

New Zealand Equivalent to International Accounting Standard 21 The Effects of Changes in Foreign Exchange Rates (NZ IAS 21)

Issued November 2004 and incorporates amendments to 31 January 2026

This Standard was issued by the New Zealand Accounting Standards Board of the External Reporting Board pursuant to section 24(1)(a) of the Financial Reporting Act 1993.

This Standard is a Regulation for the purposes of the Regulations (Disallowance) Act 1989.

NZ IAS 21 incorporates the equivalent IFRS[®] Standard as issued by the International Accounting Standards Board (IASB).

Tier 1 for-profit entities that comply with NZ IAS 21 will simultaneously be in compliance with IAS 21 *The Effects of Changes in Foreign Exchange Rates*.

NZ IAS 21 includes RDR disclosure concessions and associated RDR paragraphs for entities that qualify for and elect to apply Tier 2 for-profit accounting requirements in accordance with XRB A1 *Application of the Accounting Standards Framework*. Entities that elect to report in accordance with Tier 2 accounting requirements are not required to comply with paragraphs in this Standard denoted with an asterisk (*). However, an entity is required to comply with any RDR paragraph associated with a disclosure concession that is adopted.

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APPROVAL BY THE IASB OF IAS 21 ISSUED IN DECEMBER 2003

**APPROVAL BY THE IASB OF *NET INVESTMENT IN A FOREIGN OPERATION*
(AMENDMENT TO IAS 21) ISSUED IN DECEMBER 2005**

IASB BASIS FOR CONCLUSIONS

New Zealand Equivalent to International Accounting Standard 21 *The Effects of Changes in Foreign Exchange Rates* (NZ IAS 21) is set out in paragraphs 1–62 and the Appendix. NZ IAS 21 is based on International Accounting Standard 21 *The Effects of Changes in Foreign Exchange Rates* (IAS 21) (2003) initially issued by the International Accounting Standards Committee (IASC) and subsequently revised by the International Accounting Standards Board (IASB). All the paragraphs have equal authority but retain the IASC format of the Standard. NZ IAS 21 should be read in the context of its objective and the IASB’s Basis for Conclusions on IAS 21 and the New Zealand Equivalent to the IASB *Conceptual Framework for Financial Reporting*. NZ IAS 8 *Basis of Preparation of Financial Statements* provides a basis for selecting and applying accounting policies in the absence of explicit guidance.

Any New Zealand additional material is shown with either “NZ” or “RDR” preceding the paragraph number.

New Zealand Equivalent to International Accounting Standard 21

The Effects of Changes in Foreign Exchange Rates (NZ IAS 21)

Objective

- 1 An entity may carry on foreign activities in two ways. It may have transactions in foreign currencies or it may have foreign operations. In addition, an entity may present its financial statements in a foreign currency. The objective of this Standard is to prescribe how to include foreign currency transactions and foreign operations in the financial statements of an entity and how to translate financial statements into a presentation currency.
- 2 The principal issues are which exchange rate(s) to use and how to report the effects of changes in exchange rates in the financial statements.

Scope

- NZ 2.1 This Standard applies to Tier 1 and Tier 2 for-profit entities.**
- NZ 2.2 A Tier 2 entity is not required to comply with the disclosure requirements in this Standard denoted with an asterisk (*). Where an entity elects to apply a disclosure concession it shall comply with any RDR paragraphs associated with that concession.**
- 3 **This Standard shall be applied:¹**
 - (a) **in accounting for transactions and balances in foreign currencies, except for those derivative transactions and balances that are within the scope of NZ IFRS 9 *Financial Instruments*;**
 - (b) **in translating the results and financial position of foreign operations that are included in the financial statements of the entity by consolidation or the equity method; and**
 - (c) **in translating an entity's results and financial position into a presentation currency.**
 - 4 NZ IFRS 9 applies to many foreign currency derivatives and, accordingly, these are excluded from the scope of this Standard. However, those foreign currency derivatives that are not within the scope of NZ IFRS 9 (eg some foreign currency derivatives that are embedded in other contracts) are within the scope of this Standard. In addition, this Standard applies when an entity translates amounts relating to derivatives from its functional currency to its presentation currency.
 - 5 This Standard does not apply to hedge accounting for foreign currency items, including the hedging of a net investment in a foreign operation. NZ IFRS 9 applies to hedge accounting.
 - 6 This Standard applies to the presentation of an entity's financial statements in a foreign currency and sets out requirements for the resulting financial statements to be described as complying with NZ IFRS and International Financial Reporting Standards (IFRSs). For translations of financial information into a foreign currency that do not meet these requirements, this Standard specifies information to be disclosed.
 - 7 This Standard does not apply to the presentation in a statement of cash flows of cash flows arising from transactions in a foreign currency, or to the translation of cash flows of a foreign operation (see NZ IAS 7 *Statement of Cash Flows*).

Definitions

- 8 **The following terms are used in this Standard with the meanings specified:**
***Closing rate* is the spot exchange rate at the end of the reporting period.**

¹ See also NZ SIC-7 *Introduction of the Euro*

A currency is *exchangeable* into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

Exchange difference is the difference resulting from translating a given number of units of one currency into another currency at different exchange rates.

Exchange rate is the ratio of exchange for two currencies.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. (See NZ IFRS 13 *Fair Value Measurement*.)

Foreign currency is a currency other than the functional currency of the entity.

Foreign operation is an entity that is a subsidiary, associate, joint arrangement or branch of a reporting entity, the activities of which are based or conducted in a country or currency other than those of the reporting entity.

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

A group is a parent and all its subsidiaries.

Monetary items are units of currency held and assets and liabilities to be received or paid in a fixed or determinable number of units of currency.

Net investment in a foreign operation is the amount of the reporting entity's interest in the net assets of that operation.

Presentation currency is the currency in which the financial statements are presented.

Spot exchange rate is the exchange rate for immediate delivery.

Elaboration on the definitions

Exchangeable (paragraphs A2–A10)

- 8A An entity assesses whether a currency is exchangeable into another currency:
- (a) at a measurement date; and
 - (b) for a specified purpose.
- 8B If an entity is able to obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose, the currency is not exchangeable into the other currency.

Functional currency

- 9 The primary economic environment in which an entity operates is normally the one in which it primarily generates and expends cash. An entity considers the following factors in determining its functional currency:
- (a) the currency:
 - (i) that mainly influences sales prices for goods and services (this will often be the currency in which sales prices for its goods and services are denominated and settled); and
 - (ii) of the country whose competitive forces and regulations mainly determine the sales prices of its goods and services.
 - (b) the currency that mainly influences labour, material and other costs of providing goods or services (this will often be the currency in which such costs are denominated and settled).
- 10 The following factors may also provide evidence of an entity's functional currency:
- (a) the currency in which funds from financing activities (ie issuing debt and equity instruments) are generated.
 - (b) the currency in which receipts from operating activities are usually retained.
- 11 The following additional factors are considered in determining the functional currency of a foreign operation, and whether its functional currency is the same as that of the reporting entity (the reporting entity, in this

context, being the entity that has the foreign operation as its subsidiary, branch, associate or joint arrangement):

