



**INTERNATIONAL FEDERATION  
OF ACCOUNTANTS**

545 Fifth Avenue, 14th Floor      Tel: (212) 286-9344  
New York, New York 10017      Fax: (212) 286-9570  
Internet: <http://www.ifac.org>

DATE: 1 OCTOBER 2004  
MEMO TO: MEMBERS OF THE IFAC PUBLIC SECTOR COMMITTEE  
FROM: PAUL SUTCLIFFE  
SUBJECT: **INTERNATIONAL PUBLIC SECTOR ACCOUNTING  
STANDARDS**

---

### **ACTION REQUIRED**

The Committee is asked to:

- **note** developments in the areas outlined below; and
- **provide** input on any further developments

### **BACKGROUND**

The purpose of this paper is to provide an overview and update on funding, promotion and translation activities during 2004. This is a standing item for the PSC Agenda. The Work Program for 2004 and beyond is considered in detail at Agenda items 6.2 through 6.6. Major changes to the tables included in this memo since the July meeting are highlighted by mark-ups.

Staff maintain a register of organizations approached for funding and presentations in support of the PSC and IPSASs made by members, technical advisors, observers and staff in previous years. These have previously been included as attachments to this memo. However, they are becoming quite voluminous and have not been attached on this occasion. However, they are available on request.

#### **(i) Standards Program Funding**

Financial information regarding operations of PSC's standard program during the first three quarters of 2004 will be provided to members at the meeting.

As Philippe Adhémar, the PSC Chair, noted in his update to members following the IFAC Board meeting in July:

- the Board accepted the PSC view that IFAC should be more directly involved in activities directed at raising funds for PSC activities;
- the IFAC President agreed to allocate some of his time to fund raising activities in late 2004/early 2005; and
- other IFAC Board members also agreed to explore funding opportunities.

Meetings to plan funding initiatives have been scheduled for October depending on the availability of key parties and following the November meetings of the IFAC Board. The Chair will participate in these meetings. A funding proposal has been prepared to support funding activities and is being updated for initiatives emanating from the IFAC Board's discussion of the recommendations of the PSC Review Panel and the PSC's observations

thereon. An update on other actions and initiatives resulting from the recommendations of the PSC Review Panel is included in item 6.2.

The current status of funding for 2004 and expectations for 2005 is outlined below.

#### Current Funding Profile - 2004

<b>Organization</b>	<b>Status</b>
Public Expenditure and Financial Accountability (PEFA) Program	Support of \$50,000US for the Budget Reporting Project has been provided by PEFA. PEFA is financed jointly by the World Bank, European Commission, and UK DFID.
Multi Lateral Development Banks (MDB) and World Bank	\$75,000US to support the Development Assistance Project has been provided through a fund administered by the World Bank.
World Bank	Has approved \$250,000US per annum for 3 years to 2004, subject to annual application/approval. <u>The final tranche of funding under this arrangement has been received.</u> The World Bank has agreed funding of \$250,000US per annum for 2005 and beyond.
International Monetary Fund	Has provided \$50,000US per annum for 4 years to end 2004.
Asian Development Bank	Has provided funding of \$82,000US per annum for three years to end 2004. <u>The final tranche of this funding has been received.</u>
Inter American Development Bank	PSC was advised that funding to match ADB funding has been approved. However, no funding has been received from the <u>Inter American Bank.</u>

#### **(ii) Standards Project Promotion and Key Relationship Management**

##### *Background*

A revised list of invitations, presentations and articles for 2004 is set out below. If you have received invitations to present or have presented at any seminars or meetings that should be included in this list, please inform Matthew Bohun. In addition to matters identified in this list, PSC members and their technical support and observers also report on a regular basis to their national boards and/or other relevant bodies on PSC activities. PSC staff also report to the IFAC Board and relevant IFAC Committees on a regular basis.

## 2004 Invitations and Activities

Date	Location/Activity	Host/Participants/Journal	PSC Representative
January	Washington	Discussions with the following re PSC program and funding: World Bank, IMF, IDB	Philippe Adhémar
	London	Discussions with IASB, UK Audit Office, FEE – PSC Chair, UK – ASB	Philippe Adhémar and Mike Hathorn
	New York	IFAC – CEO Meeting	Philippe Adhémar
	Brussels	European Union Standards Committee	Mike Hathorn
	<a href="#">Madrid, Spain</a>	<a href="#">XV Seminar on Budget, Accounting and Public Control</a>	<a href="#">Carmen Palladino</a>
February	Paris	Meeting of OECD Task Force on Harmonization and Working Groups 1 and 2	Philippe Adhémar Ian Mackintosh (for the PSC) Robert Keys Paul Sutcliffe
February	New Delhi	Presented PSC achievements and future progress to the Global Working Group of 12 Auditors General	Philippe Adhémar
February	Paris	OECD Accruals seminar	Philippe Adhémar, Mike Hathorn, Paul Sutcliffe
February	Hamburg	Symposium of State and local government	Norbert Vogelpoth
February	Brussels	European Union Standards Committee	Mike Hathorn
February	London	IASCF/IASB staff – Meetings re translations and work program	Paul Sutcliffe
March	Buenos Aires – Seminar	Argentinean FACPE Seminar	Philippe Adhémar Carmen Palladino Mike Hathorn Terence Nombembe Rick Neville
April	Prague	European Accounting Association (EAA) Conference	Philippe Adhémar
April	Article in “Die Wirtschaftspufung	Comparison of IPSASs and German Public Sector Accounting Standards	Norbert Vogelpoth
May	North-Rhine Germany	Presentation to Ministries on IPSASs	Norbert Vogelpoth
June	Paris	OECD Workshop: Implicit Liabilities and IAS 19 <i>Employee Benefits</i>	Philippe Adhémar
June	Budapest	Chamber of Hungarian Auditors – International Conference	Philippe Adhémar
June	Oslo	IASB - Standards Advisory Council	Philippe Adhémar
<a href="#">June</a>	<a href="#">Curacao-Caribbean</a>	<a href="#">IPSAS Harmonization – Seminars on 8 and 10 June for University CPA Program</a> – two seminars	<a href="#">Aad Bac</a>

<b>Date</b>	<b>Location/Activity</b>	<b>Host/Participants/Journal</b>	<b>PSC Representative</b>
<a href="#">August</a>	<a href="#">Argentina</a>	<a href="#">International Seminar of Latin American Countries</a>	<a href="#">Carmen Palladino</a>
Sept	Boston	International Colloquium on Financial Management for National G'ments	Philippe Adhémar
Sept	Brussels	European Commission/FEE Public Sector Committee, Conference	Philippe Adhémar, Norbert Vogelpoth
Sept	Washington	TFHPSA	Paul Sutcliffe, <a href="#">Carmen Palladino</a>
<a href="#">Sept</a>	<a href="#">London</a>	<a href="#">World Standard Setters Conference</a>	<a href="#">Mike Hathorn</a>
<a href="#">Sept</a>	<a href="#">Abujer, Nigeria</a>	<a href="#">Accountants General Conference</a>	<a href="#">Freeman Nomvalo</a>
Nov	London	IASB — Standards Advisory Council	Philippe Adhémar
<a href="#">Nov</a>	<a href="#">Delhi</a>	<a href="#">Seminar</a>	<a href="#">Philippe Adhémar, John Stanford, Tom Olsen, Ron Points</a>
<a href="#">Nov</a>	<a href="#">Paris</a>	<a href="#">OECD – DAC – Presentation on Developmental Assistance ED</a>	<a href="#">Philippe Adhémar</a>

### (iii) Translations

The PSC has recognized the importance of translating its pronouncements into languages other than English and identified the following as key languages: French, Spanish, Chinese, Russian and Arabic.

