

KPMG Alumni News

OCTOBER 2021

Welcome to the October 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.



Nau mai haere mai e Vinnie Campbell

On Tuesday 26 October, we gathered in our Tauranga office to officially welcome our new Māori cultural advisor (Pou Ahurea) Vinnie Campbell, to our KPMG whanau with a Whakatau (formal Māori welcoming).

This marks the first ever Whakatau to be held in our Tauranga office, also the first ever virtual whakatau. Despite our current situation, we were able to have participants from all over the nation to tune in and support this important milestone.

Being able to formally welcome Vinnie to the firm in his native tradition, despite the situation we as a nation are currently in, is how much we as a firm care about our whānau and staff.

Being new to the process of having a virtual whakatau, we asked Vinnie himself how he felt during this procedure and this is what he had to say.

"My Whānau and I were mightily impressed by the effort and thoughtfulness in which the whakatau was prepared and carried out by the Tauranga team, I say team because it was clearly a team effort to pull it off in a genuine and warm way.

I can say hand on heart that we felt the manaakitanga (kindness, generosity) and whanaungatanga (sense of family and connection) through the whole process. 'Poho kereru ana ahau' I am proud of the way everyone pulled together and nailed it, including the kaimahi (workers) who set up the room, organised the kai (food) sent out invites and ensured the tech was working. Ka mau te wehi whānau (awesome)," says Vinnie.

Nau mai haere mai e Vinnie ki a mātou te whanau o KPMG.

Welcome to our family here at KPMG Vinnie.

Individual tax implications - Taxation (Annual Rates for 2021–22, GST, and Remedial Matters) Bill

Our new My Tax newsletter shares key tax changes of interest to individual taxpayers.

Introducing you to [My Tax](#), our inaugural quarterly newsletter by our People Services team. The aim is to share key tax changes of interest to individual taxpayers so you know what might be impacting you now, or in the future.

September was a busy month with the introduction of the Taxation (Annual Rates for 2021–22, GST, and Remedial Matters) Bill. This was a large tax Bill covering a broad range of topics which features in the 'My Tax' link above.

If you would like to receive regular updates on how tax changes impact you, subscribe [here](#) to receive our newsletter.

[Rebecca Armour](#)
National Leader, People Services

[Rebecca Simpson-Heine](#)
Director



New Zealand ranks ninth in benchmark report

New Zealand is ranked ninth globally in KPMG's first ever [Net Zero Readiness Index](#) (NZRI) released on 15 October in the lead-up to COP26. The benchmark report compares the progress of 32 countries, assessing over 100 indicators, in reducing greenhouse gas emissions and assesses their preparedness and ability to achieve net zero by 2050. Norway took the overall top ranking, with the UK and Sweden in second and third place.

The Net Zero Readiness Index 2021 was produced by KPMG IMPACT, established to support, and empower organisations to contribute to the UN's Sustainable Development Goals.

For insights into New Zealand's journey to net zero, read:

- An overview from Matthew Prichard: [Ready, set, go?](#)
- Ian Proudfoot's deep dive into Agriculture: [Redefining what it means to be world-leading](#); and
- An analysis of our Transport sector from Steph Ward: [Smoothing the road to net zero](#)

[Matthew Prichard](#)

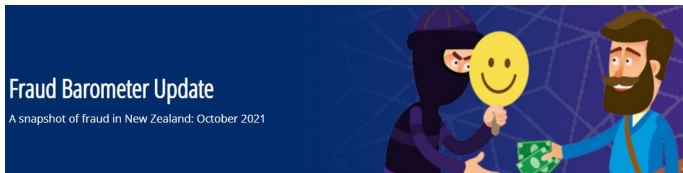
[Simon Wilkins](#)

[Laura McReynolds](#)

Executive Chair

Partner

Marketing Comms
Campaign Coordinator



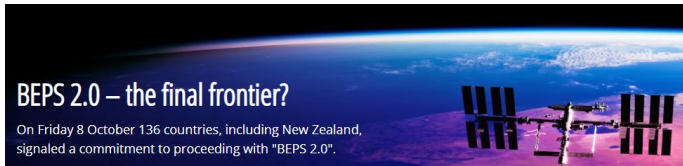
Fraud Barometer Update

A snapshot of fraud in New Zealand: October 2021

Our annual [Fraud Barometer](#) provides a summary of fraud reported by the media in New Zealand for the previous 12-month period. The third edition of the Barometer covers 1 August 2020 - 31 July 2021 and is prepared by the KPMG Risk Advisory Forensic team to bring you an overview of the interesting cases and observed trends from the last year.

[Mike Lowe](#)

Partner – Advisory



BEPS 2.0 – the final frontier?

On Friday 8 October 136 countries, including New Zealand, signaled a commitment to proceeding with "BEPS 2.0".

Friday 8 October was a landmark day for international tax diplomacy with 136 countries, including New Zealand, signalling a commitment to proceeding with "BEPS 2.0" you can read the article [here](#).

BEPS 2.0 is a continuation of the Base Erosion and Profit Shifting (BEPS) project commenced by the OECD in 2013 in response to Government and civil society concerns around multinationals not paying their "fair share of tax".

For further information KPMG has prepared a [report](#) of the current status of BEPS 2.0 including some of the design features. The OECD has also produced a [summary](#) of the latest developments.

[Darshana Elwela](#)

Partner – Tax

[John Cantin](#)

Partner - Tax



The new 2021 Residence Visa

Immigration New Zealand have announced a one-off, simplified pathway to residence for migrants.

Immigration New Zealand have announced a one-off, simplified pathway to residence for around 165,000 migrants currently in New Zealand. This category promises to be quicker and simpler to administer. Critically, partners and dependent children, including those currently outside New Zealand, can be included in this residence visa application.