- (a) whether the activities of the foreign operation are carried out as an extension of the reporting entity, rather than being carried out with a significant degree of autonomy. An example of the former is when the foreign operation only sells goods imported from the reporting entity and remits the proceeds to it. An example of the latter is when the operation accumulates cash and other monetary items, incurs expenses, generates income and arranges borrowings, all substantially in its local currency.
 - (b) whether transactions with the reporting entity are a high or a low proportion of the foreign operation's activities.
 - (c) whether cash flows from the activities of the foreign operation directly affect the cash flows of the reporting entity and are readily available for remittance to it.
 - (d) whether cash flows from the activities of the foreign operation are sufficient to service existing and normally expected debt obligations without funds being made available by the reporting entity.
- 12 When the above indicators are mixed and the functional currency is not obvious, management uses its judgement to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. As part of this approach, management gives priority to the primary indicators in paragraph 9 before considering the indicators in paragraphs 10 and 11, which are designed to provide additional supporting evidence to determine an entity's functional currency.
- 13 An entity's functional currency reflects the underlying transactions, events and conditions that are relevant to it. Accordingly, once determined, the functional currency is not changed unless there is a change in those underlying transactions, events and conditions.
- 14 If the functional currency is the currency of a hyperinflationary economy, the entity's financial statements are restated in accordance with NZ IAS 29 *Financial Reporting in Hyperinflationary Economies*. An entity cannot avoid restatement in accordance with NZ IAS 29 by, for example, adopting as its functional currency a currency other than the functional currency determined in accordance with this Standard (such as the functional currency of its parent).

Net investment in a foreign operation

- 15 An entity may have a monetary item that is receivable from or payable to a foreign operation. An item for which settlement is neither planned nor likely to occur in the foreseeable future is, in substance, a part of the entity's net investment in that foreign operation, and is accounted for in accordance with paragraphs 32 and 33. Such monetary items may include long-term receivables or loans. They do not include trade receivables or trade payables.
- 15A The entity that has a monetary item receivable from or payable to a foreign operation described in paragraph 15 may be any subsidiary of the group. For example, an entity has two subsidiaries, A and B. Subsidiary B is a foreign operation. Subsidiary A grants a loan to Subsidiary B. Subsidiary A's loan receivable from Subsidiary B would be part of the entity's net investment in Subsidiary B if settlement of the loan is neither planned nor likely to occur in the foreseeable future. This would also be true if Subsidiary A were itself a foreign operation.

Monetary items

- 16 The essential feature of a monetary item is a right to receive (or an obligation to deliver) a fixed or determinable number of units of currency. Examples include: pensions and other employee benefits to be paid in cash; provisions that are to be settled in cash; lease liabilities; and cash dividends that are recognised as a liability. Similarly, a contract to receive (or deliver) a variable number of the entity's own equity instruments or a variable amount of assets in which the fair value to be received (or delivered) equals a fixed or determinable number of units of currency is a monetary item. Conversely, the essential feature of a non-monetary item is the absence of a right to receive (or an obligation to deliver) a fixed or determinable number of units of currency. Examples include: amounts prepaid for goods and services; goodwill; intangible assets; inventories; property, plant and equipment; right-of-use assets; and provisions that are to be settled by the delivery of a non-monetary asset.

Summary of the approach required by this standard

- 17 In preparing financial statements, each entity—whether a stand-alone entity, an entity with foreign operations (such as a parent) or a foreign operation (such as a subsidiary or branch)—determines its functional currency

in accordance with paragraphs 9–14. The entity translates foreign currency items into its functional currency and reports the effects of such translation in accordance with paragraphs 20–37 and 50.

- 18 Many reporting entities comprise a number of individual entities (eg a group is made up of a parent and one or more subsidiaries). Various types of entities, whether members of a group or otherwise, may have investments in associates or joint arrangements. They may also have branches. It is necessary for the results and financial position of each individual entity included in the reporting entity to be translated into the currency in which the reporting entity presents its financial statements. This Standard permits the presentation currency of a reporting entity to be any currency (or currencies). The results and financial position of any individual entity within the reporting entity whose functional currency differs from the presentation currency are translated in accordance with paragraphs 38–50.
- 19 This Standard also permits a stand-alone entity preparing financial statements or an entity preparing separate financial statements in accordance with NZ IAS 27 *Separate Financial Statements* to present its financial statements in any currency (or currencies). If the entity's presentation currency differs from its functional currency, its results and financial position are also translated into the presentation currency in accordance with paragraphs 38–50.

Estimating the spot exchange rate when a currency is not exchangeable (paragraphs A11–A17)

- 19A An entity shall estimate the spot exchange rate at a measurement date when a currency is not exchangeable into another currency (as described in paragraphs 8, 8A–8B and A2–A10) at that date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions.

Reporting foreign currency transactions in the functional currency

Initial recognition

- 20 A foreign currency transaction is a transaction that is denominated or requires settlement in a foreign currency, including transactions arising when an entity:
- (a) buys or sells goods or services whose price is denominated in a foreign currency;
 - (b) borrows or lends funds when the amounts payable or receivable are denominated in a foreign currency; or
 - (c) otherwise acquires or disposes of assets, or incurs or settles liabilities, denominated in a foreign currency.
- 21 **A foreign currency transaction shall be recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.**
- 22 The date of a transaction is the date on which the transaction first qualifies for recognition in accordance with NZ IFRS. For practical reasons, a rate that approximates the actual rate at the date of the transaction is often used, for example, an average rate for a week or a month might be used for all transactions in each foreign currency occurring during that period. However, if exchange rates fluctuate significantly, the use of the average rate for a period is inappropriate.

Reporting at the end of the subsequent reporting periods

- 23 **At the end of each reporting period:**
- (a) **foreign currency monetary items shall be translated using the closing rate;**
 - (b) **non-monetary items that are measured in terms of historical cost in a foreign currency shall be translated using the exchange rate at the date of the transaction; and**
 - (c) **non-monetary items that are measured at fair value in a foreign currency shall be translated using the exchange rates at the date when the fair value was measured.**
- 24 The carrying amount of an item is determined in conjunction with other relevant Standards. For example, property, plant and equipment may be measured in terms of fair value or historical cost in accordance with NZ IAS 16 *Property, Plant and Equipment*. Whether the carrying amount is determined on the basis of

historical cost or on the basis of fair value, if the amount is determined in a foreign currency it is then translated into the functional currency in accordance with this Standard.

25 The carrying amount of some items is determined by comparing two or more amounts. For example, the carrying amount of inventories is the lower of cost and net realisable value in accordance with NZ IAS 2 *Inventories*. Similarly, in accordance with NZ IAS 36 *Impairment of Assets*, the carrying amount of an asset for which there is an indication of impairment is the lower of its carrying amount before considering possible impairment losses and its recoverable amount. When such an asset is non-monetary and is measured in a foreign currency, the carrying amount is determined by comparing:

- (a) the cost or carrying amount, as appropriate, translated at the exchange rate at the date when that amount was determined (ie the rate at the date of the transaction for an item measured in terms of historical cost); and
- (b) the net realisable value or recoverable amount, as appropriate, translated at the exchange rate at the date when that value was determined (eg the closing rate at the end of the reporting period).

The effect of this comparison may be that an impairment loss is recognised in the functional currency but would not be recognised in the foreign currency, or vice versa.

26 When several exchange rates are available, the rate used is that at which the future cash flows represented by the transaction or balance could have been settled if those cash flows had occurred at the measurement date.

Recognition of exchange differences

27 As noted in paragraphs 3(a) and 5, NZ IFRS 9 applies to hedge accounting for foreign currency items. The application of hedge accounting requires an entity to account for some exchange differences differently from the treatment of exchange differences required by this Standard. For example, NZ IFRS 9 requires that exchange differences on monetary items that qualify as hedging instruments in a cash flow hedge are recognised initially in other comprehensive income to the extent that the hedge is effective.

