

**AASB/NZASB Staff Issues Paper
Comparison of current RDR with RDR under the new proposals**

Purpose

1. The purpose of this paper is to provide the AASB and the NZASB with a basis for deciding the approach to take to the analysis of Tier 2 disclosures (Approach 1 or 2).

Introduction

2. To help facilitate the Board's decision staff have applied the two general principles proposed in Agenda Paper 6.2 and the six Key Disclosure Areas (KDAs) to analyse two standards.
3. The staff analysis uses two different approaches:
 - (a) Approach 1: identifying all the required disclosures, by shading out the Tier 1 disclosures that Tier 2 entities are not required to make along with other Reduced Disclosure Requirements (RDR) paragraphs.
 - (b) Approach 2: involves the establishment of the disclosure requirements for Tier 2 entities. Under Approach 2 the role of the disclosures required of Tier 1 entities is one of setting the boundaries of disclosures that the Boards can require of Tier 2 entities.

Analysis

4. The method that staff have applied to demonstrate the potential impact of the application of the different approaches is to analyse AASB 124/NZ IAS 24 *Related Party Disclosures* and AASB 15/NZ IFRS 15 *Revenue from Contracts with Customers* by:
 - (a) applying Approach 1 and comparing it to the current RDR requirements (see Tables 1 and 2);
 - (b) applying Approach 2 (Tables 3 and 4); and
 - (c) providing a high-level comparison of the outcomes of each approach (Approach 1, current RDR, Approach 2) so that Board members can have a high level understanding of what difference in disclosure requirements would result.
5. The results of the staff analysis indicates that the application of Approach 1 compared to the current RDR achieves little difference in the Tier 2 disclosures (see Tables 1 and 2). In contrast, the application of Approach 2 offers more flexibility than Approach 1 in meeting user needs and its potential for clarity of language and its better visual appearance suggest it is more user friendly (see Tables 3 and 4).
6. Some of the unshaded paragraphs under Approach 1 provide guidance relating to the required disclosure rather than being disclosure requirements themselves. Although Approach 2 does include some guidance relating to the required disclosure its quantum is less than under Approach 1.

Staff recommendation

7. AASB staff recommend that Approach 2 is the most appropriate approach to take to the analysis of Tier 2 disclosures.
8. NZASB staff do not have a specific recommendation at this stage.

Question for Board members

- Q1 Which approach do Board members prefer? Approach 1, or Approach 2 (recommended by the AASB staff)?

Table 1 Approach 1 - Comparison of current RDR with RDR under proposed principles – AASB 124/NZ IAS 24 <i>Related Party Disclosures</i>		
Current disclosure concessions (shaded)	Disclosure concessions under proposed principles (shaded)	Mapping the relationship of KDAs to proposed unshaded disclosure requirement paragraphs
<p>Disclosures</p> <p>All entities</p> <p>13 Relationships between a parent and its subsidiaries shall be disclosed irrespective of whether there have been transactions between them. An entity shall disclose the name of its parent and, if different, the ultimate controlling party. If neither the entity's parent nor the ultimate controlling party produces consolidated financial statements available for public use, the name of the next most senior parent that does so shall also be disclosed.</p>	<p>Disclosures</p> <p>All entities</p> <p>13 Relationships between a parent and its subsidiaries shall be disclosed irrespective of whether there have been transactions between them. An entity shall disclose the name of its parent and, if different, the ultimate controlling party. If neither the entity's parent nor the ultimate controlling party produces consolidated financial statements available for public use, the name of the next most senior parent that does so shall also be disclosed.</p>	<p>Meets user needs: KDA (e) Risks to which the entity is exposed (for example, related party transactions, assets used as security for debt, impairments and estimates and judgements).</p>
<p>Aus13.1 When any of the parent entities and/or ultimate controlling parties named in accordance with paragraph 13 is incorporated or otherwise constituted outside Australia, an entity shall:</p> <p>(a) identify which of those entities is incorporated overseas and where; and</p> <p>(b) disclose the name of the ultimate controlling entity incorporated within Australia.</p>	<p>Aus 13.1 When any of the parent entities and/or ultimate controlling parties named in accordance with paragraph 13 is incorporated or otherwise constituted outside Australia, an entity shall:</p> <p>(a) identify which of those entities is incorporated overseas and where; and</p> <p>(b) disclose the name of the ultimate controlling entity incorporated within Australia.</p>	
<p>14 To enable users of financial statements to form a view about the effects of related party relationships on an entity, it is appropriate to disclose the related party relationship when control exists, irrespective of whether there have been transactions between the related parties.</p>	<p>14 To enable users of financial statements to form a view about the effects of related party relationships on an entity, it is appropriate to disclose the related party relationship when control exists, irrespective of whether there have been transactions between the related parties.</p>	<p>Guidance relating to the disclosures required by paragraph 13.</p>
<p>15 The requirement to disclose related party relationships between a parent and its subsidiaries is in addition to the disclosure requirements in AASB 127/NZ IAS 27 and AASB 12/NZ IFRS 12 <i>Disclosure of Interests in Other Entities</i>.</p>	<p>15 The requirement to disclose related party relationships between a parent and its subsidiaries is in addition to the disclosure requirements in AASB 127/NZ IAS 27 and AASB 12/NZ IFRS 12 <i>Disclosure of Interests in Other Entities</i>.</p>	<p>Guidance relating to the disclosures required by paragraph 13.</p>
<p>16 Paragraph 13 refers to the next most senior parent. This is the first parent in the group above the immediate parent</p>	<p>16 Paragraph 13 refers to the next most senior parent. This is the first parent in the group above the immediate parent</p>	<p>Guidance relating to the disclosures required by</p>

Table 1 Approach 1 - Comparison of current RDR with RDR under proposed principles – AASB 124/NZ IAS 24 Related Party Disclosures		
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that produces consolidated financial statements available for public use.	that produces consolidated financial statements available for public use.	paragraph 13.
<p>17 An entity shall disclose key management personnel compensation in total and for each of the following categories:</p> <p>(a) short-term employee benefits;</p> <p>(b) post-employment benefits;</p> <p>(c) other long-term benefits;</p> <p>(d) termination benefits; and</p> <p>(e) share-based payment.</p>	<p>17 An entity shall disclose key management personnel compensation in total and for each of the following categories:</p> <p>(a) short-term employee benefits;</p> <p>(b) post-employment benefits;</p> <p>(c) other long-term benefits;</p> <p>(d) termination benefits; and</p> <p>(e) share-based payment.</p>	<p>Meets user needs:</p> <p>KDA (e) Risks to which the entity is exposed (for example, related party transactions, assets used as security for debt, impairments and estimates and judgements).</p> <p>KDA (f) Accountability.</p> <p>Subparagraphs (a)–(e) excluded because disaggregation does not meet user needs.</p>
<p>17A If an entity obtains key management personnel services from another entity (the ‘management entity’), the entity is not required to apply the requirements in paragraph 17 to the compensation paid or payable by the management entity to the management entity’s employees or directors.</p>	<p>17A If an entity obtains key management personnel services from another entity (the ‘management entity’), the entity is not required to apply the requirements in paragraph 17 to the compensation paid or payable by the management entity to the management entity’s employees or directors.</p>	<p>Meets user needs:</p> <p>KDA (e) Risks to which the entity is exposed (for example, related party transactions, assets used as security for debt, impairments and estimates and judgements).</p>
<p>18 If an entity has had related party transactions during the periods covered by the financial statements, it shall disclose the nature of the related party relationship as well as information about those transactions and outstanding balances, including commitments, necessary for users to understand the potential effect of the relationship on the financial statements. These disclosure requirements are in addition to those in paragraph 17. At a minimum, disclosures shall include:</p> <p>(a) the amount of the transactions;</p> <p>(b) the amount of outstanding balances, including commitments, and:</p> <p>(i) their terms and conditions, including</p>	<p>18 If an entity has had related party transactions during the periods covered by the financial statements, it shall disclose the nature of the related party relationship as well as information about those transactions and outstanding balances, including commitments, necessary for users to understand the potential effect of the relationship on the financial statements. These disclosure requirements are in addition to those in paragraph 17. At a minimum, disclosures shall include:</p> <p>(a) the amount of the transactions;</p> <p>(b) the amount of outstanding balances, including commitments, and:</p> <p>(i) their terms and conditions, including</p>	<p>Meets user needs:</p> <p>KDA (a) Financial performance, financial position and cash flows [this is achieved by presenting the relevant statements].</p> <p>KDA (e) Risks to which the entity is exposed (for example, related party transactions, assets used as security for debt, impairments and estimates and judgements).</p> <p>KDA (f) Accountability.</p>

