



Annual Accounting Update 2025

For-profit entities applying NZ IFRS

—
21 October to 25 November



Agenda



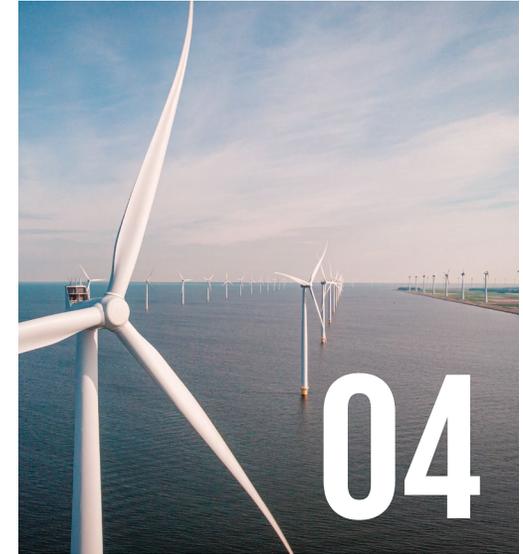
New standards and amendments to accounting standards



IFRIC agenda decisions



NZ IFRS 18 - The basics and practical application



Updates to Insights®: 22nd Edition 2025/26

**New Standards
and Amendments
to accounting standards**

New standards and amendments to accounting standards

New accounting standards or amendments	Effective date
NZ IFRS 18 - Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 - Subsidiaries without Public Accountability: Disclosures (currently do not have a New Zealand equivalent of IFRS 19)	-
Classification and Measurement of Financial Instruments – Amendments to NZ IFRS 9 and NZ IFRS 7)	1 January 2026
Contracts Referencing Nature-dependent Electricity – Amendments to NZ IFRS 9 and NZ IFRS 7	
Annual Improvements to NZ IFRS Accounting 2024	1 January 2025
Lack of Exchangeability – amendment to NZ IAS 21 and NZ IFRS 1	

IFRIC agenda decisions

IFRIC agenda decisions

Standard	Final agenda decisions	IFRIC Update
NZ IAS 29	Assessing indicators of hyperinflationary economies	June 2025
NZ IAS 37, NZ IFRS 9, NZ IFRS 15	Guarantees issued on obligations of other entities	March 2025
NZ IAS 38	Recognition of intangible assets resulting from climate-related expenditure	March 2025
NZ IFRS 15	Recognition of revenue from tuition fees	March 2025
NZ IAS 7	Classification of cash flows related to variation margin calls on 'collateralised-to-market' contracts	November 2024

Standard	Tentative agenda decisions	IFRIC Update
NZ IFRS 9	Determining and Accounting for Transaction Costs	June 2025
NZ IFRS 9	Embedded Prepayment Option	June 2025
Various	Updates to Committee's agenda decision for IFRS 18	June 2025

Guarantees issued on obligations of other entities

Issue

How does an entity account for guarantees that it issues?

Specifically, whether the guarantees are financial guarantee contracts (FGC) to be accounted for in accordance with NZ IFRS 9 and, if not, which other accounting standards apply to these guarantees.

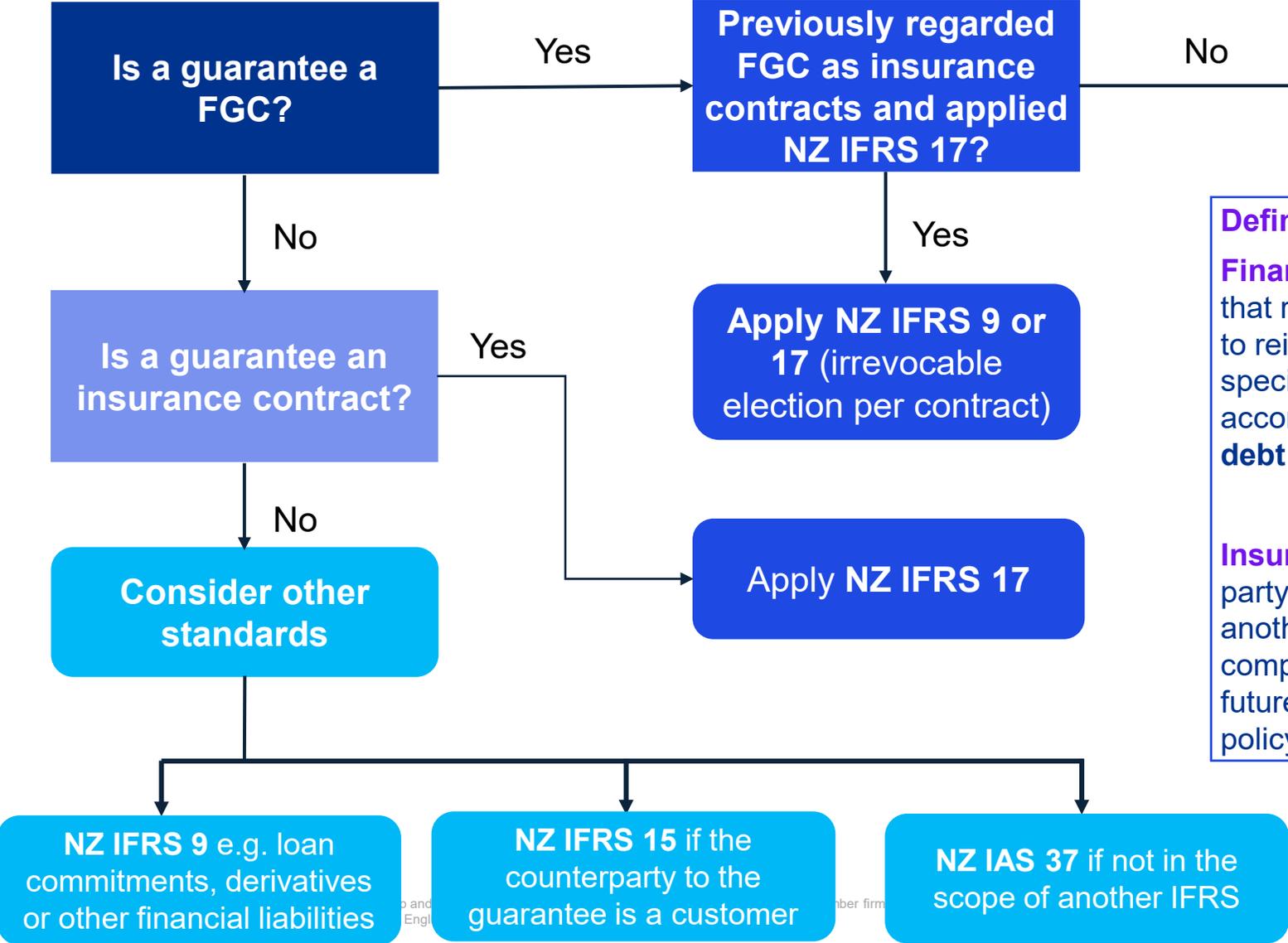
Fact Pattern

- Entity A issues several types of contractual guarantees on obligations of Entity B.
- Entity A guarantees to make payments to a bank, a customer, or another third party in the event Entity B fails to meet its contractual obligations under its service contracts or partnership agreements and fails to make payments when due.

Key points

- An entity accounts for a guarantee that it issues based on the requirements, including the scoping requirements, in IFRS Accounting Standards and **not based on the nature of the entity's business activities**.
- An entity applies **judgement** in determining **which IFRS Accounting Standard applies** to a guarantee that it issues and in considering the specific facts and circumstances and the terms and conditions of the guarantee contract.

Guarantees issued on obligations of other entities



Definitions:

Financial guarantee contract (FGC): a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a **debt instrument**.

Insurance contract: a contract under which one party (issuer) accepts significant **insurance risk** from another party (policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (insured event) adversely affects the policyholder.

Reporting the effects of uncertainties in financial statements

*Whether and how uncertainty is reflected in
financial statements is a top priority*

Reporting effects of uncertainties in financial statements

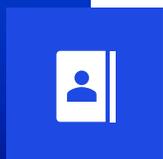
Main areas illustrated by the examples

While focused on climate-related uncertainties, they are applicable equally to other types of uncertainties in various industries.



