



Friday, 29 August 2025

Wendy Venter FCA
Chief Executive
External Reporting Board
Level 6, 154 Featherston Street
Wellington 6011

By website: <https://www.xrb.govt.nz/consultations/accounting-standards-open-for-consultation/2025-amendments-to-xrb-a1/>

Dear Wendy

Exposure Draft 2025-1: 2025 Amendments to XRB A1 Application of the Accounting Standards Framework

Chartered Accountants Australia and New Zealand (CA ANZ) appreciates the opportunity to comment on the External Reporting Board's (XRB) proposed improvements to XRB A1 for all for-profit and public benefit entities (the ED). We make this submission on behalf of our members and in the public interest.

We support the proposed amendments to the definition of "public accountability" which we agree will provide important and necessary clarifications to these requirements. They will make the concept easier and more appropriate to apply in the New Zealand context, especially where brokers and dealers are involved, while still retaining alignment with the latest revised IASB definition of this term.

We also support increasing the Tier 1 size threshold for for-profit public sector entities from \$30 million to \$33 million total expenses to align with the Tier 1 size threshold for public benefit entities (PBEs). Restoring consistency across sectors will make the Accounting Standards Framework simpler and therefore easier to apply. In addition, inflation results in increased total expenses without an increase in scale, and so inflationary adjustments are important to ensure entities only transition from Tier 2 to Tier 1 when they have become larger or more complex in real terms.

We agree that the proposed clarifications to terminology in the PBE Tier 4 criteria and 'moving between tiers' provisions do make it clearer when an entity is able to apply the Tier 4 standard. However, we suggest that paragraphs 70 and 71 be combined to further streamline the requirements given their similar repetitive nature.

The Appendix provides more information about CA ANZ. Should you have any questions about the matters raised in this submission or wish to discuss them further, please contact Zowie Pateman FCA, Deputy Leader – Reporting and Assurance at Zowie.Pateman@charteredaccountantsanz.com

Sincerely

Peter Vial FCA

New Zealand Country Head

Amir Ghandar FCA

Reporting and Assurance Leader

Appendix

About Chartered Accountants Australia and New Zealand

Chartered Accountants Australia and New Zealand (CA ANZ) represents more than 140,000 financial professionals, supporting them to build value and make a difference to the businesses, organisations and communities in which they work and live.

Around the world, Chartered Accountants are known for their integrity, financial skills, adaptability and the rigour of their professional education and training.

CA ANZ promotes the Chartered Accountant (CA) designation and high ethical standards, delivers world-class services and life-long education to members and advocates for the public good. We protect the reputation of the designation by ensuring members continue to comply with a code of ethics, backed by a robust discipline process. We also monitor Chartered Accountants who offer services directly to the public.

Our flagship CA Program, the pathway to becoming a Chartered Accountant, combines rigorous education with practical experience. Ongoing professional development helps members shape business decisions and remain relevant in a changing world.

We actively engage with governments, regulators and standard-setters on behalf of members and the profession to advocate in the public interest. Our thought leadership promotes prosperity in Australia and New Zealand.

Our support of the profession extends to affiliations with international accounting organisations.

We are a member of the International Federation of Accountants and are connected globally through Chartered Accountants Worldwide and the Global Accounting Alliance. Chartered Accountants Worldwide brings together members of 13 chartered accounting institutes to create a community of more than 1.8 million Chartered Accountants and students in more than 190 countries. CA ANZ is a founding member of the Global Accounting Alliance which is made up of 10 leading accounting bodies that together promote quality services, share information and collaborate on important international issues.

We also have a strategic alliance with the Association of Chartered Certified Accountants. The alliance represents more than 870,000 current and next generation accounting professionals across 179 countries and is one of the largest accounting alliances in the world providing the full range of accounting qualifications.