Table 1 Approach 1 - Comparison of current RDR with RDR under proposed principles – AASB 124/NZ IAS 24 Related Party Disclosures		
Current disclosure concessions (shaded)	Disclosure concessions under proposed principles (shaded)	Mapping the relationship of KDAs to proposed unshaded disclosure requirement paragraphs
<p>whether they are secured, and the nature of the consideration to be provided in settlement; and</p> <p>(ii) details of any guarantees given or received;</p> <p>(c) provisions for doubtful debts related to the amount of outstanding balances; and</p> <p>(d) the expense recognised during the period in respect of bad or doubtful debts due from related parties.</p>	<p>whether they are secured, and the nature of the consideration to be provided in settlement; and</p> <p>(ii) details of any guarantees given or received;</p> <p>(c) provisions for doubtful debts related to the amount of outstanding balances; and</p> <p>(d) the expense recognised during the period in respect of bad or doubtful debts due from related parties.</p>	
<p>18A Amounts incurred by the entity for the provision of key management personnel services that are provided by a separate management entity shall be disclosed.</p>	<p>18A Amounts incurred by the entity for the provision of key management personnel services that are provided by a separate management entity shall be disclosed.</p>	<p>Meets user needs: KDA (e) Risks to which the entity is exposed (for example, related party transactions, assets used as security for debt, impairments and estimates and judgements). KDA (f) Accountability.</p>
<p>19 The disclosures required by paragraph 18 shall be made separately for each of the following categories:</p> <p>(a) the parent;</p> <p>(b) entities with joint control of, or significant influence over the entity;</p> <p>(c) subsidiaries;</p> <p>(d) associates;</p> <p>(e) joint ventures in which the entity is a joint venturer;</p> <p>(f) key management personnel of the entity or its parent; and</p> <p>(g) other related parties.</p>	<p>19 The disclosures required by paragraph 18 shall be made separately for each of the following categories:</p> <p>(a) the parent;</p> <p>(b) entities with joint control of, or significant influence over the entity;</p> <p>(c) subsidiaries;</p> <p>(d) associates;</p> <p>(e) joint ventures in which the entity is a joint venturer;</p> <p>(f) key management personnel of the entity or its parent; and</p> <p>(g) other related parties.</p>	<p>Meets user needs: KDA (e) Risks to which the entity is exposed (for example, related party transactions, assets used as security for debt, impairments and estimates and judgements). KDA (f) Accountability.</p>
<p>20 The classification of amounts payable to, and receivable from, related parties in the different categories as required in paragraph 19 is an extension of the disclosure requirement in</p>	<p>20 The classification of amounts payable to, and receivable from, related parties in the different categories as required in paragraph 19 is an extension of the disclosure requirement in</p>	<p>Guidance relating to the disclosures required in paragraphs 18 and 19.</p>

Table 1 Approach 1 - Comparison of current RDR with RDR under proposed principles – AASB 124/NZ IAS 24 Related Party Disclosures		
Current disclosure concessions (shaded)	Disclosure concessions under proposed principles (shaded)	Mapping the relationship of KDAs to proposed unshaded disclosure requirement paragraphs
AASB 101/NZ IAS 1 <i>Presentation of Financial Statements</i> for information to be presented either in the statement of financial position or in the notes. The categories are extended to provide a more comprehensive analysis of related party balances and apply to related party transactions.	AASB 101/NZ IAS 1 <i>Presentation of Financial Statements</i> for information to be presented either in the statement of financial position or in the notes. The categories are extended to provide a more comprehensive analysis of related party balances and apply to related party transactions.	
21 The following are examples of transactions that are disclosed if they are with a related party: <ul style="list-style-type: none"> (a) purchases or sales of goods (finished or unfinished); (b) purchases or sales of property and other assets; (c) rendering or receiving of services; (d) leases; (e) transfers of research and development; (f) transfers under licence agreements; (g) transfers under finance arrangements (including loans and equity contributions in cash or in kind); (h) provision of guarantees or collateral; (i) commitments to do something if a particular event occurs or does not occur in the future, including executory contracts [footnote omitted] (recognised and unrecognised); and (j) settlement of liabilities on behalf of the entity or by the entity on behalf of that related party. 	21 The following are examples of transactions that are disclosed if they are with a related party: <ul style="list-style-type: none"> (a) purchases or sales of goods (finished or unfinished); (b) purchases or sales of property and other assets; (c) rendering or receiving of services; (d) leases; (e) transfers of research and development; (f) transfers under licence agreements; (g) transfers under finance arrangements (including loans and equity contributions in cash or in kind); (h) provision of guarantees or collateral; (i) commitments to do something if a particular event occurs or does not occur in the future, including executory contracts [footnote omitted] (recognised and unrecognised); and (j) settlement of liabilities on behalf of the entity or by the entity on behalf of that related party. 	Examples of related party transactions which provides guidance about the disclosures required in paragraphs 18 and 19.
22 Participation by a parent or subsidiary in a defined benefit plan that shares risks between group entities is a transaction between related parties (see paragraph 42 of AASB 119/NZ IAS 19 (as amended in 2011)).	22 Participation by a parent or subsidiary in a defined benefit plan that shares risks between group entities is a transaction between related parties (see paragraph 42 of AASB 119/NZ IAS 19 (as amended in 2011)).	Paragraph provides guidance about related party transactions.
23 Disclosures that related party transactions were made on terms equivalent to those that prevail in arm’s length transactions are made only if	23 Disclosures that related party transactions were made on terms equivalent to those that prevail in arm’s length transactions are made only if	Meets user needs: KDA (e) Risks to which the entity is exposed (for example,

**Table 1 Approach 1 - Comparison of current RDR with RDR under proposed principles – AASB 124/NZ IAS 24
 Related Party Disclosures**