Making materiality judgements

Example 1



Disclosing information about assumptions and estimation uncertainty

Examples 2 – 5



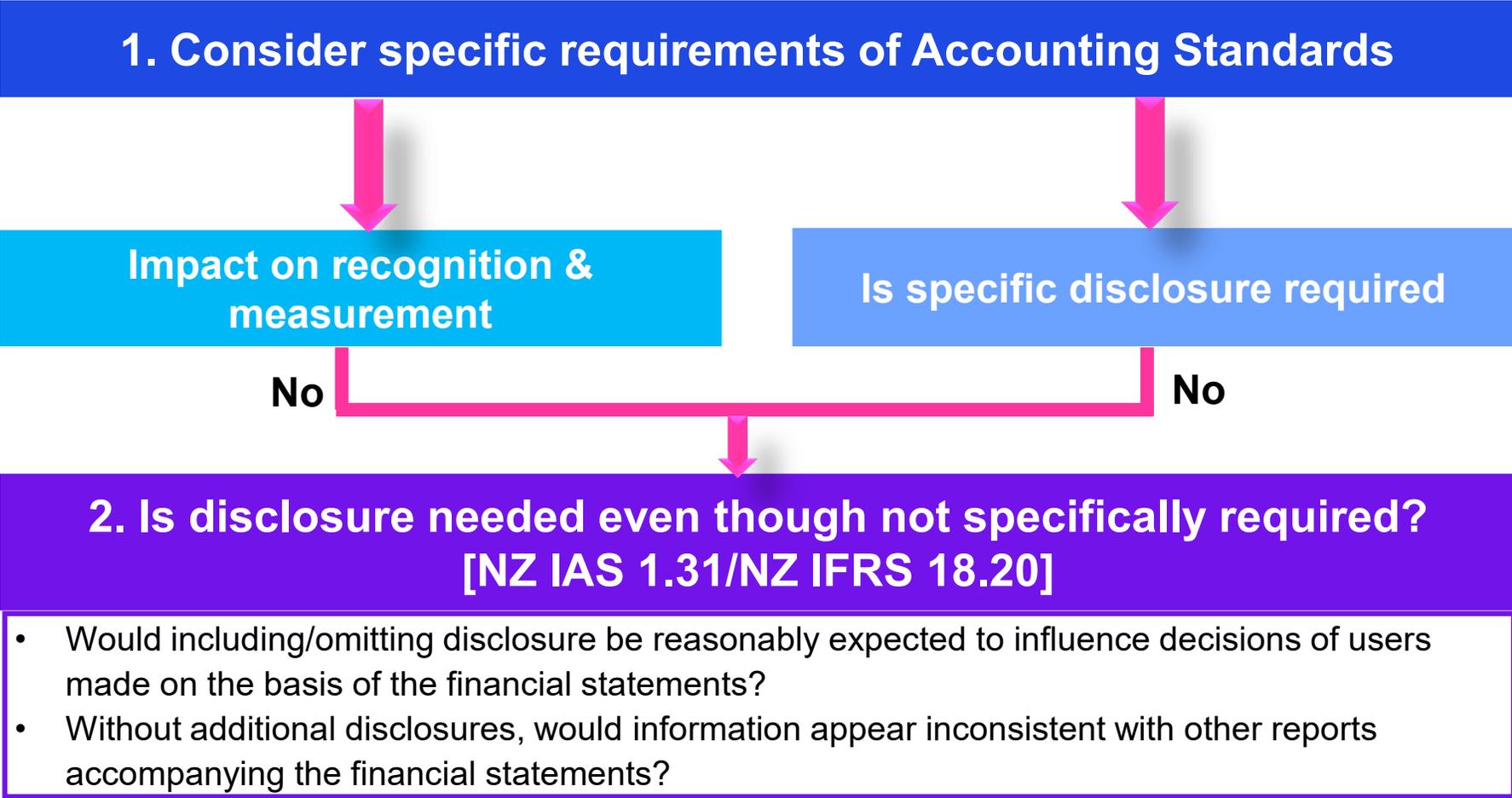
Disaggregating information

Example 6

Useful to preparers and helpful to auditors and regulators



Example 1: Materiality judgements applying NZ IAS 1.31/NZ IFRS 18.20



Reporting effects of uncertainties in financial statements

Example

Example 1 - Scenario 1:

Materiality judgements (NZ IAS 1/
NZ IFRS 18)

Example 1 - Scenario 2:

Materiality judgements (NZ IAS 1/
NZ IFRS 18)

Example 2

Disclosure of assumptions: specific
requirements (NZ IAS 36)

Objective of example

Illustrates how an entity makes materiality judgements, in particular how to consider qualitative factors in making these judgements. Judgements lead to disclosing additional information.

Similar to scenario 1, however materiality judgements do **not** lead to disclosing additional information.

Illustrates how an entity, applying the **specific requirements** in NZ IAS 36, discloses information about the key assumptions it uses to determine recoverable amount of assets.

Reporting effects of uncertainties in financial statements

Example

Example 3

Disclosure of assumptions: general requirements (NZ IAS 1/NZ IFRS 18/ NZ IAS 8)

Objective of example

- How an entity discloses information about assumptions it makes about the future even if no specific disclosures are required.
- Identifies assumptions about which it is required to disclose and
- Determines what information about these assumptions it is required to disclose.

Example 4

Disclosure about credit risk (NZ IFRS 7)

How an entity might disclose information about:

- The effects of particular risks on its credit risk exposures and credit risk management practices, and
- How these practices relate to the recognition and measurement of credit losses.

Example 5

Disclosure about decommissioning and restoration provisions (NZ IAS 37)

How to disclose information about plant decommissioning and site restoration obligations even if effect on carrying amount of assets and restoration provision is immaterial.

Reporting effects of uncertainties in financial statements

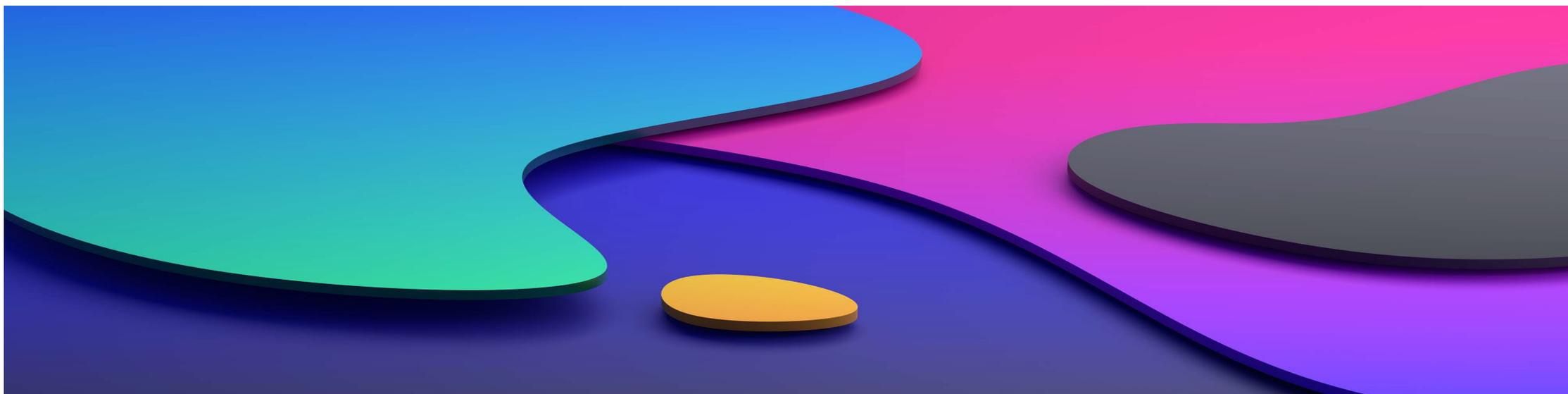
Example

Example 6

Disclosure of disaggregated information in the notes (NZ IFRS 18)

Objective of example

Illustrates how an entity might disaggregate information in the notes about a class of PP&E on the basis of dissimilar risk characteristics.

