

Welcome to the September edition of the KPMG New Zealand Alumni News.

Here we have our latest news, publications and events, which we hope will be of interest to you.

KPMG – New Zealand Transfer Pricing Firm of the Year



KPMG New Zealand has been awarded Asia's Transfer Pricing, Disputes, and Litigation Firm of the Year at the 2019 Asia Tax Awards.

KPMG New Zealand's Global Transfer Pricing Services practice helps companies develop and implement economically supportable transfer prices, document policies and outcomes and respond to tax authority challenges.

KPMG led the way as the clear choice winner with the most number of awards at the International Tax Review (ITR) Asia Tax Awards 2019. ITR celebrated 18 jurisdictions at a gala dinner in Singapore earlier this year. Shortlisted firms were assessed according to three primary metrics: transactional value, complexity, and innovation for matters completed in 2018. See the full list of winners [here](#).

Contact us to find out more

[Kim Jarrett](#)

Partner, Global Transfer Pricing Services

FIPS Quarterly – June 2019

Bank profits flat, interest rates low and business confidence drops



KPMG NZ's latest Financial Institution Performance Survey (FIPS) analysis for the quarter ending June 2019 reveals the [latest performance results](#) and updates on recent activity in the [economy](#), [regulation space](#), and the emerging [Fintech market](#).

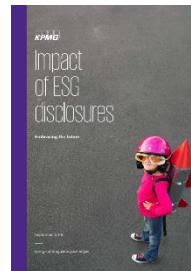
This issue also features updates from Charles Ehrhart and Niels Chlupka on climate-related disclosure. Download our full report [here](#).

Contact us to find out more

[John Kensington](#)

Partner, Head of Banking and Finance

Impact of ESG Disclosures – Embracing the future



Around the globe, support for climate-aware investments and carbon controls is increasing as well as the demand for ethical treatment of employees, customers and other stakeholders.

Companies need to take action now on assessing environmental, social and governance (ESG) risks and opportunities and on proper ESG disclosures in order to be prepared for these changing demands and growing expectations.

KPMG looks at the changing environment and the increasing set of requirements relating to ESG factors, and their impact on companies and enterprises of all kinds. Read our full report [here](#).

Contact us to find out more

[Erica Miles](#)

Director, Sustainable Value

Securing payments innovation – Reshaping the banking experience



For a time, banks were the kings of payments. Throughout the debit card era and well into the digital era, banks held a virtual monopoly over the payments ecosystem.

No more. Over the past few years, we have seen the rise of a range of new payment service providers. Some, like PayPal or ApplePay, have created massive 'merchant' networks through their online presence and partnerships with some of the bigger platform players. Others have found niches in their own areas, often responding to specific customer pain points in the payment environment.

Not surprisingly, many of the world's leading banks are now working closely with these payment service providers to create solutions and tools that both respond to shifting customer demand and keep the banks in the value chain.

With exciting innovations and models are emerging, the question is – are banks and payment service providers doing enough to embed cyber security into their products, services and operating models?

KPMG looks at the emerging opportunities and risks in our [Securing Payments Innovation report](#).

Community @ KPMG

Mental Health Awareness Week



The annual Mental Health Awareness Week (MHAW) started on Monday 23 September and the theme this year is – **Explore your way to wellbeing – whāia te ara hauora, Whitiora**. MHAW is an opportunity to explore the experiences, actions, relationships and surroundings that uplift your mental wellbeing.

The reality is that 1 in 5 Kiwis experience a mental illness each year and nearly 50% of New Zealanders will experience a mental health problem in their lifetime.

To acknowledge MHAW and support our staff and whanau – local KPMG offices have organized activities such as mindfulness colouring stations & fun runs, as well a nationwide wellbeing challenge designed to raise awareness and share ideas of ways you can explore your way to wellbeing.

MHAW is endorsed by the World Federation for Mental Health and is marked in over 150 countries at different times of the year. You can find out more [here](#) and sign-up for updates of events happening in your community.

New Zealand Chinese Language Week

KPMG NZ celebrates New Zealand Chinese Language Week (22 – 28 September) – a Kiwi driven initiative encouraging New Zealanders to give Chinese Language & culture a go. Throughout the week, there are fun & engaging activities planned in local communities including Chinese cultural performances, art exhibitions & language lessons. Visit the [NZCLW 2019 events calendar](#) to find something near you.



Supporting the Grocery Charity Ball



Established in 2004, [The Grocery Charity Ball Trust](#) runs the premier event for the grocery industry, with the profits going to charitable trusts in New Zealand. For the second year, a group of KPMG volunteers helped the day before packing over 750 goodie bags, which are given to attendees. This year's charity recipient was [Motor Neurone Disease New Zealand](#) who help & support people with motor neurone disease and their carers.

KPMG wins White Camellia Award

Recognising dedication to gender equality in the workplace.