Current disclosure concessions (shaded)	Disclosure concessions under proposed principles (shaded)	Mapping the relationship of KDAs to proposed unshaded disclosure requirement paragraphs
such terms can be substantiated.	such terms can be substantiated.	related party transactions, assets used as security for debt, impairments and estimates and judgements). KDA (f) Accountability.
<p>24 Items of a similar nature may be disclosed in aggregate except when separate disclosure is necessary for an understanding of the effects of related party transactions on the financial statements of the entity.</p>	<p>24 Items of a similar nature may be disclosed in aggregate except when separate disclosure is necessary for an understanding of the effects of related party transactions on the financial statements of the entity.</p>	<p>Meets user needs: KDA (f) accountability. Permits aggregation of information rather than being a disclosure requirement.</p>
<p>Government-related entities</p> <p>25 A reporting entity is exempt from the disclosure requirements of paragraph 18 in relation to related party transactions and outstanding balances, including commitments, with:</p> <p>(a) a government that has control or joint control of, or significant influence over, the reporting entity; and</p> <p>(b) another entity that is a related party because the same government has control or joint control of, or significant influence over, both the reporting entity and the other entity.</p>	<p>Government-related entities</p> <p>25 A reporting entity is exempt from the disclosure requirements of paragraph 18 in relation to related party transactions and outstanding balances, including commitments, with:</p> <p>(a) a government that has control or joint control of, or significant influence over, the reporting entity; and</p> <p>(b) another entity that is a related party because the same government has control or joint control of, or significant influence over, both the reporting entity and the other entity.</p>	<p>Exemption for disclosure requirements rather than a disclosure requirement.</p>

Table 1 Approach 1 - Comparison of current RDR with RDR under proposed principles – AASB 124/NZ IAS 24 <i>Related Party Disclosures</i>		
Current disclosure concessions (shaded)	Disclosure concessions under proposed principles (shaded)	Mapping the relationship of KDAs to proposed unshaded disclosure requirement paragraphs
<p>26 If a reporting entity applies the exemption in paragraph 25, it shall disclose the following about the transactions and related outstanding balances referred to in paragraph 25:</p> <ul style="list-style-type: none"> (a) the name of the government and the nature of its relationship with the reporting entity (ie control, joint control or significant influence); (b) the following information in sufficient detail to enable users of the entity’s financial statements to understand the effect of related party transactions on its financial statements: <ul style="list-style-type: none"> (i) the nature and amount of each individually significant transaction; and (ii) for other transactions that are collectively, but not individually, significant, a qualitative or quantitative indication of their extent. Types of transactions include those listed in paragraph 21. 	<p>26 If a reporting entity applies the exemption in paragraph 25, it shall disclose the following about the transactions and related outstanding balances referred to in paragraph 25:</p> <ul style="list-style-type: none"> (a) the name of the government and the nature of its relationship with the reporting entity (ie control, joint control or significant influence); (b) the following information in sufficient detail to enable users of the entity’s financial statements to understand the effect of related party transactions on its financial statements: <ul style="list-style-type: none"> (i) the nature and amount of each individually significant transaction; and (ii) for other transactions that are collectively, but not individually, significant, a qualitative or quantitative indication of their extent. Types of transactions include those listed in paragraph 21. 	<p>Meets user needs: KDA (e) Risks to which the entity is exposed (for example, related party transactions, assets used as security for debt, impairments and estimates and judgements). KDA (f) Accountability.</p> <p>However, excluded on cost-benefit grounds.</p>
<p>27 In using its judgement to determine the level of detail to be disclosed in accordance with the requirements in paragraph 26(b), the reporting entity shall consider the closeness of the related party relationship and other factors relevant in establishing the level of significance of the transaction such as whether it is:</p> <ul style="list-style-type: none"> (a) significant in terms of size; (b) carried out on non-market terms; (c) outside normal day-to-day business operations, such as the purchase and sale of businesses; (d) disclosed to regulatory or supervisory authorities; 	<p>27 In using its judgement to determine the level of detail to be disclosed in accordance with the requirements in paragraph 26(b), the reporting entity shall consider the closeness of the related party relationship and other factors relevant in establishing the level of significance of the transaction such as whether it is:</p> <ul style="list-style-type: none"> (a) significant in terms of size; (b) carried out on non-market terms; (c) outside normal day-to-day business operations, such as the purchase and sale of businesses; (d) disclosed to regulatory or supervisory authorities; 	<p>Excluded because this relates to paragraph 26(b) which is excluded.</p>

**Table 1 Approach 1 - Comparison of current RDR with RDR under proposed principles – AASB 124/NZ IAS 24
 Related Party Disclosures**

Current disclosure concessions (shaded)	Disclosure concessions under proposed principles (shaded)	Mapping the relationship of KDAs to proposed unshaded disclosure requirement paragraphs
(e) reported to senior management; (f) subject to shareholder approval.	(e) reported to senior management; (f) subject to shareholder approval.	

Table 2 Approach 1 – Comparison of current RDR with RDR under proposed principles – AASB 15/NZ IFRS 15 <i>Revenue from Contracts with Customers</i>		
Current disclosure concessions (shaded)	Disclosure concessions under proposed principles (shaded)	Mapping the relationship of KDAs to proposed unshaded disclosure requirement paragraphs
<p>Disclosure</p> <p>110 The objective of the disclosure requirements is for an entity to disclose sufficient information to enable users of financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. To achieve that objective, an entity shall disclose qualitative and quantitative information about all of the following:</p> <p>(a) its contracts with customers (see paragraphs 113–122);</p> <p>(b) the significant judgements, and changes in the judgements, made in applying this Standard to those contracts (see paragraphs 123–126); and</p> <p>(c) any assets recognised from the costs to obtain or fulfil a contract with a customer in accordance with paragraph 91 or 95 (see paragraphs 127–128).</p>	<p>Disclosure</p> <p>110 The objective of the disclosure requirements is for an entity to disclose sufficient information to enable users of financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. To achieve that objective, an entity shall disclose qualitative and quantitative information about all of the following:</p> <p>(a) its contracts with customers (see paragraphs 113–122);</p> <p>(b) the significant judgements, and changes in the judgements, made in applying this Standard to those contracts (see paragraphs 123–126); and</p> <p>(c) any assets recognised from the costs to obtain or fulfil a contract with a customer in accordance with paragraph 91 or 95 (see paragraphs 127–128).</p>	<p>Unshaded meets user needs about financial performance—KDA (a) Financial performance, financial position and cash flows (this is achieved by presenting the relevant statements).</p> <p>KDA (b) Liquidity (ability to meet current obligations) and solvency (ability to meet obligations over the long term) [and are achieved by providing information about short-term cash flows and obligations, debt repayment terms, commitments and contingencies, whether or not recognised as liabilities, including tax obligations].</p> <p>Although subparagraphs (a) and (c) meet KDA (b), the detail in paragraphs (a)–(c) is excluded on cost-benefit grounds.</p>
<p>111 An entity shall consider the level of detail necessary to satisfy the disclosure objective and how much emphasis to place on each of the various requirements. An entity shall aggregate or disaggregate disclosures so that useful information is not obscured by either the inclusion of a large amount of insignificant detail or the aggregation of items that have substantially different characteristics.</p>	<p>111 An entity shall consider the level of detail necessary to satisfy the disclosure objective and how much emphasis to place on each of the various requirements. An entity shall aggregate or disaggregate disclosures so that useful information is not obscured by either the inclusion of a large amount of insignificant detail or the aggregation of items that have substantially different characteristics.</p>	<p>Guidance relating to the objective in paragraph 110.</p>
<p>112 An entity need not disclose information in accordance with this Standard if it has provided the information in accordance with another Standard.</p>	<p>112 An entity need not disclose information in accordance with this Standard if it has provided the information in accordance with another Standard.</p>	<p>Guidance relating to disclosure of information.</p>

