

Meeting: International Public Sector Accounting Standards Board

Meeting Location: New York, USA

Meeting Date: March 12–15, 2024

Agenda Item 4

For:

Approval

Discussion

Information

IMPROVEMENTS

Project summary	To propose minor improvements to IPSAS to address issues raised by stakeholders and to align, where appropriate, with amendments made to International Financial Reporting Standards.	
Project staff lead	<ul style="list-style-type: none"> João Fonseca, Principal 	
Task Force members	<ul style="list-style-type: none"> Not assigned 	
Meeting objectives	Topic	Agenda Item
Project management	Improvements: Project Roadmap	4.1.1
	Instructions up to Previous Meeting	4.1.2
	Decisions up to Previous Meeting	4.1.3
Decisions required at this meeting	Review of Responses to ED 85: IFRS Alignment Improvements to IPSAS	4.2.1
	Approval of <i>Improvements to IPSAS, 2023</i>	4.2.2
Other supporting items	Supporting Document 1 – ED 85: Analysis of Respondents by Region, Function and Language, and List of Respondents	4.3.1
	Supporting Document 2 – [draft] <i>Improvements to IPSAS, 2023</i>	4.3.2
	Supporting Document 3 – IPSASB Due Process Checklist for <i>Improvements to IPSAS, 2021</i>	4.3.3
	Responses to Exposure Draft 85, <i>Improvements to IPSAS, 2023</i>	Posted Separately

**IMPROVEMENTS:
 PROJECT ROADMAP**

Meeting	Completed Actions or Discussions / Planned Actions or Discussions:
June 2023	1. Process for Identifying Improvements to IPSAS 2. IFRS Alignment Improvements to IPSAS Included in [draft] ED 85 3. IFRS Amendments <u>not</u> Included in [draft] ED 85
September 2023	1. Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants (Part 1 of [draft] ED 85) 2. Definition of Material (Part 2 and Part 3 of [draft] ED 85) 3. Interest Rate Benchmark Reform— <i>Phase 2</i> (Part 4 of [draft] ED 85) 4. Lease Liability in a Sale and Leaseback (Part 5 of [draft] ED 85) 5. Approval of ED 85, <i>Improvements to IPSAS, 2023</i>
Mid-October 2023 – Mid-December 2023	1. Document out for comment
March 2024	1. Review of Responses to ED 85 2. Approval of <i>Improvements to IPSAS, 2023</i>

INSTRUCTIONS UP TO PREVIOUS MEETING

Meeting	Instruction	Actioned
September 2023	All instructions were reflected in Exposure Draft 85, Improvements to IPSAS, 2023	

DECISIONS UP TO PREVIOUS MEETING

Meeting	Decision	BC Reference
September 2023	All decisions were reflected in Exposure Draft 85, Improvements to IPSAS, 2023 .	

Review of Responses to ED 85: IFRS Alignment Improvements to IPSAS

Question

1. Does the IPSASB agree with the staff's recommendations to proceed with the IFRS Alignment Improvements to IPSAS for the Final Pronouncement, *Improvements to IPSAS, 2023*?

Recommendation

2. Staff recommend the IPSASB to:
 - (a) Proceed with the IFRS Alignment Improvements to IPSAS as proposed in ED 85 for **Part 2—Interest Rate Benchmark Reform—Phase 2 of ED 85** and **Part 3—Lease Liability in a Sale and Leaseback of ED 85**; and
 - (b) Proceed with the IFRS Alignment Improvements to IPSAS as proposed in ED 85 for **Part 1—Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants of ED 85**, subject to the recommended changes identified in Table 1 of [Appendix B](#) (see marked-up changes in [Agenda Item 4.3.2](#)).

Background

3. On October 16, 2023, the IPSASB issued [ED 85, Improvements to IPSAS 2023](#) with comments due by December 18, 2023. The analysis of respondents by region, function, and language can be found [Appendix A of Agenda Item 4.3.1](#), and the list of the 16 respondents can be found at [Appendix B of Agenda Item 4.3.1](#). The [draft] *Improvements to IPSAS, 2023* can be found at [Agenda Item 4.3.2](#).
4. This Agenda Item addresses IFRS Alignment Improvements to IPSAS included in ED 85.

