

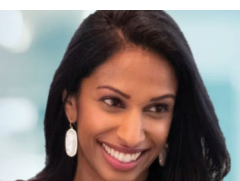
KPMG Alumni News

SEPTEMBER 2021

Welcome to the September edition of the KPMG New Zealand Alumni News

Here we have our latest news, publications, and events, which we hope will be of interest to you.

KPMG New Zealand appoints Seshani Bala as General Counsel



Seshani Bala leads KPMG's legal function, guiding the firm on all legal and governance issues.

Originally from Auckland, Seshani has been building a successful career in Australia over the past 13 years. Prior to KPMG, Seshani was Group Executive and General Counsel at Chartered Accountants Australia and New Zealand. She also held global General Counsel roles for various FMCG and technology companies and worked in private legal practice at Clayton Utz and Bell Gully.

Seshani's experience spans across the specialties of law, governance, and risk management. She has managed global legal operations across various industries, including professional services, technology, FMCG and education. She has also guided cross border mergers, acquisitions, and private equity deals.

Godfrey Boyce said, "Seshani is an accomplished legal strategist and governance professional and is recognised as such. She has a proven track record leading high-performing teams to support business growth and transformation. We are pleased to add such talent to our leadership team as the firm continues to deliver on its purpose to fuel the prosperity for New Zealanders."

Seshani graduated from the University of Auckland with a Bachelor of Laws (Honours) and a Bachelor of Arts. She has been admitted as barrister and solicitor of the High Court of New Zealand and as a solicitor of the Supreme Court of New South Wales. Seshani is a Fellow of the Governance Institute of Australia and a graduate of the Asialink Leaders Program.

Seshani said, "I am humbled by the opportunity to join KPMG New Zealand and to lead the firm's legal function. I look forward to working with such a highly respected and diverse team and firm. With a strong focus on people, clients, innovative solutions, and commitment to sustainability, it's exciting to be a part of the firm as it transforms for the future."

KPMG and Microsoft's cloud partnership set to boost New Zealand's prosperity



The partnership is pivotal to both KPMG and its clients in boosting their innovation and digital transformation journeys.

Microsoft's Azure cloud and Artificial Intelligence (AI) technologies this will enable KPMG to help its clients across the public and private sectors to improve decision-making, increase their productivity and achieve cost efficiencies.

KPMG New Zealand Chief Executive Godfrey Boyce says that: "At KPMG, our purpose is fuelling prosperity for all New Zealanders. We live in a world of change and disruption, and our ability to reimagine, innovate and create actionable insights is critical to our future. KPMG must continuously digitally transform ourselves and help our clients and communities to do the same".

KPMG intends to develop new Microsoft Azure products and services and deepen its digital capabilities to address the key challenges clients face, such as navigating the exponential rate of change in the digital world, and rapidly evolving customer needs. Services will include everything from digital acceleration to supply chain transformation, change and talent management, data, analytics and AI, and cyber security, governance and risk and compliance.

Godfrey says: "Together, with this partnership we combine advanced technologies, industry insight and established excellence to help New Zealand's businesses succeed, the public sector to achieve more, and our communities to grow."



On 8 September, the Government tabled the [Taxation \(Annual Rates for 2021-22, GST and Remedial Matters\) Bill](#).

The Bill contains over one hundred policy and remedial amendments, although that latter classification is more appropriate for some changes than others. We have not attempted to cover them all. A summary of some of the key changes can be read [here](#). Not all will be relevant to you or your business but, given the range, it is likely that some may. That's why it is a "liquorice allsorts" type of Tax Bill. It has something for everyone.

Get in touch

[Darshana Elwela](#)
Partner

[John Cantin](#)
Partner

[Rachel Piper](#)
Partner

Tax Policy Work Programme – some thoughts

Read our commentary on the Government's priorities for the tax system.

The Government's one page [2021-22 Tax Policy Work Programme](#) signals its immediate and longer term priorities for the tax system. Short on detail, it nevertheless contains important directions for travel. Some might be more apparent than others – e.g. the residential housing tax changes, which use tax levers to try to achieve non-tax objectives. The interaction between tax policy and other policy objectives is a key, but not the only, focus. Integrity, general maintenance of the tax system and the use of tax in the COVID-19 response remain key pillars.