Table 2 Approach 1 – Comparison of current RDR with RDR under proposed principles – AASB 15/NZ IFRS 15 Revenue from Contracts with Customers		
Current disclosure concessions (shaded)	Disclosure concessions under proposed principles (shaded)	Mapping the relationship of KDAs to proposed unshaded disclosure requirement paragraphs
<p>Contracts with customers</p> <p>113 An entity shall disclose all of the following amounts for the reporting period unless those amounts are presented separately in the statement of comprehensive income in accordance with other Standards:</p> <p>(a) revenue recognised from contracts with customers, which the entity shall disclose separately from its other sources of revenue; and</p> <p>(b) any impairment losses recognised (in accordance with AASB 9/NZ IFRS 9) on any receivables or contract assets arising from an entity's contracts with customers, which the entity shall disclose separately from impairment losses from other contracts.</p>	<p>Contracts with customers</p> <p>113 An entity shall disclose all of the following amounts for the reporting period unless those amounts are presented separately in the statement of comprehensive income in accordance with other Standards:</p> <p>(a) revenue recognised from contracts with customers, which the entity shall disclose separately from its other sources of revenue; and</p> <p>(b) any impairment losses recognised (in accordance with AASB 9/NZ IFRS 9) on any receivables or contract assets arising from an entity's contracts with customers, which the entity shall disclose separately from impairment losses from other contracts.</p>	<p>Paragraph 113(a) meets user needs about short-term cash flows – KDA (b) Liquidity (ability to meet current obligations) and solvency (ability to meet obligations over the long term) [and are achieved by providing information about short-term cash flows and obligations, debt repayment terms, commitments and contingencies, whether or not recognised as liabilities, including tax obligations].</p> <p>Paragraph 113(b) meets user needs about risks (impairment) – KDA (e) Risks to which the entity is exposed (for example, related party transactions, assets used as security for debt, impairments and estimates and judgements).</p>
<p>Disaggregation of revenue</p> <p>114 An entity shall disaggregate revenue recognised from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. An entity shall apply the guidance in paragraphs B87–B89 when selecting the categories to use to disaggregate revenue.</p>	<p>Disaggregation of revenue</p> <p>114 An entity shall disaggregate revenue recognised from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. An entity shall apply the guidance in paragraphs B87–B89 when selecting the categories to use to disaggregate revenue.</p>	<p>Does not meet user needs. Disaggregation is not a user need.</p>
<p>115 In addition, an entity shall disclose sufficient information to enable users of financial statements to understand the relationship between the disclosure of disaggregated revenue (in accordance with paragraph 114) and revenue information that is disclosed for each reportable segment, if the entity applies AASB 8/NZ IFRS 8 <i>Operating Segments</i>.</p>	<p>115 In addition, an entity shall disclose sufficient information to enable users of financial statements to understand the relationship between the disclosure of disaggregated revenue (in accordance with paragraph 114) and revenue information that is disclosed for each reportable segment, if the entity applies AASB 8/NZ IFRS 8 <i>Operating Segments</i>.</p>	<p>In Australia, AASB 8 was analysed and all the disclosures are excluded.</p> <p>In New Zealand, NZ IFRS 8 applies to listed entities or entities that are in the process of listing and those entities do not report under Tier 2.</p>

Table 2 Approach 1 – Comparison of current RDR with RDR under proposed principles – AASB 15/NZ IFRS 15 Revenue from Contracts with Customers		
Current disclosure concessions (shaded)	Disclosure concessions under proposed principles (shaded)	Mapping the relationship of KDAs to proposed unshaded disclosure requirement paragraphs
<p>Contract balances</p> <p>116 An entity shall disclose all of the following:</p> <ul style="list-style-type: none"> (a) the opening and closing balances of receivables, contract assets and contract liabilities from contracts with customers, if not otherwise separately presented or disclosed; (b) revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period; and (c) revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods (for example, changes in transaction price). 	<p>Contract balances</p> <p>116 An entity shall disclose all of the following:</p> <ul style="list-style-type: none"> (a) the opening and closing balances of receivables, contract assets and contract liabilities from contracts with customers, if not otherwise separately presented or disclosed; (b) revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period; and (c) revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods (for example, changes in transaction price). 	<p>Subparagraph (a) meets user needs about:</p> <p>Liquidity and solvency – KDA (b) Liquidity (ability to meet current obligations) and solvency (ability to meet obligations over the long term) [and are achieved by providing information about short-term cash flows and obligations, debt repayment terms, commitments and contingencies, whether or not recognised as liabilities, including tax obligations].</p> <p>Transactions significant to the entity – KDA (d) Transactions and other events that are significant to the entity in its operations, including significant subsequent events that affect future cash flows.</p> <p>Risks – KDA (e) Risks to which the entity is exposed (for example, related party transactions, assets used as security for debt, impairments and estimates and judgements).</p> <p>Subparagraphs (b) and (c) excluded on cost-benefit grounds.</p>
<p>117 An entity shall explain how the timing of satisfaction of its performance obligations (see paragraph 119(a)) relates to the typical timing of payment (see paragraph 119(b)) and the effect that those factors have on the contract asset and the contract liability balances. The explanation provided may use qualitative information.</p>	<p>117 An entity shall explain how the timing of satisfaction of its performance obligations (see paragraph 119(a)) relates to the typical timing of payment (see paragraph 119(b)) and the effect that those factors have on the contract asset and the contract liability balances. The explanation provided may use qualitative information.</p>	<p>Meets user needs about short-term cash flows) – KDA (b) Liquidity (ability to meet current obligations) and solvency (ability to meet obligations over the long term) [and are achieved by providing information about short-term cash flows and obligations, debt repayment terms, commitments and contingencies, whether or not recognised as liabilities, including tax obligations]</p> <p>However, the disclosure is excluded on cost-benefit grounds.</p>
<p>118 An entity shall provide an explanation of the significant changes in the contract asset and the</p>	<p>118 An entity shall provide an explanation of the significant changes in the contract asset and the</p>	<p>Meets user needs about</p>

Table 2 Approach 1 – Comparison of current RDR with RDR under proposed principles – AASB 15/NZ IFRS 15 Revenue from Contracts with Customers

Current disclosure concessions (shaded)	Disclosure concessions under proposed principles (shaded)	Mapping the relationship of KDAs to proposed unshaded disclosure requirement paragraphs
<p>contract liability balances during the reporting period. The explanation shall include qualitative and quantitative information. Examples of changes in the entity's balances of contract assets and contract liabilities include any of the following:</p> <ul style="list-style-type: none"> (a) changes due to business combinations; (b) cumulative catch-up adjustments to revenue that affect the corresponding contract asset or contract liability, including adjustments arising from a change in the measure of progress, a change in an estimate of the transaction price (including any changes in the assessment of whether an estimate of variable consideration is constrained) or a contract modification; (c) impairment of a contract asset; (d) a change in the time frame for a right to consideration to become unconditional (ie for a contract asset to be reclassified to a receivable); and (e) a change in the time frame for a performance obligation to be satisfied (ie for the recognition of revenue arising from a contract liability). 	<p>contract liability balances during the reporting period. The explanation shall include qualitative and quantitative information. Examples of changes in the entity's balances of contract assets and contract liabilities include any of the following:</p> <ul style="list-style-type: none"> (a) changes due to business combinations; (b) cumulative catch-up adjustments to revenue that affect the corresponding contract asset or contract liability, including adjustments arising from a change in the measure of progress, a change in an estimate of the transaction price (including any changes in the assessment of whether an estimate of variable consideration is constrained) or a contract modification; (c) impairment of a contract asset; (d) a change in the time frame for a right to consideration to become unconditional (ie for a contract asset to be reclassified to a receivable); and (e) a change in the time frame for a performance obligation to be satisfied (ie for the recognition of revenue arising from a contract liability). 	<p>liquidity and solvency –KDA (b) Liquidity (ability to meet current obligations) and solvency (ability to meet obligations over the long term) [and are achieved by providing information about short-term cash flows and obligations, debt repayment terms, commitments and contingencies, whether or not recognised as liabilities, including tax obligations]. However, the disclosures are excluded on cost-benefit grounds.</p>
<p>Performance obligations</p> <p>119 An entity shall disclose information about its performance obligations in contracts with customers, including a description of all of the following:</p> <ul style="list-style-type: none"> (a) when the entity typically satisfies its performance obligations (for example, upon shipment, upon delivery, as services are rendered or upon completion of service), including when performance obligations are satisfied in a bill-and-hold 	<p>Performance obligations</p> <p>119 An entity shall disclose information about its performance obligations in contracts with customers, including a description of all of the following:</p> <ul style="list-style-type: none"> (a) when the entity typically satisfies its performance obligations (for example, upon shipment, upon delivery, as services are rendered or upon completion of service), including when performance obligations are satisfied in a bill-and-hold 	<p>Meets user needs about: Liquidity and solvency (short-term cash flows) – KDA (b) Liquidity (ability to meet current obligations) and solvency (ability to meet obligations over the long term) [and are achieved by providing information about short-term cash flows and obligations, debt repayment terms, commitments and contingencies, whether or not recognised as liabilities,</p>

