



**INTERNATIONAL FEDERATION  
OF ACCOUNTANTS**

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**Agenda Item**  
**3**

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**DATE:** November 13, 2009  
**MEMO TO:** Members of the IPSASB  
**FROM:** Jing Wang  
**SUBJECT:** Improvements to IPSASs

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**OBJECTIVE OF THIS SESSION**

- To **review** responses to the May 2009 Exposure Draft, ED 42, “Improvements to IPSASs”; and
- To **approve** the improvements to various IPSASs as set out in, “Improvements to IPSASs.”

**AGENDA MATERIAL**

- 3.1 Response Booklet
- 3.2 Draft “Improvements to IPSASs”
- 3.3 Table of Respondents Comments and Proposed Actions
- 3.4 Analysis of Respondents by Geographic Location, Function and Language

**BACKGROUND**

1. ED 42, “Improvements to IPSASs” was issued in May 2009 and is primarily drawn from the Annual Improvements adopted by the IASB in May 2008. There are thirteen improvements proposed in ED 42 to twelve IPSASs, and divided into two parts Seven substantive changes are in Part I and six editorial type changes are in Part II.
2. Staff received ten responses to ED 42. These are contained in Agenda Paper 3.1.
3. An extract of the minutes from the May 2009 meeting is in Appendix A.

**OVERALL SUMMARY**

4. Seven of the respondents (R# 1, 2, 3, 4, 7, 8 and 9) expressed positive support for IPSASB’s proposals in ED 42, although Respondents #1 and 2 gave additional comments and Respondent #9 disagreed with the proposed changes to IPSAS 16, “Investment Property”.
5. Two respondents (R# 5 and 6) did not express an overall view and gave comments on both the proposals in ED 42 and to the IPSASB generally. One respondent (R# 10) disagreed with the IPSASB’s process of convergence with the

IASB’s standards. However, when ED 42 was being developed, the IPSASB applied its “Process for Reviewing and Modifying IASB Documents” to all of the proposed amendments. The IPSASB agreed that there was no public sector specific reason to depart from the proposed amendments and issued ED 42.

6. Agenda Paper 3.3 is a table of Respondents’ comments and the proposed IPSASB response. Staff did not identify any key issues from the responses.

**POINTS TO NOTE**

**Explanatory material**

7. When ED 42 was issued, explanatory material was issued at the same time to explain the source of the proposed amendments. Respondents #1 and 2 commented that this material is very helpful. Respondent #1 suggested that, in future improvements projects, this material would be better sited within the ED itself. Staff will incorporate this suggestion as part of a future year’s exposure draft on improvements.

**Amendment to IPSAS 6, “Consolidated and Separate Financial Statements”**

8. Respondent #5 commented that the changes to IAS 27 relate to IFRS 5, “Non-Current Assets Held for Sale and Discontinued Operations”. As the IPSASB has no equivalent of IFRS 5, the proposed amendment in IPSAS 6 is purely editorial. The Respondent questioned whether it is worthwhile to make this change at this point in time, and proposed that it be delayed until the IPSASB has made a decision regarding an equivalent of IFRS 5. Staff agrees and has removed the proposed amendment to IPSAS 6 from the draft Standard.

**Comments not relating directly to ED 42**

9. Respondents #1, 5 and 6 commented upon items that are not related directly to ED 42; for example, inconsistent references to other standards, use of terminology and structure and whether or not the IPSASB has determined if an equivalent to IFRS 5 is necessary. The right hand column of the table in Agenda Paper 3.3 explains where these issues could be considered, for example, as part of the current project to review the handbook, as part of a General Improvements project (to be considered) or in the session on the future Strategy and Work Plan for the IPSASB).

**OTHER CHANGES FROM ED 42 TO THE DRAFT STANDARD**

10. Other changes that have been made to the draft Standard are set out below.

Paragraphs	Description of change	Page reference in other agenda papers
–	Editorial changes have been made to standardize the wording of several paragraphs to be consistent across the Handbook.	–

<b>Paragraphs</b>	<b>Description of change</b>	<b>Page reference in other agenda papers</b>
Basis for Conclusions	The Basis for Conclusions in the improved IPSASs includes a paragraph to reflect the proposed revisions. This paragraph has been amended to improve its clarity. Additionally, new headings are inserted to separate the existing paragraphs and the paragraph relating to this subsequent revision. Appendix B of this Agenda Paper sets out the proposed wording.	AP3.3 Page 7
Comparison to IFRS/IAS	The Comparison to IFRS/IAS in each improved Standard is updated to reflect that the Standard has been updated for the IASB's May 2008 Annual Improvements project.	AP3.3 Page 8

**EFFECTIVE DATE**

11. Before the proposed improvements can be finalized, the effective date needs to be considered.
12. The IASB issued its Improvements to IFRSs in May 2008 with an effective date of annual periods beginning on or after January 1, 2009. Staff proposes to issue the finalized improvements in January 2010, with an effective date of April 1, 2011. Staff proposes a longer implementation date than that given by the IASB in order to be consistent with IPSAS 31, "Intangible Assets" and IPSAS 32, "Entity Combinations from Exchange Transactions" that will be issued at the same time.

**Questions:**

**Does the Board agree with the proposed effective date?**

**APPENDIX A: EXTRACT FROM MAY 2009 MEETING MINUTES**

**10. ANNUAL IMPROVEMENTS**

**Approve ED 42 (Agenda Item 6)**

Members reviewed draft ED 42, “Improvements to IPSASs” and additional material prepared by Staff. The IPSASB considered a rules of the road analysis of an improvement to IPSAS 5, “Borrowing Costs” dealing with commentary on the components of borrowing costs relating to the definition of “borrowing costs.” This improvement mirrored an improvement to IAS 23, “Borrowing Costs.” Because of the intention to replace IPSAS 5, this improvement had not previously been addressed in the project. Members agreed that an improvement to IPSAS 5, based on the improvement to IAS 23, should be included in ED 42, “Improvements to IPSASs.”

Members noted that the IASB’s improvement to IAS 28, “Investments in Associates,” involving a clarification of guidance relating to the treatment of the recognition of impairment losses and the reversal of impairment losses on investments in associates had been dealt with as part of a broader consequential amendment to IPSAS 7, “Investments in Associates” in ED 41, “Entity Combinations.” Members also agreed that improvements to IPSAS 5, “Borrowing Costs,” IPSAS 7 and IPSAS 8, “Interests in Joint Ventures” containing references to requirements on financial instruments, where there is an ED out for comment, should refer to that ED rather than making a generic reference to “the international or national accounting standard dealing with the recognition and measurement of financial instruments.”

The proposed amendments to IPSAS 16, “Investment Property” clarified that property being constructed or developed for future use as investment property is within the definition of “investment property” and include a rebuttable presumption that the fair value of investment property under construction can be measured reliably. As a result of the implication that investment property in the public sector may be cash-generating it was proposed that consequential amendments should be made to the minimum indications of impairment and impairment reversals in IPSAS 26, “Impairment of Cash-Generating Assets.” The consequential amendments proposed were to include:

- A decision to halt the construction of an asset before it is complete or in a usable condition as an indication of impairment; and
- A decision to resume the construction of an asset that was previously halted before it was completed or in a usable condition as an indication of a reversal of an impairment loss.

These minimum indications had been included in IPSAS 21, “Impairment of Non-Cash-Generating Assets.” It was agreed to incorporate these consequential amendments in the ED.

The IPSASB approved ED 42 for issuance. The results of the vote were: **In Favor 16; Against 0; Abstain 0; Absent 1**. The voting details of the approval are at Appendix 2, item 12.3. The consultation period for the ED will expire on September 30, 2009.

The voting details of the ballot draft approvals are at Appendix 2, items 12.1 and 12.2 respectively.

## APPENDIX B: CHANGES TO BASIS FOR CONCLUSIONS WORDING

### PART I

#### Amendment to International Public Sector Accounting Standard 5, “Borrowing Costs”

##### Basis for Conclusions

*This Basis for Conclusions accompanies, but is not part of IPSAS 5.*

##### Revision of IPSAS 5 as a result of the IASB’s Improvements to IFRSs issued in 2008

BC1. The IPSASB reviewed the revisions to IAS 23 included in the “Improvements to IFRSs” issued by the IASB in May 2008 and generally concurred with the IASB’s reasons for revising the standard. The IPSASB concluded that there was no public sector specific reason for not adopting the amendment.

#### Amendment to International Public Sector Accounting Standard 7, “Investments in Associates”

##### Basis for Conclusions

##### Revision of IPSAS 7 as a result of the IASB’s General Improvements Project 2003

##### Background

BC1—BC6

##### Revision of IPSAS 7 as a result of the IASB’s Improvements to IFRSs issued in 2008

BC7. The IPSASB reviewed the revisions to IAS 28 included in the “Improvements to IFRSs” issued by the IASB in May 2008 and generally concurred with the IASB’s reasons for revising the standard. The IPSASB concluded that there was no public sector specific reason for not adopting the amendment.

#### Amendment to International Public Sector Accounting Standard 8, “Interests in Joint Ventures”

##### Basis for Conclusions

##### Revision of IPSAS 8 as a result of the IASB’s General Improvements Project 2003

##### Background

BC1—BC6

##### Revision of IPSAS 8 as a result of the IASB’s Improvements to IFRSs issued in 2008

BC7. The IPSASB reviewed the revisions to IAS 31 included in the “Improvements to IFRSs” issued by the IASB in May 2008 and generally concurred with the IASB’s reasons for revising the standard. The IPSASB concluded that there was no public sector specific reason for not adopting the amendment.

**Amendments to International Public Sector Accounting Standard 16,  
“Investment Property”**

**Basis for Conclusions**

**Revision of IPSAS 16 as a result of the IASB’s General Improvements Project 2003**

**Background**

BC1—BC6

**Revision of IPSAS 16 as a result of the IASB’s Improvements to IFRSs issued in 2008**

BC7. The IPSASB reviewed the revisions to IAS 40 included in the “Improvements to IFRSs” issued by the IASB in May 2008 and generally concurred with the IASB’s reasons for revising the standard. The IPSASB concluded that there was no public sector specific reason for not adopting the amendments.

**Amendments to International Public Sector Accounting Standard 17,  
“Property, Plant and Equipment”**

**Basis for Conclusions**

**Revision of IPSAS 17 as a result of the IASB’s General Improvements Project 2003**

**Background**

BC1—BC7

**Revision of IPSAS 17 as a result of the IASB’s Improvements to IFRSs issued in 2008**

BC8. The IPSASB reviewed the revisions to IAS 16 included in the “Improvements to IFRSs” issued by the IASB in May 2008 and generally concurred with the IASB’s reasons for revising the standard. The IPSASB concluded that there was no public sector specific reason for not adopting the amendments.

**Amendments to International Public Sector Accounting Standard 25,  
“Employee Benefits”**

**Basis for Conclusions**

**Development of IPSAS 25 based on the IASB’s revised version of IAS 19 issued in 2004**

**Introduction**

BC1—BC20

**Revision of IPSAS 25 as a result of the IASB’s Improvements to IFRSs issued in 2008**

BC21. The IPSASB reviewed the revisions to IAS 19 included in the “Improvements to IFRSs” issued by the IASB in May 2008 and generally concurred with the IASB’s reasons for revising the standard. The IPSASB concluded that there was no public sector specific reason for not adopting the amendments.

**Amendment to International Public Sector Accounting Standard 26,  
“Impairment of Cash-Generating Assets”**

**Basis for Conclusions**

**Development of IPSAS 26 based on the IASB’s revised version of IAS 36 issued in 2004**

**Introduction**

BC1—BC16

**Revision of IPSAS 26 as a result of the IASB’s Improvements to IFRSs issued in 2008**

BC17. The IPSASB reviewed the revisions to IAS 36 included in the “Improvements to IFRSs” issued by the IASB in May 2008 and generally concurred with the IASB’s reasons for revising the standard. The IPSASB concluded that there was no public sector specific reason for not adopting the amendment.

**PART II**

**Amendments to International Public Sector Accounting Standard 1,  
“Presentation of Financial Statements”**

**Basis for Conclusions**

**Revision of IPSAS 1 as a result of the IASB’s General Improvements Project 2003**

**Background**

BC1—BC10

**Revision of IPSAS 1 as a result of the IASB’s Improvements to IFRSs issued in 2008**

BC11. The IPSASB reviewed the revisions to IAS 1 included in the “Improvements to IFRSs” issued by the IASB in May 2008 and generally concurred with the IASB’s reasons for revising the standard. The IPSASB concluded that there was no public sector specific reason for not adopting the amendments.

**Amendments to International Public Sector Accounting Standard 3,  
“Accounting Policies, Changes in Accounting Estimates and Errors”**

**Basis for Conclusions**

**Revision of IPSAS 3 as a result of the IASB’s General Improvements Project 2003**

**Background**

BC1—BC6

**Revision of IPSAS 3 as a result of the IASB’s Improvements to IFRSs issued in 2008**

BC7. The IPSASB reviewed the revisions to IAS 8 included in the “Improvements to IFRSs” issued by the IASB in May 2008 and generally concurred with the IASB’s reasons for revising the standard. The IPSASB concluded that there was no public sector specific reason for not adopting the amendments.

**Amendments to International Public Sector Accounting Standard 10,  
“Financial Reporting in Hyperinflationary Economies”**

**Basis for Conclusions**

*This Basis for Conclusions accompanies, but is not part of IPSAS 10.*

**Revision of IPSAS 10 as a result of the IASB’s Improvements to IFRSs issued in 2008**

BC1. The IPSASB reviewed the revisions to IAS 29 included in the “Improvements to IFRSs” issued by the IASB in May 2008 and generally concurred with the IASB’s reasons for revising the standard. The IPSASB concluded that there was no public sector specific reason for not adopting the amendments.