The translation into Spanish of accrual IPSASs 1 to 20, the comprehensive Cash Basis IPSAS and the Glossary of Defined Terms has been completed under the agreement with the IASCF. The Spanish translation has been loaded on the IFAC web and can be downloaded free of charge.

Completion of the French translation of the same documents is anticipated by the end of November 2004. In addition, translations of PSC documents into other languages are in progress or completed by member bodies and other interested organizations. The table below summarizes progress on translation activities to date. Please advise Matthew Bohun of any amendments to this listing.

The IFAC Board has also recently issued a policy statement on translation by other organizations of standards and guidance of IFAC Committees and Boards. That translation policy is included in the FYI section at item 20.8.

Language	Organization	Status
French	IASB-PSC  NATO	Anticipate translation of IPSASs 1 – 20 completed by <del>end November</del> mid 2004.  NATO has translated the black letter paragraphs of 1-8 into French. NATO representation has been included on the IASB-PSC translation panel. Arrangements being made with IASCF for translation of Cash Basis IPSAS.
Spanish	<del>Inter-American Development Bank (IADB)</del>  IASB – PSC	IPSASs 1 – 20, <u>the Glossary of Defined Terms and the Cash Basis IPSAS have been completed.</u>
Czech	Chamber of Auditors of the Czech Republic and Czech Member Body of IFAC	PSC Handbook being translated by the Czech member body.
Bosnia and Macedonia	Ministry of Finance	<u>Enquiry received The accrual and cash bases have been translated into the Macedonia language but not yet copied into the government “register”. No progress on translation in Bosnia.</u>
Russian	International Center for Accounting Reform (ICAR)  Kazakhstan Member Body of IFAC  Samara Region Institute	Translation of following completed: IPSASs 1-12, the Glossary of defined terms, PSC Studies and Guideline 1 on GBE’s. The Kazakhstan member body is translating the PSC Handbook into Russian. Enquiry re authority to translate received. (Staff have advised of other Russian translation activity.)
Chinese	PRC Ministry of Finance in conjunction with World Bank  Taiwan Institute	<del>Anticipate completion of IPSASs 1 – 20 and Glossary of Defined Terms completed by the end of July 2004</del>  Study 11 has been translated into Chinese.

<b>Language</b>	<b>Organization</b>	<b>Status</b>
Arabic	The Palestinian Accounting Association  Arab Society of Certified Accountants, Amman, Jordan	Translated IPSASs 1 – 12. Translation of IPSASs 13 – 20 in progress.  ASCA has prepared a translation of the IASs into Arabic and translated IPSASs 1-13, Studies 3-12, Guidelines 1 and 2, and is currently translating Studies 13 and 14 and Occasional papers 4 and 5.
Italian	Italian Institute	IPSASs 1-17 completed. IPSASs 18-20 under way.
Bahasa Indonesia	Professor Indra Bastian.	IPSASs 1-15 have been translated
Maltese	Grant Thornton – Malta Office, on behalf of the Government of Malta	English versions used. No translations occurring.
Japanese	Japanese Institute	Translation of IPSASs 1- 20, Cash Basis, Study 11 and Study 14 completed.
Mongolian	Mongolian Institute with World Bank support.	Translation of IPSAS 1-20 in progress.
German	Swiss and German Institutes	Considering translation – no action as yet.
Bulgarian	Bulgarian Member Body of IFAC	The Bulgarian member body is translating the PSC Handbook.
Switzerland	Dr Andreas Bergman – on behalf of Swiss Government	English version used for reform process. No urgency for translation.



DATE: 1 OCTOBER 2004  
MEMO TO: MEMBERS OF THE IFAC PUBLIC SECTOR COMMITTEE  
FROM: PAUL SUTCLIFFE  
SUBJECT: **PSC STANDARDS PROGRAM WORK PLAN**

---

### **ACTION REQUIRED**

- **review and confirm** the draft work plan; and
- **provide** directions regarding any amendments.

### **AGENDA MATERIAL:**

	<b>Pages</b>
6.3 Work Plan 2004	6.14
6.4 Work Plan 2004 – 2006	6.15
6.5 Standards Program status June 2004	6.16-6.18
6.6 Projects of national standards setters	6.19-6.21
6.7 Memo from Li Li Lian	6.22 – 6.28
6.8 Overview of responses from the PSC – public-private sector arrangements	6.29 – 6.31

### **Status October 2004**

The 2004 and 2004-2006 work plans have been updated to reflect decisions made at the July 2004 meeting. Clean copies of the work plans are attached as items 6.3 and 6.4. Major activities/outputs since that meeting and an update on major projects are outlined below. The work plans are subject to change dependent on decisions made at this meeting.

PSC Update 12 which summarizes the PSC's July 2004 meeting was issued in English, French and Spanish in July 2004.

### ***Documents included in this Agenda for PSC review***

- External Review consequential actions Draft Action Plan and updated draft Terms of Reference and Preface (distributed to members under separate cover)
- Non-Exchange Revenue (including Taxes) Analysis of Responses to the ITC
- Social Policy Obligations of Government Analysis of Responses to the ITC
- Heritage Assets Project Brief
- Impairment of Cash-Generating Assets First draft Exposure Draft
- Budget Reporting First draft Exposure Draft on budget – actual comparisons
- Accounting for Development Assistance Updated draft Exposure Draft
- Convergence – IPSAS and IAS/IFRS Marked up drafts of four IPSASs in the “Improvements Project”

- Convergence – IPSAS and statistical bases
- Project Brief on Disclosure of the General Government Sector – Response from the PAP.  
Draft Research Report on differences between IPSASs and statistical basis of reporting

### **Structure of Work Program and staff views on additional IASB convergence projects**

The PSC agreed at its July 2004 meeting that public sector specific issues should be its first priority, convergence of IPSASs with IFRSs should be its second priority and convergence with statistical reporting should be its third priority. The work program has been updated to reflect these decisions.

#### *Updating the nine existing accrual IPSASs not included in the IPSAS Improvements Project*

At the July 2004 meeting, the PSC raised the potential of “refreshing” the nine IPSASs not part of the current IPSAS improvements project, for new and updated IPSAS and changes to the IASs on which these IPSASs were based, subject to the availability of resources. At that meeting, staff expressed initial concern about the timing of the update and whether there was sufficient staff resources and PSC meeting time available to update these IPSASs and enable the full due process to work through in time for a 2006 completion date. This was particularly so given the resources that would need to be diverted to a review of:

- IPSAS 15, “Financial Instruments Presentation and Disclosure”. Changes to IAS 32, “Financial Instruments Presentation and Discharge” (on which IPSAS 15 is based) were made on issue of IAS 39, “Financial Instruments: Recognition and Measurement”. Consequently, changes to IPSAS 15 would involve consideration of IAS 39. In addition, further changes to IAS 32 are planned for late 2004/early 2005.
- IPSAS 19, “Provisions, Contingent Liabilities and Contingent Assets”. This was because IASB is developing for issue at the end of 2004 an exposure draft proposing further changes to IAS 37, “Provisions, Contingent Liabilities and Contingent Assets”, and the work of the PSC on the ITCs may identify additional potential amendments.