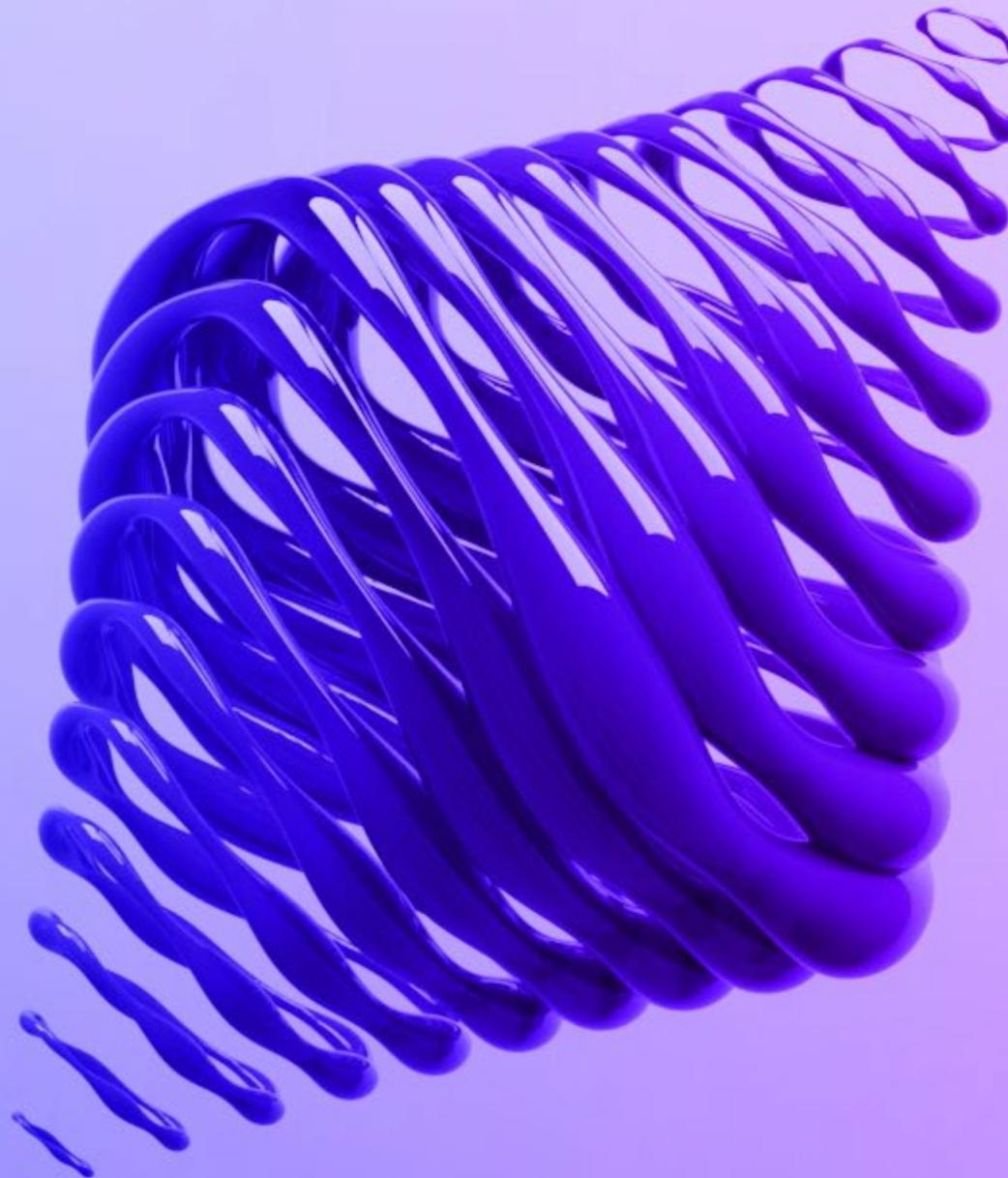


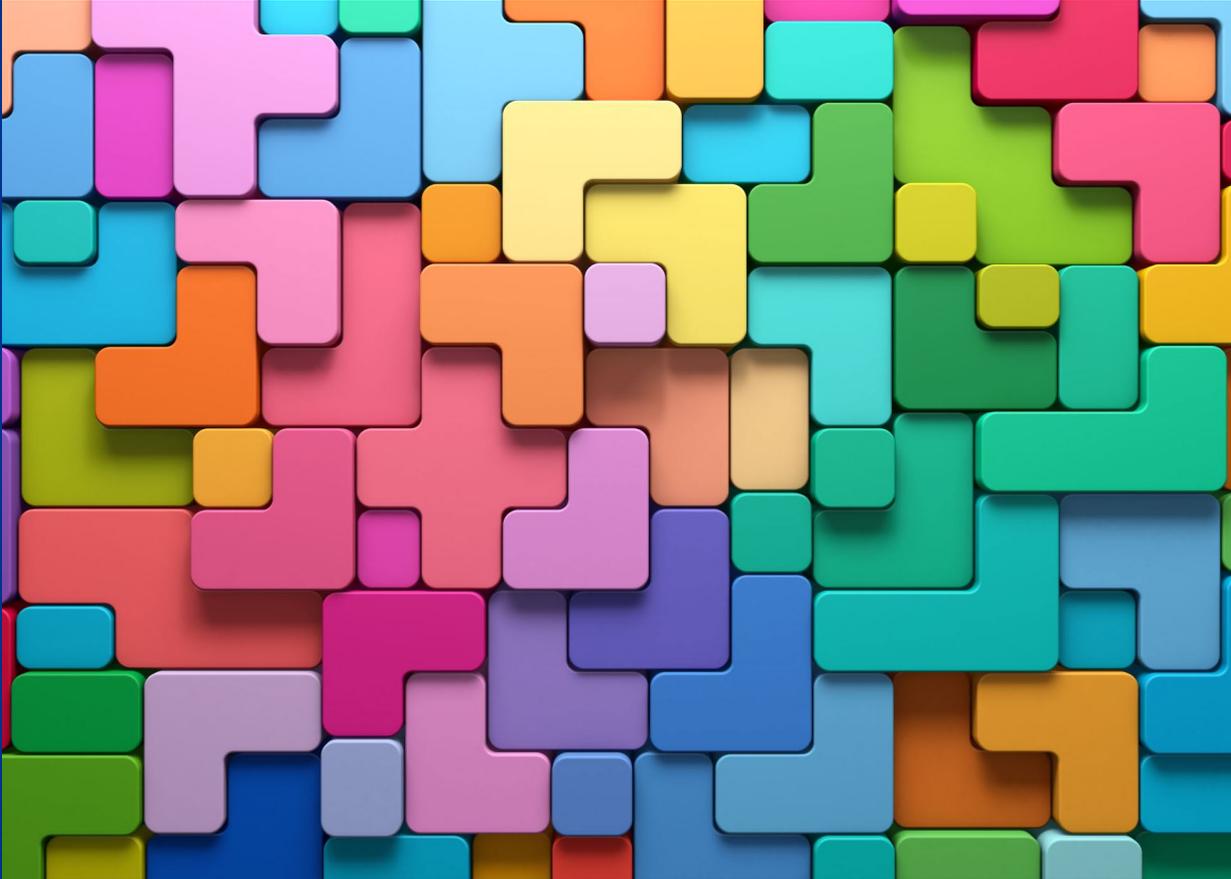




NZ IFRS 18

Presentation and Disclosure in
Financial Statements





The NZ IFRS 18 challenge

NZ IFRS 18 Challenge – knowledge check

	Questions	Options	Answer
1	Which of the following is NOT one of the five required categories in the NZ IFRS 18 statement of profit or loss?	<ul style="list-style-type: none"> A. Operating B. Investing C. Financing D. Comprehensive income E. Discontinued operations 	<input checked="" type="checkbox"/> D. Comprehensive income
2	Which of the following is a required subtotal in the NZ IFRS 18 statement of profit or loss?	<ul style="list-style-type: none"> A. Gross margin B. Operating profit or loss C. EBITDA D. Net cash flow 	<input checked="" type="checkbox"/> B. Operating profit or loss
3	A Management Performance Measure (MPM) is a subtotal of income and expenses required by NZ IFRS used in public communications to reflect management's view of performance.	<ul style="list-style-type: none"> A. True B. False 	<input checked="" type="checkbox"/> False
4	NZ IFRS 18 is not applicable to Tier 2 for-profit entities.	<ul style="list-style-type: none"> A. True B. False 	<input checked="" type="checkbox"/> False
5	Under NZ IFRS 18, Goodwill is required to be presented separately on the face of the Statement of Financial Position.	<ul style="list-style-type: none"> A. True B. False 	<input checked="" type="checkbox"/> True

Overview of NZ IFRS 18

Will replace NZ IAS 1 but with many existing principles in NZ IAS 1 retained

Will not impact recognition and measurement (net profit unchanged)

Effective for annual reporting periods beginning on or after 1 January 2027

Why NZ IFRS 18: What Investors told the IASB



Income statements vary in structure and content which makes it difficult to compare entities.



Entities should provide more granular information and group information in a way that provides better inputs for our analysis.



Non-GAAP measures are useful, but not all entities explain these measures in a clear and transparent way.

01

More structured income statement



02

Enhanced requirements on aggregation and disaggregation of information

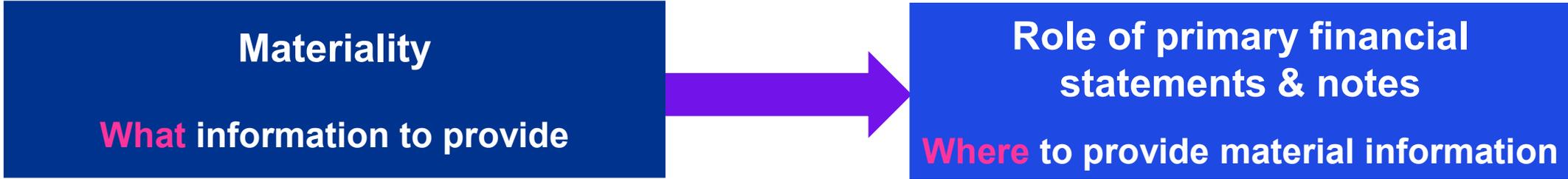


03

Management-defined performance measures (MPMs)



Role of the Primary Financial Statements & Notes

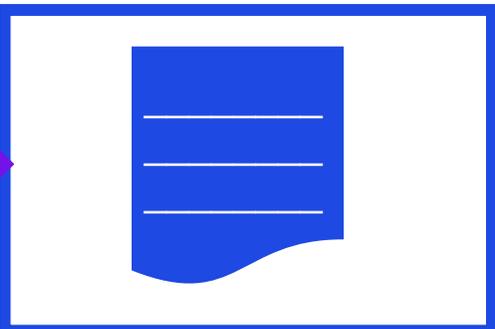


Primary financial statements (PFS)



Role is to provide **useful structured summaries** of an entity's assets, liabilities, equity, income, expenses and cash flows.

Notes



Role is to provide further **material information** and supplement the PFS



01

**NZ IFRS 18—Income
statement
structure**

01

A more structured income statement

NZ IFRS 18 introduces some key changes for the income statement, including:

- **two new subtotals** on the face of the income statement.
- income and expenses classified into **three new categories**, depending on a company's main business activities.
- **results of equity-accounted investees** no longer presented as part of operating profit (now always in the investing category).

A company will continue to present separate **income taxes** and **discontinued operations** categories on the income statement.