Analysis

5. [Appendix A](#) shows that respondents strongly supported the proposals in ED 85. However, some respondents that partially agreed with the proposals in ED 85 proposed minor amendments to Part 1 and Part 3 of the ED 85 proposals related to the proposed improvements (see [Appendix B](#) for details).
6. Staff recommends the IPSASB that the proposed ED 85 improvements proceed to Final Pronouncement where no issues were raised, which is the case of **Part 2—Interest Rate Benchmark Reform—Phase 2 of ED 85**.
7. Where issues were raised, staff has analyzed the feedback and made a recommendation on how to proceed, as follows:
 - (a) **Part 1—Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants of ED 85**—see detailed staff's recommendations in Tables 1 and 2 of [Appendix B](#); and
 - (b) **Part 3—Lease Liability in a Sale and Leaseback of ED 85**—to proceed with the proposed amendments in Part 3 of ED 85 to the Final Pronouncement.

Decision Required

8. Does the IPSASB agree with staff's [recommendations](#)?

Appendix A – Summary of Responses to IFRS Alignment Improvements to IPSAS

Improvement	IPSAS	Summary of Proposed Change in ED 85	Agree	Partially Agree	Disagree	No Comment
Part 1— Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants	IPSAS 1, <i>Presentation of Financial Statements</i>	The amendments clarify the principles related to: <ul style="list-style-type: none"> • The right to defer settlement for at least twelve months (with or without covenants); and • The meaning of 'settlement' when a liability is rolled over under and existing loan facility. 	10	6	0	0
Part 2— Interest Rate Benchmark Reform— Phase 2	IPSAS 43, <i>Leases</i>	Practical expedient to account for lease modifications in IPSAS 43, <i>Leases</i>	14	0	0	2
Part 3— Lease Liability in a Sale and Leaseback	IPSAS 43, <i>Leases</i>	Amendments require a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognize any gain or loss that relates to the right-of-use it retains	12	1	0	3

Appendix B – Detailed Analysis of ED 85

Part 1 – Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

- 10 respondents to ED 85 agreed with the proposals in Part 1. There were no disagreements with Part 1 of ED 85. Table 1 below provides the suggestions made by the six respondents that partially agreed with ED 85 proposals on Part 1.

Table 1 – Respondents’ Suggestions to Part 1 of ED 85 Accepted by Staff

#	Respondents’ suggestions	Staff’s recommendation
1.	“We suggest that IPSAS 1.87B should be placed under the heading “Right to defer settlement for at least twelve months” similar to IAS 1.” (R03)	To proceed with respondents’ suggestion (see paragraph 87A of IPSAS 1 in [draft] Improvements to IPSAS, 2023 – Agenda Item 4.3.2) because it aligns with IAS 1.
2.	“Reporting date” would not be appropriate in instances such as “...between the <u>end of the reporting date</u> and the date the financial statements are authorized...” and “...the entity having acted <u>during or after the reporting date</u> to avoid...” (R03)	To proceed with respondents’ suggestion to remove the wording “end of the” in IPSAS 1 when in use with the wording “reporting date” in paragraphs 80, 83A, 83B, 86A, 87A because reporting date has the meaning of a point in time.

Table 2 – Respondents’ Suggestions to Part 1 of ED 85 Not Accepted by Staff

#	Respondents’ suggestions	Staff’s recommendation
1.	“To consider providing additional guidance as to whether the following type of liability should be classified as current or non-current: A liability (bond) with no fixed maturity date but that can be redeemed at any time by the holder. In practice, redemption of only 1-3% bonds are being made annually.” (R01)	Not to proceed with respondents’ suggestion because it is outside of scope of the IFRS alignment improvements to IPSAS to provide guidance beyond IASB’s amendments to IFRS.
2.	“We suggest including the rationale for the changes made by the IASB in the Basis for Conclusions, in order to facilitate better understanding of the changes by users not familiar with the IASB’s literature.” (R03)	Not to proceed with respondents’ suggestion because it is IPSASB’s practice not to replicate the IASB’s Basis for Conclusions.
3.	“We suggest maintaining the term “reporting period” from the IFRS counterparts in all instances where it is used there.” (R03)	Not to proceed with respondents’ suggestions because: (a) It is beyond this Improvements to IPSAS to change the terminology in the whole IPSAS that are not related to IASB’s amendments; and

