



## **New Zealand Equivalent to IFRIC Interpretation 6**

### **Liabilities arising from Participating in a Specific Market—Waste Electrical and Electronic Equipment(NZ IFRIC 6)**

**Issued October 2005 and incorporates amendments to 31 January 2026**

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## NZ IFRIC 6

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*from paragraph*

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**AMENDMENTS TO OTHER STANDARDS**

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The following is available within New Zealand on the XRB website as additional material

**BASIS FOR CONCLUSIONS**

## NZ IFRIC 6

New Zealand Equivalent to IFRIC Interpretation 6 *Liabilities arising from Participating in a Specific Market—Waste Electrical and Electronic Equipment* (NZ IFRIC 6) is set out in paragraphs 1–11.

NZ IFRIC 6 is based on IFRIC 6 *Liabilities arising from Participating in a Specific Market—Waste Electrical and Electronic Equipment* (IFRIC 6). NZ IFRIC 6 should be read in the context of the IFRIC's Basis for Conclusions on IFRIC 6.

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

### **Reduced Disclosure Regime**

Tier 2 for-profit entities must comply with all the provisions in NZ IFRIC 6.

# New Zealand Equivalent to IFRIC Interpretation 6

## ***Liabilities arising from Participating in a Specific Market—Waste Electrical and Electronic Equipment (NZ IFRIC 6)***

### References

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- NZ IAS 8 *Basis of Preparation of Financial Statements*
- NZ IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*

### Background

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- 1 Paragraph 17 of NZ IAS 37 specifies that an obligating event is a past event that leads to a present obligation that an entity has no realistic alternative to settling.
- 2 Paragraph 19 of NZ IAS 37 states that provisions are recognised only for ‘obligations arising from past events existing independently of an entity’s future actions’.
- 3 The European Union’s Directive on Waste Electrical and Electronic Equipment (WE&EE), which regulates the collection, treatment, recovery and environmentally sound disposal of waste equipment, has given rise to questions about when the liability for the decommissioning of WE&EE should be recognised. The Directive distinguishes between ‘new’ and ‘historical’ waste and between waste from private households and waste from sources other than private households. New waste relates to products sold after 13 August 2005. All household equipment sold before that date is deemed to give rise to historical waste for the purposes of the Directive.
- 4 The Directive states that the cost of waste management for historical household equipment should be borne by producers of that type of equipment that are in the market during a period to be specified in the applicable legislation of each Member State (the measurement period). The Directive states that each Member State shall establish a mechanism to have producers contribute to costs proportionately ‘e.g. in proportion to their respective share of the market by type of equipment’.
- 5 Several terms used in the Interpretation such as ‘market share’ and ‘measurement period’ may be defined very differently in the applicable legislation of individual Member States. For example, the length of the measurement period might be a year or only one month. Similarly, the measurement of market share and the formulae for computing the obligation may differ in the various national legislations. However, all of these examples affect only the measurement of the liability, which is not within the scope of the Interpretation.

### Scope

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- NZ 5.1 This Interpretation applies to Tier 1 and Tier 2 for-profit entities.
- 6 This Interpretation provides guidance on the recognition, in the financial statements of producers, of liabilities for waste management under the EU Directive on WE&EE in respect of sales of historical household equipment.
  - 7 The Interpretation addresses neither new waste nor historical waste from sources other than private households. The liability for such waste management is adequately covered in NZ IAS 37. However, if, in national legislation, new waste from private households is treated in a similar manner to historical waste from private households, the principles of the Interpretation apply by reference to the hierarchy in paragraphs 10–12 of NZ IAS 8. The NZ IAS 8 hierarchy is also relevant for other regulations that impose obligations in a way that is similar to the cost attribution model specified in the EU Directive.

## Issue

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- 8 The IFRIC was asked to determine in the context of the decommissioning of WE&EE what constitutes the obligating event in accordance with paragraph 14(a) of NZ IAS 37 for the recognition of a provision for waste management costs:
- the manufacture or sale of the historical household equipment?
  - participation in the market during the measurement period?
  - the incurrence of costs in the performance of waste management activities?

## Consensus

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- 9 Participation in the market during the measurement period is the obligating event in accordance with paragraph 14(a) of NZ IAS 37. As a consequence, a liability for waste management costs for historical household equipment does not arise as the products are manufactured or sold. Because the obligation for historical household equipment is linked to participation in the market during the measurement period, rather than to production or sale of the items to be disposed of, there is no obligation unless and until a market share exists during the measurement period. The timing of the obligating event may also be independent of the particular period in which the activities to perform the waste management are undertaken and the related costs incurred.

## Effective date

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- 10 An entity shall apply this Interpretation for annual periods beginning on or after 1 January 2007. For entities which elect to comply 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 and before 1 January 2007, this Interpretation becomes operative for annual accounting periods beginning on or after 1 December 2005. Earlier application is encouraged. If an entity applies the Interpretation for a period beginning before 1 December 2005, it shall disclose that fact.
- NZ 10.1 *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.

## Transition

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- 11 Changes in accounting policies shall be accounted for in accordance with NZ IAS 8.

## IFRIC Basis for Conclusions

BC1–BC10 [Paragraphs BC1–BC10 do not form part of NZ IFRIC 6.]

## Appendix

### Amendments to other Standards

*The amendments in this appendix shall be applied for annual accounting periods beginning on or after 1 January 2007. In respect of entities which elect to comply 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 or before 1 January 2007, the amendments shall be applied for annual accounting periods beginning on or after 1 December 2005. If an entity applies the Interpretation for an earlier period, these amendments shall be applied for that earlier period.*

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## HISTORY OF AMENDMENTS

### Table of Pronouncements – NZ IFRIC 6 *Liabilities Arising from Participating in a Specific Market—Waste Electrical and Electronic Equipment*

This table lists the pronouncements establishing and amending NZ IFRIC 6. The table is based on amendments approved as at 31 January 2026.

<b>Pronouncements</b>	<b>Date issued</b>	<b>Early operative date</b>	<b>Mandatory date (annual reporting periods... on or after ...)</b>
NZ IFRIC 6 <i>Liabilities Arising from Participating in a Specific Market—Waste Electrical and Electronic Equipment</i>	Oct 2005	1 Jan 2006	1 Jan 2007
<i>Framework: Tier 1 and Tier 2 For-profit Entities<sup>1</sup></i>	Nov 2012	Early application permitted	1 Dec 2012
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 IFRIC 1

<b>Paragraph affected</b>	<b>How affected</b>	<b>By ... [date]</b>
References	Amended	NZ IFRS 18 [May 2024]
Paragraph NZ 10.1	Added	<i>Framework: Tier 1 and Tier 2 For-profit Entities</i> [Nov 2012]

<sup>1</sup> 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.