Operating category

Investing category

Financing category

Income taxes

Disc. Ops

Income statement

Companies without specified main business activities

Revenue	X
Operating expenses (analysed by nature, function or both as appropriate)	(X)
<hr/>	
Operating profit	X
Share of profit or loss of equity-accounted investees	X
Income from other investments	X
Interest income from cash and cash equivalents	X
<hr/>	
Profit or loss before financing and income tax	X
Interest expense on borrowings and lease liabilities	(X)
Interest expense on pension liabilities	(X)
<hr/>	
Profit before tax	X
Income tax	(X)
<hr/>	
Profit from continuing operations	X
<hr/>	
Loss from discontinued operations	(X)
<hr/>	
Profit for the year	X

Specified main business activities (SMBA)

Invests in assets as a main business activity

Investment property company

Investment entities (NZ IFRS 10)

Insurer

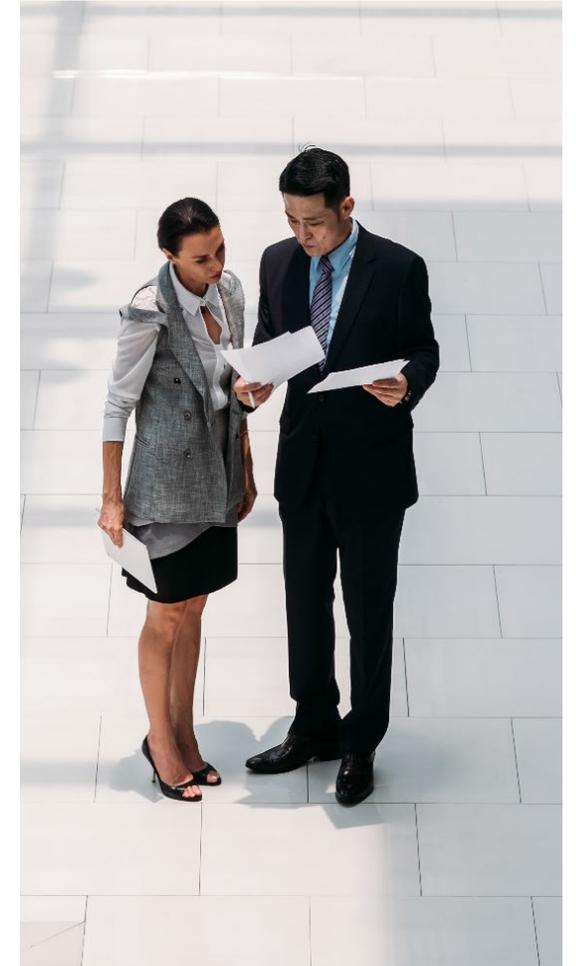
Provides financing to customers as a main business activity

Bank or other lending institution

Lessor with customers under finance leases

Entity that provides financing to enable customers buy their products

Assessment performed from **perspective of the reporting entity**
e.g. if **consolidated** then assess **group as a whole** – i.e. parent or subsidiary may have a SBMA that is not considered a SMBA of the group.



A more structured income statement

Operating category

Includes all income and expenses:

- arising from a company's main business activities, regardless of whether they are volatile or unusual
- from other business activities if they do not meet the requirements to be classified in the other categories—i.e. this is the default category.

Main business activities...

- Includes activities conducted in the ordinary course of operations
- Not limited to those that generate revenue from contracts with customers
- Companies that invest in assets or provide financing are required to make the assessment considering evidence-based factors

Income statement

Companies without specified main business activities

Revenue	X
Operating expenses (analysed by nature, function or both as appropriate)	(X)
Operating profit	X
Share of profit or loss of equity-accounted investees	X
Income from other investments	X
Interest income from cash and cash equivalents	X
Profit or loss before financing and income tax	X
Interest expense on borrowings and lease liabilities	(X)
Interest expense on pension liabilities	(X)
Profit before tax	X
Income tax	(X)
Profit for the year	X

A more structured income statement

Investing category

Includes income and expenses from:

- assets that generate return independently from a company's main business activities
- cash and cash equivalents and investments in associates and joint ventures



Assets that may generate return independently:

- Rental income from investment properties
- Interests or dividends from debt/equity investments

Includes related income and expenses from initial and subsequent measurement of the assets (e.g. impairment losses/reversals, fair value changes, disposal gain/loss) and other directly attributable costs such as transaction costs

Income statement

Companies without specified main business activities

Revenue	X
Operating expenses (analysed by nature, function or both as appropriate)	(X)
<hr/>	
Operating profit	X
Share of profit or loss of equity-accounted investees	X
Income from other investments	X
Interest income from cash and cash equivalents	X
<hr/>	
Profit or loss before financing and income tax	X
Interest expense on borrowings and lease liabilities	(X)
Interest expense on pension liabilities	(X)
<hr/>	
Profit before tax	X
Income tax	(X)
<hr/>	
Profit for the year	X

Financing category

Includes:

- income and expenses on liabilities such as bank loans and bonds—liabilities from pure financing transactions.
- interest expense on any other liability, such as lease and pension liabilities

Income statement

Companies without specified main business activities

Revenue	X
Operating expenses (analysed by nature, function or both as appropriate)	(X)
Operating profit	X
Share of profit or loss of equity-accounted investees	X
Income from other investments	X
Interest income from cash and cash equivalents	X
Profit or loss before financing and income tax	X
Interest expense on borrowings and lease liabilities	(X)
Interest expense on pension liabilities	(X)
Profit before tax	X
Income tax	(X)
Profit for the year	X

01 A more structured income statement

A car dealership sells cars to customers and offers financing to customers to assist with the purchase of vehicles. These are some of its income and expenses accounts from the general ledger.

GL Account	Amount (\$)
Revenue from sale of cars	390,000
Interest revenue related to providing financing to customers	119,500
Cost of sales	(285,000)
Interest expenses related to providing financing to customers	(110,000)
Interest income on cash & cash equivalents	7,000
Interest expense on employee benefit provisions	(3,000)

What does the entity first need to determine?

Does it have a specified main business activity?

01 Specified main business activity (SMBA)



Whether an entity has a SMBA is a matter of fact and must be based on the entity's individual facts and circumstances and needs to be supported by evidence

In general, investing in assets or providing financing to customers is likely to be a main business activity of an entity if the entity uses a subtotal similar to gross profit (e.g. net interest income) as an important indicator of operating performance (NZ IFRS 18.B34)

EVIDENCE



Does the entity use a subtotal similar to gross profit to explain operating performance externally or assess or monitor operating performance internally?



Is investing in assets or providing financing to customers a reportable segment?



Is investing in assets or providing financing to customers an operating segment and the performance of that operating segment an important indicator of the entity's operating performance?

Fact-based
evidence

01 A more structured income statement

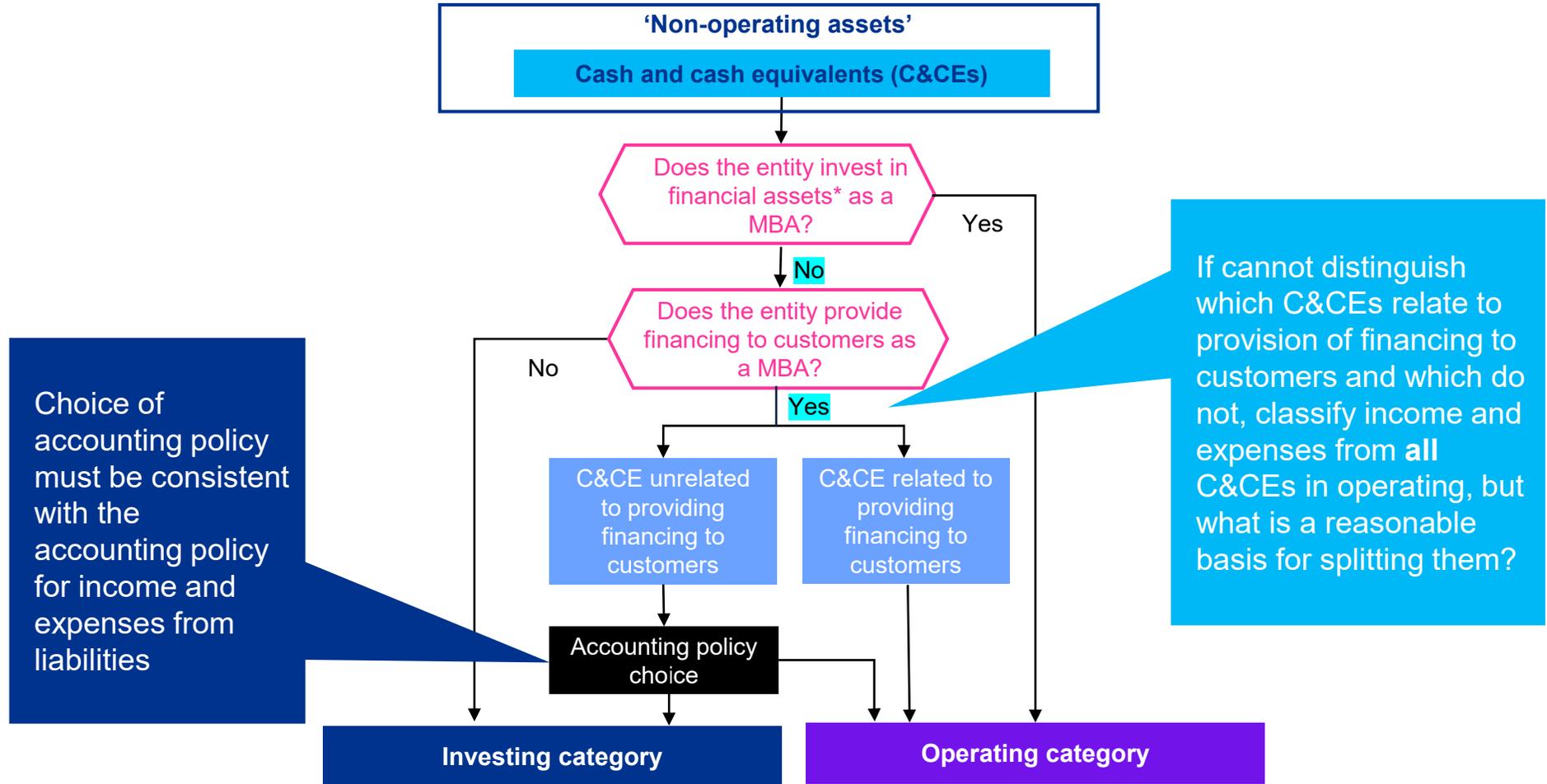
A car dealership sells cars to customers and offers financing to customers to assist with the purchase the vehicles. These are some of its general ledger accounts for income and expenses