#	Respondents' suggestions	Staff's recommendation
		(b) Of consistency with the rest of IPSAS 1 requirements where it is still used the same wording with the same meaning.
4.	<p>"However, we have concerns with regard to paragraph 87B(b) as it would require assessment of the future facts and circumstances to make disclosures in the notes to financial statements. Providing forward-looking information in the disclosures would also not be cost effective as it might prompt entities to procure a high volume of information to produce forecast information. (R04)</p>	<p>Not to proceed with respondents' suggestion because:</p> <p>(a) The requirement is related to present facts and circumstances, not future facts and circumstances; and</p> <p>(b) The cost-effective concern is not public sector specific that warrant difference with IAS 1.</p>
5.	<p>"Regarding the 'right to defer the settlement of a liability', paragraph 83B paragraphs a) and b) indicate the moment in which it affects or does not affect that right. However, it is not specified if it has effects on the Statement of Financial Position, modifying the amounts of the liabilities." (R09)</p>	<p>Not to proceed with respondents' suggestion because:</p> <p>(a) An earlier paragraph clarifies when liabilities should be classified as current; and</p> <p>(b) whether the amendments have effects in the Statement of Financial Position it will depend on the specific covenants the entity has and its impact in the amounts of the liabilities.</p>
6.	<p>"Concerning the language proposed in Part I, the CFC observed that the differentiation between current and non-current liabilities should maintain uniform wording throughout the entire ED. For instance, in item 80C, the ED, employing the same language as IPSAS 1, states that "It is due to be settled within twelve months after the reporting date;" however, in various other items, the text differs. Let's examine:</p> <p>83A. An entity's right to defer settlement of a liability <u>for at least twelve months after the reporting date</u> must have substance and, as illustrated in paragraphs 83B–86, must exist at the end of the reporting date. (emphasise and underline)</p> <p>83B. An entity's right to defer settlement of a liability arising from a loan arrangement <u>for at least twelve months after the reporting date</u> may be subject to the entity complying with conditions specified in that loan</p>	<p>Not to proceed with respondents' suggestion because:</p> <p>(a) The wording "within twelve months after the reporting date" in paragraphs 80(c) and 87B is meant to be a "ceiling" or the maximum of time the criteria needs to be fulfilled for the liability to be classified as current, while the wording "for at least twelve months after the reporting date" in paragraphs 83A, 83B, and 86A is meant to be the "floor" or the minimum of time the criteria needs to be fulfilled for the entity to have the right to defer settlement; and</p> <p>(b) The wording in ED 85 is aligned with IASB's amendments to IAS 1, <i>Presentation of Financial Statements</i>.</p>

#	Respondents' suggestions	Staff's recommendation
	<p>arrangement (hereafter referred to as 'covenants'). (emphasise and underline)</p> <p>86A. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability <u>for at least twelve months after the reporting date</u>. (emphasise and underline)</p> <p>87B. In applying paragraphs 80–86, an entity might classify liabilities arising from loan arrangements as non-current when the entity's right to defer settlement of those liabilities is subject to the entity complying with covenants <u>within twelve months after the reporting date</u> (see paragraph 83B(b)). In such situations, the entity shall disclose information in the notes that enables users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting date, including: (emphasise and underline)</p> <p>It can be observed that in items 80C and 87B, ED 85 incorporates the expression "within twelve months after the reporting date", while in items 83A, 83B, and 86A, the expression "for at least twelve months after the reporting date" is used. Despite lacking a conceptual difference, the CFC finds it worthwhile to harmonize this text." (R16)</p>	
7.	<p>Continuing with Part I, the CFC proposes a revision to the text in item 86A, in verbis:</p> <p>86A However, in either of those circumstances, the entity <u>may need to disclose information about the timing</u> of settlement to enable users of its financial statements to understand the impact of the liability on the entity's financial position (see paragraphs 29(c) and 87(d)). (emphasise and underline)</p> <p>The proposed text doesn't enable the standard user to identify whether there is an obligation to disclose, making the application of this item challenging." (R16)</p>	<p>Not to proceed with respondents' suggestion because:</p> <p>(a) The objective of cited sentence in paragraph 86A is to disclose the information if needed after applying professional judgment; and</p> <p>(b) The wording in ED 85 is aligned with IASB's amendments to IAS 1, <i>Presentation of Financial Statements</i>.</p>

Part 2 – Interest Rate Benchmark Reform—Phase 2

2. 13 respondents to ED 85 agreed with the proposals in Part 2. There were no disagreements or issues raised in Part 2 of ED 85.
3. Staff recommends the IPSASB to proceed with the proposed amendments in Part 2 of the Final Pronouncement, *Improvements to IPSAS, 2023*.

Part 3 – Lease Liability in a Sale and Leaseback

4. 12 respondents to ED 85 agreed with the proposals in Part 3. There were no disagreements.
5. R04 suggested to “provide an exception in the existing definition of lease payments (provided in IPSAS 43, ‘Leases’) for including the variable lease payments in case of sale and leaseback transactions so as to avoid inconsistency in the Standard.”
6. Staff is of the view that no change is warranted to the definition of lease payments because:
 - (a) The definition of lease payments:
 - (i) Is correct;
 - (ii) Was not amended in IFRS 16, *Leases*; and
 - (b) It is outside of the scope of the amendment.
7. Staff recommends the IPSASB to proceed with the proposed amendments in Part 3 of ED 85 for the Final Pronouncement, *Improvements to IPSAS, 2023*.