28 **Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements shall be recognised in profit or loss in the period in which they arise, except as described in paragraph 32.**

29 When monetary items arise from a foreign currency transaction and there is a change in the exchange rate between the transaction date and the date of settlement, an exchange difference results. When the transaction is settled within the same accounting period as that in which it occurred, all the exchange difference is recognised in that period. However, when the transaction is settled in a subsequent accounting period, the exchange difference recognised in each period up to the date of settlement is determined by the change in exchange rates during each period.

30 **When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss shall be recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss shall be recognised in profit or loss.**

31 Other Standards require some gains and losses to be recognised in other comprehensive income. For example, NZ IAS 16 requires some gains and losses arising on a revaluation of property, plant and equipment to be recognised in other comprehensive income. When such an asset is measured in a foreign currency, paragraph 23(c) of this Standard requires the revalued amount to be translated using the rate at the date the value is determined, resulting in an exchange difference that is also recognised in other comprehensive income.

32 **Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation (see paragraph 15) shall be recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (eg consolidated financial statements when the foreign operation is a subsidiary), such exchange differences shall be recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment in accordance with paragraph 48.**

33 When a monetary item forms part of a reporting entity's net investment in a foreign operation and is denominated in the functional currency of the reporting entity, an exchange difference arises in the foreign operation's individual financial statements in accordance with paragraph 28. If such an item is denominated in the functional currency of the foreign operation, an exchange difference arises in the reporting entity's separate financial statements in accordance with paragraph 28. If such an item is denominated in a currency other than the functional currency of either the reporting entity or the foreign operation, an exchange

difference arises in the reporting entity's separate financial statements and in the foreign operation's individual financial statements in accordance with paragraph 28. Such exchange differences are recognised in other comprehensive income in the financial statements that include the foreign operation and the reporting entity (ie financial statements in which the foreign operation is consolidated or accounted for using the equity method).

- 34 When an entity keeps its books and records in a currency other than its functional currency, at the time the entity prepares its financial statements all amounts are translated into the functional currency in accordance with paragraphs 20–26. This produces the same amounts in the functional currency as would have occurred had the items been recorded initially in the functional currency. For example, monetary items are translated into the functional currency using the closing rate, and non-monetary items that are measured on a historical cost basis are translated using the exchange rate at the date of the transaction that resulted in their recognition.

Change in functional currency

- 35 **When there is a change in an entity's functional currency, the entity shall apply the translation procedures applicable to the new functional currency prospectively from the date of the change.**

- 36 As noted in paragraph 13, the functional currency of an entity reflects the underlying transactions, events and conditions that are relevant to the entity. Accordingly, once the functional currency is determined, it can be changed only if there is a change to those underlying transactions, events and conditions. For example, a change in the currency that mainly influences the sales prices of goods and services may lead to a change in an entity's functional currency.

- 37 The effect of a change in functional currency is accounted for prospectively. In other words, an entity translates all items into the new functional currency using the exchange rate at the date of the change. The resulting translated amounts for non-monetary items are treated as their historical cost. Exchange differences arising from the translation of a foreign operation previously recognised in other comprehensive income in accordance with paragraphs 32 and 39(c) are not reclassified from equity to profit or loss until the disposal of the operation.

Use of a presentation currency other than the functional currency

Translation to the presentation currency

- 38 An entity may present its financial statements in any currency (or currencies). If the presentation currency differs from the entity's functional currency, it translates its results and financial position into the presentation currency. For example, when a group contains individual entities with different functional currencies, the results and financial position of each entity are expressed in a common currency so that consolidated financial statements may be presented.

- 39 **The results and financial position of an entity whose functional currency is not the currency of a hyperinflationary economy shall be translated into a different presentation currency using the following procedures:**

- (a) **assets and liabilities for each statement of financial position presented (ie including comparatives) shall be translated at the closing rate at the date of that statement of financial position;**
- (b) **income and expenses for each statement presenting profit or loss and other comprehensive income (ie including comparatives) shall be translated at exchange rates at the dates of the transactions; and**
- (c) **all resulting exchange differences shall be recognised in other comprehensive income.**

- 40 For practical reasons, a rate that approximates the exchange rates at the dates of the transactions, for example an average rate for the period, is often used to translate income and expense items. However, if exchange rates fluctuate significantly, the use of the average rate for a period is inappropriate.

- 41 The exchange differences referred to in paragraph 39(c) result from:

- (a) translating income and expenses at the exchange rates at the dates of the transactions and assets and liabilities at the closing rate.
- (b) translating the opening net assets at a closing rate that differs from the previous closing rate.

These exchange differences are not recognised in profit or loss because the changes in exchange rates have little or no direct effect on the present and future cash flows from operations. The cumulative amount of the exchange differences is presented in a separate component of equity until disposal of the foreign operation. When the exchange differences relate to a foreign operation that is consolidated but not wholly-owned, accumulated exchange differences arising from translation and attributable to non-controlling interests are allocated to, and recognised as part of, non-controlling interests in the consolidated statement of financial position.

42 The results and financial position of an entity whose functional currency is the currency of a hyperinflationary economy shall be translated into a different presentation currency using the following procedures:

- (a) all amounts (ie assets, liabilities, equity items, income and expenses, including comparatives) shall be translated at the closing rate at the date of the most recent statement of financial position, except that**
- (b) when amounts are translated into the currency of a non-hyperinflationary economy, comparative amounts shall be those that were presented as current year amounts in the relevant prior year financial statements (ie not adjusted for subsequent changes in the price level or subsequent changes in exchange rates).**

43 When an entity's functional currency is the currency of a hyperinflationary economy, the entity shall restate its financial statements in accordance with NZ IAS 29 before applying the translation method set out in paragraph 42, except for comparative amounts that are translated into a currency of a non-hyperinflationary economy (see paragraph 42(b)). When the economy ceases to be hyperinflationary and the entity no longer restates its financial statements in accordance with NZ IAS 29, it shall use as the historical costs for translation into the presentation currency the amounts restated to the price level at the date the entity ceased restating its financial statements.

Translation of a foreign operation

44 Paragraphs 45–47, in addition to paragraphs 38–43, apply when the results and financial position of a foreign operation are translated into a presentation currency so that the foreign operation can be included in the financial statements of the reporting entity by consolidation or the equity method.

45 The incorporation of the results and financial position of a foreign operation with those of the reporting entity follows normal consolidation procedures, such as the elimination of intragroup balances and intragroup transactions of a subsidiary (see NZ IFRS 10 *Consolidated Financial Statements*). However, an intragroup monetary asset (or liability), whether short-term or long-term, cannot be eliminated against the corresponding intragroup liability (or asset) without showing the results of currency fluctuations in the consolidated financial statements. This is because the monetary item represents a commitment to convert one currency into another and exposes the reporting entity to a gain or loss through currency fluctuations. Accordingly, in the consolidated financial statements of the reporting entity, such an exchange difference is recognised in profit or loss or, if it arises from the circumstances described in paragraph 32, it is recognised in other comprehensive income and accumulated in a separate component of equity until the disposal of the foreign operation.

