

Amendments to PBE Standards: Specific IFRIC Interpretations

Proposed Amendments to PBE IPSAS 19, PBE IPSAS 10
and PBE IPSAS 39

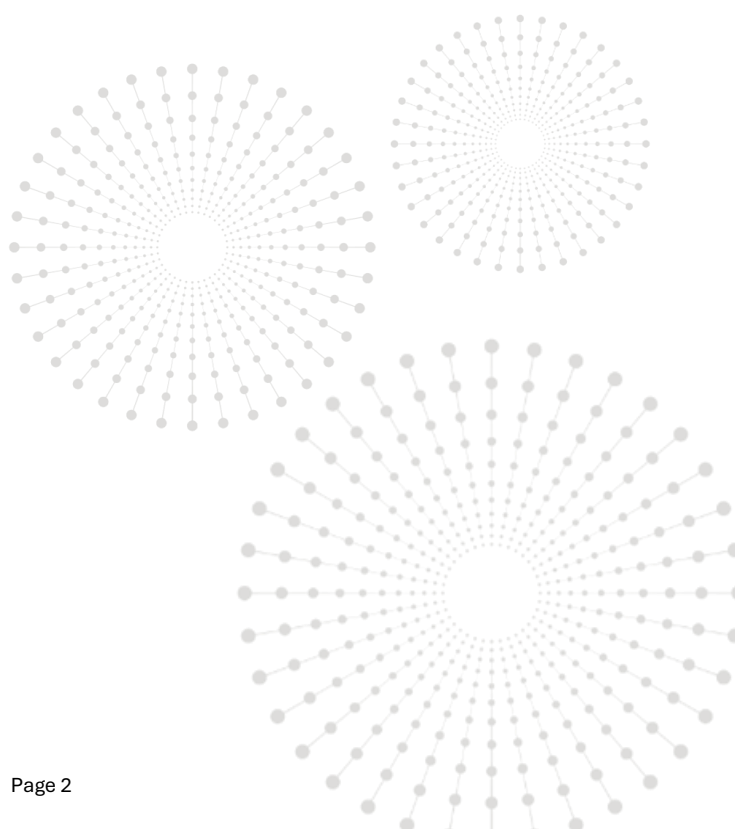
Consultation document

Consultation closes
1 December 2025

September 2025

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Part 1: About this consultation

The External Reporting Board (XRB) is seeking feedback on the [Exposure Draft Amendments to PBE Standards: Specific IFRIC Interpretations \(ED\)](#). The ED proposes the following narrow-scope amendments for public benefit entities (PBEs) in Tier 1 and Tier 2:

Amendments to PBE IPSAS 19 Provisions, Contingent Liabilities and Contingent Assets

These amendments:

- Clarify the accounting for **decommissioning, restoration and similar liabilities** in **Appendix A** of PBE IPSAS 19 – by improving wording and adding illustrative examples; and
- Clarify the scope of **Appendix B** of PBE IPSAS 19, which relates to **decommissioning, restoration and environmental rehabilitation funds**.

Amendments to PBE IPSAS 10 Financial Reporting in Hyperinflationary Economies

These amendments clarify how an entity restates its financial statements in the **first year of hyperinflation**. The amendments are relevant when the **functional currency**¹ of a PBE or one of its controlled entities becomes hyperinflationary. These proposals may be relevant with hyperinflation becoming more prevalent around the world.

Amendments to PBE IPSAS 39 Employee Benefits

These amendments clarify how employer entities should account for their involvement in defined benefit plans, specifically:

- How certain aspects of the “**asset ceiling**”² definition should be interpreted;
- How a **minimum funding requirement** might affect the availability of reductions in future contributions in respect of the “asset ceiling” definition; and
- When a minimum funding requirement might **give rise to a liability**.

The amendments aim to assist PBEs in applying the existing guidance in PBE IPSAS 19, PBE IPSAS 10 and PBE IPSAS 39 on the above-mentioned topics.



This consultation document should be read in conjunction with the Exposure Draft on our [website](#).

¹ Functional currency is the currency of the primary economic environment in which the entity operates.

² PBE IPSAS 39 limits the measurement of a net defined benefit asset to the lower of the surplus in the defined benefit plan and the asset ceiling. Asset ceiling is defined as ‘the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan’.

Part 2: Why are we proposing these amendments?

In New Zealand, PBE Standards for Tier 1 and Tier 2 PBEs are primarily based on International Public Sector Accounting Standards (**IPSAS**).

In January 2025, the IPSAS Board (**IPSASB**) issued *Amendments to IPSAS Standards: Specific IFRIC Interpretations*. Those amendments added guidance into IPSAS to clarify certain existing principles. This guidance is based on the following IFRIC Interpretations, which are part of the suite of IFRS® Accounting Standards:

- IFRIC 1 *Changes in Existing Decommissioning, Restoration and Similar Liabilities*
- IFRIC 5 *Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds*
- IFRIC 7 *Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies, and*
- IFRIC 14 *IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*

Guidance from IFRIC 1 and IFRIC 5 is already included in PBE IPSAS 19 in New Zealand. However, we propose improvements to this existing guidance, in line with the IPSASB's amendments. We also propose adding the IPSASB's guidance based on IFRIC 7 and IFRIC 14, which is not yet included in PBE Standards.

We have made some modifications to these IPSASB amendments to reflect the New Zealand context – to be internationally aligned and locally relevant.

Cost vs benefit considerations

As the amendments are clarifying in nature and narrow in scope, we expect the application of the amendments to result in minimal costs. The proposed clarifications will enhance consistent application of PBE Standards.

Proposed mandatory date

We propose that the amendments have a mandatory date of **1 January 2027**, meaning that they would have to be applied for accounting periods that begin on or after that date.

Application would be permitted for accounting periods that begin before 1 January 2027, but do not end before the amendments take effect (which is 28 days after the final amendments are issued).

Part 3: How to provide feedback?

Consultation questions

We are seeking comments on the questions below. We will consider all comments received before finalising the amendments to PBE IPSAS 19, PBE IPSAS 10 and PBE IPSAS 39.

- Q1. Do you agree with the proposed amendments to PBE IPSAS 19? If you disagree, please explain why.
- Q2. Do you agree with the proposed amendments to PBE IPSAS 10? If you disagree, please explain why.
- Q3. Do you agree with the proposed amendments to PBE IPSAS 39? If you disagree, please explain why.
- Q4. Do you agree with the proposed mandatory date of 1 January 2027 for amendments to PBE IPSAS 19, PBE IPSAS 10 and PBE IPSAS 39?
- Q5. Do you have any other feedback on the ED proposals?

Timeline

- September 2025**
 ED *Amendments to PBE Standards: Specific IFRIC Interpretations* issued for public consultation
- 1 December 2025**
 Submissions due to the XRB
- December 2025**
 Final amending standard issued
- 1 Jan 2027**
 Amendments become mandatory to apply

Making a submission

You can provide feedback to us via:

- the [consultation page](#) on our website (where you can upload a PDF or complete an online form); or
- emailing your formal or informal comments to accounting@xrb.govt.nz

Please provide written submissions by **1 December 2025**.

Your submission may respond to any or all of the questions above. Where possible, please include sufficient and clear information or evidence in support of your views. You can send any questions about the submission process to the same email address.

All submissions will be published on the XRB website unless confidentiality is requested*

* Submissions are subject to the Official Information Act 1982 and the Privacy Act 2020. The XRB will handle information in accordance with these Acts. If you object to the release of any information in your submission, please identify the specific parts and the reasons under the Official Information Act 1982. We reserve the right not to publish defamatory submissions.