GL Account	Amount (\$)	I/S Category	
		No SMBA	SMBA
Revenue	390,000	Operating	Operating
Interest revenue related to providing financing to customers	119,500	Investing	Operating
Cost of sales	(285,000)	Operating	Operating
Interest expenses related to providing financing to customers	(110,000)	Financing	Operating
Interest income on cash & cash equivalents	7,000	Investing	Operating/ Investing
Interest expense on employee benefit provisions	(3,000)	Financing	Financing

In which category would the company present the following general ledger items in its income statement

1. When there is no SMBA
2. When there is a SMBA of providing financing to customers (multiple main business activities)

01 Income and expenses from cash and cash equivalents



* Other than investments in associates, joint ventures or unconsolidated subsidiaries and C&CEs

01 A more structured income statement

No SMBA – sell cars

Revenue	390,000
Cost of Sales	(285,000)
Gross profit from the sale of goods	105,000
General and administrative expenses	(85,000)
Operating profit	20,000
Income from investments in associates	11,000
Interest revenue - providing financing to customers	119,500
Interest income - cash & cash equivalents	7,000
Profit before financing and income taxes	157,500
Interest expenses - providing financing to customers	(110,000)
Interest expenses on employee benefit provisions	(3,000)
Profit before income taxes	44,500
Income tax expense	(12,460)
PROFIT	32,040

SMBA – provide financing to customers



Revenue	390,000
Cost of Sales	(285,000)
Gross profit from the sale of goods	105,000
Interest revenue - providing financing to customers	119,500
Interest expenses - providing financing to customers	(110,000)
Net interest income	9,500
General and administrative expenses	(85,000)
Operating profit	29,500
Income from investments in associates	11,000
Interest income - cash & cash equivalents	7,000
Profit before financing and income taxes	47,500
Interest expenses on employee benefit provisions	(3,000)
Profit before income taxes	44,500
Income tax expense	(12,460)
PROFIT	32,040

01 A more structured income statement

No SMBA

Revenue	390,000
Cost of Sales	(285,000)
Gross profit from the sale of goods	105,000
General and administrative expenses	(85,000)
Operating profit	20,000
Income from investments in associates	11,000
Interest revenue - providing financing to customers	119,500
Interest income - cash & cash equivalents	7,000
Profit before financing and income taxes	157,500
Interest expenses - providing financing to customers	(110,000)
Interest expenses on employee benefit provisions	(3,000)
Profit before income taxes	44,500
Income tax expense	(12,460)
PROFIT	32,040

SMBA



Revenue	390,000
Cost of Sales	(285,000)
Gross profit from the sale of goods	105,000
Interest revenue - providing financing to customers	119,500
Interest expenses - providing financing to customers	(110,000)
Net interest income	9,500
General and administrative expenses	(85,000)
Operating profit	29,500
Income from investments in associates	11,000
Interest income - cash & cash equivalents	7,000
Profit before financing and income taxes	47,500
Interest expenses on employee benefit provisions	(3,000)
Profit before income taxes	44,500
Income tax expense	(12,460)
PROFIT	32,040

Practice issues

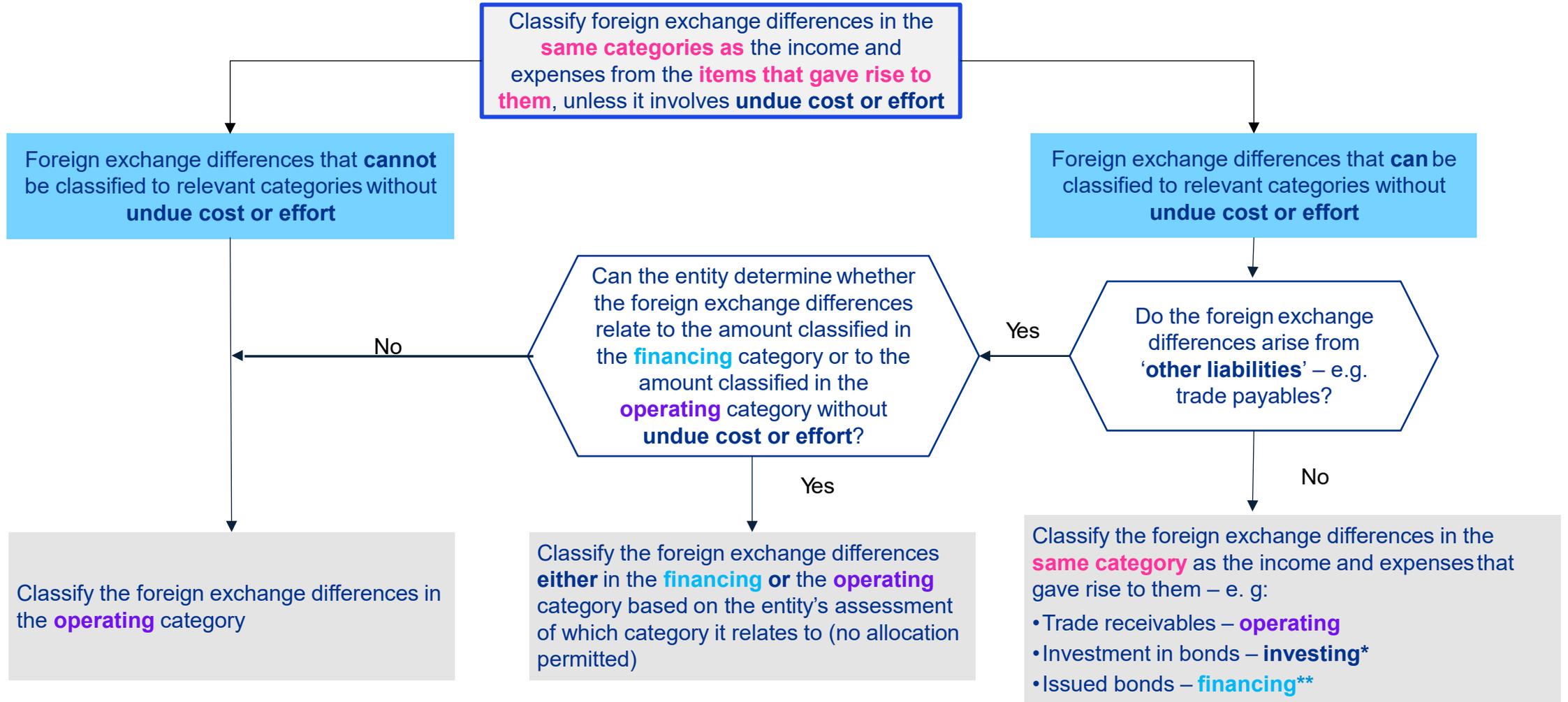
Requirements for foreign exchange differences – Current guidance

KPMG Insights into IFRS (22nd edition)

2.7.160.10 Disclosure is required of the amount of exchange differences recognised in profit or loss for the period, except for those arising on financial instruments measured at fair value through profit or loss. However, **the accounting standard does not specify the line item in which such differences should be presented.** [IAS 21.52]

2.7.160.20 In our experience, the most common practice is for all such exchange differences related to monetary items to be included as part of **finance costs** because many entities regard these differences as financing in nature. However, **it is also acceptable to allocate the exchange differences to the various line items affected....**

Requirements for foreign exchange differences – NZ IFRS 18



- * Unless the entity invests in these assets as a main business activity.
- ** Unless the entity provides financing to customers as a main business activity.

02

Aggregation & disaggregation

02 Grouping of information in the financial statements

Information needs to be grouped in a way that does not obscure material information or reduce the understandability of the information presented

01

Enhanced aggregation and disaggregation

- Based on shared vs. non-shared characteristics
- A single dissimilar characteristic can result in disaggregating items, if material.