Members noted these concerns and agreed that any “work” on the IPSASs not part of the current improvements project should not divert resources from the public sector specific issues on the PSC’s work program and other projects currently under development by the PSC. Members requested staff to provide at this meeting their views on the resource implications of updating the remaining IPSASs.

Staff remain of the view that updating of IPSAS 15 and IPSAS 19 should be deferred until the PSC has considered its strategy in respect of IAS 39; and the IASB work on updating IAS 37 has further developed and the PSC has considered the SPO project and whether it has consequences for IPSAS 19.

Staff have also reviewed the other seven IPSASs that are not part of the current improvements project and noted that the major differences between those IPSASs and the IASs/IFRSs on which they are based arise as a consequence of:

- public sector specific amendments made by the PSC. These differences remain appropriate and would not be amended in any revision/update;
- differences that will be addressed through the IPSAS improvements project currently under development (via the “consequential changes to other IPSASs” section included in each updated proposed IPSAS); and
- differences that arise as a consequence of new IFRSs that have been issued by the IASB and have not yet been considered by the PSC. The PSC has agreed that amendments would not be made in respect of these new IFRSs without full consideration of each IFRS by the PSC.

In addition, the IASB is developing a project on revenue that may have implications for IAS 18, “Revenue” and therefore IPSAS 9, “Revenue from Exchange Transactions” (which is based on that IAS). Similarly, the PSC’s work on the “Non-Exchange Revenue” project and the IASB’s consideration of IAS 20, “Accounting for Government Grants and Disclosure of Government Assistance” are likely to also have implications for IPSAS 9. This means that even if refreshed now, the IPSASs would still require further updating as these projects work through.

The PSC already has a heavy work program and its staff resources and meeting time is limited. Responding to the Recommendations of the PSC Review and IFAC Board decisions thereon have increased those resource pressures. To initiate a separate project to update the remaining IPSASs will involve diverting resources from existing projects. Staff are of the view that at this stage the PSC would get better value from its resources by pushing forward with its existing projects. The updating of the existing IPSASs would then occur as the PSC develops exposure drafts on new public sector specific issues, finalizes IPSASs in its improvements project and considers the applicability of new IASs/IFRSs to the public sector. For example:

- any exposure drafts developed on the ITCs would identify consequential changes to IPSAS 9, IPSAS 19 and other IPSASs as appropriate;
- PSC consideration of its strategy on IAS 39 and IAS 19, (proposed for 2005 in the attached work program) would work through any implications for other IPSASs;
- when the PSC considers new IFRSs, such as IFRS 5, “Non-current Assets Held for Sale and Discontinued Operations” the implications for existing IPSASs will be drawn out in the “consequential changes to other IPSASs” sections; and
- consequential amendments to other IPSASs will be dealt with in the IPSAS Improvements Project.

Consequently, the attached work program does not propose the actioning of separate projects on the nine IPSASs not included within the current improvements project.

#### *Review of IASs/IFRSs*

The timetable and agenda for this meeting do not include consideration of the following (as had been anticipated early in 2004):

- PSC strategy on IAS 39, “Financial Instruments: Recognition and Measurement”, and consequential updating of IPSAS 15, “Financial Instruments: Disclosure and Presentation”. As noted above, the IASB has exposure drafts on issue and is considering responses on previous exposure drafts which may result in amendments to IAS 39. It is proposed that the PSC consider its strategy on IAS 39 when the status of these possible amendments is clarified;

- PSC strategy on IAS 19, “Employee Benefits”. It is anticipated that the IASB will issue updated IAS 19 in the final quarter of 2004. It is proposed that the PSC consider its strategy on IAS 19 in 2005 when the revised standard is released.

### **Consequences of PSC Review – IFAC Board decisions on recommendations of the Review Panel**

As noted by the PSC Chair, Philippe Adhémar, in his report to members following the July 2004 meeting, the IFAC Board agreed with the large majority of the Review Panel recommendations. The report from the PSC Chair on the IFAC Board’s discussion of this matter is included at Agenda item 16.2.

The IFAC Board requested that the Chair and Technical Director prepare an action plan for presentation at the November IFAC Board meeting. That plan is included in this Agenda at item 16.3. It includes the proposed revised PSC Terms of Reference and the proposed draft Preface to IPSASs.

The PSC Chair will present the action plan to the IFAC Board at its meeting in Paris on November 8 to 11. It is proposed that the action plan be discussed on the first day of the forthcoming PSC meeting. The Chair will then update the Board on any matters raised by the PSC.

### **Project Updates – major items for discussion at this meeting**

#### *Non-Exchange Revenue and Accounting for Social Policies of Government*

The comment period on the Invitations to Comment (ITCs) dealing with these topics closed on June 30, 2004. Fifty responses to the ITC on Non-Exchange Revenue and forty-seven responses to the ITC on Social Policies of Government have been received. These have been distributed to members in a separate booklet. More responses are expected and will be forwarded when received.

An analysis of all responses received as of 15 September is included at Agenda items 8 and 9, together with staff recommendations on key issues.

#### *Impairment of Assets – Non Cash-Generating Assets*

IPSAS 21, “Impairment of Assets” was agreed at the last PSC meeting subject to editorial amendments as identified by members, and final review by the PSC Chair and sub committee. The PSC also agreed to defer application of the IPSAS until the improved IPSASs were completed and became applicable. The amendments as identified have been processed and the review by the Chair and sub-committee has been completed. Issues relating to the application date and other matters identified in the review process are considered at item 12 (B) (second distribution). (Please note, given progress on the IPSAS improvements project and likely application date of the improved IPSASs, it is the staff’s view that issue of this IPSAS should not be deferred.)

#### *Impairment of Assets – Cash-Generating Assets*

A first draft Exposure Draft (ED) is included at Agenda item 14 (second distribution). It has been prepared by the Canadian, South African and USA Technical Advisors, Ron Salole, Erna Swart and David Bean.

### *Budget Reporting*

A draft ED on reporting compliance with budgets is included at Agenda item 11 (second distribution). The draft ED has been prepared by PSC consultant Dr Jesse Hughes with input from staff. Jesse will be in attendance to discuss the Exposure Draft with members and seek directions for any further development.

### *Development Assistance*

The draft ED considered by the PSC at its July 2004 meeting has been updated by Charles Coe, the consultant on this project with input from staff. That ED, together with a report on consultative activities related to the ED and additional feedback from key constituents, is included at Agenda item 10 (second distribution). Charles will be in attendance to discuss the updated draft ED and provide members with any further updates on the consultative process.

### *IPSAS Statistical Bases of Reporting – Convergence Projects*

The Project Brief for the disclosure of information about the general government sector (GGS) was updated to reflect members' comments made at the July 2004 PSC meeting and circulated to PAP members. The updated Project Brief and PAP members' comments thereon are included at Agenda items 13.4 and 13.5. It is proposed that the PSC action the preparation of an ED on this project as resources allow. The proposed Research Paper dealing with differences between IPSASs and statistical basis of financial reporting (the "matrix") is included at Agenda item 13.6 (second distribution). It is proposed that the PSC consider this Report with a view to approval of its issue.

