

Financial Reporting Amendment Bill

Government Bill

As reported from the committee of the whole House

This bill was formerly part of the Business Law Reform Bill as reported from the Commerce Committee. The committee of the whole House has further amended the bill and has divided it into the following bills:

- The Companies Act 1955 Amendment Bill, comprising Part 1
- The Companies Act 1993 Amendment Bill, comprising Part 2
- The Companies (Registration of Charges) Amendment Bill, comprising Part 3
- The Fair Trading Amendment Bill (No 2), comprising Part 4
- This bill, comprising Part 5
- The Insolvency Amendment Bill, comprising Part 6
- The Personal Property Securities Amendment Bill (No 2), comprising Part 6A and the Schedule
- The Receiverships Amendment Bill, comprising Part 6B
- The Securities Amendment Bill (No 2), comprising Part 7
- The Superannuation Schemes Amendment Bill, comprising Part 8
- The Unit Trusts Amendment Bill, comprising Part 9.

Key to symbols used in reprinted bill

As reported from a select committee

Struck out (unanimous)

Subject to this Act,

Text struck out unanimously

Note: This bill has been reformatted in accordance with the resolution of the House of 22 December 1999.

Hon Paul Swain

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The Parliament of New Zealand enacts as follows:

1 Title

- (1) This Act is the Financial Reporting Amendment Act **2001**.
- (2) In this Act, the Financial Reporting Act 1993 is called “the principal Act”.

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2 Commencement

This Act comes into force on the day after the date on which it receives the Royal assent.

Struck out (unanimous)

23 Interpretation

Section 2 of the principal Act is amended by omitting from the definition of the term “exempt company” in subsection (1) the words “an overseas company or”.

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24 Obligation to prepare group financial statements

Section 13(2) of the principal Act is amended by inserting, after the word “comprise”, the words “a reporting entity that is”.

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25 Registration of financial statements by issuers

Section 18 of the principal Act is amended by repealing subsection (3), and substituting the following subsection:

- “(3) Any person may, on payment of the prescribed fee (if any), inspect the copies of an issuer’s financial statements and auditor’s report on those statements delivered to the Registrar under subsection (1).” 5

26 Fees

Section 20(a) of the principal Act is amended by inserting, after the expression “18(2)”, the expression “or **section 18(3)**”. 10

27 Consultation

- (1) Section 26 of the principal Act is amended by inserting, after subsection (1), the following subsection:

“(1A) The Board must not approve a financial reporting standard, or an amendment to an approved financial reporting standard, that is likely to require the disclosure of personal information unless— 15

“(a) the Board is satisfied that,—

“(i) in the case of a standard or amendment based on a standard or amendment adopted by the Institute of Chartered Accountants of New Zealand or the organisation or person by whom it was submitted to the Board, the Institute or organisation or person, as the case may be, consulted with the Privacy Commissioner before the standard or amendment was adopted; or 20 25

“(ii) in the case of a standard or amendment based on a standard or amendment that was not adopted by the Institute of Chartered Accountants of New Zealand or organisation or person by whom it was submitted to the Board, the Institute or organisation or person, as the case may be, consulted with the Privacy Commissioner before the standard or amendment was submitted to the Board; or 30 35

- “(b) the Board has consulted with the Privacy Commissioner.”
- (2) Section 26(2) of the principal Act is amended by omitting the words “of this section shall”, and substituting the words “or **subsection (1A)** does”. 5
- (3) Section 26 of the principal Act is amended by adding the following subsection:
- “(3) In **subsection (1A), personal information and Privacy Commissioner** have the same meanings as in section 2 of the Privacy Act 1993.” 10
- 28 New section 33 substituted**
- The principal Act is amended by repealing section 33, and substituting the following section:
- “**33 Disallowance of determinations by House of Representatives** 15
- The Regulations (Disallowance) Act 1989 applies to the following determinations of the Board as if the determination were a regulation within the meaning of that Act:
- “(a) any approval of a financial reporting standard and any amendment to an approved financial reporting standard: 20
- “(b) any revocation of an approval of an approved financial reporting standard:
- “(c) any determination made under section 27(3A).”
- 29 Offences by directors of issuers** 25
- Section 38 of the principal Act is amended—
- (a) by omitting from paragraph (b) the expression “section 18(1) of this Act; or”, and substituting the expression “section 18(1),—”:
- (b) by repealing paragraph (c).
- 30 New section 42A inserted** 30
- The principal Act is amended by inserting, after section 42, the following section:

“42A Privacy Act 1993

The disclosure of personal information (as defined in section 2 of the Privacy Act 1993) is not a breach of principle 10 or principle 11 of that Act, if the disclosure is required for compliance with an applicable financial reporting standard that was approved after the commencement of the Business Law Reform Act 1999.”

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Legislative history

4 April 2001

Divided from Business Law Reform Bill
(No 319–3E)
