provide to you. We do not disclose your personal information to third parties and protecting your privacy is very important to us. You may gain access to your personal information in most instances, obtain a copy of our Privacy Policy Statement (which is also available on our website at <http://www.ey.com/NZ/en/About-us/Privacy-Policy-statement>), or request further information from us, by contacting The EY Oceania Privacy Leader, General Counsel's Office, Ernst & Young, 680 George Street, Sydney NSW 2000, T +612 9248 5555, F +612 9248 5959, www.ey.com/au.

To unsubscribe from future communications please [click here](#)