The Task Force on Harmonization of Public Sector Accounting (TFHPSA) met on September 22 to 24 to consider the work of its two working groups. The Agenda of that meeting is included at Agenda item 13.2. The PSC Technical Director attended the TFHPSA meeting and will provide a verbal report on proceedings at the forthcoming PSC meeting.

### *IASB Convergence – IPSAS Improvements Project*

The PSC is updating eleven IPSASs for changes emanating from the IASB Improvements Project. The existing IPSASs have been marked up to identify changes necessary to harmonize with improved IASs/IFRSs. The PSC has previously considered IPSAS 1, 12, 13 and 14. IPSASs 3, 6, 16 and 17 are included for consideration at this meeting. Papers which outline the major changes to the IPSASs are included at Agenda item 12A. It is proposed that the PSC consider the remaining IPSASs in the project (IPSASs 4, 7 and 8) at its March 2005 meeting.

An update on IASB activities is also included at Agenda item 12(C).

### *Conceptual Framework*

The IFAC Board accepted the PSC view that a project on a public sector conceptual framework was an important element of its ongoing work program. During 2003, the PSC considered papers which compare the IASB concepts with the those reflected in IPSASs. The PSC has also noted the conceptual work being undertaken in member jurisdictions. Staff propose that the PSC consider its strategy for the development of the public sector framework in 2005.

### *Heritage Assets*

A project brief is included at Agenda item 15 (second distribution). The brief was prepared by John Stanford, the UK technical advisor. John will be in attendance to lead discussion. It is proposed that the PSC action the development of an ED on this topic during 2005. The issuance of that ED and consequential deliberations of the PSC could then occur in the third quarter or early fourth quarter of 2006 and be linked to the IPSAS Improvements Project (particularly IPSAS 17).

### *Projects of Other Standard-Setters*

Agenda item 6.6 provides a high level summary/overview of the broad types of projects that are being considered by standards setters and authoritative bodies in PSC member countries. These encompass short, medium and long term projects. This summary/overview is provided here for members to consider as they review the draft work program. The summary/overview was prepared from input provided by members in response to a request from staff (late September 2004). It will be updated as additional input is received. Please advise Li Li Lian of any revisions, additions, etc and we will update for tabling.

### *Public Private Sector Arrangements*

Agenda item 6.7 provides an overview of authoritative guidance and current practice on public private sector arrangements (PPSA) in member jurisdictions. This report was prepared from input provided by members in response to a request from staff in late August 2004. Please advise Li Li Lian of any amendments to the attached materials and we shall update and table revised information at the meeting.

As reported at the July 2004 PSC meeting, staff have been advised that the IASB's IFRIC anticipates issuing EDs of proposed Interpretations dealing with service concession arrangements (IASB terminology for PPSA) in late September/October of this year. These EDs have not yet been issued. There is an IFRIC meeting in early October 2004. It is hoped that the EDs will be approved for forwarding to the IASB at that meeting. The EDs will be subject to approval of the IASB before issue. If the IASB is uncomfortable with the proposed interpretations, it may initiate its own project and this may provide the opportunity for PSC participation. Staff are monitoring IASB developments and will provide a verbal update on the status of IFRIC deliberations at the forthcoming PSC meeting.

### *Consultative Group*

The updated Consultative Group membership list is included at Agenda item 17. A meeting with members of the Consultative Group from India and surrounding regions and other key constituents will take place in conjunction with the forthcoming meeting (on November 1). It is intended that a discussion of the responses to each of the ITCs will form the basis of that meeting. Time will also be made available for participants to identify other matters for discussion and for the Ghosh Committee to report on developments in India. An Agenda for that meeting is included at Agenda item 1.5.

### *Non-Technical – Promotion and Translation*

Translation and promotion activities are identified in detail in Agenda item 6.1.

### **2004 Work Program - Summary**

Projects proposed for the PSC's 2004 November meeting Work Program are outlined below. Work on these projects will continue into 2005.

***Projects Currently in Process/Agreed***

- Non-Exchange Revenue (including taxes) – Consider responses to ITC (Nov. 2004)
- Social Policies of Government – Consider responses to ITC (Nov. 2004)
- Reporting Compliance with Budgets – Consider first draft ED (Nov. 2004)
- Impairment of Cash-Generating Assets – Consider first draft ED (Nov. 2004)
- IPSAS-IFRS Convergence – IPSAS Improvements Project. Consider proposed amendments to 4 IPSASs (Nov. 2004)
- IPSAS and Statistical bases of financial reporting Convergence activities
  - Project Brief on General Government Sector (Nov. 2004)
  - Participation in TFHPSA Report (Nov. 2004 and ongoing)
  - Research Report – IPSAS and Statistical Bases of Reporting (Nov. 2004)
- Development Assistance – Consider updated draft ED (Nov. 2004)
- Heritage Assets – Consider Project Brief (Nov. 2004)
- PSC Review and consequential actions – consider Action Plan and Draft IPSASB Terms of Reference (Nov. 2004).

Additional projects for 2005 and beyond are outlined below:

***Additional Projects 2005 (in addition to ongoing 2004 projects)***

- Occasional Paper – the USA experience being prepared by USA delegation
- Study on use of IPSASs – consider project proposal
- Consider strategy re conceptual framework
- Consider strategy on public-private sector arrangements and non-financial performance indicators
- IPSAS and IASB Convergence: consider strategy re IAS 19, “Employee Entitlements” and IAS 39, “Financial Instruments: Recognition and Measurement”
- IPSAS and Statistical bases of financial reporting: Consider Project Brief on Performance Reporting
- Monitor work of IASB and respond to IASB exposure drafts as appropriate (ongoing)
- Review implementation issues of Cash Basis IPSAS
- Joint project with Education Committee and Developing Nations and Small and Medium Practices Permanent Task Forces to develop report on implementation of the cash basis IPSAS

***Other ongoing activities include:***

- Liaison with other IFAC committees and groups such as the IAASB, Ethics Committee and Compliance (ongoing)
- Promotion of the output of the PSC, attendance at seminars and encouragement of translation activity will continue during 2004 and 2005.

***Staffing 2004***

An update on staffing arrangements will be provided at the meeting.