46 When the financial statements of a foreign operation are as of a date different from that of the reporting entity, the foreign operation often prepares additional statements as of the same date as the reporting entity's financial statements. When this is not done, NZ IFRS 10 allows the use of a different date provided that the difference is no greater than three months and adjustments are made for the effects of any significant transactions or other events that occur between the different dates. In such a case, the assets and liabilities of the foreign operation are translated at the exchange rate at the end of the reporting period of the foreign operation. Adjustments are made for significant changes in exchange rates up to the end of the reporting period of the reporting entity in accordance with NZ IFRS 10. The same approach is used in applying the equity method to associates and joint ventures in accordance with NZ IAS 28 (as amended in 2011).

47 Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation shall be treated as assets and liabilities of the foreign operation. Thus they shall be expressed in the functional currency of the foreign operation and shall be translated at the closing rate in accordance with paragraphs 39 and 42.

Disposal or partial disposal of a foreign operation

- 48** On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognised in other comprehensive income and accumulated in a separate component of equity, shall be reclassified from equity to profit or loss (as a reclassification adjustment) when the gain or loss on disposal is recognised (see NZ IFRS 18 *Presentation and Disclosure in Financial Statements*).
- 48A In addition to the disposal of an entity's entire interest in a foreign operation, the following partial disposals are accounted for as disposals:
- (a) when the partial disposal involves the loss of control of a subsidiary that includes a foreign operation, regardless of whether the entity retains a non-controlling interest in its former subsidiary after the partial disposal; and
 - (b) when the retained interest after the partial disposal of an interest in a joint arrangement or a partial disposal of an interest in an associate that includes a foreign operation is a financial asset that includes a foreign operation.
 - (c) [deleted by IASB]
- 48B On disposal of a subsidiary that includes a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation that have been attributed to the non-controlling interests shall be derecognised, but shall not be reclassified to profit or loss.
- 48C** On the partial disposal of a subsidiary that includes a foreign operation, the entity shall re-attribute the proportionate share of the cumulative amount of the exchange differences recognised in other comprehensive income to the non-controlling interests in that foreign operation. In any other partial disposal of a foreign operation the entity shall reclassify to profit or loss only the proportionate share of the cumulative amount of the exchange differences recognised in other comprehensive income.
- 48D A partial disposal of an entity's interest in a foreign operation is any reduction in an entity's ownership interest in a foreign operation, except those reductions in paragraph 48A that are accounted for as disposals.
- 49 An entity may dispose or partially dispose of its interest in a foreign operation through sale, liquidation, repayment of share capital or abandonment of all, or part of, that entity. A write-down of the carrying amount of a foreign operation, either because of its own losses or because of an impairment recognised by the investor, does not constitute a partial disposal. Accordingly, no part of the foreign exchange gain or loss recognised in other comprehensive income is reclassified to profit or loss at the time of a write-down.

Tax effects of all exchange differences

- 50 Gains and losses on foreign currency transactions and exchange differences arising on translating the results and financial position of an entity (including a foreign operation) into a different currency may have tax effects. NZ IAS 12 *Income Taxes* applies to these tax effects.

Disclosure

- 51 In paragraphs 53 and 55–57 references to 'functional currency' apply, in the case of a group, to the functional currency of the parent.
- 52 An entity shall disclose:
- (a) the amount of exchange differences recognised in profit or loss except for those arising on financial instruments measured at fair value through profit or loss in accordance with NZ IFRS 9; and
 - (b) net exchange differences recognised in other comprehensive income and accumulated in a separate component of equity, and a reconciliation of the amount of such exchange differences at the beginning and end of the period.
- 53 When the presentation currency is different from the functional currency, that fact shall be stated, together with disclosure of the functional currency and the reason for using a different presentation currency.
- 54 When there is a change in the functional currency of either the reporting entity or a significant foreign operation, that fact and the reason for the change in functional currency shall be disclosed.

- *55 When an entity presents its financial statements in a currency that is different from its functional currency, it shall describe the financial statements as complying with NZ IFRS and IFRSs only if they comply with all the requirements of each applicable NZ IFRS and IFRS including the translation method set out in paragraphs 39 and 42.**
- *56 An entity sometimes presents its financial statements or other financial information in a currency that is not its functional currency without meeting the requirements of paragraph 55. For example, an entity may convert into another currency only selected items from its financial statements. Or, an entity whose functional currency is not the currency of a hyperinflationary economy may convert the financial statements into another currency by translating all items at the most recent closing rate. Such conversions are not in accordance with NZ IFRS and the disclosures set out in paragraph 57 are required.
- *57 When an entity displays its financial statements or other financial information in a currency that is different from either its functional currency or its presentation currency and the requirements of paragraph 55 are not met, it shall:**
- (a) clearly identify the information as supplementary information to distinguish it from the information that complies with IFRSs;**
 - (b) disclose the currency in which the supplementary information is displayed; and**
 - (c) disclose the entity's functional currency and the method of translation used to determine the supplementary information.**
- 57A When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency (see paragraph 19A), the entity shall disclose information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. To achieve this objective, an entity shall disclose information about:
- (a) the nature and financial effects of the currency not being exchangeable into the other currency;
 - (b) the spot exchange rate(s) used;
 - * (c) the estimation process; and
 - * (d) the risks to which the entity is exposed because of the currency not being exchangeable into the other currency.
- 57B Paragraphs A18–A20 specify how an entity applies paragraph 57A.

Commencement and application

- 58 This Standard becomes operative for an entity's financial statements that cover annual accounting periods beginning on or after 1 January 2007. Early adoption of this Standard is permitted only when an entity complies with NZ IFRS 1 *First-time Adoption of New Zealand Equivalents to International Financial Reporting Standards* for an annual accounting period beginning on or after 1 January 2005.
- 58A *Net Investment in a Foreign Operation* (Amendment to NZ IAS 21), issued in February 2006, added paragraph 15A and amended paragraph 33. An entity shall apply those amendments for annual periods beginning on or after 1 January 2006. Earlier application is encouraged.
- 59–60 [Paragraphs 59–60 are not reproduced. The transitional provisions in IAS 21 are not relevant to this Standard.]
- 60A NZ IAS 1 (as revised in 2007) amended the terminology used throughout New Zealand equivalents to IFRSs. In addition it amended paragraphs 27, 30–33, 37, 39, 41, 45, 48 and 52. An entity shall apply those amendments for annual periods beginning on or after 1 January 2009. If an entity applies NZ IAS 1 (revised 2007) for an earlier period, the amendments shall be applied for that earlier period.²
- 60B NZ IAS 27 (as amended in 2008) added paragraphs 48A–48D and amended paragraph 49. An entity shall apply those amendments prospectively for annual periods beginning on or after 1 July 2009. If an entity applies NZ IAS 27 (amended 2008) for an earlier period, the amendments shall be applied for that earlier period.
- 60C [Deleted by IASB]

² When it issued NZ IFRS 18, the New Zealand Accounting Standards Board of the External Reporting Board carried over these requirements in NZ IAS 1 *Presentation of Financial Statements* to NZ IFRS 18.