In a change from our usual Taxmail approach, our thoughts are combined with the one pager as a graphic. Hopefully, this provides some context and makes it easier to see how the programme may affect you.

Get in touch

[Darshana Elwela](#)
Partner

[John Cantin](#)
Partner

[Rachel Piper](#)
Partner



At KPMG, we are committed to fuelling New Zealand's prosperity, not only for our clients but also our communities

Doing what matters is at the heart of KPMG's values and culture and an essential component of our common purpose of Fuelling the prosperity of New Zealand – improving the health, wealth and wellbeing for all New Zealanders. We encourage and support our people to work together to give back to their communities, through volunteering, fundraising and leadership, alongside a significant amount of pro bono work, together making a positive impact on a variety of non-profit organisations and charities.

In our latest update, we introduce our new Citizenship leader and detail some of the recent activity aligned with KPMG New Zealand's day to day purpose of fuelling prosperity. To read our Corporate Citizenship Report: 2020 | 2021 click [here](#).

If you have any comments or feedback on this report, please feel free to contact us at citizenship@kpmg.co.nz.

FIPS Quarterly: Bank profits strong ahead of lockdown



The latest FIPS report covers the quarter ended June 2021 and relates to a continuation of recent trends: strong profit, growth in lending driven by mortgages, the reversal of provisioning, and a heavy focus on regulation.

September's lockdown and forthcoming decisions from the RBNZ on the OCR and LVR lending are worth bearing in mind looking towards the second half of the year.

To view KPMG's latest FIPS and read more in our report click [here](#).

Get in touch

[John Kensington](#)
Partner

Community @ KPMG

Celebrating Chinese Language Week

New Zealand Chinese Language Week (NZCLW) is a Kiwi-driven initiative launched in 2014 by Chair Jo Coughlan and Raymond Huo. NZCLW is designed to increase Chinese language learning in New Zealand. The first of its kind in any Western country, NZCLW seeks to bridge the cultural and linguistic knowledge gap between China and New Zealand by delivering fun and practical initiatives that assist Kiwis to learn Chinese.

Did you know:

- there are three main dialects: Mandarin, Cantonese, and Shanghaiese
- there are over 50,000 characters. Only 3,500 are frequently used covering 99.48% of written pieces.



Celebrating Tongan Language Week

The theme this year for Uike Kātoanga'i 'o e lea faka-Tonga - Tonga Language Week is Fakakolola 'o Aotearoa 'aki 'a e Ako Lelei, which means enriching Aotearoa with holistic education.

The theme serves as a conversation starter on the importance of holistic education, diverse forms of learning and how Aotearoa can benefit from it.



Tongan

Mālō e lelei
Mālō 'aupito
Fakamolemole
Oku ke fēfē hake?
'Oku ou sai pē, mālō

English

Greetings/Hello
Thank you
Please
How are you?
I am fine, thank you

KPMG helps fight homelessness and build healthier homes

Our Advisory team has secured a deal with Kāinga Ora – Homes and Communities. The project redevelops large, urban brownfield sites to enable 35,000 new good quality, warm, dry and healthy homes for those that need it the most.

Our work will involve collaborating between central and local government and will support decisions on how to proceed with the projects and the level of government investment.

Not only are we helping to fight homelessness, but we're also playing our part to provide healthy homes for many families who are currently living in cold, damp living conditions - fuelling prosperity for all New Zealanders.



Celebrating Māori Language Week

This year we celebrated Te Wiki O Te Reo Māori on-line with virtual sessions on pepeha, a home workout session with ex All Black Nehe Milner-Skudder and a history lesson on Te Reo from the CEO of the Māori Language Commission.

We also took part in the Māori Language Moment to help set the world record for people speaking and celebrating an endangered, indigenous language at the same time!



TaxMail

Housing tax – final pieces of the puzzle revealed?

