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This standard was published in the *Gazette* on 19 June 2026 and takes effect on 17 July 2026. There is an [explanatory note](#) at the end of this standard that includes an explanation of how and from when this standard operates

Translation to a Hyperinflationary Presentation Currency (Amendments to NZ IAS 21)

This standard is issued under section 12(a) of the Financial Reporting Act 2013 by the New Zealand Accounting Standards Board:

- (a) acting under delegated authority of the External Reporting Board (given in accordance with section 73 of the Crown Entities Act 2004); and
- (b) after complying with section 22 of the Financial Reporting Act 2013.

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Title

0.1 This standard is the Translation to a Hyperinflationary Presentation Currency (Amendments to NZ IAS 21).

Commencement

0.2 This standard takes effect on the 28th day after the date of its publication under the Legislation Act 2019 (see section 27 of the Financial Reporting Act 2013).

Principal standards

0.3 This standard amends the following principal standards:

- New Zealand Equivalent to International Accounting Standard 21 *The Effects of Changes in Foreign Exchange Rates* (NZ IAS 21)
- New Zealand Equivalent to International Accounting Standard 29 *Financial Reporting in Hyperinflationary Economies* (NZ IAS 29)

How amendments are made

0.4 In this standard, text in the principal standard is deleted or inserted as follows:

- (a) text that is shown as ~~struck out~~ is deleted from the stated provision of the principal standard
- (b) text that is shown as underlined is inserted into the provision, or is inserted as a new provision, of the principal standard

Any other text included in this standard is only for the purposes of identifying these amendments within the principal standards.

Application

0.5 The accounting periods in relation to which this 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**.

0.6 In paragraph 0.5:

Early adopter means a reporting entity that applies this 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 standard takes effect (and to avoid doubt, that period may have begun before this standard takes effect); and
- (b) For which the early adopter:
 - (i) First applies this standard in preparing its financial statements; and
 - (ii) Discloses in its financial statements for that accounting period that this standard has been applied for that period.

Mandatory date means 1 January 2027.

Amendments to NZ IAS 21 *The Effects of Changes in Foreign Exchange Rates*

Paragraph 39 amended

- 39 When an entity's functional currency and presentation currency differ and are the currencies of non-hyperinflationary economies, the results and financial position of the entity whose functional currency is not the currency of a hyperinflationary economy shall be translated into the a different presentation currency using the following procedures:

Paragraphs 41A and 41B added

- 41A When an entity's functional currency is the currency of a non-hyperinflationary economy but its presentation currency is the currency of a hyperinflationary economy, the results and financial position of the entity shall be translated into the presentation currency by translating all amounts (ie assets, liabilities, equity items, income and expenses, including comparatives) at the closing rate at the date of the most recent statement of financial position.
- 41B When the economy whose currency is the entity's presentation currency ceases to be hyperinflationary and the entity's functional currency continues to be the currency of a non-hyperinflationary economy, the entity shall no longer apply paragraph 41A and instead apply paragraph 39. The entity shall do so prospectively from the beginning of the reporting period in which the economy ceases to be hyperinflationary—ie the entity shall not retranslate amounts that arose before the beginning of the reporting period.

Paragraph 42 amended

- 42 When an entity's functional currency and presentation currency differ and the entity's functional currency is the currency of a hyperinflationary economy, the results and financial position of the an entity whose functional currency is the currency of a hyperinflationary economy shall be translated into the a different presentation currency using the following procedures:

Paragraph 44 amended

- 44 Paragraphs 45–~~47A~~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.

Paragraph 47 amended

- 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, 41A and 42.

Paragraph 47A added

- 47A When an entity's functional currency and presentation currency are the currency of a hyperinflationary economy (or are the currencies of different hyperinflationary economies) and the entity translates the results and financial position of a foreign operation whose functional currency is that of a non-hyperinflationary economy, the entity shall not apply paragraph 41A to the comparative amounts of that foreign operation. Instead, the entity shall restate the comparative amounts of that foreign operation included in the entity's previously issued financial statements by applying the general price index it applies to corresponding figures for the previous reporting period in accordance with paragraph 34 of NZ IAS 29.

Paragraphs 53A and 53B added

- 53A When an entity applies paragraph 41A to translate its results and financial position or the results and financial position of a foreign operation, the entity shall disclose the fact that all amounts (ie assets, liabilities, equity items, income and expenses and, if not applying paragraph 47A, comparatives) in its financial statements, or the results and financial position of its foreign operations, have been translated at the closing rate at the date of the most recent statement of financial position.
- 53B When an entity's functional currency is that of a hyperinflationary economy, and that entity applies paragraphs 41A and 47A to translate the results and financial position of its foreign operations, the entity shall disclose summarised financial information about its foreign operations that enables users of financial statements to assess the effect of these foreign operations on the entity's results and financial position. The entity shall label the comparative summarised financial information about its foreign operations to identify that the entity prepared the information by applying the general price index it applies to corresponding figures for the previous reporting period in accordance with paragraph 34 of NZ IAS 29.