- 60D Paragraph 60B was amended by *Improvements to NZ IFRSs* issued in July 2010. An entity shall apply that amendment for annual periods beginning on or after 1 July 2010. Earlier application is permitted.
- 60E [Deleted by IASB]
- 60F NZ IFRS 10 and NZ IFRS 11 *Joint Arrangements*, issued in June 2011, amended paragraphs 3(b), 8, 11, 18, 19, 33, 44–46 and 48A. An entity shall apply those amendments when it applies NZ IFRS 10 and NZ IFRS 11.
- 60G NZ IFRS 13, issued in June 2011, amended the definition of fair value in paragraph 8 and amended paragraph 23. An entity shall apply those amendments when it applies NZ IFRS 13.
- 60H *Presentation of Items of Other Comprehensive Income* (Amendments to NZ IAS 1), issued in August 2011, amended paragraph 39 and added paragraph NZ 3.1. An entity shall apply those amendments when it applies NZ IAS 1 as amended in August 2011.³
- NZ 60H.1 *Framework: Tier 1 and Tier 2 For-profit Entities*, issued in November 2012, amended extant NZ IFRSs by deleting any public benefit entity paragraphs, deleting any differential reporting concessions, adding scope paragraphs for Tier 1 and Tier 2 for-profit entities and adding disclosure concessions for Tier 2 entities. It made no changes to the requirements for Tier 1 entities. A Tier 2 entity may elect to apply the disclosure concessions for annual periods beginning on or after 1 December 2012. Early application is permitted.
- 60I [Deleted by IASB]
- 60J NZ IFRS 9, as issued in September 2014, amended paragraphs 3, 4, 5, 27 and 52 and deleted paragraphs 60C, 60E and 60I. An entity shall apply those amendments when it applies NZ IFRS 9.
- 60K NZ IFRS 16 *Leases*, issued in February 2016, amended paragraph 16. An entity shall apply that amendment when it applies NZ IFRS 16.

Lack of Exchangeability

- 60L *Lack of Exchangeability*, issued in November 2023, amended paragraphs 8 and 26, and added paragraphs 8A–8B, 19A, 57A–57B and Appendix A. An entity shall apply those amendments in accordance with the commencement and application date provisions in paragraphs NZ 60N.1 - NZ 60N.3. An entity that applies the amendments to an ‘early adoption accounting period’ shall disclose that fact. The date of initial application is the beginning of the annual reporting period in which an entity first applies those amendments.
- 60M In applying *Lack of Exchangeability*, an entity shall not restate comparative information. Instead:
- (a) when the entity reports foreign currency transactions in its functional currency, and, at the date of initial application, concludes that its functional currency is not exchangeable into the foreign currency or, if applicable, concludes that the foreign currency is not exchangeable into its functional currency, the entity shall, at the date of initial application:
 - (i) translate affected foreign currency monetary items, and non-monetary items measured at fair value in a foreign currency, using the estimated spot exchange rate at that date; and
 - (ii) recognise any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings.
 - (b) when the entity uses a presentation currency other than its functional currency, or translates the results and financial position of a foreign operation, and, at the date of initial application, concludes that its functional currency (or the foreign operation’s functional currency) is not exchangeable into its presentation currency or, if applicable, concludes that its presentation currency is not exchangeable into its functional currency (or the foreign operation’s functional currency), the entity shall, at the date of initial application:
 - (i) translate affected assets and liabilities using the estimated spot exchange rate at that date;
 - (ii) translate affected equity items using the estimated spot exchange rate at that date if the entity’s functional currency is hyperinflationary; and

³ When it issued NZ IFRS 18, the New Zealand Accounting Standards Board of the External Reporting Board carried over these requirements in NZ IAS 1 to NZ IFRS 18.

- (iii) recognise any effect of initially applying the amendments as an adjustment to the cumulative amount of translation differences—accumulated in a separate component of equity.

When amending Standard takes effect (section 27 Financial Reporting Act 2013)

NZ60N.1 The amending Standard takes effect on the 28th day after the date of its publication under the Legislation Act 2019. The amending Standard was published on 2 November 2023 and takes effect on 30 November 2023

Accounting period in relation to which standards commence to apply (section 28 Financial Reporting Act)

NZ60N.2 The accounting periods in relation to which this amending Standard commences to apply are:

- (a) for an **early adopter**, those accounting periods following and including, the **early adoption accounting period**.
- (b) for any other reporting entity, those accounting periods following, and including, the first accounting period for the entity that begins on or after the **mandatory date**.

NZ60N.3 In paragraph NZ 60N.2:

early adopter means a reporting entity that applies this amending Standard for an early adoption accounting period.

early adoption accounting period means an accounting period of the early adopter:

- (a) that begins before the mandatory date but has not ended or does not end before this amending Standard takes effect (and to avoid doubt, that period may have begun before this amending Standard takes effect); and
- (b) for which the early adopter:
 - (i) first applies this amending Standard in preparing its financial statements; and
 - (ii) discloses in its financial statements for that accounting period that this amending Standard has been applied for that period.

mandatory date means 1 January 2025.

Lack of Exchangeability RDR

NZ60N.4 *Lack of Exchangeability RDR*, issued in January 2024, amended disclosure requirements in paragraph 57A and in Appendix A paragraphs A19 and A20. An entity shall apply those amendments in accordance with the commencement and application date provisions in paragraphs NZ 60N.5 - NZ 60N.7. An entity that applies the amendments to an 'early adoption accounting period' shall disclose that fact.

When amending Standard takes effect (section 27 Financial Reporting Act 2013)

NZ60N.5 The amending Standard takes effect on the 28th day after the date of its publication under the Legislation Act 2019. The amending Standard was published on 18 January 2024 and takes effect on 15 February 2024.

Accounting period in relation to which standards commence to apply (section 28 Financial Reporting Act)

NZ60N.6 The accounting periods in relation to which this amending Standard commences to apply are:

- (c) for an **early adopter**, those accounting periods following and including, the **early adoption accounting period**.
- (d) for any other reporting entity, those accounting periods following, and including, the first accounting period for the entity that begins on or after the **mandatory date**.

NZ60N.7 In paragraph NZ 60N.6:

early adopter means a reporting entity that applies this amending Standard for an early adoption accounting period

early adoption accounting period means an accounting period of the early adopter:

- (c) that begins before the mandatory date but has not ended or does not end before this amending Standard takes effect (and to avoid doubt, that period may have begun before this amending Standard takes effect); and
- (d) for which the early adopter:
 - (i) first applies this amending Standard in preparing its financial statements; and
 - (ii) discloses in its financial statements for that accounting period that this amending Standard has been applied for that period.

mandatory date means 1 January 2025.

60N NZ IFRS 18 issued in May 2024 amended paragraph 48. An entity shall apply those amendments when it applies NZ IFRS 18.

Withdrawal of other pronouncements

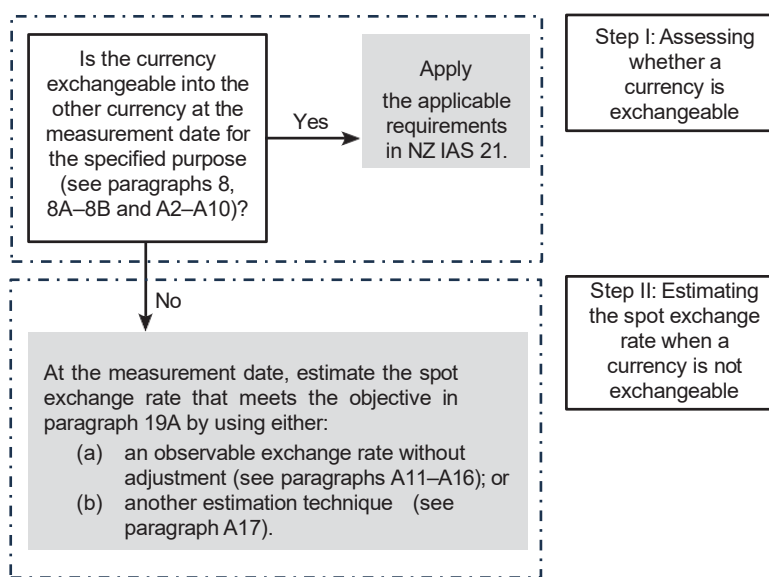
61–62 [Paragraphs 61 and 62 are not reproduced. The withdrawal of previous IASB pronouncements is not relevant to this Standard.]