IFAC PUBLIC SECTOR COMMITTEE (PSC) DRAFT WORK PLAN 2004 (Prepared for November 2004)					
Work Plan Jan 04-Dec 04	Quarter 1	Quarter 2	Quarter 3	Quarter 4	2005 +
<b>Project:</b>	<i>PSC Meeting March</i>	<i>No PSC</i>	<i>PSC Meeting July</i>	<i>PSC Meeting November</i>	
Impairmnt of Assets - non cash	Consider comments	<i>Meeting</i>	First draft IPSAS	Finalize IPSAS	<b>Issue IPSAS</b>
Impairmnt Assets-cash generatng				First draft ED	<b>Issue ED/develop IPSAS</b>
Cash Basis IPSAS	No action 2004				Review Implementation Experience
Transitional Guidance Study 14	<b>Issue 2nd edition - Web</b>				Consider if update is necessary
Development Assistance	PAP comments / first draft ED		Revised ED-PAP Update	PAP Comments - <b>Finalize/Issue ED</b>	Consider comments/Issue IPSAS
Glossary	<b>Issue Glossary</b>				Update Glossary as necessary
Revenue - Non-Exchange	<b>Issue ITC*</b>		Update on responses	Consider responses -Role of SC?	Develop/Issue ED/develop IPSAS
Social Policy Obligations	<b>Issue ITC*</b>		Update on responses	Consider responses -Role of SC?	Develop/Issue ED/develop IPSAS
Budget Reporting	Draft Report	<b>Report Issued</b>	Consider Recommendations	Consider ED-Budget/Actual	Issue ED/develop IPSAS
GFS/ ESA/SNA Harmonization	Report WG1/Task Force*		Project Proposal:GenGov	PAP Response to Proj. proposal	Follow up activity
				Review "matrix" paper	
					Project Proposal:Perform Rep
Conceptual Framework					Consider Strategy
Monitor IASB/IFRS	Staff Rep-IASB Update		Staff Rep-IASB Update	Staff Rep-IASB Update	Staff Rep-IASB Update -ongoing
<b>IASs/IFRSs Harmonization Projects</b>			Consider Harmonzn Strategy	Strategy re: refreshing IPSASs	
-Improvements Project	Consider marked-up IPSAS		Consider marked-up IPSAS	Consider marked-up IPSAS	<b>Finalize/Issue ED/Revised IPSASs</b>
- Updated Preface				Consider draft updated Preface	<b>Finalize/Issue ED/Revised Preface</b>
-Employee Benefits	Monitor IASB/SNA review		Submission on IASB-ED?		Consider strategy
-Business Combinations	Monitor IASB/No action 04				Consider strategy
-Fin. Inst: Recog & Measure.	Report on Status/No action 04				Consider strategy
- Other IFRSs	Monitor IASB/No action 04		Consider Harmonztn Strategy		Follow-up activity as necessary
<b>Other Pub Sector Projects</b>					
-Heritage Assets-Recog/Msmnt.				Project Proposal	Follow up/implicatns for IPSAS 17
-Non-fin.Performance Report	No Action 2004				No action 2005
-Public/Private S. Arrangements	No Action 2004			Consider status	Consider strategy
Argentinean Occasional Paper	<b>Paper Issued</b>				
USA Occasional Paper					Consider/Issue USA Paper
Occasional Paper -use of IPSASs					Proj Proposal- Survey IPSASs
<b>Non-Technical</b>					
PSC Review	Note Preliminary Report		Final report and PSC response	Consider Action Plan	
Consultative Group	Local area Members meeting		Local area Members meeting	Local area Members meeting	
Translation - Key Languages:	Status French and Spanish		Spanish Completed	Complete French. Consider Arabic, Chinese, Russian, Other languages	
Promotion	PSC Seminars/Presentations	Presentations	PSC Seminars/Presentations	PSC Seminars/Presentations	PSC Seminars/Presentations
<i>* SC - Steering Committee</i>	<i>*ITC Invitation to Comment</i>		<i>*OECD Task Force</i>	<i>*Working Group1</i>	

**IFAC PUBLIC SECTOR COMMITTEE (PSC) WORK PLAN 2004 - 2006**

	2004	2005	2006
<b>Technical Projects</b>			
Impairment of Assets - non-cash	Finalize IPSAS	Issue IPSAS	
Impairment of Assets - cash- generating	Consider first draft ED	Issue ED/Finalize IPSAS	Issue IPSAS
Cash Basis IPSAS		Review Implementn. Develop implement'n report	Update as necessary
		with Educatn Com and Dev.Nations Task Force	
Transitional Guidance - Study 14	Issue 2nd edition Study 14		Review/develop third edition if necessary
Development Assistance	Develop/Issue ED (Cash Basis)	Develop/Issue Cash Basis IPSAS	Follow up for accrual IPSASs if necessary
Glossary	Issue Glossary IPSAS 1 -20	Update if necessary	Update if necessary
Revenue - Non-Exchange	Issue ITC. Consider comments on ITC	Develop and issue ED	Develop IPSAS
Social Policy Obligations	Issue ITC. Consider comments on ITC	Develop and issue ED (EDs?)	Develop IPSAS
Budgetary Reporting	Issue Res. Report/consider "Comparisons" EI	Issue ED (ex-post/budget comparson)	Develop IPSAS/update IPSAS 1
-Prospective Budget		Steering Com develop ITC	Issue ITC
GFS, ESA and SNA Harmonization	Agree strategy/Develop "matrix"	Issue "Matrix" paper	Follow up action
Gen Gov. Sector and Performance Rep	Project Brief Gen Gov. Sector	Develop ED and Perf Rep. Project Brief	Issue GGS ED. Issue ITC Perf. Rep
Conceptual Framework		Consider Strategy/Monitor developments	Develop ED
Monitor IASB- IASs/IFRSs	Ongoing	Ongoing	Ongoing
- <i>IASB Improvements Project</i>	Develop ED	Finalize and Issue ED	Develop improved IPSASs
- <i>Updated Preface</i>	Update Preface - stage 1	Issue Preface Handbook/ Issue ED Preface stage 2	Develop improved Preface
- <i>Employee Benefits</i>	Monitor IASB/SNA activity	Consider Strategy	Develop and issue ED
- <i>Business Combinations</i>	Monitor IASB activity	Consider Strategy	Develop and issue ED
- <i>Fin. Inst. Recog &amp; Measure.</i>		Consider Strategy	Follow up activity as appropriate
- <i>Other IFRSs</i>	Consider Strategy	Follow up activity as appropriate	Follow up activity as appropriate
Heritage Assets-Recog Measurement	Project Proposal/Monitor national projects	Develop ED /ITC?	Issue ITC/ED ?
Public/Private S. Arrangements	Consider Status	Consider Strategy/Action Project?	Follow-up activity
Non-financial Performance Reporting	No action	Consider Strategy	Follow-up activity
W.I.P non-exchange Services	No action	Consider if action necessary	
Occasional Papers	Issue Paper on Argentina	Develop Paper on USA. Paper on other country (?)	Paper on other country
		Develop survey on adopting IPSASs/prepare paper	Issue paper - monitor

