Reporting News

July 2024

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

Welcome to the July 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 detailed guide on IFRS 18 Presentation and Disclosure in Financial Statements

Update for Tier 2 for-profit entities: Approach to IFRS 19 Subsidiaries without Public Accountability: Disclosures

Scope 2 emissions – is your reporting complete?

FMA seeking feedback on guidance provided for climate reporting entities (CREs)

Updated UK 2024 GHG conversion factors

Digital hub on the financial reporting impacts of climate change

Financial Reporting

New detailed guide on IFRS 18 *Presentation and Disclosure in Financial Statements*

KPMG has released the First Impressions publication which provides detailed insights and comprehensive analysis on applying the new IFRS 18 standard, together with illustrative examples.

NZ IFRS 18 takes effect on 20 June 2024. Application to an earlier accounting period is permitted for accounting periods that end after 20 June 2024.

Update for Tier 2 for-profit entities: Approach to IFRS 19 *Subsidiaries without Public Accountability: Disclosures*

The External Reporting Board (XRB) has decided to retain current Reduced Disclosure Regime (RDR) for Tier 2 for-profit entities. Tier 2 for-profit entities are not required to make any changes to their reporting as a consequence of IFRS 19. The XRB also intends to develop a formal policy for determining RDR concessions, where consideration of IFRS 19 disclosure requirements would be one of the inputs into decisions on future RDR concessions.

New Zealand updates on climate and sustainability reporting

Scope 2 emissions – is your reporting complete?

KPMG's latest article on Scope 2 emissions illustrates what dual reporting of Scope 2 emissions would look like, even for organisations who haven't entered into any energy-related contractual instruments.

FMA seeking feedback on guidance provided for climate reporting entities (CREs)

The FMA are seeking feedback on a proposed information sheet that provides guidance for CREs in relation to the following disclosure documents, in light of the climate-related disclosures (CRD) regime:

— any current or new Product Disclosure Statement for their financial products

— the Other Material Information on the offer register on Disclose for their financial products

— any Statement of Investment Policies and Objectives on the offer register on Disclose

— any annual report.

Final date for submission is Friday 30th August 2024.

Global updates on climate and sustainability reporting

Updated UK 2024 GHG conversion factors

The UK Department for Energy Security and Net Zero has published its updated 2024 conversion factors for greenhouse gas reporting in addition to a summary of the major changes from the 2023 conversion factors.

These may be used by New Zealand-based organisations if considered suitable. Organisations should assess whether the 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.

Digital hub on the financial reporting impacts of climate change

We would like to introduce our "Clear on climate reporting" Digital hub. It provides guidance and resources to support preparers of financial statements to understand how to report on climate in the financial statements.

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

If there is anything you would like to see more or less of in these updates, let us know.

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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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