Paragraph 54A added

54A When an entity applies paragraph 41B, the entity shall disclose the fact that its presentation currency has ceased to be the currency of a hyperinflationary economy.

Paragraph 55 amended

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 IFRSs only if they comply with all the requirements of IFRSs including the translation method set out in paragraphs 39, ~~41A,~~ and 42 and 47A.

Paragraphs 60O and 60P and related heading added

Translation to a Hyperinflationary Presentation Currency (Amendments to NZ IAS 21)

60O Translation to a Hyperinflationary Presentation Currency (Amendments to NZ IAS 21) (“the amending standard”), issued in June 2026, added paragraphs 41A–41B, 47A, 53A–53B, 54A, 60P and amended paragraphs 39, 42, 44, 47 and 55. For commencement and application date provisions refer to paragraphs 0.2, 0.5, and 0.6 of the amending standard. An entity that applies the amending standard for an early adoption period under that amending standard must disclose that fact when reporting in relation to that period.

60P In applying the amending standard:

- (a) an entity, whose functional currency and presentation currency are the currency of a hyperinflationary economy (or are the currencies of different hyperinflationary economies) and that translates the results and financial position of foreign operations whose functional currency is that of a non-hyperinflationary economy, shall:
 - (i) apply that amending standard from the beginning of the accounting period in which it first applies the amending standard;
 - (ii) restate the comparative amounts of its foreign operations included in the entity’s previously issued financial statements by applying the general price index it applies to corresponding figures in accordance with paragraph 34 of NZ IAS 29; and
 - (iii) disclose comparative summarised financial information about its foreign operations and label such information to identify that the entity prepared the information by applying (ii).
- (b) except as specified in (a), an entity shall apply the amending standard as if it had always been applied in accordance with NZ IAS 8.
- (c) but an entity is not required to disclose the information that would otherwise be required by paragraph 28(f) of NZ IAS 8.

Amendments to NZ IAS 29 *Financial Reporting in Hyperinflationary Economies*

Paragraph 8 amended

8 The financial statements of an entity whose functional currency is the currency of a hyperinflationary economy, whether they are based on a historical cost approach or a current cost approach, shall be stated in terms of the measuring unit current at the end of the reporting period. The corresponding figures for the previous period required by IFRS 18 *Presentation and Disclosure in Financial Statements* and any information in respect of earlier periods shall also be stated in terms of the measuring unit current at the end of the reporting period. For the purpose of presenting comparative amounts in a different presentation currency, paragraphs 41A, 42(b), ~~and 43~~ and 47A of NZ IAS 21 *The Effects of Changes in Foreign Exchange Rates* apply.

Paragraph 34 amended

34 Corresponding figures for the previous reporting period, whether they were based on a historical cost approach or a current cost approach, are restated by applying a general price index so that the comparative financial statements are presented in terms of the measuring unit current at the end of the reporting period. Information that is disclosed in respect of earlier periods is also expressed in terms of the measuring unit current at the end of the reporting period. For the purpose of presenting comparative amounts in a different presentation currency, paragraphs 41A, 42(b), ~~and 43~~ and 47A of NZ IAS 21 apply.

Issued at Wellington on 17 June 2026

Dr Carolyn Cordery

Chair

New Zealand Accounting Standards Board acting under delegated authority of the External Reporting Board

EXPLANATORY NOTE AND OTHER INFORMATION

This note and other information is not part of the standard

Explanatory note

This standard is the Translation to a Hyperinflationary Presentation Currency (Amendments to NZ IAS 21).

This standard has been issued to clarify how entities should translate financial statements from a non-hyperinflationary currency into a hyperinflationary currency.

This standard applies to accounting periods that begin or after 1 January 2027 unless the reporting entity is an early adopter.

The paragraph numbering within this Amendment Standard refers to the paragraph numbering of the Principal Standard as issued. The footnote numbering within this Amendment Standard may be adjusted consecutively rather than referring to the footnote numbering of the Principal Standard as issued. Accordingly, some paragraph and footnote numbering may not align with the compiled standard as published from time to time by the XRB on its website.

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Minimum Legislative Information

This standard is secondary legislation published under the Legislation Act 2019.

Title	Translation to a Hyperinflation Presentation Currency (Amendments to NZ IAS 21)
Principal or amendment	Amendment
Consolidated version	No
Empowering Act and provisions	Section 12(a) of the Financial Reporting Act 2013
Replacement empowering Act and provision	
Maker name	New Zealand Accounting Standards Board acting under delegated authority of the External Reporting Board
Administering agency	External Reporting Board
Date made	17 June 2026
Publication date	19 June 2026
Notification date	19 June 2026
Commencement date	17 July 2026
End date	
Consolidation as at date	
Related instruments (unofficial XRB consolidation)	NZ IAS 21 <i>The Effects of Changes in Foreign Exchange Rates</i> NZ IAS 29 <i>Financial Reporting in Hyperinflationary Economies</i>