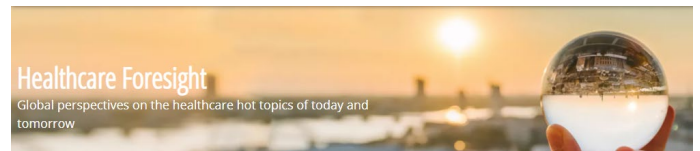
To find out more about the new 2021 Residence Visa and eligibility read [here](#).

If you believe this policy might affect you, we recommend you check if you are **eligible** to apply for the residence visa. You can check this [here](#).

Register your interest with us [here](#) and we can keep you informed of the policy detail once we know more.

[Caren Donald](#)

Senior Immigration Manager, , People Services



Healthcare Foresight

Global perspectives on the healthcare hot topics of today and tomorrow

The pace of change in healthcare is faster than ever. As New Zealand's health system faces major reform, the largest mass vaccination campaign in its history and the challenges of providing care during a pandemic, there's a lot on the agenda.

Our newest edition of [Healthcare Foresight](#) explores how the health sector can look to non-traditional players and partners to improve outcomes and embrace digital capability, with clear learnings for us in New Zealand.

This publication reports the stories from the frontlines of transformation, helping New Zealand's healthcare professionals to observe and learn from their counterparts across the world.

Click [here](#) to subscribe and keep your finger on the pulse of the latest healthcare insights!

Taxmail

How to solve a problem like cross-border workers

Weaknesses in the approach of global tax authorities in taxing cross-border workers has finally taken centre stage. The COVID-19 pandemic is of course largely to blame, causing thousands of workers to seek refuge closer to family or in 'safer' countries.

In New Zealand, we have seen many expats return over the last 18 months, driven by their desire to be closer to home, and many of whom are continuing to work for foreign employers. Likewise, New Zealand employers are adopting more flexible approaches to ensure employees with overseas family can return to their home locations for extended periods and hiring offshore talent into New Zealand based roles with interim arrangements for remote working.

This has created challenges, not least how the tax rules operate for cross-border employment situations (be it in New Zealand or abroad) and has left Inland Revenue wondering... "how to solve a problem like cross-border workers?"

Their response is contained in a recent officials' issues paper, containing proposals to: allow greater flexibility in PAYE arrangements, clarify when non-resident employers have New Zealand employment-tax related obligations, and simplify the operation of the non-resident contractors' tax regime. That is not to say that all the issues have been addressed, but it is a welcome start.

Read our latest [Taxmail](#) where we discuss the current state of play, the officials' issues paper in more detail and share our thoughts.

[Darshana Elwela](#)

Partner

[Rebecca Armour](#)

Partner

Keeping you informed and up to date in the world of corporate reporting: Reporting News

Financial Reporting

NZ IFRS 9 Financial Instruments- for insurers

Many insurers apply the temporary exemption under NZ IFRS 9, Financial Instruments. This exemption will cease upon NZ IFRS 17, Insurance Contracts becoming effective – i.e, for annual periods beginning on or after 1 January 2023.

KPMG's publication [IFRS 9 for Insurers – Are you good to go?](#) considers some of the key accounting issues that insurers need to focus on to get to the finish line. It offers practical examples, analysis and insight on the scope requirements; classification and measurement; impairment; hedging; transition; and presentation and disclosure under NZ IFRS 9.

The impact of climate-related risks on financial statements

Companies are facing climate-related risks and opportunities. The impacts of climate-related risks on the financial statements are broad, potentially complex and dependant on the industry specific risks.

Read KPMG's talkbook "[How might climate-related risks impact the financial statements?](#)" containing ten questions to help audit committees understand the potential impacts.

Business Reporting

Standards for greater transparency

Global Reporting Initiative (GRI) Standards have been strengthened to deliver the highest level of transparency for impacts on the economy, environment, and people. The launch of the revised Universal Standards reflects due diligence expectations for organisations to manage their sustainability impacts, including on human rights. Read this [article](#) to find out more.

New climate-related disclosure expands FMA's responsibilities

With the passage of the financial Sector (Climate-related Disclosures and Other Matters) Amendment Bill's third reading, the Financial markets Authority (FMA) plans to issue high level guidance for Climate Reporting Entities (CREs) on compliance expectations by December 2022 and provide more detailed guidance throughout calendar year 2023.

The FMA will be responsible for monitoring and enforcing this new regime. Read [this](#) article to learn more about FMA's next steps.

Climate-related disclosure standards - External reporting Board

In addition to the above, the External Reporting Board (XRB) has been charged with the responsibility to develop climate-related reporting standards based on the Financial Stability Task Force on Climate-related Financial Disclosures (TCFD). Further information can be found [here](#).

Subject to parliamentary approval, mandatory climate disclosures will apply to listed companies, and large Crown financial institutions, insurers, registered banks and managers of registered schemes with more than \$1 billion in assets. Entities will be required to publish a separate climate statement from 2023 that includes 3rd party assurance for greenhouse gas emission disclosures.

Task Force's Climate-Related Financial Disclosures (TCFD): What you need to know

This article by the Chartered Accountants Australia and New Zealand (CAANZ) summarises the Task Force's Climate-Related Financial Disclosures (TCFD) recommendations on sustainability reporting and provides access to the webinar "Importance of Climate Related Financial Disclosures for the Property Sector". Read it [here](#).

[Simon Lee](#)

Technical Director

[Marcia Smith](#)

Director

[Register here to receive Reporting News by email.](#)

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

kpmg.com/nz/en/home/alumni.html



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