02

Use of 'other'

- Discouraged – need to use more informative labels
- Additional disclosures apply for items labelled as 'other'

03

Presentation of operating expenses

- Either by function, by nature or on a mixed basis
- Select based on the method that reflects the most useful structured summary

04

Disclosure of nature expenses

For by function line items:

- the total amount of specified nature of expenses included in the line item
- further disclosure to break down total amount between operating and non-operating categories

02 Grouping of information in the financial statements

Presentation of operating expenses

By function*		By nature	
Revenue	X	Revenue	X
Cost of goods sold	(X)	Purchases of materials	(X)
Gross profit	X	Transport costs	(X)
R&D expenses	(X)	Depreciation	(X)
Admin expenses	(X)	Employee costs	(X)
Operating profit	X	Operating profit	X

Mixed*	
Revenue	X
Cost of goods sold	(X)
Gross profit	X
Impairment expenses	(X)
Admin expenses	(X)
Operating profit	X

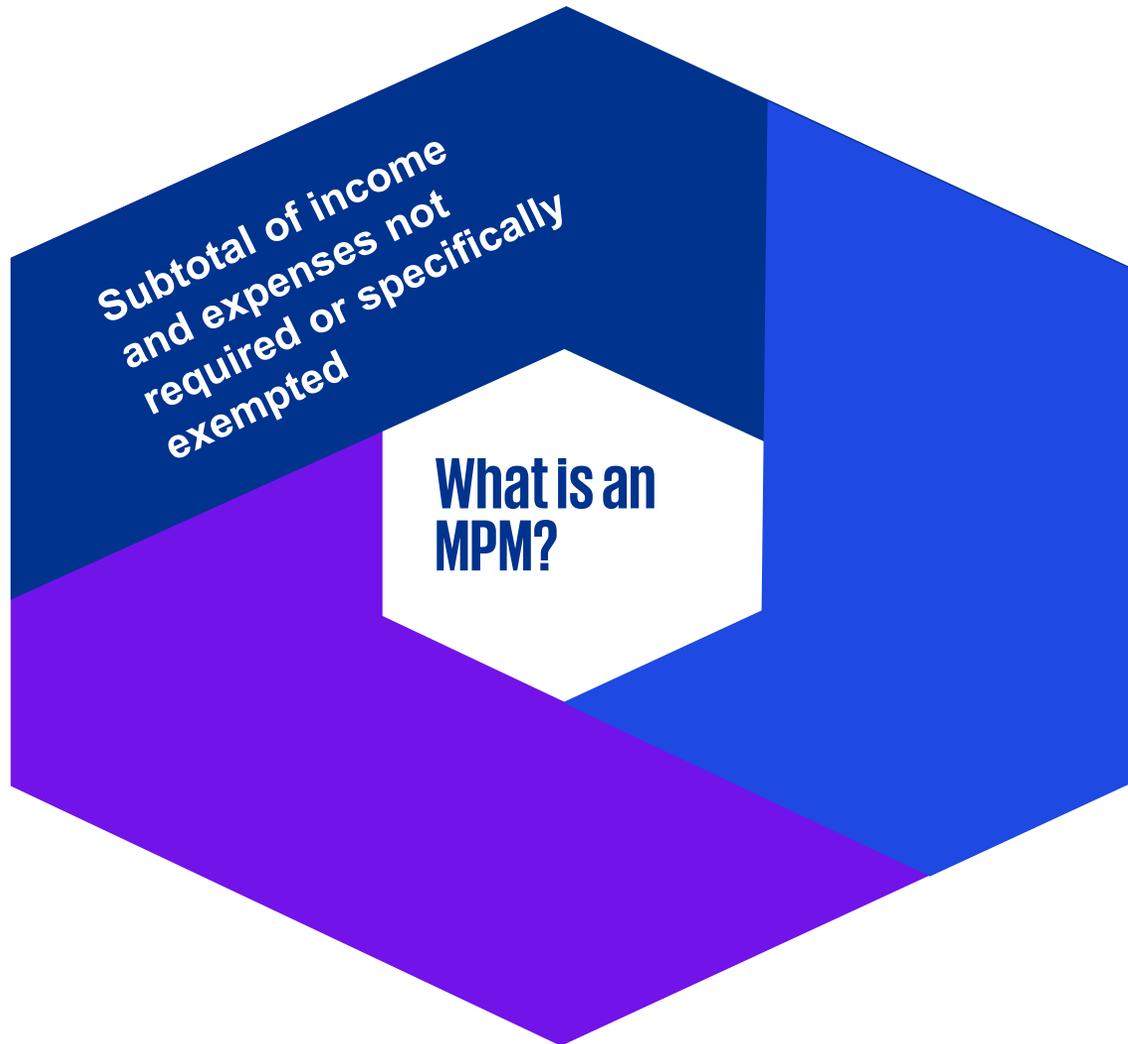
Note to the financial statements when operating expenses are presented by function or mixed basis on the face of SoPL

Operating expenses by nature	Depreciation	Amortisation	Employee benefits	Impairment losses/reversals	Inventory write-downs/reversals
Total amount recognised in the period	72	X	X	X	X
Total amount included in:					
• Cost of goods sold	50				
• Admin expenses	3				
• Research and development expenses	15				
Total amount included in the operating category	68	X	X	X	X
Total amount included in the non-operating category	4	X	X	X	X

03

Management Performance Measures (MPM's)

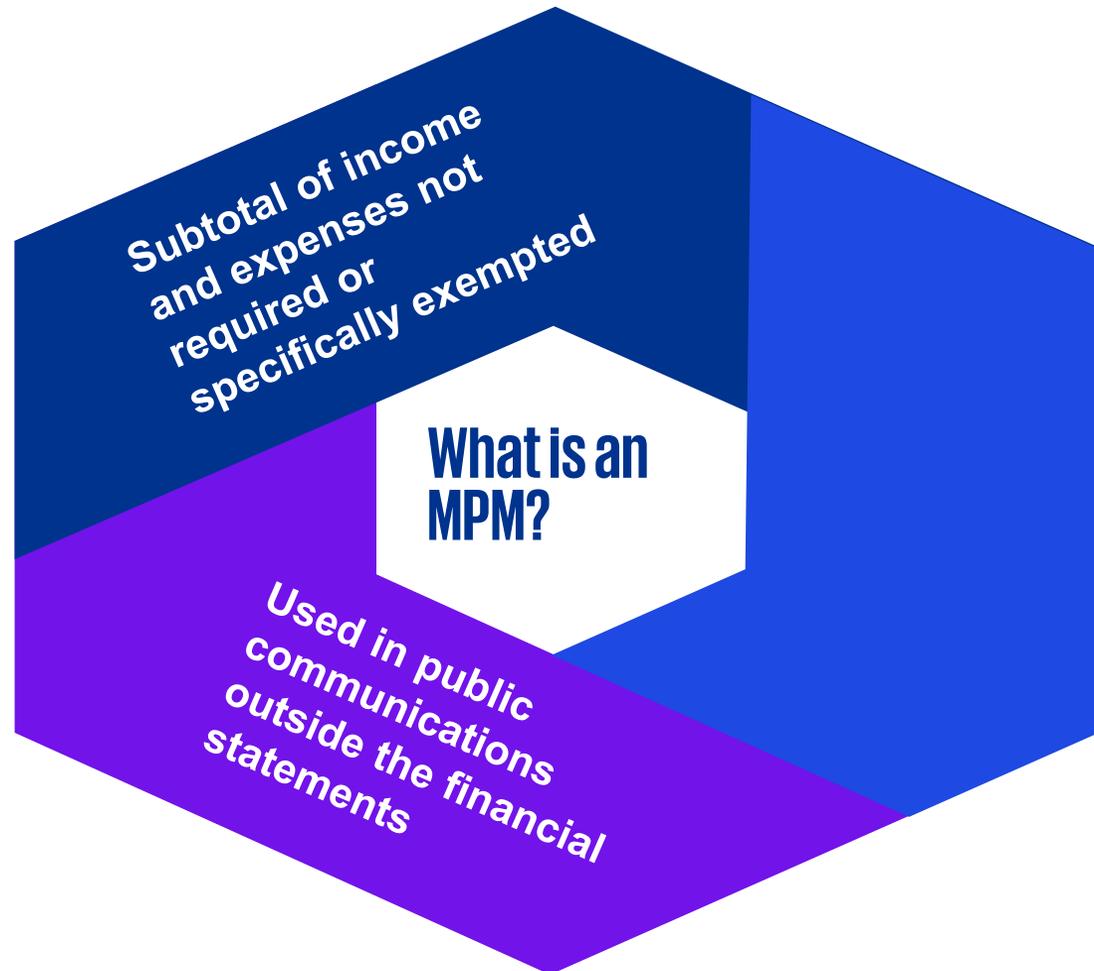
03 Management-defined performance measures (MPMs)



Could the following be MPM's?