Table 2 Approach 1 – Comparison of current RDR with RDR under proposed principles – AASB 15/NZ IFRS 15 Revenue from Contracts with Customers

Current disclosure concessions (shaded)	Disclosure concessions under proposed principles (shaded)	Mapping the relationship of KDAs to proposed unshaded disclosure requirement paragraphs
<p>arrangement;</p> <p>(b) the significant payment terms (for example, when payment is typically due, whether the contract has a significant financing component, whether the consideration amount is variable and whether the estimate of variable consideration is typically constrained in accordance with paragraphs 56–58);</p> <p>(c) the nature of the goods or services that the entity has promised to transfer, highlighting any performance obligations to arrange for another party to transfer goods or services (ie if the entity is acting as an agent);</p> <p>(d) obligations for returns, refunds and other similar obligations; and</p> <p>(e) types of warranties and related obligations.</p>	<p>arrangement;</p> <p>(b) the significant payment terms (for example, when payment is typically due, whether the contract has a significant financing component, whether the consideration amount is variable and whether the estimate of variable consideration is typically constrained in accordance with paragraphs 56–58);</p> <p>(c) the nature of the goods or services that the entity has promised to transfer, highlighting any performance obligations to arrange for another party to transfer goods or services (ie if the entity is acting as an agent);</p> <p>(d) obligations for returns, refunds and other similar obligations; and</p> <p>(e) types of warranties and related obligations.</p>	<p>including tax obligations].</p> <p>Accounting policy choices – KDA (c) The entity’s accounting policy choices and any changes to those policies.</p> <p>Transactions and other events significant to the entity – KDA (d) Transactions and other events that are significant to the entity in its operations, including significant subsequent events that affect future cash flows.</p> <p>Risks – KDA (e) Risks to which the entity is exposed (for example, related party transactions, assets used as security for debt, impairments and estimates and judgements).</p>

Table 2 Approach 1 – Comparison of current RDR with RDR under proposed principles – AASB 15/NZ IFRS 15 Revenue from Contracts with Customers

Current disclosure concessions (shaded)	Disclosure concessions under proposed principles (shaded)	Mapping the relationship of KDAs to proposed unshaded disclosure requirement paragraphs
<p>Transaction price allocated to the remaining performance obligations</p> <p>120 An entity shall disclose the following information about its remaining performance obligations:</p> <p>(a) the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting period; and</p> <p>(b) an explanation of when the entity expects to recognise as revenue the amount disclosed in accordance with paragraph 120(a), which the entity shall disclose in either of the following ways:</p> <p>(i) on a quantitative basis using the time bands that would be most appropriate for the duration of the remaining performance obligations; or</p> <p>(ii) by using qualitative information.</p>	<p>Transaction price allocated to the remaining performance obligations</p> <p>120 An entity shall disclose the following information about its remaining performance obligations:</p> <p>(a) the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting period; and</p> <p>(b) an explanation of when the entity expects to recognise as revenue the amount disclosed in accordance with paragraph 120(a), which the entity shall disclose in either of the following ways:</p> <p>(i) on a quantitative basis using the time bands that would be most appropriate for the duration of the remaining performance obligations; or</p> <p>(ii) by using qualitative information.</p>	<p>Meets user needs about short-term cash flows – KDA (b) Liquidity (ability to meet current obligations) and solvency (ability to meet obligations over the long term) [and are achieved by providing information about short-term cash flows and obligations, debt repayment terms, commitments and contingencies, whether or not recognised as liabilities, including tax obligations]. However, the disclosure is excluded on cost-benefit grounds.</p>
<p>121 As a practical expedient, an entity need not disclose the information in paragraph 120 for a performance obligation if either of the following conditions is met:</p> <p>(a) the performance obligation is part of a contract that has an original expected duration of one year or less; or</p> <p>(b) the entity recognises revenue from the satisfaction of the performance obligation in accordance with paragraph B16.</p>	<p>121 As a practical expedient, an entity need not disclose the information in paragraph 120 for a performance obligation if either of the following conditions is met:</p> <p>(a) the performance obligation is part of a contract that has an original expected duration of one year or less; or</p> <p>(b) the entity recognises revenue from the satisfaction of the performance obligation in accordance with paragraph B16.</p>	<p>Excluded because it relates to paragraph 120, which is excluded.</p>
<p>122 An entity shall explain qualitatively whether it is applying the practical expedient in paragraph 121 and whether any consideration from contracts with customers is not included in the transaction price and, therefore, not included in the</p>	<p>122 An entity shall explain qualitatively whether it is applying the practical expedient in paragraph 121 and whether any consideration from contracts with customers is not included in the transaction price and, therefore, not included in the</p>	<p>Excluded because it relates to paragraph 121, which is excluded.</p>

Table 2 Approach 1 – Comparison of current RDR with RDR under proposed principles – AASB 15/NZ IFRS 15 <i>Revenue from Contracts with Customers</i>		
Current disclosure concessions (shaded)	Disclosure concessions under proposed principles (shaded)	Mapping the relationship of KDAs to proposed unshaded disclosure requirement paragraphs
information disclosed in accordance with paragraph 120. For example, an estimate of the transaction price would not include any estimated amounts of variable consideration that are constrained (see paragraphs 56–58).	information disclosed in accordance with paragraph 120. For example, an estimate of the transaction price would not include any estimated amounts of variable consideration that are constrained (see paragraphs 56–58).	
<p>Significant judgements in the application of this Standard</p> <p>123 An entity shall disclose the judgements, and changes in the judgements, made in applying this Standard that significantly affect the determination of the amount and timing of revenue from contracts with customers. In particular, an entity shall explain the judgements, and changes in the judgements, used in determining both of the following:</p> <p>(a) the timing of satisfaction of performance obligations (see paragraphs 124–125); and</p> <p>(b) the transaction price and the amounts allocated to performance obligations (see paragraph 126).</p>	<p>Significant judgements in the application of this Standard</p> <p>123 An entity shall disclose the judgements, and changes in the judgements, made in applying this Standard that significantly affect the determination of the amount and timing of revenue from contracts with customers. In particular, an entity shall explain the judgements, and changes in the judgements, used in determining both of the following:</p> <p>(a) the timing of satisfaction of performance obligations (see paragraphs 124–125); and</p> <p>(b) the transaction price and the amounts allocated to performance obligations (see paragraph 126).</p>	<p>Meets user needs about:</p> <p>Financial performance – KDA (a) Financial performance, financial position and cash flows (this is achieved by presenting the relevant statements).</p> <p>Liquidity and solvency (short-term cash flows) – KDA (b) Liquidity (ability to meet current obligations) and solvency (ability to meet obligations over the long term) [and are achieved by providing information about short-term cash flows and obligations, debt repayment terms, commitments and contingencies, whether or not recognised as liabilities, including tax obligations].</p> <p>Shaded part excluded on cost-benefit grounds.</p>