Appendix A Application guidance

This appendix is an integral part of the Standard.

Exchangeability

- A1 The purpose of the following diagram is to help entities assess whether a currency is exchangeable and estimate the spot exchange rate when a currency is not exchangeable.



Step I: Assessing whether a currency is exchangeable (paragraphs 8 and 8A–8B)

- A2 Paragraphs A3–A10 set out application guidance to help an entity assess whether a currency is exchangeable into another currency. An entity might determine that a currency is not exchangeable into another currency, even though that other currency might be exchangeable in the other direction. For example, an entity might determine that currency PC is not exchangeable into currency LC, even though currency LC is exchangeable into currency PC.

Time frame

- A3 Paragraph 8 defines a spot exchange rate as the exchange rate for immediate delivery. However, an exchange transaction might not always complete instantaneously because of legal or regulatory requirements, or for practical reasons such as public holidays. A normal administrative delay in obtaining the other currency does not preclude a currency from being exchangeable into that other currency. What constitutes a normal administrative delay depends on facts and circumstances.

Ability to obtain the other currency

- A4 In assessing whether a currency is exchangeable into another currency, an entity shall consider its ability to obtain the other currency, rather than its intention or decision to do so. Subject to the other requirements in paragraphs A2–A10, a currency is exchangeable into another currency if an entity is able to obtain the other currency—either directly or indirectly—even if it intends or decides not to do so. For example, subject to the other requirements in paragraphs A2–A10, regardless of whether the entity intends or decides to obtain PC, currency LC is exchangeable into currency PC if an entity is able to either exchange LC for PC, or exchange LC for another currency (FC) and then exchange FC for PC.

Markets or exchange mechanisms

- A5 In assessing whether a currency is exchangeable into another currency, an entity shall consider only markets or exchange mechanisms in which a transaction to exchange the currency for the other currency would create enforceable rights and obligations. Enforceability is a matter of law. Whether an exchange transaction in a market or exchange mechanism would create enforceable rights and obligations depends on facts and circumstances.

Purpose of obtaining the other currency

- A6 Different exchange rates might be available for different uses of a currency. For example, a jurisdiction facing pressure on its balance of payments might wish to deter capital remittances (such as dividend payments) to other jurisdictions but encourage imports of specific goods from those jurisdictions. In such circumstances, the relevant authorities might:

- (a) set a preferential exchange rate for imports of those goods and a ‘penalty’ exchange rate for capital remittances to other jurisdictions, thus resulting in different exchange rates applying to different exchange transactions; or
- (b) make the other currency available only to pay for imports of those goods and not for capital remittances to other jurisdictions.

- A7 Accordingly, whether a currency is exchangeable into another currency could depend on the purpose for which the entity obtains (or hypothetically might need to obtain) the other currency. In assessing exchangeability:

- (a) when an entity reports foreign currency transactions in its functional currency (see paragraphs 20–37), the entity shall assume its purpose in obtaining the other currency is to realise or settle individual foreign currency transactions, assets or liabilities.
- (b) when an entity uses a presentation currency other than its functional currency (see paragraphs 38–43), the entity shall assume its purpose in obtaining the other currency is to realise or settle its net assets or net liabilities.
- (c) when an entity translates the results and financial position of a foreign operation into the presentation currency (see paragraphs 44–47), the entity shall assume its purpose in obtaining the other currency is to realise or settle its net investment in the foreign operation.

- A8 An entity’s net assets or net investment in a foreign operation might be realised by, for example:

- (a) the distribution of a financial return to the entity’s owners;
- (b) the receipt of a financial return from the entity’s foreign operation; or
- (c) the recovery of the investment by the entity or the entity’s owners, such as through disposal of the investment.

- A9 An entity shall assess whether a currency is exchangeable into another currency separately for each purpose specified in paragraph A7. For example, an entity shall assess exchangeability for the purpose of reporting foreign currency transactions in its functional currency (see paragraph A7(a)) separately from exchangeability for the purpose of translating the results and financial position of a foreign operation (see paragraph A7(c)).

Ability to obtain only limited amounts of the other currency

- A10 A currency is not exchangeable into another currency if, for a purpose specified in paragraph A7, an entity is able to obtain no more than an insignificant amount of the other currency. An entity shall assess the significance of the amount of the other currency it is able to obtain for a specified purpose by comparing that amount with the total amount of the other currency required for that purpose. For example, an entity with a functional currency of LC has liabilities denominated in currency FC. The entity assesses whether the total amount of FC it can obtain for the purpose of settling those liabilities is no more than an insignificant amount compared with the aggregated amount (the sum) of its liability balances denominated in FC.

Step II: Estimating the spot exchange rate when a currency is not exchangeable (paragraph 19A)

- A11 This Standard does not specify how an entity estimates the spot exchange rate to meet the objective in paragraph 19A. An entity can use an observable exchange rate without adjustment (see paragraphs A12–A16) or another estimation technique (see paragraph A17).

Using an observable exchange rate without adjustment

- A12 In estimating the spot exchange rate as required by paragraph 19A, an entity may use an observable exchange rate without adjustment if that observable exchange rate meets the objective in paragraph 19A. Examples of an observable exchange rate include:
- (a) a spot exchange rate for a purpose other than that for which an entity assesses exchangeability (see paragraphs A13–A14); and
 - (b) the first exchange rate at which an entity is able to obtain the other currency for the specified purpose after exchangeability of the currency is restored (first subsequent exchange rate) (see paragraphs A15–A16).

Using an observable exchange rate for another purpose

- A13 A currency that is not exchangeable into another currency for one purpose might be exchangeable into that currency for another purpose. For example, an entity might be able to obtain a currency to import specific goods but not to pay dividends. In such situations, the entity might conclude that an observable exchange rate for another purpose meets the objective in paragraph 19A. If the rate meets the objective in paragraph 19A, an entity may use that rate as the estimated spot exchange rate.
- A14 In assessing whether such an observable exchange rate meets the objective in paragraph 19A, an entity shall consider, among other factors:
- (a) *whether several observable exchange rates exist*—the existence of more than one observable exchange rate might indicate that exchange rates are set to encourage, or deter, entities from obtaining the other currency for particular purposes. These observable exchange rates might include an ‘incentive’ or ‘penalty’ and therefore might not reflect the prevailing economic conditions.
 - (b) *the purpose for which the currency is exchangeable*—if an entity is able to obtain the other currency only for limited purposes (such as to import emergency supplies), the observable exchange rate might not reflect the prevailing economic conditions.
 - (c) *the nature of the exchange rate*—a free-floating observable exchange rate is more likely to reflect the prevailing economic conditions than an exchange rate set through regular interventions by the relevant authorities.
 - (d) *the frequency with which exchange rates are updated*—an observable exchange rate unchanged over time is less likely to reflect the prevailing economic conditions than an observable exchange rate that is updated on a daily basis (or even more frequently).

