

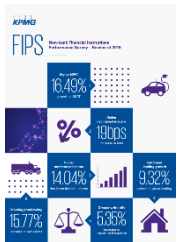
Alumni News

DECEMBER 2019

HAPPY HOLIDAYS FROM KPMG!

Welcome to the final edition of Alumni News for 2019. Wishing you a very Merry Christmas and Happy Holidays from KPMG New Zealand. We hope you all enjoy the break and we will see you in the New Year!

FIPS Non-Bank 2019



KPMG's Non-Bank Financial Institution Performance Survey (FIPS) analysis of 2019 reveals the latest performance results and provides updates on recent activity in the economy and trends in the market and regulation space.

Results show another strong year for the non-bank financial sector with net profit after tax increasing by 16.49%.

2019 has also seen a change in [market trends, disruptors and regulation](#) with new players from Australia, consolidation and an increased focus on regulation.

[Buy Now, Pay Later schemes](#) have been the most visible disruptors with over 228,000 customers signed up to these services. Opportunities for digital innovation have also become more prominent.

We also look at what to expect in 2020. Read the full publication [here](#).

Get in touch

[John Kensington](#)

Partner, Head of Banking & Finance

The dangers of out-of-office auto replies



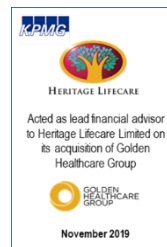
A simple out-of-office note to your customers and suppliers can make your business a target for cyber criminals.

As we turn-off our computers for the Christmas holidays, many of us will also be setting our email to the

automatic 'out-of-office' as a friendly note to external parties. However, this simple step can make your business a target for cybercriminals.

[Ahmereen Qadir](#), an Associate Director in KPMG's Cyber Security team, explains why; along with some other pre-holiday tips [here](#).

KPMG celebrates another successful year of local M&A advisory execution



Following on from a record 2018, KPMG NZ celebrates another great result with 11 completed or announced M&A transactions in 2019.

A highlight from the year was KPMG acting as the lead financial advisor to **Heritage Lifecare** on its purchase of **Golden Health Care Group (GHG)**, a Christchurch based aged care and retirement village operator.

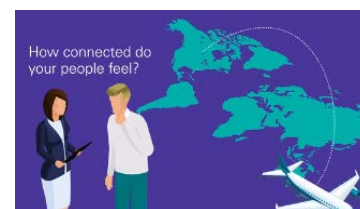
KPMG delivered a one firm approach. The engagement started with the M&A team (Nick McKay, Emma Evans and Tessa Paterson-Catto) originating a buy side transaction on a bilateral basis with the vendor, which eventually grew to the other services and teams also being involved such as financial and tax due diligence, D&A, expert valuation advice and payroll advice. Read more about our role [here](#).

Get in touch

[Nick McKay](#)

Partner, Deal Advisory

Employee Experience – Empathy



Do your employees feel that your organisation and more specifically, those involved in the global mobility programme care about them?

The festive season can be difficult for employees who

have relocated overseas and are away from family and friends. Our [video and resources](#) highlight the importance of empathy as part of the employee experience and share some ideas to help build empathy within your global mobility programme.

Get in touch

[Rebecca Armour](#)

Partner, National Leader – People Services

People @ KPMG

John Cantin awarded CAANZ Meritorious Service award

KPMG NZ Tax Partner John Cantin was recently awarded the CAANZ Meritorious Service Award.



John Cantin with John Cuthbertson, New Zealand Tax Leader - Chartered Accountants Australia and New Zealand (CAANZ)

This award is in recognition of John's outstanding contribution to CAANZ, being a member of their National Tax Advisory Group for 25 years. John has volunteered his time and skills over the years to give back to the tax profession and is heavily involved in submissions on proposed changes to New Zealand's tax system.

Not only is this a well-deserved recognition of John's personal achievements, it is also the first time an individual from New Zealand has received the award (previous recipients are from Australia).

To learn more about John and his 25 years of tax advocacy in the public interest, you can watch his interview with CAANZ [here](#).

Please join us in congratulating John for this amazing achievement.

KPMG success at IIA Conference

The Institute of Internal Auditors (IIA) conference highlights the strength of the internal audit profession in New Zealand.

The conference is an annual event providing attendees with the opportunity to build leadership capability and effectiveness in the internal audit industry.



This year, KPMG partners David Sutton and Souella Cumming were awarded life membership to the IIA which is the highest status the IIA can award and recognises a sustained significant contribution to the profession.

There are few other life members, however no life memberships have been awarded in the last few years. It is therefore very significant that the Board of the IIA chose to recognise the achievements of two of our partners.