**Amendment to International Public Sector Accounting Standard 14,  
“Events After the Reporting Date”**

**Basis for Conclusions**

**Revision of IPSAS 14 as a result of the IASB’s General Improvements Project 2003**

**Background**

BC1—BC6

**Revision of IPSAS 14 as a result of the IASB’s Improvements to IFRSs issued in 2008**

BC7. The IPSASB reviewed the revisions to IAS 10 included in the “Improvements to IFRSs” issued by the IASB in May 2008 and generally concurred with the IASB’s reasons for revising the standard. The IPSASB concluded that there was no public sector specific reason for not adopting the amendment.

## **APPENDIX C: CHANGES TO COMPARISON WITH IFRS/IAS WORDING**

### **PART I**

#### **Amendment to International Public Sector Accounting Standard 5, “Borrowing Costs”**

##### **Comparison with IAS 23**

International Public Sector Accounting Standard (IPSAS) 5, “Borrowing Costs” is drawn primarily from International Accounting Standard (IAS) 23, “Borrowing Costs” and includes an amendment made to IAS 23 as part of the Improvements to IFRSs issued in May 2008.

#### **Amendment to International Public Sector Accounting Standard 7, “Investments in Associates”**

##### **Comparison with IAS 28**

IPSAS 7, “Investments in Associates” (Revised 2003) is drawn primarily from IAS 28, “Investments in Associates” (Revised 2003) and includes an amendment made to IAS 28 as part of the Improvements to IFRSs issued in May 2008.

#### **Amendment to International Public Sector Accounting Standard 8, “Interests in Joint Ventures”**

##### **Comparison with IAS 31**

IPSAS 8, “Interests in Joint Ventures” is drawn primarily from IAS 31, “Interests in Joint Ventures” and includes an amendment made to IAS 31 as part of the Improvements to IFRSs issued in May 2008.

#### **Amendments to International Public Sector Accounting Standard 16, “Investment Property”**

##### **Comparison with IAS 40**

IPSAS 16, “Investment Property” is drawn primarily from IAS 40 (2003), “Investment Property” and includes amendments made to IAS 40 as part of the Improvements to IFRSs issued in May 2008.

#### **Amendments to International Public Sector Accounting Standard 17, “Property, Plant and Equipment”**

##### **Comparison with IAS 16**

IPSAS 17, “Property, Plant and Equipment” is drawn primarily from IAS 16 (2003), “Property, Plant and Equipment” and includes amendments made to IAS 16 as part of the Improvements to IFRSs issued in May 2008.

**Amendments to International Public Sector Accounting Standard 25,  
“Employee Benefits”**

**Comparison with IAS 19**

IPSAS 25, “Employee Benefits” is drawn primarily from IAS 19, “Employee Benefits” (2004) and includes amendments made to IAS 19 as part of the Improvements to IFRSs issued in May 2008.

**Amendment to International Public Sector Accounting Standard 26,  
“Impairment of Cash-Generating Assets”**

**Comparison with IAS 36**

IPSAS 26, “Impairment of Cash-Generating Assets” deals with the impairment of cash-generating assets in the public sector and includes an amendment made to IAS 36 (2004), “Impairment of Assets” as part of the Improvements to IFRSs issued in May 2008. The main differences between IPSAS 26 and IAS 36 ~~(2004), “Impairment of Assets”~~ are as follows:

**PART II**

**Amendments to International Public Sector Accounting Standard 1,  
“Presentation of Financial Statements”**

**Comparison with IAS 1**

IPSAS 1 is drawn primarily from IAS 1 (2003) and includes amendments made to IAS 1 as part of the Improvements to IFRSs issued in May 2008.

**Amendments to International Public Sector Accounting Standard 3,  
“Accounting Policies, Changes in Accounting Estimates and Errors”**

**Comparison with IAS 8**

International Public Sector Accounting Standard IPSAS 3, “Accounting Policies, Changes in Accounting Estimates and Errors” is drawn primarily from International Accounting Standard IAS 8 (2003), “Accounting Policies, Changes in Accounting Estimates and Errors” and includes amendments made to IAS 8 as part of the Improvements to IFRSs issued in May 2008.

**Amendments to International Public Sector Accounting Standard 10,  
“Financial Reporting in Hyperinflationary Economies”**

**Comparison with IAS 29**

IPSAS 10, “Financial Reporting in Hyperinflationary Economies” is drawn primarily from IAS 29, “Financial Reporting in Hyperinflationary Economies” and includes amendments made to IAS 29 as part of the Improvements to IFRSs issued in May 2008.

**Amendment to International Public Sector Accounting Standard 14,  
“Events After the Reporting Date”**

**Comparison with IAS 10**

IPSAS 14, “Events After the Reporting Date” is drawn primarily from IAS 10 (revised 2003), “Events After the Balance Sheet Date” and includes an amendment made to IAS 10 as part of the Improvements to IFRSs issued in May 2008.

## **IMPROVEMENTS TO IPSASs**

### **Acknowledgment**

These improvements to International Public Sector Accounting Standards (IPSASs) are drawn primarily from “Improvements to IFRSs” published by the International Accounting Standards Board (IASB) in May 2008. Extracts from “Improvements to IFRSs” are reproduced in this publication of the International Public Sector Accounting Standards Board of the International Federation of Accountants with the permission of the International Accounting Standards Committee Foundation (IASCF).

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## **Introduction**

- IN1. This document sets out amendments to International Public Sector Accounting Standards (IPSASs) and the related Bases for Conclusions, Comparisons with IFRSs/IASs and guidance. These amendments are drawn from the IASB document, “Improvements to IFRS” issued in May 2008. The IASB’s rationale for its amendments is documented in the related Bases for Conclusions in that IASB document.
- IN2. Part I of this document contains amendments that result in accounting changes for presentation, recognition, measurement or disclosure purposes. Part II contains amendments that relate to terminology or are editorial and which are expected to have no or minimal effect on accounting.
- IN3. The annual improvements project provides a vehicle for making non-urgent but necessary amendments to IPSASs. Some amendments involve consequential amendments to other IPSASs. Those consequential amendments are set out in the IPSASs primarily affected.
- IN4. In Part I the effective date of each amendment is included in the IPSASs affected. The effective date for all amendments in Part II is stated at the beginning of Part II.

## **IPSASs addressed**

- IN5. The following table shows the topics addressed by these amendments.

IPSASs	Subject of Amendment
<b><i>Part I</i></b>	
IPSAS 5, “Borrowing Costs”	Components of borrowing costs in definition of borrowing costs
IPSAS 7, “Investments in Associates”	Required disclosures when investments in associates are accounted for at fair value through surplus or deficit
IPSAS 8, “Interests in Joint Ventures”	Required disclosures when interests in jointly controlled entities are accounted for at fair value through surplus or deficit
IPSAS 16, “Investment Property”	Property under construction or development for future use as investment property
IPSAS 17, “Property, Plant and Equipment”	Sale of assets held for rental
IPSAS 25, “Employee Benefits”	Replacement of term “fall due”
	Curtailments and negative past service cost
	Guidance on contingent liabilities
IPSAS 26, “Impairment of Cash-Generating Assets”	Disclosure of estimates used to determine recoverable amount
<b><i>Part II</i></b>	
IPSAS 1, “Presentation of Financial Statements”	Editorial changes
IPSAS 3, “Accounting Policies, Changes in Accounting Estimates and Errors”	Status of Implementation Guidance
IPSAS 10, “Financial Reporting in Hyperinflationary Economies”	Editorial changes
IPSAS 14, “Events After the Reporting Date”	Dividends or similar distributions declared after the end of the reporting period
IPSAS 16, “Investment Property”	Consistency of terminology with IPSAS 3
	Investment property held under a lease

## PART I

### Amendment to International Public Sector Accounting Standard 5, “Borrowing Costs”

Paragraph 6 and Comparison with IAS 23 are amended (deleted text is struck through and new text is underlined). Paragraph 42A and a Basis for Conclusions section are added.

#### Definitions

6. Borrowing costs may include:
- (a) Interest expense calculated using the effective interest rate method as described in IPSAS 29, “Financial Instruments: Recognition and Measurement” ~~on bank overdrafts and short term and long term borrowings;~~
  - (b) [deleted] ~~Amortization of discounts or premiums relating to borrowings;~~
  - (c) [deleted] ~~Amortization of ancillary costs incurred in connection with the arrangement of borrowings;~~
  - (d) ...

#### Effective Date

**42A. Paragraph 6 was amended by “Improvements to IPSASs” issued in January 2010. An entity shall apply that amendment for annual financial statements covering periods beginning on or after April 1, 2011. Earlier application is encouraged. If an entity applies the amendment for a period beginning before April 1, 2011, it shall disclose that fact.**

#### Basis for Conclusions

*This Basis for Conclusions accompanies, but is not part of IPSAS 5.*

#### **Revision of IPSAS 5 as a result of the IASB’s Improvements to IFRSs issued in 2008**

**BC1. The IPSASB reviewed the revisions to IAS 23 included in the “Improvements to IFRSs” issued by the IASB in May 2008 and generally concurred with the IASB’s reasons for revising the standard. The IPSASB concluded that there was no public sector specific reason for not adopting the amendment.**

#### Comparison with IAS 23

International Public Sector Accounting Standard (IPSAS) 5, “Borrowing Costs” is drawn primarily from International Accounting Standard (IAS) 23, “Borrowing Costs:” and includes an amendment made to IAS 23 as part of the Improvements to IFRSs issued in May 2008.

## Amendment to International Public Sector Accounting Standard 7, “Investments in Associates”

Paragraph 1 and Comparison with IAS 28 are amended (new text is underlined). Paragraphs 47A, BC7 and associated headings are added. (The amendment to paragraph 39 which is the equivalent of the IASB’s amendment to paragraph 33 of IAS 28 is addressed in IPSAS 32, “Entity Combinations from Exchange Transactions”).

### Scope

1. An entity that prepares and presents financial statements under the accrual basis of accounting shall apply this Standard in accounting by an investor for investments in associates where the investment in the associate leads to the holding of an ownership interest in the form of a shareholding or other formal equity structure. However, it does not apply to investments in associates held by:
  - (a) Venture capital organizations, or
  - (b) Mutual funds, unit trusts and similar entities including investment-linked insurance funds.

that are measured at fair value, with changes in fair value recognized in surplus or deficit in the period of the change in accordance with relevant international or national accounting standard dealing with the recognition and measurement of financial instruments. An entity holding such an investment shall make the disclosures required by paragraph 43(f).

### Effective Date

47A. Paragraph 1 was amended by “Improvements to IPSASs” issued in January 2010. An entity shall apply that amendment for annual financial statements covering periods beginning on or after April 1, 2011. If an entity applies the amendment for a period beginning before April 1, 2011, it shall disclose that fact and apply for that earlier period paragraph 3 of IPSAS 28, “Financial Instruments: Presentation” paragraph 1 of IPSAS 8, “Interests in Joint Ventures” and paragraph 3 of IPSAS 30, “Financial Instruments: Disclosures”. An entity is encouraged to apply the amendments prospectively.

### Basis for Conclusions

#### Revision of IPSAS 7 as a result of the IASB’s General Improvements Project 2003

##### Background

BC1—BC6

#### Revision of IPSAS 7 as a result of the IASB’s Improvements to IFRSs issued in 2008

BC7. The IPSASB reviewed the revisions to IAS 28 included in the “Improvements to IFRSs” issued by the IASB in May 2008 and generally concurred with the IASB’s reasons for revising the standard. The IPSASB concluded that there was no public sector specific reason for not adopting the amendment.

### **Comparison with IAS 28**

IPSAS 7, “Investments in Associates” (Revised 2003) is drawn primarily from IAS 28, “Investments in Associates” (Revised 2003) and includes an amendment made to IAS 28 as part of the Improvements to IFRSs issued in May 2008.

## **Amendment to International Public Sector Accounting Standard 8, “Interests in Joint Ventures”**

**Paragraph 1 and Comparison with IAS 31 are amended (deleted text is struck through and new text is underlined). Paragraphs 69A, BC7 and associated headings are added.**

### **Scope**

- 1. An entity that prepares and presents financial statements under the accrual basis of accounting shall apply this Standard in accounting for interests in joint ventures and the reporting of joint venture assets, liabilities, revenue and expenses in the financial statements of venturers and investors, regardless of the structures or forms under which the joint venture activities take place. However, it does not apply to venturers’ interests in jointly controlled entities held by:
  - (a) Venture capital organizations; or**
  - (b) Mutual funds, unit trusts and similar entities including investment linked insurance funds****

**that are measured at fair value, with changes in fair value recognized in surplus or deficit in the period of the change in accordance with the relevant international or national accounting standard dealing with the recognition and measurement of financial instruments. A venturer holding such an interest shall make the disclosures required by paragraphs 62 and 63.**

### **Effective Date**

**69A. Paragraph 1 was amended by “Improvements to IPSASs” issued in January 2010. An entity shall apply that amendment for annual financial statements covering periods beginning on or after April 1, 2011. If an entity applies the amendment for a period beginning before April 1, 2011, it shall disclose that fact and apply for that earlier period paragraph 3 of IPSAS 28, “Financial Instruments: Presentation”, paragraph 1 of IPSAS 7, “Investments in Associates” and paragraph 3 of IPSAS 30, “Financial Instruments: Disclosures”. An entity is encouraged to apply the amendments prospectively.**

### **Basis for Conclusions**

#### **Revision of IPSAS 8 as a result of the IASB’s General Improvements Project 2003**

#### **Background**

**BC1—BC6**

#### **Revision of IPSAS 8 as a result of the IASB’s Improvements to IFRSs issued in 2008**

**BC7. The IPSASB reviewed the revisions to IAS 31 included in the “Improvements to IFRSs” issued by the IASB in May 2008 and generally concurred with the IASB’s reasons for revising the standard. The IPSASB concluded that there was no public sector specific reason for not adopting the amendment.**

### **Comparison with IAS 31**

IPSAS 8, “Interests in Joint Ventures” is drawn primarily from IAS 31, “Interests in Joint Ventures” and includes an amendment made to IAS 31 as part of the Improvements to IFRSs issued in May 2008.