We're pleased to share that KPMG has been awarded a White Camellia Award in recognition of our progress towards implementing the [Women's Empowerment Principles \(WEPs\)](#). Our award was for WEPs Principle 6: Promote equality through community initiatives and advocacy.

We are especially proud of this acknowledgment as this is the second time we have received a White Camellia Award (KPMG won an award for Principle 2 in 2017) which is a great recognition of KPMG's commitment towards gender equality and fuelling prosperity for all New Zealanders.



Gwennan Riley and Peter Chew attended the White Camellia Awards ceremony at The Grand Parliament Buildings, hosted by the Hon. Julie Anne Genter, Minister for Women.

The White Camellia Awards are designed to showcase gender equality in the workplace, and honour those organisations that are taking positive steps to ensure New Zealand workplaces are fair and equal and offer the opportunity to succeed.

Everybody Eats



A group of KPMG volunteers helped out at [Everybody Eats](#) at Te Whau Eatery in Avondale. Everybody Eats serve restaurant quality, 3-course meals, prepared by volunteer chefs, from perfectly good food that would otherwise go to waste.

Meals are served at shared tables by volunteers and are pay-as-you-feel, which means you give what you can, or would expect to pay for a similar meal elsewhere. Everybody Eats feeds people from all walks of life, rich and poor.

Our volunteers served over 120 diners – from guests who were homeless, families, and older folks – their mission is that everybody is welcome!

Tax

“Black hole” feasibility expenditure to be deductible and loss continuity rules to be updated

In a surprise [press release](#), the Ministers of Finance and Revenue have announced that proposals consulted on [previously](#), and recommended by the [Tax Working Group](#), to allow tax deductions for feasibility expenditure will proceed. A tax bill, to be introduced in early 2020, will allow feasibility expenditure, change the shareholder continuity rates for tax losses and review the R&D tax loss cash-up rules. Find out more in our full article [here](#).

GST on low-value goods starting from 1 December 2019

On 1 December 2019 the new “low-value goods” regime will begin imposing goods and services tax (GST) at 15% on goods acquired by New Zealand consumers from offshore suppliers. The new regime will apply to goods with an individual value of NZ\$1,000 or less and will require non-resident entities such as marketplace operators, re-deliverers and non-resident suppliers to register and account for GST on sales to New Zealand customers. Find out more about the changes [here](#).

Reporting Updates

Amongst the topics covered in this issue – we share two of KPMG’s latest publications – *IFRS 16 Leases*, and *Insights into IFRS*. We also look into IASB’s proposed amendments to IBORs (*IFRS 9 & IAS 39*); share insights into the definition of ‘material’ in preparing financial statements; tax-effect accounting; and share an update from The New Zealand Accounting Standards Board, in our Financial Reporting updates. In Business Reporting, we look at climate-related and other emerging risks; and in Business Governance, we share the essentials of being a director amongst other topics. Read our latest reporting updates [here](#).

Global Agri Food News Bites

Global Agri Food Bites is our weekly news segment of highlights for Country TV. This segment is a summary of Agribusiness news and media reports from across the sector, prepared by the KPMG Agribusiness network. This week Ian Proudfoot, KPMG’s Global Head of Agribusiness, shares insights about China’s Megnui dairy company and its offer to buy Australian organic formula firm Bellamy’s. Ian also shares his thoughts on the interesting results of UK-based Future Thinking’s report on consumer eating & cooking habits as well as a recent study by RethinkX, which forecasts a 70% drop in demand for car-associated products and a complete collapse of the Beef & Dairy industry by 2030. Also in the news is a new avocado product introduced by American supermarket chain Kroger, which dramatically increases the life of the average Avo. Watch the latest episode [here](#).

For more information and insights, visit our [Agribusiness website](#) or [download our app](#).

Fraud Barometer

The KPMG Fraud Barometer is a summary of frauds reported by the media in New Zealand during the last 12 months prepared by the KPMG Risk Advisory network. In this edition, we look at white-collar fraud, which totalled \$124million for the period 1 August 2018 – 31 July 2019, including the high profile hack of Cryptopia in January, which ultimately led to the liquidation of the Christchurch based cryptocurrency exchange. The Barometer also reveals that – there were 36 cases identified in total; six “super frauds” (frauds greater than \$3 million) and the largest fraud case identified concerned \$54 million of home loans illegally obtained, via deception and bribery. Our key findings highlight the need for all organisations, of whatever size, to consider their fraud risk management framework and the specific internal and financial controls that are in place to detect and prevent fraud. Click [here](#) to download your copy of the latest Barometer and [subscribe](#) to future editions.

We value your connection with us and invite you to visit our Alumni website periodically to stay abreast of all the latest news and happenings at KPMG New Zealand. Please reach out to us if you would like additional information regarding any of the above topics.



Aaron Woolsey

KPMG NZ Alumni Partner

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