
New Zealand

Local stock exchange

NZX Limited

<http://www.nzx.com/>

Rules for listed filings

IFRS required or permitted for listed companies?

Required for consolidated financial statements. There is no requirement to prepare separate financial statements for the parent company.

Version of IFRS

IFRS as adopted locally.

All listed entities are required to report under accounting standards that are fully converged with IFRS as issued by the IASB. There are also several New Zealand domestic standards that specify requirements in addition to those contained in international standards.

Domestic standards are developed only where there is a gap in international standards (and not to replace an international standard), or to specify disclosures that are additional to those contained in international standards. There are currently three New Zealand standards for summary financial statements, prospective financial statements and a separate standard that contains a small number of New Zealand specific disclosure requirements (in addition to IFRS). There is a detailed Appendix to the New Zealand equivalent to IFRS 4 *Insurance Contracts* specifying requirements for life insurance and general insurance. There is also an Appendix to the New Zealand equivalent to IFRS 7 *Financial Instruments: Disclosures* that contains the New Zealand specific additional disclosure requirements applicable to deposit takers. These domestic standards reflect local legislative requirements.

Are subsidiaries of foreign companies or foreign companies listed on local exchanges subject to different rules?

No

Rules for statutory filings

Is IFRS or IFRS for SMEs required, permitted or prohibited for statutory filings?

New Zealand equivalents to IFRS ("NZ IFRS") is required for some companies and IFRS for SMEs is prohibited.

Version of IFRS

For-profit entities

All publicly accountable for-profit entities ("Tier 1" entities in the for-profit accounting standards framework) are required to prepare financial statements under accounting standards that are fully converged with IFRS as issued by the IASB, supplemented by

New Zealand domestic standards that are used to specify requirements that are additional to those contained in international standards (NZ IFRS).

Other for-profit entities that have legislative reporting requirements (“Tier 2” entities in the for-profit accounting standards framework) are able to elect to report under NZ IFRS with significant disclosure concessions. The so-called NZ IFRS Reduced Disclosure Regime is converged with Australia and contains disclosure concessions only (presentation, recognition and measurement are the same as full NZ IFRS).

New Zealand has not adopted IFRS for SMEs and is not planning to do so.

Public benefit entities (“PBEs”)

For periods beginning on or after July 1, 2014 (no early adoption available), Public Sector PBEs are required to adopt the PBE Standards. The PBE Standards are based on International Public Sector Accounting Standards (IPSAS) with minor modifications mainly to terminology and application guidance. There are also several New Zealand domestic PBE Standards specifying additional requirements where there is a gap in IPSAS. These are either based on IFRS or on New Zealand standards included within NZ IFRS. For periods beginning on or after April 1, 2015 (early adoption allowed) Not-for-Profit PBEs are also required to adopt the PBE Standards.

Previously PBEs were required to report under “NZ IFRS for PBEs”, which was NZ IFRS modified to include certain recognition, measurement, presentation and disclosure requirements applicable to PBEs.

In addition to local GAAP statutory financial statements, are there any other regulatory financial statement requirements that permit or require the use of IFRS?

No

IFRS conversion plans

Plans for converging

For periods beginning on or after April 1, 2015 for-profit entities that have legislative requirements or opt in under enactment to report in accordance with NZ GAAP are required to report under NZ IFRS (Tier 1) or NZ IFRS RDR (Tier 2) as described above.

Previously, a reduced measurement and disclosure regime (“differential reporting”) and simplified financial reporting (application of New Zealand financial reporting standards that were in place prior to the adoption of NZ IFRS), also called “NZ Old GAAP”, were available for application by entities that met certain criteria. The differential reporting regime and New Zealand Old GAAP standards have been withdrawn with effect for periods beginning on or after April 1, 2015.

Other useful websites

External Reporting Board
<http://www.xrb.govt.nz/>

Tax information

Type of tax regime

Quasi-dependent. Taxable profit is principally based on the legal entity statutory accounts, with a number of adjustments provided in the tax law.

Plans for IFRS converging as the basis of tax reporting

The Financial Reporting Act 2013 and Financial Reporting (Amendments to Other Enactments) Act 2013 are applicable for periods beginning on or after April 1, 2014. The Financial Reporting Act 2013 repeals and replaces the Financial Reporting Act 1993. Broadly speaking, the new legislation removes statutory reporting requirements for NZ companies or groups with total assets NZ\$60 million or less and total revenue of NZ\$30 million or less. Overseas companies that carry on business in NZ and subsidiaries of overseas companies, or their groups, with total assets of NZ\$20 million or less and total revenue of NZ\$10 million or less will also no longer be required to prepare statutory financial reports. Companies with no statutory reporting requirements will be required to report to the taxing authorities under the Tax Administration (Financial Statements) Order 2014.