## Amendments to International Public Sector Accounting Standard 16, “Investment Property”

Paragraphs 12, 13, 57, 62, 63, 66 and Comparison with IAS 40 are amended (deleted text is struck through and new text is underlined). Paragraph 29 is deleted and new paragraphs 62A, 62B, 101A, BC7 and associated headings are added. The Illustrative Decision Tree is amended.

### Definitions

12. The following are examples of investment property:
- (a) ...
  - (e) Property that is being constructed or developed for future use as investment property.
13. The following are examples of items that are not investment property and are therefore outside the scope of this Standard:
- (a) ...
  - ~~(d) [deleted] Property that is being constructed or developed for future use as investment property. IPSAS 17 applies to such property until construction or development is complete, at which time the property becomes investment property and this Standard applies. However, this Standard applies to existing investment property that is being redeveloped for continued future use as investment property (see paragraph 68).~~
  - (e) ...

### Measurement at Recognition

29. ~~[deleted] The cost of a self-constructed investment property is its cost at the date when the construction or development is complete. Until that date, an entity applies IPSAS 17. At that date, the property becomes investment property and this Standard applies (see paragraphs 66(c) and 76).~~

### Fair Value Model

57. In exceptional cases, there is clear evidence when an entity first acquires an investment property (or when an existing property first becomes an investment property ~~following the completion of construction or development, or~~ after a change in use) that the variability in the range of reasonable fair value estimates will be so great, and the probabilities of the various outcomes so difficult to assess, that the usefulness of a single estimate of fair value is negated. This may indicate that the fair value of the property will not be reliably determinable on a continuing basis (see paragraph 62).

### Inability to Determine Fair Value Reliably

62. There is a rebuttable presumption that an entity can reliably determine the fair value of an investment property on a continuing basis. However, in exceptional cases, there is clear evidence when an entity first acquires an investment property (or when an existing property first becomes investment property ~~following the completion of construction or development, or~~ after a change in use) that the fair value of the investment property is not reliably determinable on a continuing basis. This arises when, and only when, comparable market transactions are infrequent and alternative reliable estimates of fair value (for example, based on discounted cash flow projections) are not available. If an entity determines that the fair value of an investment property under construction is not reliably determinable but expects the fair value of the property to be reliably determinable when construction is complete, it shall measure that investment property under construction at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier). ~~In such cases, an~~ If an entity determines that the fair value of an investment property (other than an investment property under construction) is not reliably determinable on a continuing basis, the entity shall measure that investment property using the cost model in IPSAS 17, “Property, Plant and Equipment.” The residual value of the investment property shall be assumed to be zero. The entity shall apply IPSAS 17 until disposal of the investment property.
- 62A. Once an entity becomes able to measure reliably the fair value of an investment property under construction that has previously been measured at cost, it shall measure that property at its fair value. Once construction of that property is complete, it is presumed that fair value can be measured reliably. If this is not the case, in accordance with paragraph 62, the property shall be accounted for using the cost model in accordance with IPSAS 17.
- 62B. The presumption that the fair value of investment property under construction can be measured reliably can be rebutted only on initial recognition. An entity that has measured an item of investment property under construction at fair value may not conclude that the fair value of the completed investment property cannot be determined reliably.
63. In the exceptional cases when an entity is compelled, for the reason given in ~~the previous~~ paragraph 62, to measure an investment property using the cost model in accordance with IPSAS 17, it measures at fair value all its other investment property, including investment property under construction ~~at fair value~~. In these cases, although an entity may use the cost model for one investment property, the entity shall continue to account for each of the remaining properties using the fair value model.

### Transfers

66. Transfers to, or from, investment property shall be made when, and only when, there is a change in use, evidenced by:
- (a) ...

- (c) End of owner-occupation, for a transfer from owner-occupied property to investment property; or
- (d) Commencement of an operating lease (on a commercial basis) to another party, for a transfer from inventories to investment property; ~~or;~~
- ~~(e) End of construction or development, for a transfer from property in the course of construction or development (covered by IPSAS 17) to investment property.~~

#### Effective Date

**101A. Paragraphs 12, 13, 57, 62, 63 and 66 were amended, paragraph 29 was deleted and paragraphs 62A and 62B were added by “Improvements to IPSASs” issued in January 2010. An entity shall apply those amendments prospectively for annual financial statements covering periods beginning on or after April 1, 2011. An entity is encouraged to apply the amendments to investment property under construction from any date before April 1, 2011 provided that the fair values of investment properties under construction were determined at those dates. If an entity applies the amendments for a period beginning before April 1, 2011, it shall disclose that fact and at the same time apply the amendments to paragraphs 7 and 107A of IPSAS 17, “Property, Plant and Equipment.”**

#### Basis for Conclusions

##### **Revision of IPSAS 16 as a result of the IASB’s General Improvements Project 2003**

##### **Background**

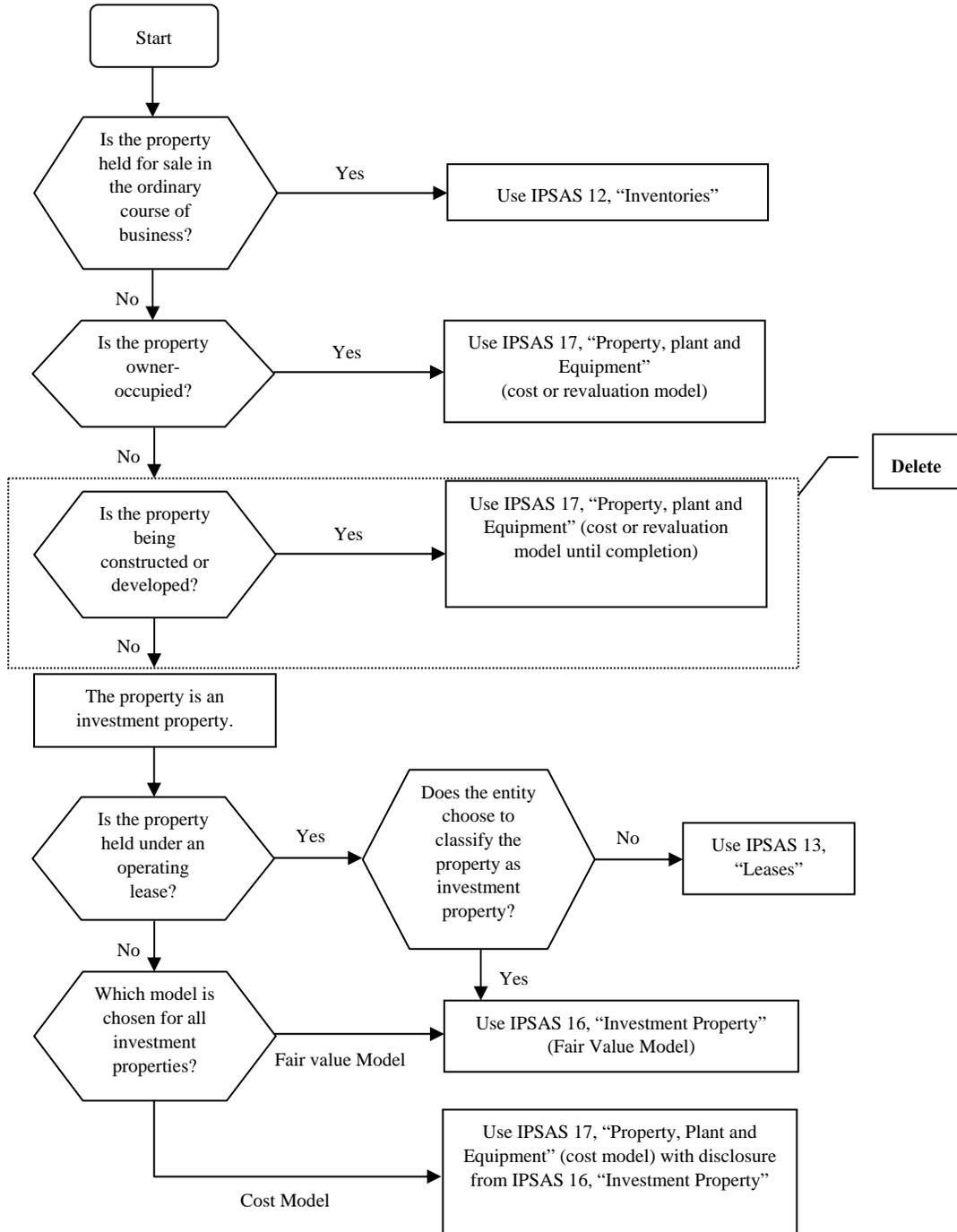
BC1—BC6

##### **Revision of IPSAS 16 as a result of the IASB’s Improvements to IFRSs issued in 2008**

**BC7. The IPSASB reviewed the revisions to IAS 40 included in the “Improvements to IFRSs” issued by the IASB in May 2008 and generally concurred with the IASB’s reasons for revising the standard. The IPSASB concluded that there was no public sector specific reason for not adopting the amendments.**

### Illustrative Decision Tree

The decision tree accompanies, but is not part of, IPSAS 16.



### **Comparison with IAS 40**

IPSAS 16, “Investment Property” is drawn primarily from IAS 40 (2003), “Investment Property,” and includes amendments made to IAS 40 as part of the Improvements to IFRSs issued in May 2008.

## Appendix to Amendments to IPSAS 16

### Amendment to IPSAS 17, “Property, Plant and Equipment”

*An entity shall apply the amendment to IPSAS 17 in this appendix when they apply the related amendments to IPSAS 16.*

**Paragraph 7 is amended (deleted text is struck through). Paragraph 107A is added.**

#### Scope

7. ~~An entity shall apply this Standard to property that is being constructed or developed for future use as investment property but does not yet satisfy the definition of investment property in IPSAS 16, “Investment Property.” Once the construction or development is complete, the property becomes investment property and the entity is required to apply IPSAS 16. IPSAS 16 also applies to investment property that is being redeveloped for continued future use as investment property. An entity using the cost model for investment property in accordance with IPSAS 16, “Investment Property” shall use the cost model in this Standard.~~

#### Effective Date

**107A. Paragraph 7 was amended by “Improvements to IPSASs” issued in January 2010. An entity shall apply that amendment prospectively for annual financial statements covering periods beginning on or after April 1, 2011. Earlier application is encouraged if an entity also applies the amendments to paragraphs 12, 13, 29, 57, 62, 62A, 62B, 63, 66 and 101A of IPSAS 16 at the same time. If an entity applies the amendment for a period beginning before April 1, 2011, it shall disclose that fact.**

### Amendments to IPSAS 26, “Impairment of Cash-Generating Assets”

*An entity shall apply the amendment to IPSAS 26 in this appendix when they apply the related amendments to IPSAS 16.*

**Paragraphs 25(e) and 100(d) are amended (deleted text is struck through and new text is underlined). Paragraphs 25(eA), 100(dA) and 126C are added.**

#### Identifying an Asset that may be Impaired

25. **In assessing whether there is any indication that an asset may be impaired, an entity shall consider, as a minimum, the following indications:**

...

#### **Internal sources of information**

(d) ...

(e) **Significant changes with an adverse effect on the entity have taken place during the period, or are expected to take place in the near future, in the**

extent to which, or manner in which, an asset is used or is expected to be used. These changes include the asset becoming idle, plans to discontinue or restructure the operation to which an asset belongs, plans to dispose of an asset before the previously expected date, and reassessing the useful life of an asset as finite rather than indefinite; ~~and~~

(eA) A decision to halt the construction of the asset before it is complete or in a usable condition; and

#### Reversing an Impairment Loss

100. In assessing whether there is any indication that an impairment loss recognized in prior periods for an asset may no longer exist or may have decreased, an entity shall consider, as a minimum, the following indications:

...

#### Internal sources of information

(d) Significant changes with a favorable effect on the entity have taken place during the period, or are expected to take place in the near future, in the extent to which, or manner in which, the asset is used or is expected to be used. These changes include costs incurred during the period to improve or enhance the asset's performance or restructure the operation to which the asset belongs; ~~and~~

(dA) A decision to resume construction of the asset that was previously halted before it was completed or in a usable condition; and

#### Effective Date

126C. Paragraphs 25(e) and 100(d) were amended and paragraphs 25(eA), 100(dA) were added by "Improvements to IPSASs" issued in January 2010. An entity shall apply those amendments prospectively for annual financial statements covering periods beginning on or after April 1, 2011. Earlier application is encouraged if an entity also applies the amendments to paragraphs 12, 13, 29, 57, 62, 62A, 62B, 63, 66 and 101A of IPSAS 16 at the same time. If an entity applies the amendments for a period beginning before April 1, 2011, it shall disclose that fact.

## Amendments to International Public Sector Accounting Standard 17, “Property, Plant and Equipment”

Paragraph 84 and Comparison with IAS 16 are amended (deleted text is struck through and new text is underlined). Paragraphs 83A, 107B, BC8 and associated headings are added.

### Derecognition

- 83A. However, an entity that, in the course of its ordinary activities, routinely sells items of property, plant and equipment that it has held for rental to others shall transfer such assets to inventories at their carrying amount when they cease to be rented and become held for sale. The proceeds from the sale of such assets shall be recognized as revenue in accordance with IPSAS 9, “Revenue from Exchange Transactions.”
84. The disposal of an item of property, plant and equipment may occur in a variety ways (e.g., by sale, by entering into a finance lease or by donation). In determining the date of disposal of an item, an entity applies the criteria in IPSAS 9, ~~“Revenue from Exchange Transactions”~~ for recognizing revenue from the sale of goods. IPSAS 13, “Leases” applies to disposal by a sale and leaseback.