Table 2 Approach 1 – Comparison of current RDR with RDR under proposed principles – AASB 15/NZ IFRS 15 Revenue from Contracts with Customers		
Current disclosure concessions (shaded)	Disclosure concessions under proposed principles (shaded)	Mapping the relationship of KDAs to proposed unshaded disclosure requirement paragraphs
<p>Determining the timing of satisfaction of performance obligations</p> <p>124 For performance obligations that an entity satisfies over time, an entity shall disclose both of the following:</p> <p>(a) the methods used to recognise revenue (for example, a description of the output methods or input methods used and how those methods are applied); and</p> <p>(b) an explanation of why the methods used provide a faithful depiction of the transfer of goods or services.</p>	<p>Determining the timing of satisfaction of performance obligations</p> <p>124 For performance obligations that an entity satisfies over time, an entity shall disclose both of the following:</p> <p>(a) the methods used to recognise revenue (for example, a description of the output methods or input methods used and how those methods are applied); and</p> <p>(b) an explanation of why the methods used provide a faithful depiction of the transfer of goods or services.</p>	<p>Paragraph 124(a) meets user needs about:</p> <p>Accounting policies – KDA (c) The entity's accounting policy choices and any changes to those policies.</p> <p>Transactions and other events significant to the entity – KDA (d) Transactions and other events that are significant to the entity in its operations, including significant subsequent events that affect future cash flows.</p> <p>Risks – KDA (e) Risks to which the entity is exposed (for example, related party transactions, assets used as security for debt, impairments and estimates and judgements).</p> <p>Paragraph 124 (b) does not meet user needs so is excluded.</p>
<p>125 For performance obligations satisfied at a point in time, an entity shall disclose the significant judgements made in evaluating when a customer obtains control of promised goods or services.</p>	<p>125 For performance obligations satisfied at a point in time, an entity shall disclose the significant judgements made in evaluating when a customer obtains control of promised goods or services.</p>	<p>Meets user needs about:</p> <p>KDA (b) Liquidity (ability to meet current obligations) and solvency (ability to meet obligations over the long term) [and are achieved by providing information about short-term cash flows and obligations, debt repayment terms, commitments and contingencies, whether or not recognised as liabilities, including tax obligations].</p> <p>Accounting policy choices – KDA (c) The entity's accounting policy choices and any changes to those policies.</p> <p>Transactions and other events significant to the entity – KDA (d) Transactions and other events that are significant to the entity in its operations, including significant subsequent events that affect future cash flows.</p> <p>Risks – KDA (e) Risks to</p>

Table 2 Approach 1 – Comparison of current RDR with RDR under proposed principles – AASB 15/NZ IFRS 15 Revenue from Contracts with Customers		
Current disclosure concessions (shaded)	Disclosure concessions under proposed principles (shaded)	Mapping the relationship of KDAs to proposed unshaded disclosure requirement paragraphs
		which the entity is exposed (for example, related party transactions, assets used as security for debt, impairments and estimates and judgements).
<p>Determining the transaction price and the amounts allocated to performance obligations</p> <p>126 An entity shall disclose information about the methods, inputs and assumptions used for all of the following:</p> <ul style="list-style-type: none"> (a) determining the transaction price, which includes, but is not limited to, estimating variable consideration, adjusting the consideration for the effects of the time value of money and measuring non-cash consideration; (b) assessing whether an estimate of variable consideration is constrained; (c) allocating the transaction price, including estimating stand-alone selling prices of promised goods or services and allocating discounts and variable consideration to a specific part of the contract (if applicable); and (d) measuring obligations for returns, refunds and other similar obligations. 	<p>Determining the transaction price and the amounts allocated to performance obligations</p> <p>126 An entity shall disclose information about the methods, inputs and assumptions used for all of the following:</p> <ul style="list-style-type: none"> (a) determining the transaction price, which includes, but is not limited to, estimating variable consideration, adjusting the consideration for the effects of the time value of money and measuring non-cash consideration; (b) assessing whether an estimate of variable consideration is constrained; (c) allocating the transaction price, including estimating stand-alone selling prices of promised goods or services and allocating discounts and variable consideration to a specific part of the contract (if applicable); and (d) measuring obligations for returns, refunds and other similar obligations. 	<p>Meets user needs about:</p> <p>Liquidity and solvency (short-term cash flows and obligations) – KDA (b) Liquidity (ability to meet current obligations) and solvency (ability to meet obligations over the long term) [and are achieved by providing information about short-term cash flows and obligations, debt repayment terms, commitments and contingencies, whether or not recognised as liabilities, including tax obligations].</p> <p>Risks – KDA (e) Risks to which the entity is exposed (for example, related party transactions, assets used as security for debt, impairments and estimates and judgements).</p> <p>However, the disclosure is excluded on cost-benefit grounds.</p>
<p>Assets recognised from the costs to obtain or fulfil a contract with a customer</p> <p>127 An entity shall describe both of the following:</p> <ul style="list-style-type: none"> (a) the judgements made in determining the amount of the costs incurred to obtain or fulfil a contract with a customer (in accordance with paragraph 91 or 95); 	<p>Assets recognised from the costs to obtain or fulfil a contract with a customer</p> <p>127 An entity shall describe both of the following:</p> <ul style="list-style-type: none"> (a) the judgements made in determining the amount of the costs incurred to obtain or fulfil a contract with a customer (in accordance with paragraph 91 or 95); 	<p>Paragraph 127(a) meets user needs about risks (estimates and judgements) – KDA (e) Risks to which the entity is exposed (for example, related party transactions, assets used as security for debt, impairments and estimates and judgements).</p> <p>However, it is excluded on cost-benefit grounds.</p> <p>Paragraph 127(b) meets user needs about accounting</p>

Table 2 Approach 1 – Comparison of current RDR with RDR under proposed principles – AASB 15/NZ IFRS 15 Revenue from Contracts with Customers		
Current disclosure concessions (shaded)	Disclosure concessions under proposed principles (shaded)	Mapping the relationship of KDAs to proposed unshaded disclosure requirement paragraphs
<p style="text-align: center;">and</p> <p>(b) the method it uses to determine the amortisation for each reporting period.</p>	<p style="text-align: center;">and</p> <p>(b) the method it uses to determine the amortisation for each reporting period.</p>	<p>policies – KDA (c) The entity’s accounting policy choices and any changes to those policies.</p>
<p>128 An entity shall disclose all of the following:</p> <p>(a) the closing balances of assets recognised from the costs incurred to obtain or fulfil a contract with a customer (in accordance with paragraph 91 or 95), by main category of asset (for example, costs to obtain contracts with customers, pre-contract costs and setup costs); and</p> <p>(b) the amount of amortisation and any impairment losses recognised in the reporting period.</p>	<p>128 An entity shall disclose all of the following:</p> <p>(a) the closing balances of assets recognised from the costs incurred to obtain or fulfil a contract with a customer (in accordance with paragraph 91 or 95), by main category of asset (for example, costs to obtain contracts with customers, pre-contract costs and setup costs); and</p> <p>(b) the amount of amortisation and any impairment losses recognised in the reporting period.</p>	<p>Paragraph 128(a) meets user needs about financial position – KDA (a) Financial performance, financial position and cash flows (this is achieved by presenting the relevant statements). However, shaded portion excluded on cost-benefit grounds.</p> <p>Paragraph 128(b) meets user needs about:</p> <p>Risks (impairment losses) – KDA (e) Risks to which the entity is exposed (for example, related party transactions, assets used as security for debt, impairments and estimates and judgements).</p> <p>Financial performance – KDA (a).</p>

