



Issue 0703

The International Financial Reporting Interpretations Committee (IFRIC) has recently released a new interpretation and a new draft interpretation.

IFRIC D21 *Real Estate Sales* aims to provide guidance on when revenue from the sale of real estate should be recognised. It clarifies whether sale agreements entered into prior to the completion of construction should be recognised as construction contracts under NZ IAS 11, or sale of goods under NZ IAS 18, as well as revising the guidance on applying NZ IAS 18 to real estate sales in general.

The comment period is open until 5 October 2007.

IFRIC Interpretation 14 *IAS 19-The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*, has been developed to address issues arising from the limitation of the measurement of defined benefit assets. Such assets are required to be measured to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions plus unrecognised gains or losses. The issue addressed by IFRIC 14 is when refunds or contribution holidays are “available” particularly when minimum funding requirements exist.

The effective date is for annual periods beginning on or after 1 January 2008, with earlier adoption permitted.

If you wish to discuss this or any other NZ IFRS related matter, please contact your usual PwC contact or one of the following NZ IFRS specialists:

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For more information on the new standards, please access the following link:

<http://www.pwc.com/nz/IFRSinPractice>

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