Draft legislation released 28 September fills in some important gaps relating to the Government's housing tax announcements from earlier this year:

- how proposed interest limitation rules will apply to residential property from 1 October 2021; and
- the design of the "new build" exemption from the interest limitation rules and the 10-year bright line test for residential land.

The legislation is contained in a Supplementary Order Paper (SOP) to the Taxation (Annual Rates for 2021-22, GST, and Remedial Matters) Bill released earlier this month, along with fact sheets on the changes – available [here](#).

These rules are complex and there is much devil in the detail. Submissions on the SOP and the Bill will likely be heard by the Finance and Expenditure Select Committee in the coming weeks.

The SOP also contains a FBT rate change so employers can elect to pay FBT at 49.25% (the 33% marginal tax rate equivalent) for all employees with all-inclusive pay under \$129,681 (i.e. those earning below the 39% marginal rate equivalent). This is rather than having to apply the highest 63.93% FBT rate. This fixes the problem that was created when the FBT single rate was raised to reflect the new 39% marginal tax rate, regardless of whether that rate applied generally. FBT will still be payable at 63.93% for employees with all-inclusive pay of \$129,681 or more. This is a welcome change, to reduce FBT over-taxation.

To read our commentary on the draft legislation, check out our latest Taxmail [here](#).

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

Financial Reporting

Insights into IFRS: 18th Edition 2021/22

The updated edition of [KPMG's Insights into IFRS-18th edition](#) is now available. Access this [link](#) to order your personal copy of KPMG's insights. This edition features enhanced guidance on the new insurance contracts standard, leases and financial instruments and new guidance on cloud computing arrangements.

A high level overview of Insights is available [here](#).

Trigger for reversing an impairment loss

NZ IAS 36 Impairment of Assets requires an entity to assess at the end of each reporting period whether there is any indication that an asset may be impaired. As the COVID-19 pandemic continues to evolve, for some entities indicators may exist indicating that an impairment loss recognised in a previous period may no longer exist or may have decreased.

Read KPMG's web article "[Time to reverse impairment losses on non-financial assets?](#)" on reversal of impairment losses and related disclosure considerations in such scenarios.

Improving Tier 3 & 4 Public Benefit Entity Standards

In 2020, the New Zealand Accounting Standards Board (NZASB) conducted a post-implementation review of the Tier 3 and Tier 4 Public Benefit Entity (PBE) Standards which closed in March 2021. The analysis of the submissions received on the request for Information indicated overall positive impact of the Tier 3 and Tier 4 Standards and also highlighted areas where improvements are needed.

Please refer to the summary of the [review of simple format reporting standards](#) and the [feedback statement](#) which sketches the responses and main issues raised by respondents along with the NZASB's agreed next steps in response to those issues.

Business Reporting

Climate change

All companies are facing climate-related risks and opportunities, the impact of climate change on public policy and regulation are accelerating. KPMG in association with Institute of Directors (IoD) have published an on-demand [webcast](#), which offers insights on risk and opportunities facing directors over the coming decade.

The Intergovernmental Panel on Climate Change (IPCC) is producing a [Sixth Assessment Report](#) with contributions by the working group. The report addresses the most up-to-date physical understanding of the climate system and climate change, bringing together the latest advances in climate science, and combining multiple lines of evidence from paleoclimate, observations, process understanding, and global and regional climate simulations.

Update on the work of the Technical Readiness Working Group (TRWG)

Please refer to this report on [sustainability related reporting updates](#) as per IFRS Advisory Council's meeting held in September 2021 which discusses the work of TRWG so far. This is an important initiative that is driving the development of a new global sustainability standards board. It is anticipated that the intention to launch this new body will be confirmed at the [COP 26](#) meeting in November.

We value your connection with us and invite you to visit our [Alumni website](#) to stay abreast of all the latest news and happenings at KPMG New Zealand. Please reach out to us by emailing alumni@kpmg.co.nz if you would like additional information regarding any of the above topics.



Aaron Woolsey

KPMG New Zealand Alumni Partner

kpmg.com/nz/en/home/alumni.html



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