- 1) Adjusted revenue 
- 2) Adjusted return on equity 
- 3) Operating profit or loss before depreciation, amortisation and impairment (OPDAI) 
- 4) Operating profit before non-recurring expenses 
- 5) Earnings before interest tax depreciation and amortisation (EBITDA) 

03 Management-defined performance measures (MPMs)



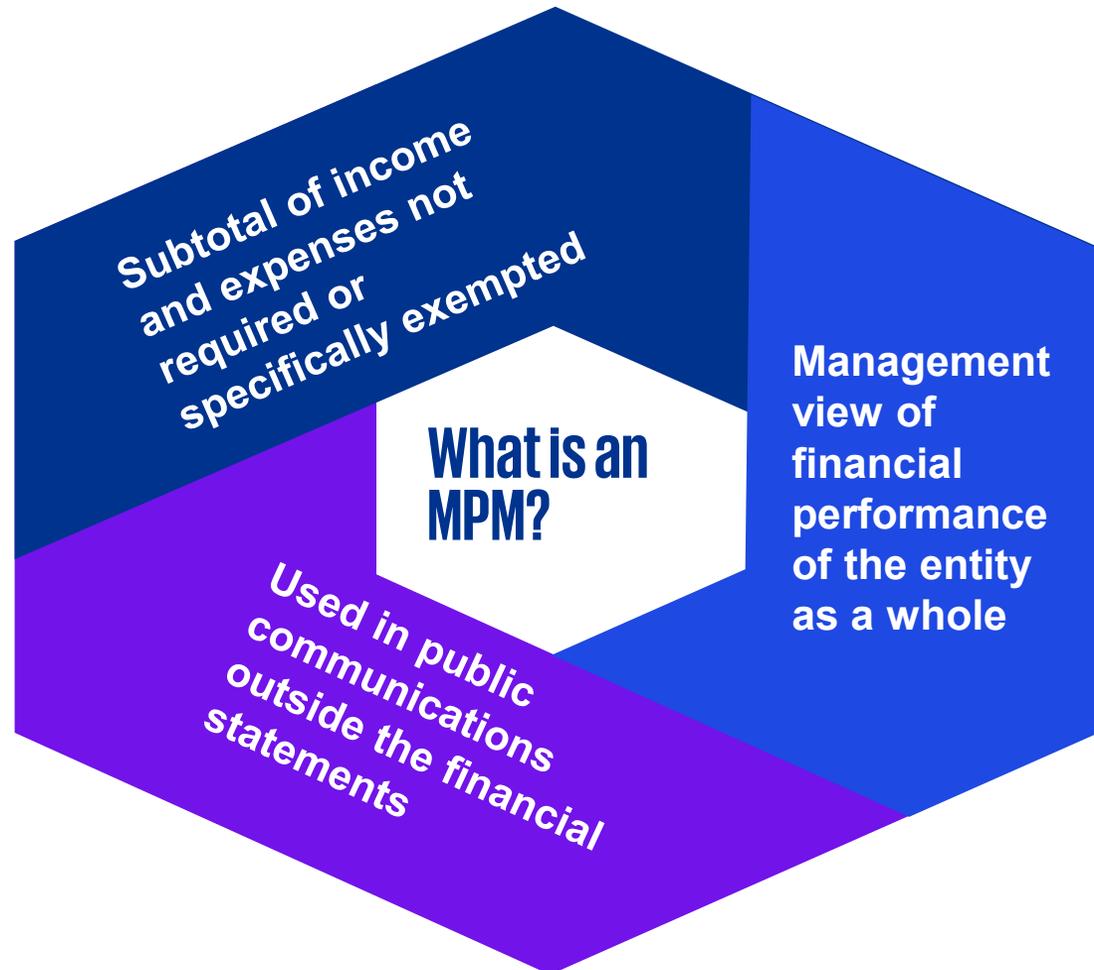
Examples of public communication include:

Management commentary, press releases, investor presentations

It does not include:

Oral statements or social media posts

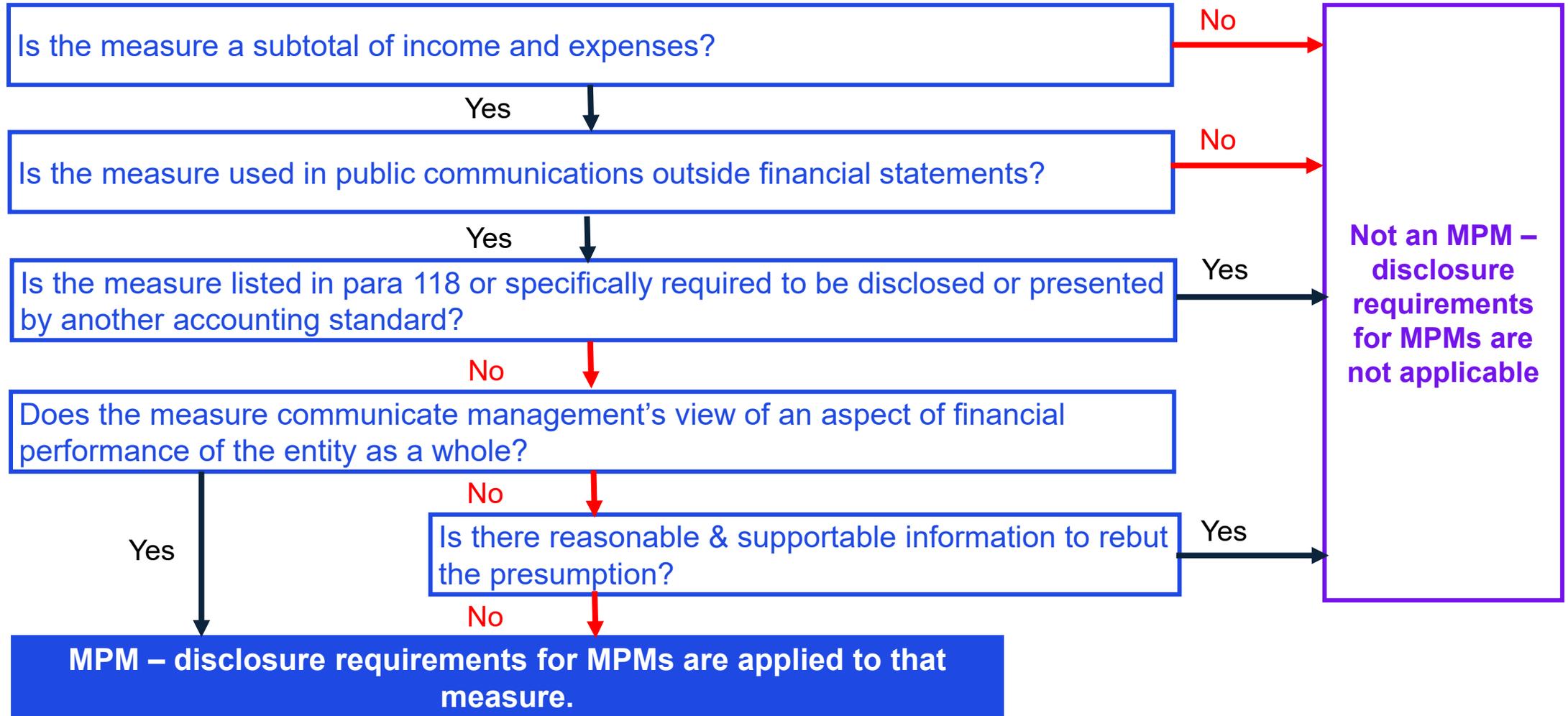
03 Management-defined performance measures (MPMs)



New disclosures for each MPM will need to be provided in the financial statements and hence, subject to audit.

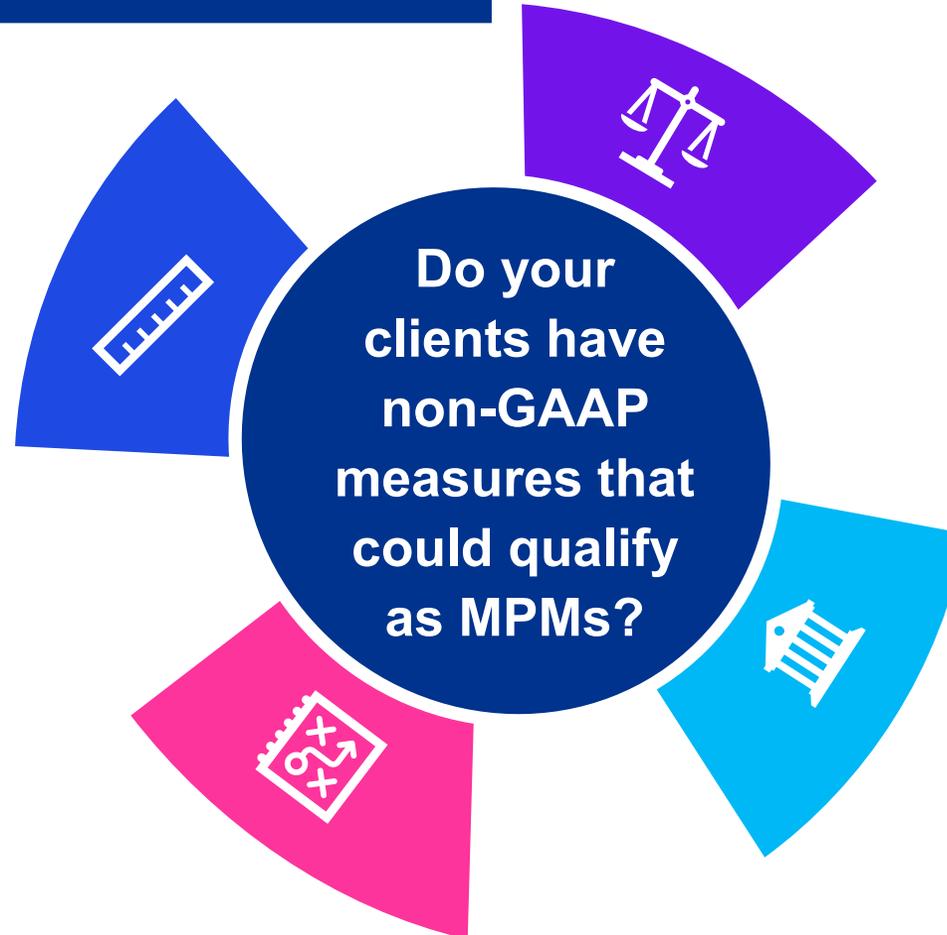
- A description of the **financial performance communicated** by the MPM, including that it is not necessarily comparable to measures sharing similar labels provided by other entities
- How the MPM is **calculated**
- **Reconciliation** of the MPM to the nearest IFRS-subtotal
- **Income tax effect** and effect on **non-controlling interests** for each reconciling item
- Any changes to MPMs, including the reason why

03 Management-defined performance measures (MPMs)



03 Management-defined performance measures (MPMs)

Potential considerations and challenges



03 Management-defined performance measures (MPMs)

Potential considerations and challenges

Auditing reconciling line items to the nearest IFRS total or subtotal, including tax and related NCI

Test calculation and underlying mapping

Do your clients have non-GAAP measures that could qualify as MPMs?

