

New Zealand Accounting Standards Board

**Minutes of the Meeting held on Wednesday 7 February 2018
at XRB Office, Level 7, 50 Manners St, Wellington, commencing at 9.25am**

Members present:	Kimberley Crook Todd Beardsworth Nives Botica-Redmayne Francis Caetano Charles Hett Lyn Hunt Karl Hickey
Apologies:	Kris Peach Angela Ryan Richard Smyth
Guest:	Ian Carruthers – IPSASB Chair (agenda items 1 to 4)
Observers:	James Barden – Technical Associate, AASB (agenda item 4) Nicola Hankinson – National Technical Director, Staples Rodway (agenda item 4) Kala Kandiah – Technical Director, AASB (agenda item 4) Janri Pretorius – Senior Project Manager, AASB (agenda item 4)
In attendance:	Warren Allen – Chief Executive Anthony Heffernan – Director, Accounting Standards David Bassett – Deputy Director, Accounting Standards Tracey Crookston – Project Manager, Accounting Standards Lisa Kelsey – Senior Project Manager, Accounting Standards Aimy Luu Huynh – Senior Project Manager, Accounting Standards Judith Pinny – Project Manager, Accounting Standards Joanne Scott – Senior Project Manager, Accounting Standards Vanessa Sealy-Fisher – Senior Project Manager, Accounting Standards

PUBLIC SESSION – AGENDA ITEMS 4 – 10

4. IPSASB ED 63 SOCIAL BENEFITS

The Board PROVIDED FEEDBACK on the draft comment letter on IPSASB ED 63 *Social Benefits*. The Board noted that ED 63 will be discussed in the roundtables presented by Ian Carruthers on 9 and 23 February.

The Board NOTED that a revised comment letter will be considered at its March Meeting.

5. GUIDANCE FOR SERVICE PERFORMANCE REPORTING

The Board:

- (a) PROVIDED FEEDBACK on the tone and direction of the draft guidance;
- (b) AGREED that staff should continue to work on the guidance with the assistance of selected Board members and selected external stakeholders; and
- (c) AGREED to receive an update on this project mid-year.

6. INSURANCE

The Board:

- (a) Subject to any concerns raised through consultation with key stakeholders, the Board AGREED not to carry forward into NZ IFRS 17 *Insurance Contracts* or FRS-44 *New Zealand Additional Disclosures* the New Zealand-specific disclosure requirements in Appendices C and D of NZ IFRS 4 *Insurance Contracts*;
- (b) AGREED to develop a PBE Standard based on IFRS 17 *Insurance Contracts*; and
- (c) AGREED to establish a working group for a project to develop a PBE Standard based on IFRS 17.

7. IASB MATERIALITY PRACTICE STATEMENT

The Board:

- (a) AGREED not to issue a New Zealand equivalent to IFRS Practice Statement 2 *Making Materiality Judgements* (MPS 2);
- (b) AGREED to make IFRS Practice Statement 1 *Management Commentary* and MPS 2 available to for-profit constituents as non-mandatory guidance by providing a link to both the IFRS Practice Statements on a separate webpage on the XRB's website; and
- (c) AGREED that no changes to Explanatory Guide EG A7 *Materiality for Public Benefit Entities* are required.

8. LIMITED SCOPE PROJECT – TIER 3 AND TIER 4 STANDARDS

The Board:

- (a) APPROVED for issue ED NZASB 2018-2 *2018 Omnibus Amendments to Tier 3 and Tier 4 PBE Accounting Requirements* (ED) and its accompanying Invitation to Comment (ITC) subject to the changes agreed at the meeting; and
- (b) AGREED a comment period of 90 days.

The Board noted the intention of the ED was to clarify existing requirements and address minor issues only. The Board is committed to undertaking a post-implementation review once the Tier 3 and Tier 4 standards have been in use for some time. The Board AGREED this point should be emphasised in the ITC.

9. ANNUAL IMPROVEMENTS TO NZ IFRSs 2015–2017 CYCLE

The Board:

- (a) APPROVED for issue *Annual Improvements to NZ IFRSs 2015–2017 Cycle*;
- (b) APPROVED the Certificate Signing Memorandum from the Chair of the NZASB to the Chair of the XRB Board requesting approval to issue the amending standard; and
- (c) Considered the *Policy Approach to the Development of PBE Standards* to the amending standard and AGREED to wait for the IPSASB to consider most of the amendments in *Annual Improvements to NZ IFRSs 2015–2017 Cycle*. The exception is the amendment to NZ IAS 12 *Income Taxes*. In that case the Board AGREED to propose amendments to PBE IAS 12 *Income Taxes* (as part of an omnibus amending standard).

10. STANDARD APPROVED

The Board noted *Long-term Interests in Associates and Joint Ventures* (Amendments to NZ IAS 28) has been approved.

The Board moved out of public session.