Using the first subsequent exchange rate

- A15 A currency that is not exchangeable into another currency at the measurement date for a specified purpose might subsequently become exchangeable into that currency for that purpose. In such situations, an entity might conclude that the first subsequent exchange rate meets the objective in paragraph 19A. If the rate meets the objective in paragraph 19A, an entity may use that rate as the estimated spot exchange rate.
- A16 In assessing whether the first subsequent exchange rate meets the objective in paragraph 19A, an entity shall consider, among other factors:
- (a) *the time between the measurement date and the date at which exchangeability is restored*—the shorter this period, the more likely the first subsequent exchange rate will reflect the prevailing economic conditions.
 - (b) *inflation rates*—when an economy is subject to high inflation, including when an economy is hyperinflationary (as specified in NZ IAS 29 *Financial Reporting in Hyperinflationary Economies*), prices often change quickly, perhaps several times a day. Accordingly, the first subsequent

exchange rate for a currency of such an economy might not reflect the prevailing economic conditions.

Using another estimation technique

- A17 An entity using another estimation technique may use any observable exchange rate—including rates from exchange transactions in markets or exchange mechanisms that do not create enforceable rights and obligations—and adjust that rate, as necessary, to meet the objective in paragraph 19A.

Disclosure when a currency is not exchangeable

- A18 An entity shall consider how much detail is necessary to satisfy the disclosure objective in paragraph 57A. An entity shall disclose the information specified in paragraphs A19–A20 and any additional information necessary to meet the disclosure objective in paragraph 57A.

- A19 In applying paragraph 57A, an entity shall disclose:

- (a) the currency and a description of the restrictions that result in that currency not being exchangeable into the other currency;
- (b) a description of affected transactions;
- (c) the carrying amount of affected assets and liabilities;
- (d) the spot exchange rates used and whether those rates are:
 - (i) observable exchange rates without adjustment (see paragraphs A12–A16); or
 - (ii) spot exchange rates estimated using another estimation technique (see paragraph A17);
- * (e) a description of any estimation technique the entity has used, and qualitative and quantitative information about the inputs and assumptions used in that estimation technique; and
- * (f) qualitative information about each type of risk to which the entity is exposed because the currency is not exchangeable into the other currency, and the nature and carrying amount of assets and liabilities exposed to each type of risk.

- A20 When a foreign operation’s functional currency is not exchangeable into the presentation currency or, if applicable, the presentation currency is not exchangeable into a foreign operation’s functional currency, an entity shall also disclose:

- (a) the name of the foreign operation; whether the foreign operation is a subsidiary, joint operation, joint venture, associate or branch; and its principal place of business;
- (b) summarised financial information about the foreign operation; and
- * (c) the nature and terms of any contractual arrangements that could require the entity to provide financial support to the foreign operation, including events or circumstances that could expose the entity to a loss.

Appendix B

Amendments to other pronouncements

The amendments in this appendix shall be applied for annual periods beginning on or after 1 January 2005. If an entity applies this Standard for an earlier period, these amendments shall be applied for that earlier period.

The amendments contained in this appendix have been incorporated into the relevant pronouncements.

HISTORY OF AMENDMENTS

Table of Pronouncements – NZ IAS 21 *The Effects of Changes in Foreign Exchange Rates*

This table lists the pronouncements establishing and amending NZ IAS 21. The table is based on amendments approved as at 31 January 2026.

Pronouncements	Date issued	Early operative date	Mandatory date (annual reporting periods... on or after ...)
NZ IAS 21 <i>The Effects of Changes in Foreign Exchange Rates</i>	Nov 2004	1 Jan 2005	1 Jan 2007
Amendment to NZ IAS 21: <i>Net Investment in a Foreign Operation</i>	Feb 2006	1 Jan 2006	1 Jan 2007
NZ IAS 1 <i>Presentation of Financial Statements</i> (revised 2007) ¹	Nov 2007	Early application permitted	1 Jan 2009
NZ IAS 27 <i>Consolidated and Separate Financial Statements</i> (amended 2008)	Feb 2008	Early application permitted	1 July 2009
Amendments to NZ IFRS 1 and NZ IAS 27— <i>Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate</i>	June 2008	Early application permitted	1 Jan 2009
NZ IFRS 9 <i>Financial Instruments</i> (2009)	Nov 2009	Early application permitted	1 Jan 2013 ²
<i>Improvements to NZ IFRSs</i>	July 2010	Early application permitted	1 July 2010
Minor Amendments to NZ IFRSs	July 2010	Immediate	Immediate
NZ IFRS 9 <i>Financial Instruments</i> (2010)	Nov 2010	Early application permitted	1 Jan 2013 ³
NZ IFRS 10 <i>Consolidated Financial Statements</i>	June 2011	Early application permitted	1 Jan 2013
NZ IFRS 11 <i>Joint Arrangements</i>	June 2011	Early application permitted	1 Jan 2013
NZ IFRS 13 <i>Fair Value Measurement</i>	June 2011	Early application permitted	1 Jan 2013
<i>Presentation of Items of Other Comprehensive Income</i> (Amendments to NZ IAS 1)	Aug 2011	Early application permitted	1 July 2012
<i>Framework: Tier 1 and Tier 2 For-profit Entities</i> ⁴	Nov 2012	Early application permitted	1 Dec 2012
NZ IFRS 9 <i>Financial Instruments</i> (2013) (<i>Hedge Accounting and Amendments to NZ IFRS 9, NZ IFRS 7 and NZ IAS 39</i>)	Dec 2013	Early application permitted	1 Jan 2017 ⁵
NZ IFRS 9 <i>Financial Instruments</i> (2014)	Sept 2014	Early application permitted	1 Jan 2018
<i>2017 Omnibus Amendments to NZ IFRS</i> (editorial corrections only)	Nov 2017	Early application permitted	1 Jan 2018

¹ Superseded by NZ IFRS 18 *Presentation and Disclosure in Financial Statements*.

² Superseded by NZ IFRS 9 *Financial Instruments* (2014). NZ IFRS 9 (2014) restricted early application of earlier versions of NZ IFRS 9.

³ Superseded by NZ IFRS 9 *Financial Instruments* (2014). NZ IFRS 9 (2014) restricted early application of earlier versions of NZ IFRS 9.

⁴ This pronouncement amended extant NZ IFRSs by (i) deleting any public benefit entity paragraphs, (ii) deleting any differential reporting paragraphs, (iii) adding scope paragraphs for Tier 1 and Tier 2 for-profit entities, and (iv) adding RDR disclosure concessions.

⁵ Superseded by NZ IFRS 9 *Financial Instruments* (2014). NZ IFRS 9 (2014) restricted early application of earlier versions of NZ IFRS 9.