### Effective Date

**107B. Paragraph 83A was added and paragraph 84 was amended by “Improvements to IPSASs” issued in January 2010. An entity shall apply those amendments for annual financial statements covering periods beginning on or after April 1, 2011. Earlier application is encouraged. If an entity applies the amendments for a period beginning before April 1, 2011, it shall disclose that fact and at the same time apply the related amendment to IPSAS 2, “Cash Flow Statements.”**

### Basis for Conclusions

#### **Revision of IPSAS 17 as a result of the IASB’s General Improvements Project 2003**

#### **Background**

BC1—BC7

#### **Revision of IPSAS 17 as a result of the IASB’s Improvements to IFRSs issued in 2008**

BC8. The IPSASB reviewed the revisions to IAS 16 included in the “Improvements to IFRSs” issued by the IASB in May 2008 and generally concurred with the IASB’s reasons for revising the standard. The IPSASB concluded that there was no public sector specific reason for not adopting the amendments.

### Comparison with IAS 16

IPSAS 17, “Property, Plant and Equipment” is drawn primarily from IAS 16 (2003), “Property, Plant and Equipment:” and includes amendments made to IAS 16 as part of the Improvements to IFRSs issued in May 2008.

## Appendix to Amendments to IPSAS 17

### Amendment to IPSAS 2, “Cash Flow Statements”

*An entity shall apply these amendments to IPSAS 2 when they apply the related amendments to IPSAS 17.*

**Paragraph 22 is amended (deleted text is struck through and new text is underlined). Paragraph 63A is added.**

#### Presentation of a Cash Flow Statement

##### Operating activities

22. Cash flows ...

Some transactions, such as the sale of an item of plant, may give rise to a gain or loss ~~which that~~ is included in ~~the determination of~~ net surplus or deficit. ~~However, t~~The cash flows relating to such transactions are cash flows from investing activities. However, cash payments to manufacture construct or acquire assets held for rental to others and subsequently held for sale as described in paragraph 83A of IPSAS 17, “Property, Plant and Equipment” are cash flows from operating activities. The cash receipts from rents and subsequent sales of such assets are also cash flows from operating activities.

##### Effective Date

**63A. Paragraph 22 was amended by “Improvements to IPSASs” issued in January 2010. An entity shall apply that amendment for annual financial statements covering periods beginning on or after April 1, 2011. Earlier application is encouraged. If an entity applies the amendment for a period beginning before April 1, 2011, it shall disclose that fact and apply paragraph 83A of IPSAS 17.**

## Amendments to International Public Sector Accounting Standard 25, “Employee Benefits”

Paragraphs 10, 11(b), 37, 113, 114, 131 and Comparison with IAS 19 are amended (deleted text is struck through and new text is underlined). Paragraphs 131A, 177A, BC21 and associated headings are added. The underlined names of defined terms in paragraph 10 are included in the original type style and have not been amended.

### Definitions

10. ...

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) ~~which do not fall due wholly that are not due to be settled~~ within twelve months after the end of the period in which the employees render the related service.

...

Past service cost is the ~~increase~~ change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (~~where when~~ benefits are introduced or improved-changed so that the present value of the defined benefit obligation increases) or negative (~~where when~~ existing benefits are reduced-changed so that the present value of the defined benefit obligation decreases).

...

The return on plan assets is interest, dividends and other revenue derived from the plan assets, together with realized and unrealized gains or losses on the plan assets, less any costs of administering the plan (other than those included in the actuarial assumptions used to measure the defined benefit obligation) and less any tax payable by the plan itself.

...

Short-term employee benefits are employee benefits (other than termination benefits) ~~which fall due wholly that are due to be settled~~ within twelve months after the end of the period in which the employees render the related service.

### Short-Term Employee Benefits

11. Short-term employee benefits include items such as:

(a) ...

(b) Short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences are expected to occur ~~is due to be settled~~

within twelve months after the end of the period in which the employees render the related employee service;

(c) ...

## Postemployment Benefits: Distinction between Defined Contribution Plans and Defined Benefit Plans

### Multi-Employer Plans

37. IPSAS 19, “Provisions, Contingent Liabilities and Contingent Assets” requires an entity to ~~recognize, or~~ disclose information about, ~~certain~~ some contingent liabilities. In the context of a multi-employer plan, a contingent liability may arise from, for example:

(a) ...

## Postemployment Benefits—Defined Benefit Plans

### Recognition and Measurement: Present Value of Defined Benefit Obligations and Current Service Cost

#### *Past Service Cost*

113. Past service cost arises when an entity introduces a defined benefit plan that attributes benefits to past service or changes the benefits payable for past service under an existing defined benefit plan. Such changes are in return for employee service over the period until the benefits concerned are vested. Therefore, the entity recognizes past service cost ~~is recognized~~ over that period, regardless of the fact that the cost refers to employee service in previous periods. The entity measures ~~p~~Past service cost ~~is measured~~ as the change in the liability resulting from the amendment (see paragraph 77). Negative past service cost arises when an entity changes the benefits attributable to past service so that the present value of the defined benefit obligation decreases.

114. Past service cost excludes:

(a) ...

(b) Under and over estimates of discretionary pension increases ~~where~~ when an entity has a constructive obligation to grant such increases (there is no past service cost because actuarial assumptions allow for such increases);

(c) Estimates of benefit improvements that result from actuarial gains that have ~~already~~ been recognized in the financial statements if the entity is obliged, by either the formal terms of a plan (or a constructive obligation that goes beyond those terms) or legislation, to use any surplus in the plan for the benefit of plan participants, even if the benefit increase has not yet been formally awarded (the resulting increase in the obligation is an actuarial loss and not past service cost, see paragraph 98(b));

(d) The increase in vested benefits when, in the absence of new or improved benefits, employees complete vesting requirements (there is no past service cost because the

entity recognized the estimated cost of benefits ~~was recognized~~ as current service cost as the service was rendered); and

(e) ...

### **Curtailments and Settlements**

131. A curtailment occurs when an entity either:

- (a) Is demonstrably committed to make a ~~material~~ significant reduction in the number of employees covered by a plan; or
- (b) Amends the terms of a defined benefit plan ~~such so~~ that a ~~material~~ significant element of future service by current employees will no longer qualify for benefits, or will qualify only for reduced benefits.

A curtailment may arise from an isolated event, such as the closing of a plant, discontinuance of an operation or termination or suspension of a plan, or a reduction in the extent to which future salary increases are linked to the benefits payable for past service. ~~An event is material enough to qualify as a curtailment if the recognition of a curtailment gain or loss would have a material effect on the financial statements.~~ Curtailments are often linked with a restructuring. When this is the case ~~Therefore~~, an entity accounts for a curtailment at the same time as for a related restructuring.

131A. When a plan amendment reduces benefits, only the effect of the reduction for future service is a curtailment. The effect of any reduction for past service is a negative past service cost.

### **Effective Date**

177A. Paragraphs 10, 11(b), 37, 113, 114 and 131 were amended and paragraph 131A was added by “Improvements to IPSASs” issued in January 2010. An entity shall apply the amendments in paragraphs 10, 11(b) and 37 for annual financial statements covering periods beginning on or after April 1, 2011. Earlier application is encouraged. If an entity applies the amendments for a period beginning before April 1, 2011, it shall disclose that fact. An entity shall apply the amendments in paragraphs 113, 114, 131 and 131A to changes in benefits that occur on or after April 1, 2011.

### **Basis for Conclusions**

#### **Development of IPSAS 25 based on the IASB’s revised version of IAS 19 issued in 2004**

##### **Introduction**

BC1—BC20

#### **Revision of IPSAS 25 as a result of the IASB’s Improvements to IFRSs issued in 2008**

BC21. The IPSASB reviewed the revisions to IAS 19 included in the “Improvements to IFRSs” issued by the IASB in May 2008 and generally concurred with the IASB’s reasons for revising the standard. The IPSASB concluded that there was no public sector specific reason for not adopting the amendments.

### **Comparison with IAS 19**

IPSAS 25, “Employee Benefits” is drawn primarily from IAS 19, “Employee Benefits” (2004)-  
and includes amendments made to IAS 19 as part of the Improvements to IFRSs issued in  
May 2008.

## Amendment to International Public Sector Accounting Standard 26, “Impairment of Cash-Generating Assets”

Paragraph 123(d) and Comparison with IAS 36 are amended (deleted text is struck through and new text is underlined). (Other amendments to paragraph 123 are addressed in IPSAS 32, “Entity Combinations from Exchange Transactions”). Paragraphs 126D, BC17 and associated headings are added.

### Disclosure

#### Disclosure of Estimates used to Measure Recoverable Amounts of Cash-Generating Units Containing Intangible Assets with Indefinite Useful Lives

123. An entity shall disclose the information required by (a)–(e) for each cash-generating unit for which the carrying amount of intangible assets with indefinite useful lives allocated to that unit is significant in comparison with the entity’s total carrying amount of intangible assets with indefinite useful lives:

(d) If the unit’s recoverable amount is based on fair value less costs to sell, the methodology used to determine fair value less costs to sell. If fair value less costs to sell is not determined using an observable market price for the unit, the following information shall also be disclosed:

(i) ...

(ii) A description of management’s approach to determining the value(s) (or values) assigned to each key assumption, whether those value(s) reflect past experience or, if appropriate, are consistent with external sources of information, and, if not, how and why they differ from past experience or external sources of information.

If fair value less costs to sell is determined using discounted cash flow projections, the following information shall also be disclosed:

(iii) The period over which management has projected cash flows;

(iv) The growth rate used to extrapolate cash flow projections; and

(v) The discount rate(s) applied to the cash flow projections.

### Effective Date

126D. Paragraph 123(d) was amended by “Improvements to IPSASs” issued in January 2010. An entity shall apply that amendment for annual financial statements covering periods beginning on or after April 1, 2011. Earlier application is encouraged. If an entity applies the amendment for a period beginning before April 1, 2011, it shall disclose that fact.

## **Basis for Conclusions**

### **Development of IPSAS 26 based on the IASB’s revised version of IAS 36 issued in 2004**

#### **Introduction**

BC1—BC16

### **Revision of IPSAS 26 as a result of the IASB’s Improvements to IFRSs issued in 2008**

BC17. The IPSASB reviewed the revisions to IAS 36 included in the “Improvements to IFRSs” issued by the IASB in May 2008 and generally concurred with the IASB’s reasons for revising the standard. The IPSASB concluded that there was no public sector specific reason for not adopting the amendment.

## **Comparison with IAS 36**

IPSAS 26, “Impairment of Cash-Generating Assets” deals with the impairment of cash-generating assets in the public sector—, and includes an amendment made to IAS 36 (2004), “Impairment of Assets” as part of the Improvements to IFRSs issued in May 2008. The main differences between IPSAS 26 and IAS 36 (2004), “Impairment of Assets” are as follows:

## PART II

The amendments in Part II shall be applied for annual financial statements covering periods beginning on or after April 1, 2011. Earlier application is encouraged.

### **Amendments to International Public Sector Accounting Standard 1, “Presentation of Financial Statements”**

Paragraphs 79, 82 and Comparison with IAS 1 are amended (deleted text is struck through and new text is underlined). Paragraph BC11 and associated headings are added.

#### **Statement of Financial Position**

##### *Current Assets*

79. Current assets include assets (such as taxes receivable, user charges receivable, fines and regulatory fees receivable, inventories and accrued investment revenue) that are either realized, consumed or sold, as part of the normal operating cycle even when they are not expected to be realized within twelve months after the reporting date. Current assets also include assets held primarily for the purpose of ~~being traded~~ trading (examples include some financial assets classified as held for trading in accordance with IPSAS 29, “Financial Instruments: Recognition and Measurement” guidance on classification of financial assets can be found in the relevant international or national accounting standard dealing with the recognition and measurement of financial instruments) and the current portion of non-current financial assets.

##### *Current Liabilities*

82. Other current liabilities are not settled as part of the normal operating cycle, but are due for settlement within twelve months after the reporting date or held primarily for the purpose of being traded. Examples are some financial liabilities classified as held for trading (guidance on classification of financial liabilities can be found in the relevant international or national accounting standard dealing with the recognition and measurement of financial instruments) in accordance with IPSAS 29, bank overdrafts, and the current portion of non-current financial liabilities, dividends payable, income taxes and other non-trade payables. Financial liabilities that provide financing on a long-term basis (i.e., are not part of the working capital used in the entity’s normal operating cycle) and are not due for settlement within twelve months after the reporting date are non-current liabilities, subject to paragraphs 85 and 86.

#### **Basis for Conclusions**

##### **Revision of IPSAS 1 as a result of the IASB’s General Improvements Project 2003**

##### **Background**

BC1—BC10

##### **Revision of IPSAS 1 as a result of the IASB’s Improvements to IFRSs issued in 2008**

BC11. The IPSASB reviewed the revisions to IAS 1 included in the “Improvements to IFRSs”

issued by the IASB in May 2008 and generally concurred with the IASB's reasons for revising the standard. The IPSASB concluded that there was no public sector specific reason for not adopting the amendments.

### **Comparison with IAS 1**

IPSAS 1 is drawn primarily from IAS 1 (2003); and includes amendments made to IAS 1 as part of the Improvements to IFRSs issued in May 2008.

## Amendments to International Public Sector Accounting Standard 3, “Accounting Policies, Changes in Accounting Estimates and Errors”

Paragraphs 9, 11, 14 and Comparison with IAS 8 are amended (deleted text is struck through and new text is underlined). Paragraph BC7 and associated headings are added.