**PSC WORK PROGRAM: STATUS AS AT SEPTEMBER 2004**

<b>Technical Projects</b>	<b><u>PSC Standards Program Original Program (1997-2002)</u></b>	<b>Current Status</b>	<b>IAS/ IFRS</b>
Study 11	Governmental Financial Reporting: Accounting Issues and Practices	Final Study issued	NA
IPSAS 1	Presentation of Financial Statements	Final IPSAS issued	IAS 1
IPSAS 2	Cash Flow Statements	Final IPSAS issued	IAS 7
IPSAS 3	Net Surplus or Deficit for the Period, Fundamental Errors and Changes in Accounting Policies	Final IPSAS issued	IAS 8
IPSAS 4	The Effects of Changes in Foreign Exchange Rates	Final IPSAS issued	IAS 21
IPSAS 5	Borrowing Costs	Final IPSAS issued	IAS 23
IPSAS 6	Consolidated Financial Statements and Accounting for Controlled Entities	Final IPSAS issued	IAS 27
IPSAS 7	Accounting for Investment in Associates	Final IPSAS issued	IAS 28
IPSAS 8	Financial Reporting of Interests in Joint Ventures	Final IPSAS issued	IAS 31
IPSAS 9	Revenue from Exchange Transactions	Final IPSAS issued	IAS 18
IPSAS 10	Financial Reporting in Hyperinflationary Economies	Final IPSAS issued	IAS 29
IPSAS 11	Construction Contracts	Final IPSAS issued	IAS 11
IPSAS 12	Inventories	Final IPSAS issued	IAS 2
IPSAS 13	Leases	Final IPSAS issued	IAS 17
IPSAS 14	Events Occurring After Reporting Date	Final IPSAS issued	IAS 10
IPSAS 15	Financial Instruments: Disclosure and Presentation	Final IPSAS issued	IAS 32
IPSAS 16	Investment Property	Final IPSAS issued	IAS 40
IPSAS 17	Property Plant and Equipment	Final IPSAS issued	IAS 16
IPSAS 18	Segment Reporting	Final IPSAS issued	IAS 14
IPSAS 19	Provisions, Contingent Liabilities and Contingent Assets	Final IPSAS issued	IAS 37
IPSAS 20	Related Parties	Final IPSAS issued	IAS 24
-	Business Combinations (revised 1998)	Monitor IASB. Consider strategy 2005	IFRS 3 (IAS 22)
-	Employee Benefits	Monitor IASB. Consider strategy 2005	IAS 19
	<b>PSC Standards Program Additional Projects (1997-2004)</b>		
ITC	Invitation to Comment: The Development of International Public Sector Accounting Standards: Which Bases of Accounting	Completed.	NA
Study 14	Guidance on the Transition From Cash Accounting to Accrual Accounting	Study 14 Updated, 2 <sup>nd</sup> Edition issued	NA
ITC	Impairment of Assets ( <i>ITC published July 2001, ED published Sept 2003</i> )		
	- Non-Cash-Generating Assets	Issue final IPSAS end 2004/early 2005	
	- Cash-Generating Assets	Consider draft ED Nov 04	IAS 36

	<b>Public Sector Specific Issues – 2004+</b>	<b>Current Status</b>	<b>IAS/ IFRS</b>
F/W	Framework for Financial Reporting in the Public Sector	Consider Strategy 2005	IASB, UK- ASB
ITC	Accounting for Non-Exchange Revenues	ITC issued	IAS 20
ITC	Social Policy Obligations	ITC issued	NA
ITC	Budgetary Reporting	Consider revised Draft Research Report March 04	NA
-	GPFS/GFS/ESA95 Harmonization	Consider Working Grp Report/Strategy March 04	NA
-	Heritage Assets	Consider Project Proposal Nov. 2004	NA
-	Public/Private Sector Arrangements (Service Concession Arrangements)	Review status in member countries Nov. 2004.	NA
	WIP of 'Free' Services	Consider strategy 2005	
-	Non-Financial Performance Reporting	No Action 2004	NA
		No action planned for 2004	NA
	<b>Other</b>		
Guide	Revision of PSC Guideline 1 – Financial Reporting by GBEs	Guideline 1 Withdrawn November 2002	NA
Paper	UK Occasional Paper	Issued June 2002	NA
Paper	French Occasional Paper	Issued 1 <sup>st</sup> Quarter 2003	NA
Paper	Argentinean Occasional Paper	Issued 1 <sup>st</sup> Quarter 2004	NA
Paper	USA Occasional Paper	Consider paper 2005	NA
Paper	Use of IPSASs	Consider Project Proposal 2005	NA
Paper	IPSAS/GFS/ESA/SNA Harmonization	Issue Research Report end 2004/early 2005	NA
	<b>IASB Convergence</b>		
	IASB/IPSAS Improvements Project (11 IPSASs)	Developing Omnibus ED	13 IASs
	Income Taxes	Not started	IAS 12
-	Interim Financial Reporting	Not started	IAS 34
-	Non-current assets held for sale and Discontinued Operations	Not started	IFRS5 (IAS 35)
-	Intangible Assets	Not started	IAS 38
-	Financial Instrument: Recognition and Measurement	Consider Strategy 2005	IAS 39
-	Agriculture	Not started	IAS 41
	First Time Application IFRSs	Considered – No action necessary	IFRS 1
	Share-Based Payment	Not Started	IFRS 2
	Insurance Contracts	Not Started	IFRS 4
	<b><u>Non-Technical Projects</u></b>		
	PSC External Review	Follow-up action 2004 and 2005	
	Translation of IPSAS into languages other than English:	IASB Agreement	
	• French	IPSAS 1 – 20 in progress. Cash basis actioned	
	• Spanish	Completed IPSASs 1-20, Glossary and Cash Basis IPSAS	
	• Chinese	Completed IPSAS 1-20, others in progress	
	• Russian	Completed IPSAS 1-12, others in progress	

- Arabic
  - Other
- Promotion of PSC Pronouncements  
Fundraising

Completed IPSAS 1-12, 13-20 in progress  
Many in progress  
Promotion Activity Ongoing  
Fundraising Ongoing

### **Non-Standards Project**

Study13 Corporate Governance in the Public Sector: A Governing Body Perspective  
IAASB Public Sector Perspectives on ISAs

Issued August 2001  
Ongoing, as needed

NA  
NA

**BROAD OVERVIEW OF PROJECT TYPES – STANDARD-SETTERS IN PSC MEMBER JURISDICTIONS**

**PUBLIC SECTOR PROJECTS AS AT SEPTEMBER 2004  
(COMPILED FROM INFORMATION PROVIDED BY PSC MEMBERS/TECHNICAL ADVISORS)**

TOPIC	Arg	Aust	Can	Fra	Israel	Jap	Mal	Nlnd	NZ	Nor	SA	UK	USA FAS AB	USA- GASB
<b><i>Conceptual Type Projects</i></b>														
Performance Reporting – and aspects of including: Non-fin. service/performance indicators. Fin. reporting formats and statements and discussion /analysis and economic condition reporting.		*	✓		✓			✓ ✓				✓ ✓	✓	✓ ✓
Conceptual Framework or aspects thereof, including Financial Reporting Entity		* ✓	*								✓	✓	✓ ✓	✓ ✓
Measurement in fin. statements – including val'n and reval'n of property, plant and equipment, present value			✓		✓						✓	✓	✓	✓
<b><i>Projects on issues in IPSASs or on PSC active program</i></b>														
Asset Impairment											✓			✓
Capital Assets/Infrastructure Asset		*			*						✓		✓	✓
Other IASB/IPSAS Harmonization and Projects that overlap with IPSASs, including inventories, segments, rel. parties, sale/lease back, liabilities, contingent liabilities, hyperinflation economies		+	✓		✓				✓		✓	*		
Non Exchange Revenues and components thereof - Transfers, Contributions, Contributions in kind		✓	✓		✓						✓		✓	✓
Social Policy Obligations		*	*								✓		✓	
Budgetary Reporting		*	✓					✓			✓		✓	
			□					□			□		□	

