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KPMG

Reporting News

August 2024

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

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

Financial Reporting

Global minimum top-up taxes and impairment testing

Many countries have amended their local laws to introduce a global minimum top-up tax as part of the international tax reform. Consequently, companies may need to reflect the impact of upcoming changes in tax laws in their impairment assessments.

Access KPMG's Resource centre and impairment assessment FAQ to consider the impact of upcoming changes to tax laws.

Hyperinflationary presentation currency | IAS 21 amendments

The International Accounting Standards Board (IASB) proposes to amend IAS 21 The Effects of Changes in Foreign Exchange Rates to require that a company with a non-hyperinflationary functional currency but a hyperinflationary presentation currency to translate all the financial statement amounts (including comparatives) using the closing rate at the latest reporting date.

The company will also be required to disclose that it has done this and when applicable, summarise financial information about its foreign operations affected by the proposed translation method. The proposals will be applied retrospectively, and the effective date will be determined at a later stage. Earlier application will be permitted.

Read KPMG's web article here.

IASB issues annual improvement to IFRS Accounting Standards

The IASB has made minor amendments to IFRS 9 Financial Instruments and to a further four accounting standards.

The amendments to IFRS 9 address:

- a conflict between IFRS 9 and IFRS 15 Revenue from Contracts with Customers over the initial measurement of trade receivables; and
- how a lessee accounts for the derecognition of a lease liability under paragraph 23 of IFRS 9.

The amendment on trade receivables may require some companies to change their accounting policy.

Read KPMG's web article here.

Incorporated societies | New financial reporting requirements that are part of the incorporated society law changes

Under the Incorporated Societies Act 2022 (2022 Act), incorporated societies may need to change how they prepare their financial statements, and some larger societies will also need to have their financial statements audited. The new financial reporting standards will only apply to a society once it registers or reregisters under the 2022 Act. The earliest this can occur is on or after 5 October 2023. Subsequently, when the society prepares its next set of financial statements, those statements must meet the requirements of the 2022 Act.

Read New Zealand Companies Office's guidance for the 2022 Act.

Global updates on climate and sustainability reporting

The Greenhouse Gas Protocol releases Corporate Standards Frequently Asked Questions (FAQs)

The new Corporate Standard FAQs resource addresses 19 common questions about accounting for corporate GHG emissions.

Australian Climate-related Financial Disclosures Bill approved with amendments

The Bill is expected to be passed at the September parliamentary sitting and climate reporting will then become mandatory in Australia for financial years beginning on or after 1 January 2025. The Australian regime will apply to much smaller entities than in New Zealand and the assurance requirements will be phased to ultimately require reasonable assurance over the full climate statement. Learn more here.

New resources for those navigating the European Sustainability Reporting requirements

The European Commission (EC) has issued 90 frequently asked questions covering which companies are in scope of the Corporate Sustainability Reporting Directive (CSRD), details around the assurance of CSRD disclosures, and practical arrangements for publishing CSRD disclosures. Learn more here.

The European Securities and Markets Authority (ESMA) has issued a statement highlighting the guidance that companies are expected to consider and the key areas to assess when preparing sustainability statements under ESRSs for the first time. Learn more here.

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

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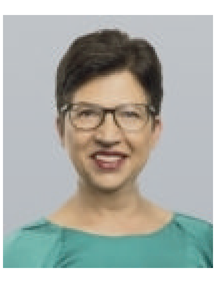

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Feedback

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

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