### Accounting Policies

#### Selection and Application of Accounting Policies

9. When an IPSAS specifically applies to a transaction, other event or condition, the accounting policy or policies applied to that item shall be determined by applying the Standard, ~~and considering any relevant Implementation Guidance issued by the IPSASB for the Standard.~~
11. IPSASs are accompanied by guidance to assist entities in applying their requirements. All such guidance states whether it is an integral part of IPSASs. Implementation Guidance that is an integral part of IPSASs is mandatory. for Standards issued by the IPSASB does not form part of those Standards, and therefore Guidance that is not an integral part of IPSASs does not contain requirements for financial statements.
14. In making the judgment, described in paragraph 12, management shall refer to, and consider the applicability of, the following sources in descending order:
  - (a) The requirements ~~and guidance~~ in IPSASs dealing with similar and related issues; and
  - (b) The definitions, recognition and measurement criteria for assets, liabilities, revenue and expenses described in other IPSASs.

### Basis for Conclusions

#### Revision of IPSAS 3 as a result of the IASB’s General Improvements Project 2003

##### Background

BC1—BC6

#### Revision of IPSAS 3 as a result of the IASB’s Improvements to IFRSs issued in 2008

BC7. The IPSASB reviewed the revisions to IAS 8 included in the “Improvements to IFRSs” issued by the IASB in May 2008 and generally concurred with the IASB’s reasons for revising the standard. The IPSASB concluded that there was no public sector specific reason for not adopting the amendments.

### Comparison with IAS 8

International Public Sector Accounting Standard IPSAS 3, “Accounting Policies, Changes in Accounting Estimates and Errors” is drawn primarily from International Accounting Standard IAS 8 (2003), “Accounting Policies, Changes in Accounting Estimates and Errors:” and includes amendments made to IAS 8 as part of the Improvements to IFRSs issued in May 2008.

## Amendments to International Public Sector Accounting Standard 10, “Financial Reporting in Hyperinflationary Economies”

Paragraphs 17, 18, 22 and Comparison with IAS 29 are amended (deleted text is struck through and new text is underlined). A Basis for Conclusions section is added.

### The Restatement of Financial Statements

17. All other assets and liabilities are non-monetary. Some non-monetary items are carried at amounts current at the reporting date, such as net realizable value and market fair value, so they are not restated. All other non-monetary assets and liabilities are restated.
18. Most non-monetary items are carried at cost or cost less depreciation; hence they are expressed at amounts current at their date of acquisition. The restated cost, or cost less depreciation, of each item is determined by applying to its historical cost and accumulated depreciation the change in a general price index from the date of acquisition to the reporting date. ~~Hence~~For example, property, plant and equipment, ~~investments carried at cost~~, inventories of raw materials and merchandise, goodwill, patents, trademarks and similar assets are restated from the dates of their purchase. Inventories of partly finished and finished goods are restated from the dates on which the costs of purchase and of conversion were incurred.
22. To determine whether the restated amount of a non-monetary item has become impaired and should be reduced an entity applies relevant impairment tests in IPSAS 21, “Impairment of Non-Cash-Generating Assets,” IPSAS 26, “Impairment of Cash-Generating Assets” or international and/or national accounting standards addressing impairment of goodwill. ~~Hence~~For example, ~~in such cases~~, restated amounts of property, plant and equipment, goodwill, patents and trademarks are reduced to recoverable amount or recoverable service amount where appropriate, and restated amounts of inventories are reduced to net realizable value or current replacement cost, ~~and restated amounts of current investments are reduced to market value~~. An investee that is accounted for under the equity method may report in the currency of a hyperinflationary economy. The statement of financial position and statement of financial performance of such an investee are restated in accordance with this Standard in order to calculate the investor’s share of its net assets/equity and ~~results of operations~~surplus or deficit. Where the restated financial statements of the investee are expressed in a foreign currency they are translated at closing rates.

### Basis for Conclusions

*This Basis for Conclusions accompanies, but is not part of IPSAS 10.*

#### **Revision of IPSAS 10 as a result of the IASB’s Improvements to IFRSs issued in 2008**

BC1. The IPSASB reviewed the revisions to IAS 29 included in the “Improvements to IFRSs” issued by the IASB in May 2008 and generally concurred with the IASB’s reasons for revising the standard. The IPSASB concluded that there was no public sector specific

reason for not adopting the amendments.

### **Comparison with IAS 29**

IPSAS 10, “Financial Reporting in Hyperinflationary Economies” is drawn primarily from IAS 29, “Financial Reporting in Hyperinflationary Economies:” and includes amendments made to IAS 29 as part of the Improvements to IFRSs issued in May 2008.

## **Amendment to International Public Sector Accounting Standard 14, “Events After the Reporting Date”**

**Paragraph 16 and Comparison with IAS 10 are amended (deleted text is struck through and new text is underlined). Paragraph BC7 and associated headings are added.**

### **Recognition and Measurement**

#### **Dividends or Similar Distributions**

16. If dividends or similar distributions to owners are declared (i.e., the dividends or similar distributions are appropriately authorized and no longer at the discretion of the entity) after the reporting date but before the financial statements are authorized for issue, the dividends or similar distributions are not recognized as a liability at the reporting date because no obligation exists at that time ~~they do not meet the criteria of a present obligation in IPSAS 19~~. Such dividends or similar distributions are disclosed in the notes in accordance with IPSAS 1, “Presentation of Financial Statements. Dividends and similar distributions do not include a return of capital.

### **Basis for Conclusions**

#### **Revision of IPSAS 14 as a result of the IASB’s General Improvements Project 2003**

##### **Background**

BC1—BC6

#### **Revision of IPSAS 14 as a result of the IASB’s Improvements to IFRSs issued in 2008**

BC7. The IPSASB reviewed the revisions to IAS 10 included in the “Improvements to IFRSs” issued by the IASB in May 2008 and generally concurred with the IASB’s reasons for revising the standard. The IPSASB concluded that there was no public sector specific reason for not adopting the amendment.

### **Comparison with IAS 10**

IPSAS 14, “Events After the Reporting Date” is drawn primarily from IAS 10 (revised 2003), “Events After the Balance Sheet Date.” and includes an amendment made to IAS 10 as part of the Improvements to IFRSs issued in May 2008. ...

## Amendments to International Public Sector Accounting Standard 16, “Investment Property”

Paragraphs 40 and 59 are amended (deleted text is struck through and new text is underlined).

### Measurement After Recognition

#### Accounting Policy

40. IPSAS 3, “Accounting Policies, Changes in Accounting Estimates and Errors” states that a voluntary change in accounting policy shall be made only if the change results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the entity’s financial position, financial performance or cash flows~~will result in a more appropriate presentation of transactions, other events or conditions in the entity’s financial statements~~. It is highly unlikely that a change from the fair value model to the cost model will result in a more ~~appropriate~~ relevant presentation.

#### Fair Value Model

59. In determining the carrying amount of investment property under the fair value model~~fair value of investment property~~, an entity does not double-count assets or liabilities that are recognized as separate assets or liabilities. For example:
- (a) ...
  - (d) The fair value of investment property held under a lease reflects expected cash flows (including contingent rent that is expected to become payable). Accordingly, if a valuation obtained for a property is net of all payments expected to be made, it will be necessary to add back any recognized lease liability, to arrive at the ~~fair value~~ carrying amount of the investment property using the fair value model~~for accounting purposes~~.

**ED 42 RESPONDENTS' COMMENTS**

**PURPOSE:**

This paper presents Staff's analysis of the comments received on ED 42, "Improvements to IPSASs".

**LIST OF RESPONDENTS:**

<b>Response #</b>	<b>Respondent Name</b>	<b>Function</b>
1	Public Sector Accounting Board (Canada) – Staff Views	Standard Setter/Standards Advisory Body
2	Accounting Standards Board (UK)	Standard Setter/Standards Advisory Body
3	Swiss Public Sector Financial Reporting Advisory Committee (SRS-CSPCP)	Standard Setter/Standards Advisory Body
4	The Institute for the Accountancy Profession in Sweden (FAR SRS)	Standard Setter/Standards Advisory Body
5	Accounting Standards Board (South Africa)	Standard Setter/Standards Advisory Body
6	The South African Institute of Chartered Accountants (SAICA)	Member or Regional Body
7	Chartered Institute of Public Finance & Accountancy (CIPFA) (UK)	Member or Regional Body
8	Federation of European Accountants (FEE)	Member or Regional Body
9	Department of Finance and Deregulation (Australia)	Preparer
10	Conseil de Normalisation des Comptes Publics (CNOCP) (France)	Standard Setter/Standards Advisory Body

#	RESPONDENT NAME	OVERALL COMMENT—SUPPORTIVE	PROPOSED IPSASB RESPONSE
1	Public Sector Accounting Board (Canada)	In general, staff of the Public Sector Accounting Board (PSAB or Board) staff is supportive of the IPSASB's issuing a standard on Annual Improvements.	Positive support of proposed ED 42. Comment only, no action required.
2	Accounting Standards Board (UK)	2. The UK ASB has supported the International Accounting Standards Board (IASB) in introducing the annual improvements process as a way of enabling matters of clarification or conflicts between IFRSs to be resolved in a quick and efficient manner. The UK ASB and CAPE also support the IPSASB's policy to develop a set of accrual based International Public Sector Accounting Standards that are convergent with IFRSs issued by the International Accounting Standards Board, where appropriate for public sector entities. CAPE is therefore supportive of IPSASB's proposals to propose improvements to 12 IPSASs in order to converge with amendments to IFRS in the IASB's ' <i>Improvements to IFRSs</i> ' (issued in May 2008).	
3	Swiss Public Sector Financial Reporting Advisory Committee (SRS-CSPCP)	SRS-CSPCP discussed ED 42. It sees no sector-specific reasons to depart from the amendments and new formulations of the IFRS. <b>SRS-CSPCP agrees with Exposure Draft 42 as proposed and has no remarks.</b>	
4	The Institute for the Accountancy Profession in Sweden (FAR SRS)	FAR SRS supports the IPSASB's strategic objective in converging IPSASs with IFRSs regarding all areas where there are no specific public sector reasons for departure.	
7	Chartered Institute of Public Finance & Accountancy (CIPFA) (UK)	We strongly support IPSASB's project to develop a suite of IFRS converged IPSASs on relevant issues, closely reflecting IFRS where this is possible, and providing interpretation or additional guidance where this is necessary. The proposed Improvements IPSAS is, in our view, an appropriate approach to maintaining the suite of converged standards.  We note that some of the improvements in the Improvement IFRS 2008 were incorporated in IPSAS Exposure Drafts on which CIPFA has already commented. CIPFA agrees that the remaining	

#	RESPONDENT NAME	OVERALL COMMENT—SUPPORTIVE	PROPOSED IPSASB RESPONSE
		improvements which are proposed in this ED are appropriate and should be reflected in the IPSASs as proposed.	
8	Federation of European Accountants (FEE)	<p>(2) We strongly support IPSASB’s project to develop a suite of IFRS converged IPSASs on relevant issues, closely reflecting IFRS where this is possible, and providing interpretation or additional guidance where this is necessary. The proposed Improvements IPSAS is, in our view, an appropriate approach to maintaining the suite of converged standards.</p> <p>(3) We note that some of the improvements in the Improvement IFRS 2008 were incorporated in individual IPSAS Exposure Drafts on which FEE has already commented. FEE agrees that the remaining improvements which are proposed in this ED are appropriate and should be reflected in the IPSASs as proposed.</p>	

#	RESPONDENT NAME	OTHER COMMENTS	PROPOSED IPSASB RESPONSE
1	Public Sector Accounting Board (Canada)	<p><b>Process and Documentation</b></p> <p>1. The objective of the project, as stated by IPSASB, is “to update IPSASs affected by the IASB improvements published in May 2008 ... [specifically] 19 IFRSs.” A clear link between the source 19 IFRSs and the IPSASs impacted is not provided in ED 42. IPSASB’s document “Further Explanatory Material on Exposure Draft 42: Improvements to IPSASs” (EM) sources 20 IASs/IFRSs that were changed by the IASB’s annual improvements project adopted in May 2008. However, a clear reference between the EM and ED 42 is absent in ED 42.</p> <p>The nature of the annual improvements project is technical and spread over a number of unrelated subject matters. Accordingly, a lock-step approach serves both the IPSASB and users well in terms of identifying the source information, following the changes through, and agreeing with the conclusions regarding impacts of the changes. Together, ED 42 and EM take a lock-step approach, but their piece-meal</p>	<p>Agree to consider including EM-like material as part of future year’s exposure drafts on improvements.</p> <p><b>No change is proposed.</b></p>