TOPIC	Arg	Aust	Can	Fra	Israel	Jap	Mal	Nlnd	NZ	Nor	SA	UK	USA FAS AB	USA- GASB
Development Grants and Other Aid											✓			
GAAP/GFS Convergence		✓												
<b>Projects considered by PSC not yet actioned</b>														
Heritage Assets		*									✓	✓	✓	
Government / Business Combinations		*			✓				✓				✓	✓
Financial Instruments recognition/measurement or aspects thereof - Derivatives and Hedging			✓						✓			✓		✓
Intangible Assets		✓							✓		✓			✓
Employee Benefits									✓				✓	✓
Exchange and Exchange-like Revenues		*	✓		✓							✓	✓	✓
Other IAS/IFRS Harmonization (No IPSAS) and IASB overlap projects, including: termination benefits		✓	✓						✓		✓	✓		✓
Joint Ventures		✓			✓				✓		✓			
Associates					✓						✓			
Consolidated and Separate Financial Statements					✓						✓			
Segment Reporting			✓								✓			
<b>Other Projects</b>														
Earthworks														
Service Concessions		✓			✓						✓			
Simplified/Abbreviated Financial Reporting								✓						
Net Assets / Fund Balance Reporting													✓	✓
Other Post-Employment Benefits (OPEB)													✓	
Pollution Remediation Obligations													✓	✓
Fiduciary Responsibilities													✓	✓
Disclosures about Administered Items		✓												
Electronic Reporting														✓

TOPIC	Arg	Aust	Can	Fra	Israel	Jap	Mal	Nlnd	NZ	Nor	SA	UK	USA FAS AB	USA- GASB
Securitizations and Other Transfers														✓
GAAP, including hierarchy of guidance			✓											
Review of National Standards for Government		✓	✓								✓			

+ Following Project indicates it is an active PSC project or completed.

\* Consideration of National Standards for Governments and Government Departments in a number of jurisdictions is likely to involve at least some consideration of these issues.



**INTERNATIONAL FEDERATION  
OF ACCOUNTANTS**

545 Fifth Avenue, 14th Floor      Tel: (212) 286-9344  
New York, New York 10017      Fax: (212) 286-9570  
Internet: <http://www.ifac.org>

DATE: 4 OCTOBER 2004  
MEMO TO: MEMBERS OF THE IFAC PUBLIC SECTOR COMMITTEE  
FROM: LI LI LIAN  
SUBJECT: REPORT ON PUBLIC-PRIVATE ARRANGEMENTS FROM PSC  
MEMBER JURISDICTIONS

---

**ACTION REQUIRED**

The Committee is asked to:

- **review** the overview of guidance dealing with public-private sector arrangements (service concession arrangements) in members' jurisdiction.

**AGENDA ITEMS:**

	<b>Pages</b>
6.8 Overview of responses from the PSC – public-private sector arrangements	6.29 – 6.31

**BACKGROUND**

In PSC's July 2004 meeting, the PSC noted that the IASB had requested the International Financial Reporting Interpretations Committee (IFRIC) to provide guidance on how to account for service concession arrangements (public/private service arrangements). Staff were instructed to seek input from PSC members on accounting guidance on service concession arrangements in their jurisdiction. Staff sent out a survey in late August 2004 to seek that information. A copy of that survey is attached to this memo.

***Survey Responses***

Staff received 9 responses from 8 member countries (the Ministry of Finance of France and the Conseil Supérieur des Experts Comptables each sent a separate response). Agenda 6.8 provides a simplified summary of the responses.

If there are any amendments to the attached materials, please advise me and we shall update and table at the meeting.

**Li Li LIAN**  
**TECHNICAL MANAGER**

## ***Attachment: Survey on accounting guidance in members' jurisdictions***

(Issued August 2004)

### ***Service Concession Arrangements***

#### **Introduction**

The objectives of this survey are to:

- Identify the different types of service concession arrangements in your jurisdiction;
- Ascertain the current financial reporting requirements in member jurisdictions for service concession arrangements, drawing out the definitions, recognition criteria, measurement rules and any relevant disclosures; and
- Identify the key issues your jurisdiction in relation to accounting for service concession arrangements.

This information will enable staff to prepare a report on the status of accounting for service concession arrangements in members' jurisdictions.

This survey uses the term "service concession arrangements" because it is the terminology used by the IASB. However practitioners also use other terms, such as "public/private service arrangements", "public-private partnerships (PPP)", "private finance initiative (PFI)" or "Build Own Operate (BOO) or Build Own Operate Transfer (BOOTS) schemes".

The IASB, in its SIC-29, "Disclosure—Service Concession Arrangements" states that:

An entity (the Concession Operator or operator) may enter into an arrangement with another entity (the Concession Provider or grantor) to provide services that give the public access to major economic and social facilities. The common characteristic of all service concession arrangements is that the Operator both receives a right (in some cases, the right to use specified tangible assets, intangible assets, and/or financial assets) and incurs an obligation to provide public services. Examples of service concession arrangements involve water treatment and supply facilities, motorways, car parks, tunnels, bridges, airports and telecommunication networks. Examples of arrangements that are not service concession arrangements include an entity outsourcing the operation of its internal services (eg employee cafeteria, building maintenance, and accounting or information technology functions).

This survey asks for brief written answers. You may provide these by editing this document and returning it by e-mail. Please feel free to add additional materials if relevant. Members may want to obtain input from other relevant organizations/constituents in your jurisdiction to answer this survey. This includes those national standard-setters that carried out the initial background study for the IASB on service concession arrangements.

Please forward your response to this survey by **9 September 2004** (or sooner if possible) to Li Li Lian (llian@ifac.org or facsimile: + 61 3 9909 7669).

**Name:** \_\_\_\_\_

**Country/Organization:** \_\_\_\_\_

### General Questions

1. Below is a table that outlines examples of different service concession models available:

<b>Range of Service Concession Models<sup>1</sup></b>				
<b>Government role</b>	All public-to-public services	Delivery of core public services	Delivery of core public services	No operational role
<b>Private party role</b>	Infrastructure services only	Infrastructure and ancillary services*	Infrastructure and partial private-to-public service delivery	Infrastructure and service delivery to users
<b>Example</b>	Public buildings eg. museums	Non-core hospital services, non-judicial court services	Community facilities linked to educational facilities (eg, after hours usage)	Roads, rail, port facilities, car parks

\*Ancillary services may include services related to the operation of infrastructure (such as general maintenance of a building), but excludes core government services such as teaching in government schools, clinical services in public hospitals and correctional services in prisons.

The service concession arrangements may vary from:

- (a) An arrangement where demand of services is effectively controlled by the government (grantor) and the costs of service delivery are substantially or fully funded by government (for example, non-judicial court services); to
- (b) An arrangement where government (grantor) has little control over demand and shares the costs of service provision with users (for example, public transport services); to
- (c) The government (grantor) provides a facilitatory role. This means that there is an arrangement where government has no control over demand, costs of service delivery are fully funded by users, and government's role is limited to setting some performance requirements, providing some infrastructure (for example, land), and project facilitation in areas such as planning. A container terminal project of a government-owned port may be an example of this model.

Do these types of service concession arrangements arise in your jurisdiction?

Yes	No

<sup>1</sup> Extracted from Australian Accounting Review Vol.14 No. 2, 2004, page 29, Maguire, G. and Malinovitch, A.; *Forum: Public-Private Partnerships Development of PPPs in Victoria*. Item 6.7 *Memo from Li Li Lian*  
PSC New Delhi November 2004

If yes, all of them?

Yes	No

If your jurisdiction has other types of service concession arrangement that are not included from (a) to (c) or encompassed within the table, please attach the types of service concession arrangements with a brief explanation of the nature and an example of the arrangement.