NZ IAS 21

Pronouncements	Date issued	Early operative date	Mandatory date (annual reporting periods... on or after ...)
NZ IFRS 16 <i>Leases</i>	Feb 2016	Early application permitted	1 Jan 2019
<i>Lack of Exchangeability</i>	Nov 2023	Early application permitted	1 Jan 2025
<i>Lack of Exchangeability RDR</i>	Jan 2024	Early application permitted	1 Jan 2025
NZ IFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	May 2024	Early application permitted	1 Jan 2027

Table of Amended Paragraphs in NZ IAS 21		
Paragraph affected	How affected	By ... [date]
Paragraph 3(b)	Amended	NZ IFRS 11 [June 2011]
Paragraph 3	Amended	NZ IFRS 9 (2009) [Nov 2009], NZ IFRS 9 (2010 [Nov 2010], NZ IFRS 9 (2013) [Dec 2013] and NZ IFRS 9 (2014) [Sept 2014]
Paragraph NZ 3.1	Added	<i>Presentation of Items of Other Comprehensive Income</i> [Aug 2011]
Paragraph 4	Amended	NZ IFRS 9 (2009) [Nov 2009], NZ IFRS 9 (2010 [Nov 2010], NZ IFRS 9 (2013) [Dec 2013] and NZ IFRS 9 (2014) [Sept 2014]
Paragraph 5	Amended	NZ IFRS 9 (2013) [Dec 2013] and NZ IFRS 9 (2014) [Sept 2014]
Paragraph 8	Amended	NZ IFRS 11 [June 2011]
Paragraph 8	Amended	<i>Lack of Exchangeability</i> [Nov 2023]
Paragraph 8A and preceding heading	Added	<i>Lack of Exchangeability</i> [Nov 2023]
Paragraph 8B	Added	<i>Lack of Exchangeability</i> [Nov 2023]
Paragraph 11	Amended	NZ IFRS 11 [June 2011]
Paragraph 15A	Added	Amendment to NZ IAS 21 [Feb 2006]
Paragraph 16	Amended	NZ IFRS 16 [Feb 2016]
Paragraph 18	Amended	NZ IFRS 11 [June 2011]
Paragraph 19	Amended	NZ IFRS 10 [June 2011]
Paragraph 19A and preceding heading	Added	<i>Lack of Exchangeability</i> [Nov 2023]
Paragraph 23	Amended	NZ IFRS 13 [June 2011]
Paragraph 26	Amended	<i>Lack of Exchangeability</i> [Nov 2023]
Paragraph 27	Amended	NZ IAS 1 [Nov 2007]
Paragraph 27	Amended	NZ IFRS 9 (2013) [Dec 2013] and NZ IFRS 9 (2014) [Sept 2014]
Paragraph 30	Amended	NZ IAS 1 [Nov 2007]
Paragraph 31	Amended	NZ IAS 1 [Nov 2007]
Paragraph 32	Amended	NZ IAS 1 [Nov 2007]
Paragraph 33	Amended	Amendment to NZ IAS 21 [Feb 2006]
Paragraph 33	Amended	NZ IAS 1 [Nov 2007]
Paragraph 33	Amended	NZ IFRS 11 [June 2011]
Paragraph 37	Amended	NZ IAS 1 [Nov 2007]
Paragraph 39	Amended	NZ IAS 1 [Nov 2007]

NZ IAS 21

Table of Amended Paragraphs in NZ IAS 21		
Paragraph affected	How affected	By ... [date]
Paragraph 39	Amended	<i>Presentation of Items of Other Comprehensive Income</i> [Aug 2011]
Paragraph 41	Amended	NZ IAS 1 [Nov 2007]
Paragraph 45	Amended	NZ IAS 1 [Nov 2007]
Paragraph 44	Amended	NZ IFRS 11 [June 2011]
Paragraph 45	Amended	NZ IFRS 10 and NZ IFRS 11 [June 2011]
Paragraph 46	Amended	NZ IFRS 10 and NZ IFRS 11 [June 2011]
Heading preceding paragraph 48	Amended	NZ IAS 27 [Feb 2008]
Paragraph 48	Amended	NZ IAS 1 [Nov 2007]
Paragraph 48	Amended	NZ IFRS 18 [May 2024]
Paragraphs 48A–48D	Added	NZ IAS 27 [Feb 2008]
Paragraph 48A	Amended	NZ IFRS 11 [June 2011]
Paragraph 49	Amended	NZ IAS 27 [Feb 2008]
Paragraph 49	Amended	Amendments to NZ IFRS 1 and NZ IAS 27 [June 2008]
Paragraph 52(b)	Amended	NZ IAS 1 [Nov 2007]
Paragraph 52	Amended	NZ IFRS 9 (2009) [Nov 2009], NZ IFRS 9 (2010) [Nov 2010], NZ IFRS 9 (2013) [Dec 2013] and NZ IFRS 9 (2014) [Sept 2014]
Paragraph 57A	Added	<i>Lack of Exchangeability</i> [Nov 2023]
Paragraph 57A	Amended	<i>Lack of Exchangeability RDR</i> [Jan 2024]
Paragraph 57B	Added	<i>Lack of Exchangeability</i> [Nov 2023]
Paragraph 58A	Added	Amendment to NZ IAS 21 [Feb 2006]
Paragraph 60A	Added	NZ IAS 1 [Nov 2007]
Paragraph 60A (footnote added)	Amended	NZ IFRS 18 [May 2024]
Paragraph 60B	Added	NZ IAS 27 [Feb 2008]
Paragraph 60B	Amended	<i>Improvements to NZ IFRSs</i> [July 2010]
Paragraph 60C	Added	NZ IFRS 9 (2009) [Nov 2009]
Paragraph 60C	Deleted	NZ IFRS 9 (2010) [Nov 2010], NZ IFRS 9 (2013) [Dec 2013] and NZ IFRS 9 (2014) [Sept 2014]
Paragraph 60D	Added	<i>Improvements to NZ IFRSs</i> [July 2010]
Paragraph 60E	Added	NZ IFRS 9 (2010) [Nov 2010]
Paragraph 60E	Deleted	NZ IFRS 9 (2013) [Dec 2013] and NZ IFRS 9 (2014) [Sept 2014]
Paragraph 60F	Added	NZ IFRS 10 and NZ IFRS 11 [June 2011]
Paragraph 60G	Added	NZ IFRS 13 [June 2011]
Paragraph 60H	Added	<i>Presentation of Items of Other Comprehensive Income</i> [Aug 2011]
Paragraph 60H (footnote added)	Amended	NZ IFRS 18 [May 2024]
Paragraph NZ 60H.1	Added	<i>Framework: Tier 1 and Tier 2 For-profit Entities</i> [Nov 2012]
Paragraph 60I	Added	NZ IFRS 9 (2013) [Dec 2013]
Paragraph 60I	Deleted	NZ IFRS 9 (2014) [Sept 2014]
Paragraph 60J	Added	NZ IFRS 9 (2014) [Sept 2014]
Paragraph 60K	Added	NZ IFRS 16 [Feb 2016]

Table of Amended Paragraphs in NZ IAS 21		
Paragraph affected	How affected	By ... [date]
Paragraph 60L	Added	<i>Lack of Exchangeability</i> [Nov 2023]
Paragraph 60M	Added	<i>Lack of Exchangeability</i> [Nov 2023]
Paragraph NZ 60N.1	Added	<i>Lack of Exchangeability</i> [Nov 2023]
Paragraph NZ 60N.2	Added	<i>Lack of Exchangeability</i> [Nov 2023]
Paragraph NZ 60N.3	Added	<i>Lack of Exchangeability</i> [Nov 2023]
Paragraph NZ 60N.4	Added	<i>Lack of Exchangeability RDR</i> [Jan 2024]
Paragraph NZ 60N.5	Added	<i>Lack of Exchangeability RDR</i> [Jan 2024]
Paragraph NZ 60N.6	Added	<i>Lack of Exchangeability RDR</i> [Jan 2024]
Paragraph NZ 60N.7	Added	<i>Lack of Exchangeability RDR</i> [Jan 2024]
Paragraph 60N	Added	NZ IFRS 18 [May 2024]
Paragraphs A1 – A20 and preceding headings	Added	<i>Lack of Exchangeability</i> [Nov 2023]
Paragraph A19	Amended	<i>Lack of Exchangeability RDR</i> [Jan 2024]
Paragraph A20	Amended	<i>Lack of Exchangeability RDR</i> [Jan 2024]