#	RESPONDENT NAME	OTHER COMMENTS	PROPOSED IPSASB RESPONSE
		<p>issuance detracts from a user’s confidence that all of the changes to IASB pronouncements have been fully and completely dealt with.</p> <p>PSAB staff suggests that future years’ exposure drafts on improvements include EM-like material, as part of the “Introduction”, rather than under separate cover.</p> <p>In the event that separate documents are issued, PSAB staff suggests that any explanatory material issued includes notation that it forms an integral part of the specific exposure draft, and, if possible, that the on-line file of the exposure draft is revised to note the existence of explanatory material and its integral relationship to the exposure draft.</p>	
1	Public Sector Accounting Board (Canada)	<p>1. Ten of the improvements by the IASB are reported to be reflected in recent exposure drafts issued by the IPSASB. However, the individual exposure drafts do not include specific references to the effective date of the IASs from which they are drafted. For example, ED 42 on Intangible Assets references the source as IAS 38, but does provide an issued or amended date for the IAS. As a consequence, a reader of ED 42 would not be able to quickly discern the reflection of the IAS improvement in the IPSASB converged standard. This is especially critical over the next few years, during which time the IPSASB plans to undertake regular annual improvement projects, continue to converge with IASB standards, and complete its conceptual framework.</p> <p>PSAB staff suggests that future convergence project documents reference the issued or amended dates of the IAS from which the new IPSAS is sourced, in the “Acknowledgement” section of the document.</p>	<p>The “Comparison with IAS” section for each of the amended standards will include a reference to the fact that the Standard has been updated for the IASB’s May 2008 Improvements project. See Appendix B in Agenda Paper 3.0 for proposed wording.</p> <p>The IASB’s improvements that are relevant to IPSASB’s standards have an effective date of annual financial statements covering periods beginning on or after January 1, 2009. The IPSASB proposes to issue the finalized amendments in January 2010, with an effective date of April 1, 2011. This is consistent with the proposed effective dates for IPSAS 31 and IPSAS 32.</p>
1	Public Sector Accounting Board (Canada)	<p>2. Four of the improvements to IASs are noted as having “no equivalent IPSAS” in the EM. One of these, related to “earnings per share”, has no basis in public sector accounting, while the other three may apply to the public sector (i.e. interim reporting, accounting for government grants, and non-</p>	<p>The IPSASB has considered the application of IFRSs to the public sector in its “Strategy and Operational Plan 2007-2009”.</p> <p>The 2007-2009 Plan sets out the IPSASB’s conclusions that EPS has low applicability to</p>

#	RESPONDENT NAME	OTHER COMMENTS	PROPOSED IPSASB RESPONSE
		<p>current assets held for sale and discontinued operations). Respecting these three, a reader has no idea whether IPSAS plans to deal with the IASs as part of its convergence strategy or IPSAS has considered the application of the IAS to the public sector and has determined it does not.</p> <p>PSAB staff suggests that future exposure drafts on annual improvements based on IASB approved improvements note the IPSASB's intention regarding dealing with the subject matter, to facilitate a reader's understanding of IPSASB's next steps, if any.</p>	<p>the public sector; interim financial reporting is less important relative to other projects; and non-current assets held for sale and discontinued operations is to be considered later. Accounting for government grants is not a convergence topic as the IPSASB has issued IPSAS 23 which covers the receipt of government grants.</p> <p>An updated list of projects will be considered in conjunction with the development of the IPSASB's 2010-2012 Strategy and Work Plan. As part of the explanatory material for future exposure drafts on improvements, we will include the reason as to why there is no equivalent IPSAS.</p> <p><b>No change is proposed.</b></p>
2	Accounting Standards Board (UK)	<p>3. We found the explanatory material that was published alongside the Exposure Draft helpful in reconciling the amendments proposed in ED 42 to those that were issued by the IASB in May 2008. Based on our review of that material, we agree with the proposed amendments. We also agree that not all the IASB amendments are relevant, for example where there is no equivalent IPSAS or where the IASB amendment is incorporated within other exposure drafts that have recently been published by IPSASB.</p>	<p>Comment only, no action required.</p> <p>Note that there are proposals for the explanatory material to be amended. See Respondent #1 for details.</p>
2	Accounting Standards Board (UK)	<p>4. In reviewing recent exposure drafts, we have noted that IPSASB has considered IFRICs in the context of the IFRS to which they primarily relate: this approach has resulted in ED 38 including adapted versions of IFRIC 9 and IFRIC 11 and ED 40 including an adapted version of SIC 32. Whilst we have supported this approach, we think that going forward it would be helpful for IPSASB to have a clear and explicit policy for dealing with IFRICs.</p>	<p>The IPSASB, at its June 2008 meeting, discussed the policy for dealing with IFRICs. The IPSASB agreed that IFRICs which are relevant to individual projects will be included in the scope of the project.</p> <p><b>No change is proposed.</b></p>

#	RESPONDENT NAME	OTHER COMMENTS	PROPOSED IPSASB RESPONSE
5	Accounting Standards Board (South Africa)	<p>While we acknowledge the IPSASB’s efforts to update the IPSASs for annual Improvements to IFRSs made to the equivalent IFRSs by the IASB, we would like to encourage the Board to undertake a future project to review existing IPSASs to ensure consistent references to other standards, use of terminology and structure. The discussion that follows outlines examples of inconsistent references to standards, terminology and structure and is not a comprehensive list.</p> <p><i>Examples of inconsistent references to other standards</i></p> <p>In the IPSASs recently issued by the IPSASB, references have been included to the “international or national accounting standard dealing with non-current assets held for sale and discontinued operations”. Similar references do not exist in existing IPSASs. The IPSASB should consider whether it should issue an equivalent of IFRS 5 on Non-current Assets Held for Sale and Discontinued Operations and, if yes, it can update the existing IPSASs as part of the consequential amendments to that proposed IPSASs. If the IPSASB does not issue an equivalent of IFRS 5, it should review the existing IPSASs and amend the references to ensure consistent treatment of assets held for sale across the suite of IPSASs.</p>	<p>The IPSASB considered the application of IFRS 5, “Non-Current Assets Held for Sale and Discontinued Operations” when completing its “Strategy and Operational Plan 2007–2009”. It states that the applicability of this standard will be considered later. An updated list of projects will be considered in conjunction with the development of the IPSASB’s 2010–2012 Strategy and Work Plan.</p>
5	Accounting Standards Board (South Africa)	<p>Examples of inconsistent terminology</p> <p>When the IPSASB considered the revisions made to the IASs by the IASB as part of its General Improvements Project, the IPSASB did not amend all the affected IPSASs. Consequently, certain terms that were amended in the IPSASs as part of the 2006 improvements project, have not been amended in the IPSASs that were not included in the 2006 improvements project. For example, the term “dividends” was amended to “dividends or similar distributions” as part of the improvements project in 2006. IPSAS 2 however still refers extensively to “dividends”.</p> <p>The term “net surplus or deficit” was also amended to “surplus or deficit” as part of the improvements project undertaken in 2006. IPSAS 2, particularly paragraph 22 (which is being revised) refers to “net surplus or deficit”. As noted in Appendix A to IPSAS 1 the references to “net surplus or deficit” should be amended to “surplus or deficit” throughout</p>	<p>These issues will be considered in a separate General Improvements project.</p>

#	RESPONDENT NAME	OTHER COMMENTS	PROPOSED IPSASB RESPONSE
		<p>the text of the relevant IPSASs. The IPSASB should amend these references either when compiling the next edition of the handbook or as part of a general revision of the existing IPSASs.</p>	
5	Accounting Standards Board (South Africa)	<p><i>Examples of inconsistent structure</i></p> <p>BC2 of IPSAS 1 states that: “Accrual basis IPSASs that are converged with IFRSs maintain the requirements, structure and text of the IFRSs, unless there is a public sector specific reason for departure.”</p> <p>The structure of some of the existing IPSASs differs from that of the IFRSs as the Basis for Conclusions is presented after non-authoritative text. This is the case for IPSAS 1, IPSAS 3, IPSAS 4, IPSAS 6, IPSAS 7, IPSAS 8, IPSAS 12, IPSAS 13, IPSAS 14, IPSAS 16, IPSAS 17, IPSAS 21 to IPSAS 26.</p> <p>Consequently, we suggest that the structure of these IPSASs should be reviewed.</p>	<p>The IPSASB has agreed that the Basis for Conclusions will be located immediately after the authoritative guidance. These examples of inconsistent structure will be addressed in the review of the Handbook project. The results of this project are expected to be reflected in the 2010 Handbook.</p>
5	Accounting Standards Board (South Africa)	<p><b>1. GENERAL</b></p> <p><b>1.1 Basis for Conclusions</b></p> <p>A basis for conclusions paragraph has been proposed for inclusion in many of the amended IPSASs. When the IPSASB revised IPSAS 1, 3, 4, 6, 7, 8, 12, 13, 14, 16 and 17 for amendments made to the equivalent IASs as part of the 2003 Improvements Project undertaken by the IASB, it added a basis for conclusions outlining its rationale and conclusions in undertaking the revisions to the IPSASs.</p> <p>The basis for conclusions in these IPSASs makes specific reference to the IPSASB’s consideration of the changes made to the equivalent IFRSs/IASs. We propose that similar wording is used in the new basis for conclusions paragraph added to the improved IPSASs.</p> <p>We also propose that the basis for conclusions is appropriately separated between those paragraphs relating to the 2003 revisions or conclusions reached in issuing the IPSAS, and subsequent revisions. This can be achieved by inserting appropriate headings in the existing basis for conclusions.</p> <p>The following format and wording is suggested for both</p>	<p><b>Agree to make these changes.</b></p> <p>See Appendix A in Agenda Paper 3.0 for proposed wording changes.</p>

#	RESPONDENT NAME	OTHER COMMENTS	PROPOSED IPSASB RESPONSE
		<p>proposed revisions, using IPSAS 1, “Presentation of Financial Statements” as an example.</p> <p><b><u>Revision of IPSAS 1 as a result of the IASB’s General Improvements Project 2003</u></b></p> <p><i>Background</i></p> <p>BC1—BC10</p> <p><b><u>Revision of IPSAS 1 as a result of the IASB’s Improvements to IFRSs issued in 2008</u></b></p> <p><u>BC11. The IPSASB reviewed the revisions to IAS 1 included in the Improvements to the IFRSs issued by the IASB in May 2008 and concurred with the IASB’s reasons for revising the IAS and with the amendments made.</u></p>	
5	Accounting Standards Board (South Africa)	<p><b>1.2 Comparison of IPSASs to equivalent IFRSs/IASs</b></p> <p>The various comparisons of the individual IPSASs to the equivalent IFRSs/IASs generally state that: “IPSAS X is primarily drawn from IAS X issued in YYYY”.</p> <p>Due to the fact that improvements have been incorporated in various IPSASs as part of the <i>Improvements to the IFRSs</i>, it may be appropriate to amend the comparison to indicate this fact. The following wording is suggested for the various comparisons, using IPSAS 1, “Presentation of Financial Statements” as an example.</p> <p><b>Comparison with IAS 1</b></p> <p>IPSAS 1 is drawn primarily from IAS 1 (2003) <u>and includes amendments made to IAS 1 as part of the Improvements to IFRSs issued in May 2008...</u></p>	<p><b>Agree to make these changes.</b></p> <p>See Appendix B in Agenda Paper 3.0 for proposed wording changes.</p>
5	Accounting Standards Board (South Africa)	<p><b>2. PART I</b></p> <p><b>2.1 IPSAS 7, “Investments in Associates”</b></p> <p>IPSAS 7 paragraph 47A on the effective date and transition should be amended as follows: “those amendment” should be changed to “this amendment”</p>	<p><b>Agree to make these changes.</b></p>

#	RESPONDENT NAME	OTHER COMMENTS	PROPOSED IPSASB RESPONSE
		(sentence 2) and “amendments” be “amendment” (sentence 3 and last sentence).	
5	Accounting Standards Board (South Africa)	<p><b>IPSAS 8, “Interests in Joint Ventures”</b></p> <p>The heading “Effective Date” should be amended to “Effective Date and Transition” in accordance with the amendments made to IAS 31 as part of the <i>Improvements to IFRSs</i> issued in May 2008.</p>	The IPSASB’s approach is to have separate sections for the effective date and the transition arrangements. IPSAS 8 does not have any transition paragraphs, so it is not necessary to make this change.
5	Accounting Standards Board (South Africa)	<p><b>2.2 IPSAS 16, “Investment Property”</b></p> <p>Paragraph 101A currently states the following: “...If an entity applies the amendments for an earlier period it shall disclose that fact and at the same time apply the amendments to paragraphs 7 of IPSAS 17, “Property, Plant and Equipment”. In line with the revisions to IAS 40, the paragraph should refer to both paragraphs 7 and 107A.</p>	<b>Agree to make this change.</b>
5	Accounting Standards Board (South Africa)	<p><b>2.3 IPSAS 17, “Property, Plant and Equipment”</b></p> <p>Our specific comment on consistent use of terminology in the covering letter refers. Paragraph 22 of IPSAS 2 refers to “<u>net</u> surplus or deficit”.</p>	These issues will be considered in a separate General Improvements project.
5	Accounting Standards Board (South Africa)	<p><b>2.4 IPSAS 25, “Employee Benefits”</b></p> <p>The equivalent of paragraph 160 in IAS 19 has been omitted from IPSAS 25. This paragraph effectively provides entities relief from preparing a 5 year sensitivity analysis; instead they include the information in their financial statements after each completed reporting period. While this relief may not be necessary for those entities that have applied IAS 19, it is particularly relevant for those entities that apply accrual accounting for the first time.</p> <p>The IPSASB should consider re-instating this paragraph as part of any future improvements/revisions to the IPSASs.</p>	<p>IPSAS 25 does not include the equivalent to Paragraph 160 in IAS 19. The IPSASB, when it approved IPSAS 25, agreed that this paragraph was unnecessary because IPSAS 25 contains detailed provisions on first time adoption. The relief referred to is provided by paragraph 175 in IPSAS 25.</p> <p><b>No change is proposed.</b></p>

