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June 2024

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

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

Amendments to IFRS 9 Financial Instruments – Classification of financial assets with an ESG-linked feature

Amendments to IFRS 9 Financial Instruments – Settlement by electronic payments

Updated 2024 Measuring Emissions Guide

FMA and XRB jointly produced guides for readers of climate statements

KPMG benchmarking analysis - insurers and banks climate-related disclosures

Further harmonisation of the sustainability reporting landscape

Financial Reporting

Amendments to IFRS 9 Financial Instruments – Classification of financial assets with an ESG-linked feature

The International Accounting Standards Board (IASB) has now amended IFRS 9 *Financial Instruments* following its post-implementation review of the classification and measurement requirements. The amendments include guidance on the classification of financial assets, including those with contingent features.

The IASB has also amended IFRS 7 *Financial Instruments: Disclosures*. Companies will now be required to provide additional disclosures on financial assets and financial liabilities that have certain contingent features.

Read the KPMG web article here.

Amendments to IFRS 9 Financial Instruments – Settlement by electronic payments

Companies that recognise or derecognise financial assets or financial liabilities on the payment initiation date could see a change to their accounting following amendments to IFRS 9 *Financial Instruments* issued by the IASB.

However, companies may be permitted to derecognise financial liabilities settled by an electronic payment system earlier than their settlement date, subject to certain criteria being met.

Read the KPMG web article here.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026.

New Zealand updates on climate and sustainability reporting

Updated 2024 Measuring Emissions Guide

The Ministry for the Environment has released its updated 2024 NZ Measuring Emissions Guide with key updates to emissions factors relating to domestic air travel, historic electricity and electricity-related transmission and distribution losses, bioethanol and biodiesel, amongst others.

Organisations should assess whether these changes will require a recalculation of base year and/or prior year GHG emissions, targets and, more importantly, how explanations of year-on-year changes could be impacted.

FMA and XRB jointly produced guides for readers of climate statements

The Financial Markets Authority (FMA) and the External Reporting Board (XRB) guides are designed to help people understand the Climate-related Disclosures (CRD) regime and climate statements which are progressively being published. Note these are written for report readers and not intended for use in report preparation.

Global updates on climate and sustainability reporting

KPMG benchmarking analysis - insurers and banks climate-related disclosures

KPMG has released two benchmarking analyses from a global review of the 2023 climate reports of 35 major banks and 47 major insurers. We found that progress continues but the opportunity for these organisations to tell a more connected story remains. This is consistent with our findings of the first climate statements of New Zealand organisations.

Further harmonisation of the sustainability reporting landscape

The IFRS Foundation has announced developments in strategic relationships between the International Sustainability Standards Board (ISSB) and other “sustainability reporting” standard-setters (e.g. the Global Reporting Initiative GRI) to deliver further harmonisation and consolidation of the disclosure landscape in response to market demand. The ISSB works closely with the body that brings together international securities regulators—IOSCO—as well as directly with jurisdictions, including through its Jurisdictional Working Group to support steps towards the use of the ISSB Standards.

Should you have queries on how this information is relevant for your organisation, or if you would like reporting support, contact us here.

Simon Lee
Technical Director
KPMG

Marcia Smith
Director
KPMG

Sanel Tomlinson
Partner
KPMG

Sarah Bate
Director
KPMG

Feedback

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KPMG New Zealand:
18 Viaduct Harbour Avenue
PO Box 1584
Auckland 1140
T: +64 9 367 5800

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