NEW ACCOUNTING STANDARDS FRAMEWORK

For entities required by law to prepare General Purpose Financial Reports



(1) Definition of publicly accountable = Entities that either:

a) Meet the International Accounting Standards Board's (IASB) definition of public accountability:

- Entities that have debt or equity instruments that are traded, or to be traded, in a public market
- · Entities that hold assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses

b) Or are entities deemed to be publicly accountable in New Zealand by legislation being FMC Reporting Entities as defined by the Financial Markets Conduct Act 2013, including

issuers, licensed supervisors, registered banks, deposit takers, insurance providers and registered superannuation schemes.

(2) Some differences in PBE standards between Public Sector and Not-for-profit entities

(3) For this purpose, the definition of large varies. For locally owned entities, you are considered large if revenue exceeds \$30m or assets exceed \$60m.

For overseas companies or subsidiaries of overseas companies, the threshold is reduced to revenue exceeding \$10m or assets exceeding \$20m.

When do these apply?

- For-profit entities: NZ IFRS RDR is available now (for periods commencing on or after 1 November 2012)
- For-profit entities: *Transitional tiers 3 & 4 will be removed and no longer available from periods beginning on or after 1 April 2015. For those entities that are no longer required to file, this means that they can adopt NZ IFRS RDR if they still wish to follow a form of generally accepted accounting practice.



- Public sector PBEs: For periods beginning on or after 1 July 2014
- Not-for-profit PBEs: For periods beginning on or after 1 April 2015