#	RESPONDENT NAME	OTHER COMMENTS	PROPOSED IPSASB RESPONSE
5	Accounting Standards Board (South Africa)	<p><b>3. PART II</b></p> <p><b>3.1 IPSAS 1, “Presentation of Financial Statements”</b></p> <p>3.1.1 Paragraph 82 refers to “. .bank overdrafts, and the current portion of non-current liabilities, dividends payable, income taxes and other non-trade payables.” While not specifically related to the Improvements to IFRSs published in 2008, the reference to “dividends payable” is incorrect. The term “dividends <u>or similar distributions</u>” is used elsewhere in IPSAS 1 (see paragraphs 117 and 149(a) and (b)). The reference in paragraph 82 should therefore be corrected to “dividends <u>or similar distributions</u>” either as part of this project or as a part of another project to revise existing IPSASs.</p>	<p>These issues will be considered in a separate General Improvements project.</p>
5	Accounting Standards Board (South Africa)	<p>3.1.2 The heading “Effective Date” should be amended to “Transition and Effective Date” in accordance with the amendments made to IAS 1 as part of the <i>Improvements to IFRSs</i> issued in May 2008.</p>	<p>The effective date of the amendments to IPSAS 1 has been stated at the beginning of Part II.</p> <p><b>The “Effective Date” section will be deleted.</b></p>
5	Accounting Standards Board (South Africa)	<p>3.1.3 Paragraph 153A currently refers to an amendment (singular) while there are in fact two amendments proposed. The wording should be amended appropriately.</p>	<p>Paragraph 153A will be deleted for the reason above.</p>
5	Accounting Standards Board (South Africa)	<p><b>3.2 IPSAS 3, “Accounting Policies, Changes in Accounting Estimates and Errors”</b></p> <p>Amended paragraph 11 refers to IPSASs being accompanied by “guidance”. With the inclusion of any interpretative guidance issued by the IFRIC of the IASB as appendices to the relevant IPSASs, it should be clearly indicated in those appendices that they constitute “guidance” to the relevant IPSASs. For example, the appendices to ED 38 prescribing guidance from the relevant IFRICs should refer to: “<u>Application Guidance - Reassessment of Embedded Derivatives</u>” and</p>	<p>Appendices B and C in IPSAS 29 (ED 38) clearly indicate that they are authoritative guidance by including the statement “this appendix is an integral part of IPSAS 29”. Additionally, designating them as “Application Guidance” potentially creates application paragraph numbering problems.</p> <p><b>No change is proposed.</b></p>

#	RESPONDENT NAME	OTHER COMMENTS	PROPOSED IPSASB RESPONSE
		<p>“<u>Application Guidance - Hedges of a Net Investment in a Foreign Operation</u>”. Without these specific references, the authority of the appendices may be unclear.</p>	
5	Accounting Standards Board (South Africa)	<p><b>3.3 IPSAS 6, “Consolidated and Separate Financial Statements”</b> The main thrust of the amendment made by the IASB to IAS 27 on <i>Consolidated and Separate Financial Statements</i> was to clarify the interaction between IFRS 5, IAS 39 and IAS 27 regarding investments in subsidiaries that are held for sale and the appropriate measurement.</p> <p>As the IPSASB has no equivalent of IFRS 5, this amendment is relatively minor and should be delayed until the IPSASB has made a decision regarding an equivalent of IFRS 5.</p>	<p>The substantive changes to IAS 27 relate to IFRS 5. As the IPSASB does not have an equivalent standard to IFRS 5 there is no point in making editorial changes only. IPSAS 6 will not be amended for these changes. As suggested, these amendments will be considered when the IPSASB considers the application of IFRS 5 to the public sector.</p> <p><b>Agree to leave IPSAS 6 unamended at this time.</b></p>
5	Accounting Standards Board (South Africa)	<p><b>3.4 IPSAS 10, “Financial Reporting in Hyperinflationary Economies”</b></p> <p>3.4.1 Paragraph 22 as marked up in ED 42 differs from the published text in the 2009 handbook. The opening sentence in the 2009 handbook refers to IPSAS 21 and IPSAS 26 rather than the international or national accounting standards. The most recent version should be published in the final document.</p>	<p><b>Agree to make this change.</b></p> <p>The most recent paragraph extracting from Handbook 2009 will replace the former version. The revised paragraph is as follows:</p> <p>22. To determine whether the restated amount of a non-monetary item has become impaired and should be reduced an entity applies relevant impairment tests in IPSAS 21, “Impairment of Non-Cash-Generating Assets,” IPSAS 26, “Impairment of Cash-Generating Assets” or international and/or national accounting standards addressing impairment of goodwill. <del>HenceFor example, in such cases,</del> restated amounts of property, plant and equipment, goodwill, patents and trademarks are reduced to recoverable amount or recoverable service amount, <del>and</del> restated amounts of inventories are reduced to net realizable value or current replacement</p>

#	RESPONDENT NAME	OTHER COMMENTS	PROPOSED IPSASB RESPONSE
			<p><del>cost, and restated amounts of current investments are reduced to market value.</del>                      An investee that is accounted for under the equity method may report in the currency of a hyperinflationary economy. The statement of financial position and statement of financial performance of such an investee are restated in accordance with this Standard in order to calculate the investor's share of its net assets/equity and <del>results of operations</del> surplus or deficit. Where the restated financial statements of the investee are expressed in a foreign currency they are translated at closing rates.</p>
5	Accounting Standards Board (South Africa)	<p>3.4.2 The second sentence refers to “For example, restated amounts of property, plant and equipment, goodwill, patents and trademarks are reduced to recoverable amount or recoverable service amount...” Based on the discussions in ED 41, there is no recoverable service amount for goodwill. We therefore suggest that the sentence be reconstructed to ensure that this inconsistency is avoided.</p>	<p>The wording “recoverable service amount” refers to not only goodwill but also property, plant and equipment, etc. Therefore, “where appropriate” will be inserted after “recoverable service amount.”</p>
5	Accounting Standards Board (South Africa)	<p>3.4.3 The heading and paragraphs 28-29 in the section that deals with “Surplus or Deficit on Net Monetary Position” incorrectly refers to “surplus or deficit” on the net monetary position instead of a “gain or loss” on the net monetary position. We suggest that this is corrected in finalizing the document or as part of future improvements to IPSAS 10. This will then enable the inclusion of the amendment made to IAS 29.28 as part of the <i>Improvements to IFRSs</i> for 2008.</p>	<p>These issues will be considered in a separate General Improvements project.</p>

#	RESPONDENT NAME	OTHER COMMENTS	PROPOSED IPSASB RESPONSE
6	The South African Institute of Chartered Accountants (SAICA)	<p><b>GENERAL COMMENTS</b></p> <p>We appreciate the IPSASB’s efforts to update the IPSASs for annual Improvements to IFRSs made to the equivalent IFRSs by the IASB however we would like to encourage the IPSASB to undertake a further project to review existing IPSASs to ensure consistent references to other standards, use of terminology and structure.</p> <p>...</p> <p>We must also acknowledge our South African Public Sector standard setter, the Accounting Standards Board (ASB) who issues public sector standards that take into account the best of the IPSASs and IFRSs. We fully support their comments that they have outlined in their comment letter to the Board.</p> <p><b>OTHER COMMENTS</b></p> <p>We believe that the proposed changes do clarify the IPSASs further and if these can be combined with consistent use of terminology and structure as well as appropriate references to other standards then they should be very effective.</p> <p>The comments per IPSAS are the same as those outlined by the ASB and we do not wish to restate their comments.</p>	<p>There is a review of the Handbook project underway to remove inconsistencies and the results of this project are expected to be reflected in the 2010 Handbook.</p>
6	The South African Institute of Chartered Accountants (SAICA)	<p>We also would encourage a review or survey of the number of IFAC member bodies that have adopted IPSAS as the Public Sector Accounting Framework as a percentage against total IFAC members, The review or survey should identify root causes of partial or non-adoption of the IPSASs. We feel that this will significantly assist the Board in future improvement projects as the nuances of many developing nation members do not always seem to be taken into consideration.</p>	<p>This comment is noted. Determining the number of adopters of IPSASs and their experience is a key outreach issue for the IPSASB.</p> <p><b>No change is proposed.</b></p>
9	Department of Finance and Deregulation (Australia)	<p>With the exception of the amendments to property under construction or development for future use as investment property under IPSAS 16 <i>Investment Property</i>, Finance does not have any major concerns with the amendments proposed in ED 42.</p>	<p>The IPSASB, at its May 2009 meeting, discussed this issue. The proposed amendments to IPSAS 16 clarified that property being constructed or developed for future use as investment property is within the</p>

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		<p>Finance usually contributes to the Australian Heads of Treasuries Accounting and Reporting Advisory Committee’s (HoTARAC) response to proposals. HoTARAC has decided not to respond to ED 42, however Finance is of the view that the comments made in the HoTARAC response to International Accounting Standards Board Exposure Draft <i>First Annual Improvement Project</i> (October 2007) in regards to IAS 40 <i>Investment Property</i> are still valid. The majority of HoTARAC’s constituents did not believe, at the time, that all investment property acquired for construction or development should be recorded at fair value. This view was based on the practicalities and costs of complying with this requirement, as well as the following theoretical arguments:</p> <ul style="list-style-type: none"> <li>• A great deal of property acquired for investment would not be available for sale during the construction period. Consequently, fair value, which is mostly based on exit prices, is irrelevant although it is noted that impairment may be relevant;</li> <li>• The major consideration of management during a project’s construction phase would be the variance in actual construction costs when compared to budgeted construction costs. Again, fair value is largely irrelevant; and</li> <li>• The IASB have not adequately explored the distinction between an existing property held for partial redevelopment (with minimal change to the existing asset) and an acquired property that is intended to be developed (usually requiring considerable change to the asset).</li> </ul> <p>In a situation where an existing or acquired investment property is specifically held for sale during the construction period it could be argued that it should be held at fair value. This could be achieved without requiring all properties to be held at fair value.</p>	<p>definition of “investment property” and includes a rebuttable presumption that the fair value of investment property under construction can be measured reliably (Paragraph 62, 62A, 62B). The Board agreed that there are no sector-specific reasons to depart from the amendments of IAS 40 regarding investment property under construction.</p> <p><b>No change is proposed.</b></p>
10	Conseil de Normalisation des Comptes Publics (CNOCP) (France)	<p>We note the IPSAS Board objective to propose improvements to twelve IPSASs in order to converge with amendments to IFRS in the IASB’s “Improvements to IFRSs” issued in May 2008, even if we disagree with this process of convergence. We believe that the IPSAS Board Exposure Draft must be a stand-alone document and</p>	<p>When ED 42 was being developed, the IPSASB applied its “Process for Reviewing and Modifying IASB Documents” to all of the proposed amendments. There was no significant discussion relating to the proposed</p>

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		<p>has to contain at least its own basis for conclusions. We disagree with the obligation to read the basis for conclusions in an IFRS document. In some cases, the IFRS basis for conclusions are totally inadequate and does not provide the necessary explanations. As an illustration, the basis for conclusions of IFRS are unsuited to the proposed amendment to IPSAS 5 "Borrowing Costs", insofar as provisions on borrowing costs in IPSAS 5 and IAS 23 are different.</p>	<p>amendment to IPSAS 5 and therefore a Basis for Conclusions paragraph is not necessary.</p> <p>There is a separate project relating to whether or not IPSAS 5 should be updated to reflect the latest version of IAS 23. Further consideration of this issue is being completed in conjunction with the IPSASB's Conceptual Framework project.</p>
10	Conseil de Normalisation des Comptes Publics (CNOCP) (France)	<p><b>Part I</b> <i>IPSAS 5, "Borrowing Costs"</i> <i>Components of borrowing costs in definition of borrowing costs</i></p> <p>The 'Conseil de normalisation des comptes publics' agrees with this amendment which proposes to include in borrowing costs interest expense calculated using the effective interest rate method. We also support deleting the reference to the amortization costs incurred in connection with the arrangement of borrowings, because, according to the benchmark treatment in IPSAS 5, those costs should be recognized as an expense.</p> <p>Nevertheless, we regret that this Exposure Draft does not include specific basis for conclusions, as provisions on borrowing costs in IPSAS 5 and IAS 23 are different. According to IAS 23, an entity shall capitalize borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset, contrary to IPSAS 23 which proposes a benchmark and an alternative treatment.</p>	<p>When ED 42 was being developed, the IPSASB applied its "Process for Reviewing and Modifying IASB Documents" to all of the proposed amendments. There was no significant discussion relating to the proposed amendment to IPSAS 5 and therefore a Basis for Conclusions paragraph is not necessary.</p> <p>There is a separate project relating to whether or not IPSAS 5 should be updated to reflect the latest version of IAS 23. Further consideration of this issue is being completed in conjunction with the IPSASB's Conceptual Framework project.</p> <p><b>No change is proposed.</b></p>
10	Conseil de Normalisation des Comptes Publics (CNOCP) (France)	<p><i>IPSAS 7, "Investments in Associates"</i> <i>Required disclosures when investments in associates are accounted for at fair value through surplus or deficit</i></p> <p>The 'Conseil de normalisation des comptes publics' does not agree with the proposed amendment. We consider inappropriate that IPSAS 7 defines disclosures for investments in associates specifically excluded from its scope.</p> <p>For those investments in associates excluded from the scope of</p>	<p>When ED 42 was being developed, the IPSASB applied its "Process for Reviewing and Modifying IASB Documents" to all of the proposed amendments. The IPSASB agreed that there was no public sector specific reason to depart from the proposed amendment.</p> <p><b>No change is proposed.</b></p>

