



DEFINITIONS

Rate-regulated activities: Activities that are subject to rate regulation.

Rate regulation: A framework that establishes prices for goods and/or services that are subject to the oversight/approval of a 'rate regulator'.	Rate regulator: A body that has been empowered through statute or legislation to establish (a range of) rates that bind an entity.	Regulatory deferral account balance: A balance that would not otherwise be recognised in accordance with other NZ IFRSs, but qualifies for deferral as it is (expected to be) included in establishing the (range of) rates.
Previous GAAP: The basis of accounting used immediately prior to a first-time adopter adopting NZ IFRS.	First-time adopter: An entity presenting its first NZ IFRS financial statements.	First IFRS financial statements: An entity's first financial statements in which there is an unreserved statement of compliance with NZ IFRS.

PRESENTATION

Statement of financial position The total of regulatory deferral account debit balances, and regulatory deferral account credit balances, are presented separately from, and after, all other items. They are not split into current and non-current portions.	Statement of profit or loss and other comprehensive income The net movements in regulatory deferral account balances related to both: <ul style="list-style-type: none"> Profit or loss, and Other comprehensive income. Are presented separately from, and after, all other items and subtotalled appropriately.
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RECOGNITION AND MEASUREMENT

An entity within the scope of NZ IFRS 14 is able to make a voluntary irrevocable election in its first annual NZ IFRS financial statements whether or not to recognise regulatory deferral balances in accordance with NZ IFRS 14.

An entity that has elected to apply NZ IFRS 14 in its first annual NZ IFRS financial statements, continues to apply the recognition, measurement, impairment and derecognition requirements in accordance with its previous GAAP to **all** its regulatory deferral account balances.

Changes are only permitted if they result in the financial statements being either:

- More relevant and no less reliable, or
- More reliable and no less relevant.

INTERACTION WITH OTHER NZ IFRSs - APPLICATION GUIDANCE WITHIN NZ IFRS 14

<ul style="list-style-type: none"> Estimates used in determining regulatory deferral account balances (NZ IAS 10) Scope of income tax requirements (NZ IAS 12) Where rates are permitted or required to be increased to recover some or all of an entity's tax expense (NZ IAS 12) Presentation with respect to income taxes (NZ IAS 12) Consistent accounting policies for associates and joint ventures (NZ IAS 28) Presentation of basic and diluted earnings per share (NZ IAS 33) Impairment of regulatory deferral account balances (NZ IAS 36) Impairment of cash generating units (CGU) containing regulatory deferral account balances (NZ IAS 36). 	<ul style="list-style-type: none"> Recognition and measurement of regulatory deferral account balances in an acquiree (NZ IFRS 3) Presentation in respect of non-current assets held for sale and discontinued operations (NZ IFRS 5) Consistent accounting policies for subsidiaries (NZ IFRS 10) Disclosures of regulatory deferral account balances in material subsidiaries with non-controlling interests, material joint ventures, and material associates (NZ IFRS 12) Disclosures of gain or loss on the loss of control over a subsidiary (NZ IFRS 12).
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DISCLOSURE

NZ IFRS 14 requires a number of disclosures to enable users to assess:

- The nature of and risks associated with the rate regulation the entity is exposed to
- The effects of that rate regulation of the entity's financial position and financial performance.

TIER 2 NZ IFRS RDR REPORTERS

NZ IFRS RDR Reporters must comply with NZ IFRS 14 in full. There are no disclosure exemptions.

Although every effort is made to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular facts and circumstances of the situation.
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