Table 2 Approach 1 – Comparison of current RDR with RDR under proposed principles – AASB 15/NZ IFRS 15 Revenue from Contracts with Customers		
Current disclosure concessions (shaded)	Disclosure concessions under proposed principles (shaded)	Mapping the relationship of KDAs to proposed unshaded disclosure requirement paragraphs
<p>Practical expedients</p> <p>129 If an entity elects to use the practical expedient in either paragraph 63 (about the existence of a significant financing component) or paragraph 94 (about the incremental costs of obtaining a contract), the entity shall disclose that fact.</p>	<p>Practical expedients</p> <p>129 If an entity elects to use the practical expedient in either paragraph 63 (about the existence of a significant financing component) or paragraph 94 (about the incremental costs of obtaining a contract), the entity shall disclose that fact.</p>	Does not meet the KDAs.
<p>Transition</p> <p>C8 For reporting periods that include the date of initial application, an entity shall provide both of the following additional disclosures if this Standard is applied retrospectively in accordance with paragraph C3(b):</p> <p>(a) the amount by which each financial statement line item is affected in the current reporting period by the application of this Standard as compare to AASB 111/NZ IAS 11, AASB 118/NZ IAS 18 and related Interpretations that were in effect before the change; and</p> <p>(b) an explanation of the reasons for significant changes identified in C8(a).</p>	<p>Transition</p> <p>C8 For reporting periods that include the date of initial application, an entity shall provide both of the following additional disclosures if this Standard is applied retrospectively in accordance with paragraph C3(b):</p> <p>(a) the amount by which each financial statement line item is affected in the current reporting period by the application of this Standard as compare to AASB 111/NZ IAS 11, AASB 118/NZ IAS 18 and related Interpretations that were in effect before the change; and</p> <p>(b) an explanation of the reasons for significant changes identified in C8(a).</p>	Does not meet the KDAs.

Table 3 Approach 2 - Tier 2 Related Party Disclosures	
Proposed disclosure requirement	Mapping the relationship of KDAs to proposed disclosure requirement paragraphs, the basis of the words used in each paragraph
<p>1 Relationships between a parent and its subsidiaries shall be disclosed irrespective of whether there have been related party transactions. An entity shall disclose the name of its parent and, if different, the ultimate controlling party. If neither the entity’s parent nor the ultimate controlling party produces financial statements available for public use, the name of the next most senior parent that does so (if any) should be displayed.</p>	<p>KDA (e) Risks to which the entity is exposed (for example, related party transactions, assets used as security for debt, impairments and estimates and judgements).</p> <p>The words used in paragraph 1 are identical to those used in <i>IFRS for SMEs</i> section 33.5 (which is very similar to the words used in AASB 124/NZ IAS 24.13).</p>
<p>2 An entity shall disclose key management personnel compensation in total.</p>	<p>KDA (e) Risks to which the entity is exposed (for example, related party transactions, assets used as security for debt, impairments and estimates and judgements).</p> <p>KDA (f) Accountability</p> <p>The words used in paragraph 2 are identical to those used in <i>IFRS for SMEs</i> section 33.7 and AASB 124/NZ IAS 24.17.</p>
<p>3 If an entity has related party transactions, it shall disclose the nature of the related party relationship as well as information about the transactions outstanding balances and commitments necessary for an understanding of the potential effect of the relationship on the financial statements. Those disclosure requirements are in addition to the requirement in paragraph 2. At a minimum, disclosures shall include:</p> <ol style="list-style-type: none"> a. the amount of the transactions; b. the amount of outstanding balances and: <ol style="list-style-type: none"> i. their terms and conditions, including whether they are secured, and the nature of the consideration to be provided in settlement; and ii. details of any guarantees given or received; c. provisions for uncollectable receivables related to the amount of outstanding balances; and d. the expense recognised during the period in respect of bad or doubtful debts due from related parties. 	<p>KDA (a) Financial performance, financial position and cash flows (this is achieved by presenting the relevant statements).</p> <p>KDA (e) Risks to which the entity is exposed (for example, related party transactions, assets used as security for debt, impairments and estimates and judgements).</p> <p>KDA (f) Accountability</p> <p>The words used in paragraph 3 are identical to those used in <i>IFRS for SMEs</i> section 33.9 (which is very similar to the words used in AASB 124/NZ IAS 24.18).</p>
<p>4 Amounts incurred by the entity for the provision of key management personnel services that are provided by a separate management entity shall be disclosed.</p>	<p>KDA (e) Risks to which the entity is exposed (for example, related party transactions, assets used as security for debt, impairments and estimates and judgements).</p> <p>KDA (f) Accountability</p> <p>The words used in paragraph 4 are identical to those used in AASB 124/NZ IAS 24.18A.</p>

Table 3 Approach 2 - Tier 2 Related Party Disclosures	
Proposed disclosure requirement	Mapping the relationship of KDAs to proposed disclosure requirement paragraphs, the basis of the words used in each paragraph
<p>5 An entity shall make the disclosures required by paragraph 3 separately for each of the following categories:</p> <ol style="list-style-type: none"> a. entities with control, joint control or significant influence over the entity; b. entities over which the entity has control, joint control or significant influence; c. key management personnel of the entity or its parent (in aggregate); and d. other related parties. 	<p>KDA (e) Risks to which the entity is exposed (for example, related party transactions, assets used as security for debt, impairments and estimates and judgements).</p> <p>KDA (f) Accountability</p> <p>The words used in paragraph 5 are identical to those used used in IFRS for SMEs section 33.10 (which is very similar to the words used in AASB 124/NZ IAS 24.19).</p>
<p>6 An entity is exempt from the disclosure requirements of paragraph 3 in relation to related party transactions and outstanding balances, including commitments, with:</p> <ol style="list-style-type: none"> a. a government that has control, joint control or significant influence over the reporting entity; and b. another entity that is a related party because the same government has control, joint control or significant influence over both the reporting entity and the other entity. <p>However, the entity must still disclose a parent-subsidiary relationship as required by paragraph 1.</p>	<p>KDA (a) Financial performance, financial position and cash flows (this is achieved by presenting the relevant statements).</p> <p>KDA (e) Risks to which the entity is exposed (for example, related party transactions, assets used as security for debt, impairments and estimates and judgements).</p> <p>KDA (f) Accountability</p> <p>The words used in paragraph 6 encapsulate the disclosures required by IFRS for SMEs section 33.11 (which is very similar to the words used in AASB 124/NZ IFRS 24.25).</p>
<p>7 The following are examples of transactions that shall be disclosed if they are with a related party:</p> <ol style="list-style-type: none"> a. purchases or sales of goods (finished or unfinished); b. purchases or sales of property and other assets; c. rendering or receiving of services; d. leases; e. transfers of research and development; f. transfers under licence agreements; g. transfers under finance arrangements (including loans and equity contributions in cash or in kind); h. provisions of guarantees or collateral; i. settlement of liabilities on behalf of the entity or by the entity on behalf of another party; and j. participation by a parent or subsidiary in a defined benefit plan that shares risks between group entities. 	<p>Examples of the transactions referred to in paragraph 3.</p> <p>The words used in paragraph 7 are identical to those used used in IFRS for SMEs section 33.12 (which is very similar to the words used in AASB 124/NZ IAS 24.21 & 22).</p>
<p>8 An entity shall not state that related party transactions were made on terms equivalent to those that prevail in arm's length transactions unless such terms can be substantiated.</p>	<p>KDA (e) Risks to which the entity is exposed (for example, related party transactions, assets used as security for debt, impairments and estimates and judgements).</p> <p>KDA (f) Accountability</p> <p>The words used in paragraph 8 are identical to those used in IFRS</p>