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		<p>IPSAS 7, we consider necessary to define provisions in the future international accounting standard dealing with financial instruments.</p>	
10	Conseil de Normalisation des Comptes Publics (CNOCP) (France)	<p><i>IPSAS 8, “Interests in Joint Ventures”</i> <i>Required disclosures when interests in jointly controlled entities are accounted for at fair value through surplus or deficit</i></p> <p>The ‘Conseil de normalisation des comptes publics’ does not agree with the proposed amendment. We consider inappropriate that IPSAS 8 defines disclosures for venturers’ interests in jointly controlled entities specifically excluded from its scope.</p> <p>For those venturers’ interests in jointly controlled entities that are excluded from the scope of IPSAS 8, we consider necessary to define provisions in the future international accounting standard dealing with financial instruments.</p>	<p>When ED 42 was being developed, the IPSASB applied its “Process for Reviewing and Modifying IASB Documents” to all of the proposed amendments. The IPSASB agreed that there was no public sector specific reason to depart from the proposed amendment.</p> <p><b>No change is proposed.</b></p>
10	Conseil de Normalisation des Comptes Publics (CNOCP) (France)	<p><i>IPSAS 16, “Investment Property”</i> <i>Property under construction or development for future use as investment property</i></p> <p>The ‘Conseil de normalisation des comptes publics’ agrees with this amendment which proposes to include property under construction or development for future use as an investment property within the scope of IPSAS 16.</p> <p>However, the amendment raises additional questions of assets under construction falling into the scope of IPSAS 17 “<i>Property, Plant and Equipment</i>”. We suggest that the Board clarifies which method under IPSAS 17 should be applied in measuring such assets (cost or revalued amount).</p>	<p>The Respondent asks for clarification as to which measurement basis should be used where assets under construction are within the scope of IPSAS 17. This issue is not part of the ED 42 project. The issue is addressed in IPSAS 17, in the measurement after recognition section. Paragraph 42 states that an entity shall choose either the cost model or the revaluation model as its accounting policy and shall apply that policy to an entire class of property, plant and equipment.</p> <p><b>No change is proposed.</b></p>
10	Conseil de Normalisation des Comptes Publics (CNOCP) (France)	<p><i>IPSAS 17, “Property, Plant and Equipment”</i> <i>Sale of assets held for rental</i></p> <p>The ‘Conseil de normalisation des comptes publics’ agrees with the proposed amendment. We question however the scope of this amendment since public sector entities do not, in the course of its ordinary activities, routinely holds for rental to others items of</p>	<p>According to the amendments to IPSAS 17, items of property, plant and equipment that are held for rental to others and subsequently held for sale shall be transferred to inventories at their carrying amount. Therefore, cash payments to and cash receipts from such assets should be classified as cash flows from</p>

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		<p>property, plant and equipment.</p> <p>That being said, we question the proposed amendment to IPSAS 2 in the Appendix of the amendment to IPSAS 17. According to this amendment, it is proposed to present sales cash flows in “operating activities”. As cash flows from purchasing or production of fixed assets are “investing activities”, we believe that a classification into "investing activities" would be more appropriate.</p>	<p>operating activities.</p> <p>The holding of items of property, plant and equipment for rental to others does occur in some public sector entities in certain jurisdictions. Therefore, the amendment is appropriate.</p> <p><b>No change is proposed.</b></p>
10	Conseil de Normalisation des Comptes Publics (CNOCP) (France)	<p><i>IPSAS 25, “Employee Benefits”</i></p> <p><i>Replacement of term “fall due”</i></p> <p><i>Curtailments and negative past service cost</i></p> <p><i>Plan administration costs</i></p> <p><i>Guidance on contingent liabilities</i></p> <p>The ‘Conseil de normalisation des comptes publics’ agrees with the proposed amendments.</p>	<p>Comment only, no action required.</p>
10	Conseil de Normalisation des Comptes Publics (CNOCP) (France)	<p><i>IPSAS 26, “Impairment of Cash-Generating Assets”</i></p> <p><i>Disclosure of estimates used to determine recoverable amount</i></p> <p>The ‘Conseil de normalisation des comptes publics’ agrees with the proposed amendment.</p> <p>We consider that the same disclosures have to be given for the estimates used to measure unit’s recoverable amount when it is based on fair value less costs to sell, that fair value less costs to sell be determined using an observable market price or using discounted cash flow projections.</p>	<p>Comment only, no action required.</p>
10	Conseil de Normalisation des Comptes Publics (CNOCP) (France)	<p><b>Part II</b></p> <p><i>IPSAS 1, “Presentation of Financial Statements”</i></p> <p><i>Editorial changes</i></p> <p>The ‘Conseil de normalisation des comptes publics’ does not agree with the proposed amendment, which comes from the current wording of IAS 39. In our comment letter to the Exposure Draft 38 “<i>Financial Instruments: Recognition and Measurement</i>”, we mentioned our opposition to adopt the IAS 39 provisions for the</p>	<p>When ED 42 was being developed, the IPSASB applied its “Process for Reviewing and Modifying IASB Documents” to all of the proposed amendments. The IPSASB agreed that there was no public sector specific reason to depart from the proposed amendment.</p> <p><b>No change is proposed.</b></p>

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		<p>public sector.</p> <p>However, we believe important that IPSAS 1 clarifies that financial assets held for trading should be presented as current financial assets.</p>	
10	Conseil de Normalisation des Comptes Publics (CNOCP) (France)	<p><i>IPSAS 3, “Accounting Policies, Changes in Accounting Estimates and Errors”</i></p> <p><i>Status of implementation guidance</i></p> <p>The ‘Conseil de normalisation des comptes publics’ agrees with the proposed amendment.</p>	Comment only, no action required.
10	Conseil de Normalisation des Comptes Publics (CNOCP) (France)	<p><i>IPSAS 6, “Consolidated and Separate Financial Statements”</i></p> <p><i>Editorial changes</i></p> <p>The ‘Conseil de normalisation des comptes publics’ agrees with the proposed amendment.</p>	Comment only, no action required.
10	Conseil de Normalisation des Comptes Publics (CNOCP) (France)	<p><i>IPSAS 10, “Financial Reporting in Hyperinflationary Economies”</i></p> <p><i>Editorial changes</i></p> <p>The ‘Conseil de normalisation des comptes publics’ agrees with the proposed amendment.</p>	Comment only, no action required.
10	Conseil de Normalisation des Comptes Publics (CNOCP) (France)	<p><i>IPSAS 14, “Events After the Reporting Date”</i></p> <p><i>Dividends declared after the end of the reporting period</i></p> <p>The ‘Conseil de normalisation des comptes publics’ agrees with the proposed amendment.</p>	Comment only, no action required.
10	Conseil de Normalisation des Comptes Publics (CNOCP) (France)	<p><i>IPSAS 16, “Investment Property”</i></p> <p><i>Consistency of terminology with IPSAS 3</i></p> <p><i>Investment property held under lease</i></p> <p>The ‘Conseil de normalisation des comptes publics’ agrees with the proposed amendments.</p>	Comment only, no action required.

**OVERVIEW OF RESPONSES TO ED 42 – BY GEOGRAPHIC  
LOCATION, FUNCTION AND LANGUAGE**

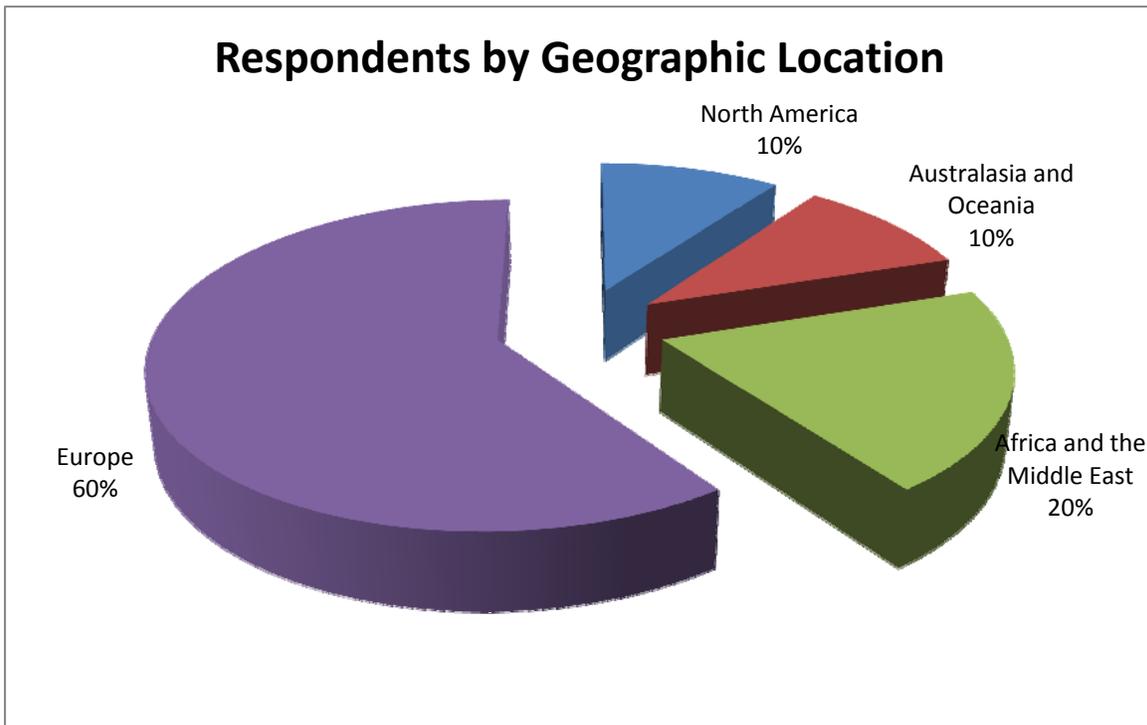
1	Public Sector Accounting Board (Canada)	Standard Setter/Standards Advisory Body
2	Accounting Standards Board (UK)	Standard Setter/Standards Advisory Body
3	Swiss Public Sector Financial Reporting Advisory Committee (SRS-CSPCP)	Standard Setter/Standards Advisory Body
4	The Institute for the Accountancy Profession in Sweden (FAR SRS)	Standard Setter/Standards Advisory Body
5	Accounting Standards Board (South Africa)	Standard Setter/Standards Advisory Body
6	The South African Institute of Chartered Accountants (SAICA)	Member or Regional Body
7	Chartered Institute of Public Finance & Accountancy (CIPFA) (UK)	Member or Regional Body
8	Federation of European Accountants (FEE)	Member or Regional Body
9	Department of Finance and Deregulation (Australia)	Preparer
10	Conseil de Normalisation des Comptes Publics (CNOCP) (France)	Standard Setter/Standards Advisory Body

**Purpose of this Paper:**

To provide a profile of respondents in the standard format adopted by IPSASB staff.

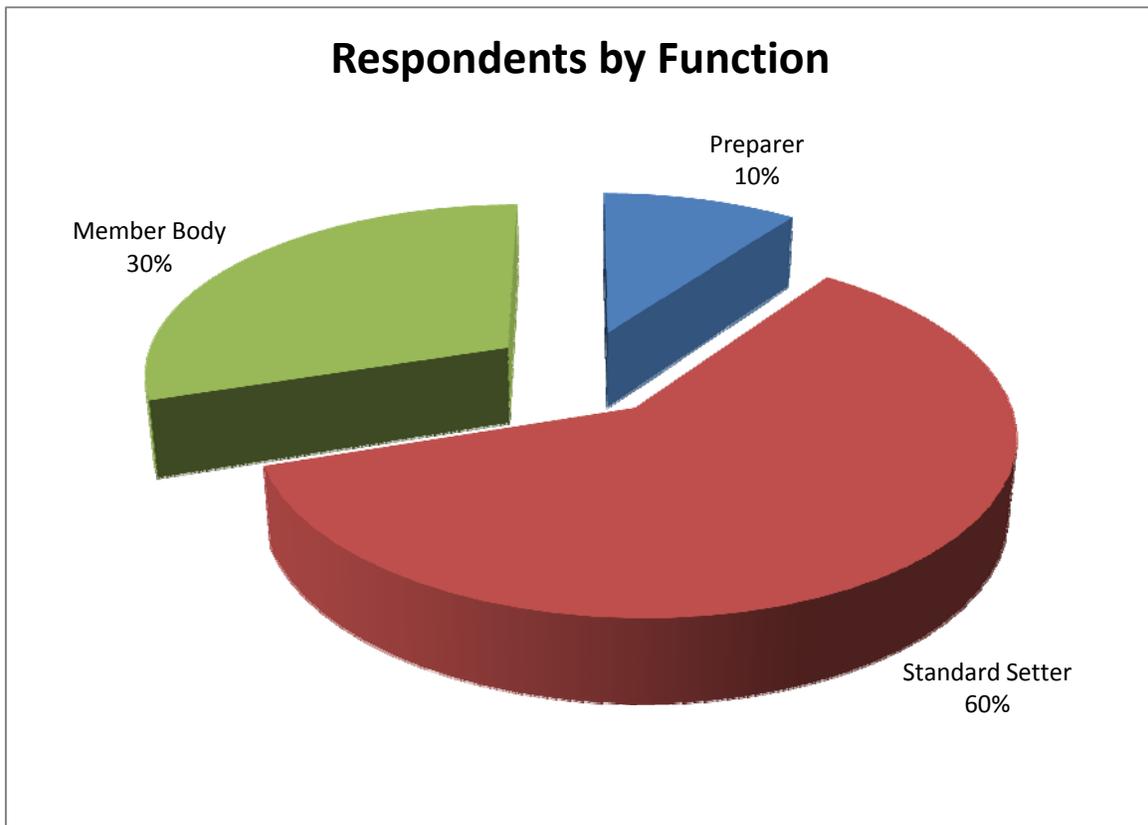
**Geographic Breakdown:**

Location	Response number	Total
Africa and the Middle East	5, 6	2
Asia		0
Australasia and Oceania	9	1
Europe	2, 3, 4, 7, 8, 10	6
Latin America and the Caribbean		0
North America	1	1
International		0
<b>Total</b>		<b>10</b>



**Functional Breakdown:**

Function	Response Number	Total
Preparer (Ministry of Finance or similar)	9	1
Audit Office		0
Standard Setter/Standards Advisory Body	1, 2, 3, 4, 5, 10	6
Member Body (National or Regional)	6, 7, 8	3
Accountancy Firm		0
Academic/individual(s)		0
<b>Total</b>		<b>10</b>



**Linguistic Breakdown:**

<b>Language</b>	<b>Response #s</b>	<b>Total</b>
English-Speaking	1, 2, 5, 6, 7, 9	6
Non-English Speaking	3, 4, 10	3
Combination	8	1
<b>Total</b>		<b>10</b>