These awards recognise David and Souella's huge personal contribution to the IIA and their dedication to the profession as a whole. Please join us in congratulating them on this achievement.



Grace Nunn acting as MC

KPMG's Grace Nunn, a Senior Advisor in our consulting team, acted as MC for the conference itself. Grace was approached by IIA's CEO and was instrumental in the success of the event by keeping a large crowd (over 180 attendees!) on track throughout.



Community @ KPMG

Christmas Food Drive



KPMG Auckland organized a Christmas Food drive to support those who are less fortunate during the holiday season by collecting food and donations in support of [Tāmaki Regeneration Company](#). All donations were passed on to a variety of Tāmaki community organisations.

In Wellington, our KPMG office chose to donate to [Nourish Trust](#), a charity making life easier for families over the Christmas period. You can still support their mission to deliver hampers of food to families in need.

Kiwi Dads – Whakanui i ngā Pāpā | Celebrating Fatherhood

Early December, KPMG had the pleasure of displaying Global Women New Zealand’s ‘Kiwi Dads’ photography exhibition in the foyer of our Auckland office.

The exhibition aims to normalise fathers taking parental leave and being primary caregivers. Read more about the initiative [here](#).



One of KPMG’s KiwiDads – Partner, Matt Prichard, recently shared his own experience with Global Women. You can read Matt’s ‘Manternity’ story [here](#).



Edmund Hillary School Whanau Fun day



Last month, Edmund Hillary School (EHS), one of KPMG’s partner schools, invited us to join them and their extended school Whanau for a Fun filled day.

Around 50 KPMG volunteers spent an afternoon at EHS running various indoor & outdoor activities, as well as cooking up a sausage sizzle for 300 EHS students, teachers and whanau.

Low decile schools such as Edmund Hillary do not often have the resource to arrange large-scale fun days for their students, so this was an important opportunity to create positive memories with the kids.

Viaduct Village People December Pride Event



ASB’s Unity Team hosted the latest Auckland Viaduct Village People Pride Event early December with special guests - the New Zealand Falcons and RainbowYOUTH.

The event featured guest speakers from local Viaduct businesses, including KPMG partner – Matt Prichard, sharing their thoughts on the value of business / community partnerships in supporting the Rainbow community.

KPMG is a member of the Viaduct Village People Group as part of our commitment to fuelling New Zealand’s prosperity in our communities. You can find out more about Citizenship@KPMG [here](#).

Tax

It's (nearly) a wrap – KPMG Tax Partner, Darshana Elwela, reflects on the “tax” year that was and what to expect in the year ahead

Capital gains tax...so close, yet so far – 2019 began with a bang with the public release of the [Tax Working Group's final report](#). For a few frenzied months, a possible [capital gains tax](#) was the talk of the town. In April, speculation was squashed with the Prime Minister announcing that her [Government would not introduce a capital gains tax](#) in this, or any future, term. Game over for capital gains tax? Not quite.

Read more about what's next for the capital gains tax, BEP 2.0 and other developments [here](#).

Aligning tax with accounting for leases

The Government is proposing a [law change](#) in early 2020 to allow lessees to follow the treatment in a new lease accounting standard (NZ IFRS 16) for tax. This will apply for tax years commencing on or after 1 January 2019, to mirror the application of NZ IFRS 16.

New NZ IFRS 16 removes the distinction between operating and finance leases. While that distinction continues for tax, the proposal allows lessees to make an irrevocable choice to follow their NZ IFRS 16 accounting treatment for tax operating leases.

Read more about what is changing for accounting in our latest KPMG Taxmail [here](#).

Purchase Price Allocation proposals

Inland Revenue has released [Purchase Price Allocation: An officials' issues paper](#).

Inland Revenue's concern is that vendors and purchasers can take different positions on the value of the assets sold, creating a potential for tax mismatches: the vendor's valuation may result in less taxable income being returned, while the purchaser's valuation may result in a higher depreciation base or deductions.

The Issues Paper proposes as a solution that the parties should agree the allocation of the purchase price to the various items sold (based on market values). The proposals are to, effectively “outsource” Inland Revenue's review of purchase price allocations to the parties.

Please find a summary of the Issues Paper and our thoughts [here](#).

Reporting Updates

Amongst the topics covered in this issue – we share KPMG's *2019 Edition of Model Financial Statements for Banks*. We also look at aligning tax with accounting for leases, further amendments to IFRS 17 *Insurance Contracts*, and ASIC's *Financial reporting focus areas*, in our Financial Reporting Updates. In Business Reporting, we look at IFRS standards and climate-related disclosures, and share KPMG's survey on ASX 200 corporate reporting trends. Read our latest reporting updates [here](#).

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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