*Comments:*

2. a) Do you have any specific accounting guidance that deals with service concession arrangements?

b) If yes in 2a, are they found in:  
 Accounting standards?  
 Legislation?  
 Other? (if yes, please provide where in the comments box below)

c) If no in 2a, do you have any general guidance on how to account for or deal with service concession arrangements? (if yes, please provide where in the comments box below)

Yes	No

If no in 2c, please briefly explain the general practice in your jurisdiction on how to account for the service concession arrangements.

*Comments:*

3. a) If answered “no” to question 2(a), does your jurisdiction have in its work program a project on accounting for service concession arrangements?

b) If yes, have you commenced on that project?

Yes	No

If yes to 3b, please provide a brief overview of recent developments of the project and any tentative decisions made so far. If no in 3a, please proceed to Question 5.

*Comments:*

--

	Yes	No
4. If answered “yes”, in questions (2) or (3),		
a. Is the guidance/project only applicable to the public sector?		
b. Is the guidance/project only applicable to the private sector?		
c. Is the guidance/project applicable to both the public and private sector?		

*Comments:*

--

5. The IFRIC is currently progressing an accounting framework for public-private service concession arrangements for infrastructure items. As noted in IFRIC’s July 2004 update (see item 3), the framework proposes 3 accounting models: the operating lease model, the receivable model and the intangible asset model.		
a. Is the IFRIC’s approach consistent or contrary with existing guidance or practice in your jurisdiction?		
b. Do you think that the IFRIC’s approach should be supported and worth pursuing?		

If answered “no” in 5(b), please explain the reasons why IFRIC’s approach should not be supported.

*Comments:*

--

**Specific Questions related to Accounting Treatment**

This section is only to those who answered “yes” to questions 2.

Questions 6 – 10 are specific questions on the accounting treatment of service concession arrangements in your jurisdiction. If you have any official documents on how to treat service concession arrangements, please provide a brief overview if possible of this guidance in English. If official source documents are available in English, please attach copies of those documents.

6. The introduction to this survey provides IASB's description on what constitutes "service concession arrangements". Is the IASB's description similar to, or contrary from the description in your jurisdiction?

Yes	No

If the description in your jurisdiction is different from the IASB's, please provide the defined meaning from your jurisdiction in English.

*Comments:*

--

7. Does your jurisdiction's guidance include recognition criteria for the assets and liabilities arising from the different types of service concession arrangements?

Yes	No

If yes, how does your jurisdiction recognize the different types of service concession arrangements?

*Comments:*

--

8. Does your jurisdiction's guidance have any measurement criteria for the assets and liabilities arising from the different types of service concession arrangements?

Yes	No

If yes, how does your jurisdiction measure the different types of service concession arrangements?

*Comments:*

--

--

9. Does your jurisdiction include any disclosure requirements for service concession arrangements?

Yes	No

If yes, please provide a brief summary of the nature and types of disclosure required by the public sector entities.

*Comments:*

--

10. Since the accounting guidance has been issued, have any significant issues arisen in relation to the definition, recognition, measurement or disclosure of service concession arrangements transactions?

Yes	No

If yes, please attach a brief outline of those issues.

*Comments:*

--

**Overview of Response from the PSC - public-private sector arrangements**

Question / Country	ARG	AUS	CND	FRA	FRA	GER	ISR	JPN	MAL	MEX	NETH	NZ	NOR	SA	UK	USA
				MOF	Cs-Exprts											
<b>General Questions</b>																
1		Yes	Yes	Yes	Yes *			Yes				Yes	Yes	Yes	Yes	
		Yes	Yes	Yes	Yes			Yes				Yes	Yes	Yes	Yes	
* In the French context, the notion of concession arrangements only applies for the operator delivering services to the public and not to another public sector entity Eg: cleaning the building of a judicial court is not a concession arrangement.																
2a		No	No	Yes only for operator	Yes			No				Yes	No	No	Yes	
b																
		N/A	N/A	Yes	Yes			N/A				Yes	N/A	N/A	Yes	
		N/A	N/A	Yes	Yes			N/A				No	N/A	N/A	No	
		N/A	N/A	No	No			N/A				No	N/A	N/A	Yes	
c		Yes #	Yes #	N/A	N/A			No				+	Yes #	No	N/A	
# The relevant accounting guidance that members noted include: general accounting framework/accounting acts, leases, provisions standards + NZ has an Interpretation based on IASB's SIC-29 requiring entities to disclose certain service concession arrangements. However, entities rely on general guidance to recognize and measure service concession arrangements. General guidance includes general accounting framework and accounting standards on leases, revenue property plant and equipment and joint ventures																
3a		Yes	No	N/A	N/A ^			No				N/A	N/A	Yes	N/A	
3b		Yes	N/A	N/A	N/A ^			No				N/A	N/A	Yes	N/A	
^ The present accounting regulation is currently under review																
4																
a		No	N/A	No	No			N/A				No	N/A	Yes	No	

Legend:  
DNA: Did not provide an answer  
N/A: Not applicable to the question

Question / Country	ARG	AUS	CND	FRA	FRA	GER	ISR	JPN	MAL	MEX	NETH	NZ	NOR	SA	UK	USA
				MOF	Cs-Exprts											
b		No	N/A	No	No			N/A				No	N/A	No	No	
c		Yes	N/A	Yes	Yes			N/A				Yes	N/A	No	Yes	
5																
a		Yes consistent		No contrary (i)	No contrary			Yes consistent				Yes consistent	Yes consistent	Yes consistent	No contrary (ii)	
b		No (iii)	Yes	Yes	Yes			Yes				Yes	Yes	Yes	No (ii)	
<p>(i) The notion of control in the MOF of France is different from the IFRIC's. However, the MOF is currently reviewing the IFRIC's approach.</p> <p>(ii) Because the IFRIC's approach, which is from a "control" perspective, contrasts with the UK's "risks and rewards" approach in FRS 5 and Application Note F. Moreover, UK believes that the IFRIC's approach is tantamount to standard-setting rather than an interpretation</p> <p>(iii) Australia noted that the IFRIC's focus on the operator might not give rise to a truly robust set of principles, and therefore, may not represent the best starting point for work undertaken by the PSC.</p>																
<b>Specific Questions related to Accounting Treatment</b>																
6		Yes	N/A	Yes	Yes			N/A				Yes	N/A	N/A	Yes	
7		Yes broadly **	N/A	No	No in part only			N/A				Yes	N/A	N/A	Yes	
** The entities rely on the broad guidance in existing accounting framework and other accounting standards eg leases																
8		Yes broadly	N/A	No	No			N/A				Yes	N/A	N/A	Yes	

Legend:  
DNA: Did not provide an answer  
N/A: Not applicable to the question

Question / Country	ARG	AUS	CND	FRA	FRA	GER	ISR	JPN	MAL	MEX	NETH	NZ	NOR	SA	UK	USA
				MOF	Cs-Exprts											
9 Does your jurisdiction include any disclosure requirements for service concession arrangements?		Yes broadly	N/A	Yes	Yes			N/A				Yes	N/A	N/A	Yes	
10 Since the accounting guidance has been issued, have any significant issues arisen in relation to the definition, recognition, measurement or disclosure of service concession arrangements transactions?		Yes	N/A	Yes	Yes			N/A				No	N/A	N/A	Yes	
Legend: N/A Not Applicable to the Question																