Table 3 Approach 2 - Tier 2 Related Party Disclosures	
Proposed disclosure requirement	Mapping the relationship of KDAs to proposed disclosure requirement paragraphs, the basis of the words used in each paragraph
	for SMEs section 33.13 (which is very similar to the words used in AASB 124/NZ IAS 24.23).
9 An entity may disclose items of a similar nature in the aggregate except when separate disclosure is necessary for an understanding of the effects of related party transactions on the financial statements of the entity.	<p>KDA (a) Financial performance, financial position and cash flows (this is achieved by presenting the relevant statements).</p> <p>KDA (e) Risks to which the entity is exposed (for example, related party transactions, assets used as security for debt, impairments and estimates and judgements).</p> <p>KDA (f) Accountability</p> <p>The words used in paragraph 9 are identical to those used in IFRS for SMEs section 33.14 (which is very similar to the words used in AASB 124/NZ IAS 24.24).</p>

Table 4 Approach 2 - Tier 2 Revenue from Contracts with Customers Disclosures

Proposed disclosure requirement	Mapping the relationship of KDAs to proposed disclosure requirement paragraphs, the basis of the words used in each paragraph
<p>1 An entity shall disclose all of the following amounts for the reporting period unless those amounts are presented separately in the statement of comprehensive income in accordance with other Standards:</p> <ul style="list-style-type: none"> a. revenue recognised from contracts with customers; and b. impairment losses (in accordance with AASB 9) on any receivables or contract assets arising from contracts with customers. <p>The entity shall make these disclosures separately from revenue recognised and impairment losses from other contracts.</p>	<p>KDA (b) Liquidity (ability to meet current obligations) and solvency (ability to meet obligations over the long term) [and are achieved by providing information about short-term cash flows and obligations, debt repayment terms, commitments and contingencies, whether or not recognised as liabilities, including tax obligations].</p> <p>KDA (d) Transactions and other events that are significant to the entity in its operations, including significant subsequent events that affect future cash flows.</p> <p>KDA (e) Risks to which the entity is exposed (for example, related party transactions, assets used as security for debt, impairments and estimates and judgements).</p> <p>The words used in paragraph 1 encapsulate the disclosures required by AASB 15/NZ IFRS 15.113.</p>
<p>2 An entity shall disclose the opening and closing balances of receivables, contract assets and contract liabilities from contracts with customers, if not otherwise separately presented or disclosed.</p>	<p>KDA (a) Financial performance, financial position and cash flows (this is achieved by presenting the relevant statements).</p> <p>KDA (b) Liquidity (ability to meet current obligations) and solvency (ability to meet obligations over the long term) [and are achieved by providing information about short-term cash flows and obligations, debt repayment terms, commitments and contingencies, whether or not recognised as liabilities, including tax obligations].</p> <p>KDA (d) Transactions and other events that are significant to the entity in its operations, including significant subsequent events that affect future cash flows.</p> <p>KDA (e) Risks to which the entity is exposed (for example, related party transactions, assets used as security for debt, impairments and estimates and judgements).</p> <p>The words used in paragraph 2 are identical to those used in AASB 15/NZ IFRS 15.116(a).</p>
<p>3 An entity shall disclose information about its performance obligations in contracts with customers, including a description of all the following:</p> <ul style="list-style-type: none"> a. when the entity typically satisfies its performance obligations; b. the significant payment terms; c. the nature of the goods or services that the entity has promised to transfer; d. obligations for returns, refunds and other similar obligations; and e. types of warranties and related obligations. 	<p>KDA (b) Liquidity (ability to meet current obligations) and solvency (ability to meet obligations over the long term) [and are achieved by providing information about short-term cash flows and obligations, debt repayment terms, commitments and contingencies, whether or not recognised as liabilities, including tax obligations].</p> <p>KDA (c) The entity's accounting policy choices and any changes to those policies.</p> <p>KDA (d) Transactions and other events that are significant to the entity in its operations, including significant subsequent events that affect future cash flows.</p> <p>KDA (e) Risks to which the entity is exposed (for example, related party transactions, assets used as security for debt, impairments and estimates and judgements).</p> <p>The words used in paragraph 3 encapsulate the disclosures required by AASB 15/NZ IFRS 15.119.</p>
<p>4 An entity shall disclose the judgements and changes in the judgements made in applying this Standard that significantly affect the determination of the amount and timing of revenue from contracts with customers.</p>	<p>KDA (a) Financial performance, financial position and cash flows (this is achieved by presenting the relevant statements).</p> <p>KDA (b) Liquidity (ability to meet current obligations) and solvency (ability to meet obligations over the long term) [and are</p>

Table 4 Approach 2 - Tier 2 Revenue from Contracts with Customers Disclosures	
Proposed disclosure requirement	Mapping the relationship of KDAs to proposed disclosure requirement paragraphs, the basis of the words used in each paragraph
	<p>achieved by providing information about short-term cash flows and obligations, debt repayment terms, commitments and contingencies, whether or not recognised as liabilities, including tax obligations].</p> <p>KDA (e) Risks to which the entity is exposed (for example, related party transactions, assets used as security for debt, impairments and estimates and judgements).</p> <p>The words used in paragraph 4 are identical to those used in the first sentence of AASB 15/NZ IFRS 15.123.</p>
<p>5 An entity shall make the disclosures required by paragraph 3a by disclosing the methods used to recognise revenue for performance obligations that an entity satisfies over time. For performance obligations satisfied at a point in time, an entity shall disclose the significant judgements made in evaluating when a customer contains control of promised goods or services.</p>	<p>KDA (b) Liquidity (ability to meet current obligations) and solvency (ability to meet obligations over the long term) [and are achieved by providing information about short-term cash flows and obligations, debt repayment terms, commitments and contingencies, whether or not recognised as liabilities, including tax obligations].</p> <p>KDA (c) The entity’s accounting policy choices and any changes to those policies.</p> <p>KDA (d) Transactions and other events that are significant to the entity in its operations, including significant subsequent events that affect future cash flows.</p> <p>KDA (e) Risks to which the entity is exposed (for example, related party transactions, assets used as security for debt, impairments and estimates and judgements).</p> <p>The words used in paragraph 5 encapsulate the disclosures required by AASB 15/NZ IFRS 15.124(a) & 125.</p>
<p>6 An entity shall disclose the closing balances of assets recognised from the costs to obtain or fulfil a contract with a customer (in accordance with paragraph 91 or 95 of AASB 15/NZ IFRS 15) and the amount of amortisation and any impairment losses recognised in the reporting period.</p>	<p>KDA (a) Financial performance, financial position and cash flows (this is achieved by presenting the relevant statements).</p> <p>KDA (e) Risks to which the entity is exposed (for example, related party transactions, assets used as security for debt, impairments and estimates and judgements).</p> <p>The words used in paragraph 6 encapsulate the disclosures required by AASB 15/NZ IFRS 15.128.</p>