Completeness: How to identify all relevant MPMs used in public communications

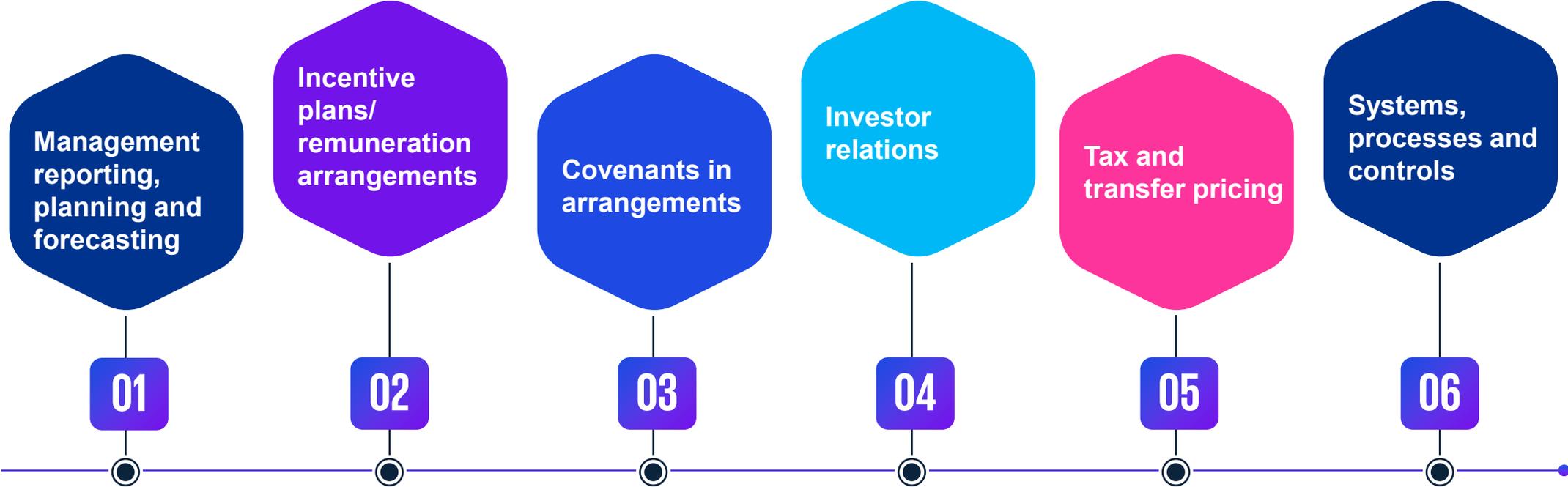
Assessing what meets the MPM definition

04

The impact

Potential Business Implications

Not exhaustive...



Potential implications for audit

Disclosing the information required by NZ IFRS 18 could require significant changes to existing systems, processes and controls that would be costly and time consuming.



01 Chart of Accounts 

02 Consolidation 

03 ERP/ source systems 

04 Controls 

05 Audit materiality 

06 Fraud risk 

What do we need to do now - audit impacts

Management

2027

- Confirm appropriateness of key accounting judgements, finalise processes, IT systems and controls for business-as-usual operation
- Prepare final financial statements with restated comparatives

2026

- Analyse & document how the entity will comply with NZ IFRS 18
- Prepare NZ IFRS accounting policy papers
- Implement changes to processes, IT systems & controls.

2025

- Perform an impact assessment to identify key changes and assess impact on processes, IT and controls.
- Inventory APMs, identify expected MPMs and consider if appropriate.

Auditor

2027

- Perform procedures to respond to RMMs relating to matters including classification of income and expenses by activity, appropriateness of aggregation & MPM's
- Evaluate transition disclosures

2026

- Understand entity's implementation approach
- Inspect management accounting papers and challenge key judgements where appropriate
- Review new structure of I/S & MPM disclosures
- Evaluate pre-transition and transition disclosures
- Communicate to management and TCWG

2025

- Discuss key considerations of NZ IFRS 18 with management & audit committees.
- Consider impact on audit approach pre and post transition.

Disclosure in financial statements before NZ IFRS 18 adoption

Standards issued not yet effective

NZ IFRS 18 will replace NZ IAS 1 and applies for periods beginning on or after 1 January 2027.

NZ IFRS 18 is not expected to have a significant impact on the Group's consolidated financial statements.

A. IFRS 18 Presentation and Disclosure in Financial Statements^a

IFRS 18 will replace IAS 1 *Presentation of Financial Statements* and applies for annual reporting periods beginning on or after 1 January 2027. The new accounting standard introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Group is still in the process of assessing the impact of the new accounting standard, particularly with respect to the structure of the Group's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as 'other'.

What do we need to do now

LISTEN AT YOUR LEISURE

DPP AAS has created a series of **4 PODCASTS** to help you understand NZ IFRS 18.

The link to the podcasts can be found in the 30 September DPP bulletin.

TO INSERT LINKS TO IFRS 18 publications



**Updates to
Insights into IFRS®:
22nd Edition 2025/26**

Updates to Insights®: 22nd Edition 2025/26

Chapter	Content	Guidance
2.3 Statement of Cash Flows	Cash in transit via electronic payment system: forthcoming requirements related to IFRS 9 amendments (2.3.15)	New
3.1 General	Classification of rollover liabilities (3.1.60.25)	New
3.2 PPE	Change in residual value estimate following an external event: Example 12 modified (3.2.150.45)	Modified
3.3 Intangible assets & goodwill	Determining useful life of intangible assets: fund management agreement (3.3.190.130 – 150)	New
3.10 Impairment of non-financial assets	<ul style="list-style-type: none"> Identifying CGUs: online sales by retailers with physical stores (3.10.77) Future changes in non-income tax laws: when to reflect the impact in the recoverable amount (3.10.205, 285) 	New
3.12 Provisions, contingent assets, liabilities	Guarantees issued on obligations of other entities: guidance added to reflect the IFRS Interpretations Committee's March 2025 agenda decision (3.12,20.40)	New

Updates to Insights®: 22nd Edition 2025/26

Chapter	Content	Guidance
3.13 Income Taxes	<ul style="list-style-type: none"> • Income tax treatments subject to a future qualifying condition (3.13.70.50, 80.10, 665.90). • Discounting of current taxes classified as non-current (3.13.75). • Current tax liabilities: classification as current vs non-current (3.13.615). • Pillar Two taxes: <ul style="list-style-type: none"> – reflecting impact in tax rate reconciliation disclosure (3.13.645.60–80); – Qualifying domestic minimum top-up tax (QDMTT) – application of guidance for tax-consolidated groups (3.13.1213, 1214.10–20); and – accounting for undertaxed payment rule (UTPR) cash recharges (3.13.1215.10–30) • Investment tax credits: guidance modified (3.13.680.10–30, 700.10, 710.10, 720.10). 	New
4.5 Share-based payments	Non-market performance conditions: factors to consider when assessing the probability of an IPO or other exit event occurring (4.5.720.30–90).	New

Updates to Insights®: 22nd Edition 2025/26

Chapter	Content	Guidance
4.3 Revenue: IFRS 15	<ul style="list-style-type: none"> • Scope of IFRS 15: sales of by-products (4.2.10.57). • Guarantees issued on obligations of other entities: guidance added to reflect the IFRS Interpretations Committee’s March 2025 agenda decision (4.2.10.80). • Negative revenue: presentation in the statement of profit or loss (4.2.90.40– 60). • Licensing: converting a software licence to a ‘software as a service’ (SaaS) arrangement (4.2.461) 	New
4.4 Employee benefits	<ul style="list-style-type: none"> • Discount rate methodologies: the bond-matching and market index approaches are no longer prevalent (4.4.520.20, 540.120). • Asset ceiling: hypothetical or expected changes to the terms of the plan not considered in determining if surplus is available (4.4.710.10). 	Modified
5.1 Leases	Derecognition of lease liabilities: forthcoming requirements related to IFRS 9 amendments (5.1.379).	New
5.8 Accompanying financial and non-financial info	Management commentary: guidance modified to reflect the new non-authoritative guidance arising from revisions to Practice Statement 1 (5.8.10.30, 20.10–30).	Modified

Updates to Insights®: 22nd Edition 2025/26

Chapter	Content	Guidance
5.12 Service concession arrangements	Scope of IFRIC 12: arrangements including regulated and unregulated services (5.12.145)	New
5.14 Emissions and green schemes	Sale of carbon credits generated as by-product (5.14.60.70)	New



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