Approval of *Improvements to IPSAS, 2023*

Question

1. Does the IPSASB:
 - (a) Agree with IPSASB's Program and Technical Director assertion that due process has been followed effectively in developing [draft] *Improvements to IPSAS, 2023*;
 - (b) Vote to approve *Improvements to IPSAS, 2023*;
 - (c) Agree on the recommended effective date of:
 - (i) January 1, 2025, for **Part 2–Interest Rate Benchmark Reform—Phase 2**; and
 - (ii) January 1, 2026, for **Part 1–Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants** and **Part 3–Lease Liability in a Sale and Leaseback**?

Recommendation

2. Staff recommends the IPSASB:
 - (a) Vote to approve *Improvements to IPSAS, 2023*;
 - (b) An effective date of:
 - (i) January 1, 2025, for **Part 2–Interest Rate Benchmark Reform—Phase 2**; and
 - (ii) January 1, 2026, for **Part 1–Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants** and **Part 3–Lease Liability in a Sale and Leaseback**.

Background

3. The Agenda Item deals with the due process for approval of *Improvements to IPSAS, 2023* and proposed effective dates.

Analysis

Due Process

4. The IPSASB has followed due process throughout this project. As such, the final steps in due process are noted below. The full analysis supporting the assertions and recommendation noted below is in [Appendix A](#).
5. The IPSASB released [ED 85, *Improvements to IPSAS, 2023*](#) in October 2023. The IPSASB received 16 comment letters.
6. When the staff are satisfied a proposed final international standard is ready for approval, IPSASB's [Due Process and Working Procedures](#) sets out the necessary steps to facilitate its approval (bolded procedures require action by the IPSASB):
 - (a) **Staff present the revised content of the exposed international standard to the IPSASB;**
See [draft] *Improvements to IPSAS, 2023* in [Agenda Item 4.3.2](#).

- (b) **The IPSASB Program and Technical Director advises the IPSASB on whether due process has been followed effectively;**

The IPSASB Program and Technical Director asserts due process has been followed effectively.

- (c) **The IPSASB confirms whether or not it is satisfied the due process has been followed effectively;**

The IPSASB Chair asks the IPSASB confirmation on due process.

- (d) **The IPSASB votes on the approval of *Improvements to IPSAS, 2023* in accordance with its [terms of reference](#);**

Staff recommends the approval of *Improvements to IPSAS, 2023*.

- (e) **The IPSASB considers whether there has been a substantial change to the exposed document such that a vote on re-exposure is necessary;**

Staff confirms that there have been no substantial changes that would require a vote on re-exposure by the IPSASB.

- (f) **The IPSASB sets the effective date of the application of *Improvements to IPSAS, 2023*;**

Staff recommends the IPSASB an effective date for *Improvements to IPSAS, 2023* of:

- (a) January 1, 2025, for Part 2—Interest Rate Benchmark Reform—Phase 2 because:
- i) Some major interest rate benchmarks ceased to be published at the end of 2021¹;
 - ii) IPSASB's constituents that need to apply these requirements may already be applying them through the hierarchy in IPSAS 3, *Accounting Policies, Changes in Accounting Estimates, and Errors*;
 - iii) It is consistent with the IASB's following year effective date after its publication date²; and
- (b) January 1, 2026, for Part 1—Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants and Part 3—Lease Liability in a Sale and Leaseback because it:
- i) Part 1 combines two IASB's publications in a single *Improvements to IPSAS* at the same time;
 - ii) Gives additional time for IPSASB's constituents to prepare the implementation of the new requirements; and

¹ All GBP LIBOR, EUR LIBOR, CHF LIBOR and JYP LIBOR settings and two USD LIBOR settings were permanently discontinued or became non-representative after their last publication on December 31, 2021. All remaining USD LIBOR tenors ceased to be published or became non-representative after June 30, 2023.

² The publication *Interest Rate Benchmark Reform—Phase 2* (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) was issued in August 2020 and had an effective date of January 1, 2021.

- iii) Is consistent with the IASB's more than one-year effective date after its publication date³.

(g) The IPSASB issues Basis for Conclusions with respect to comments received on an exposure draft.

Staff highlights that [draft] *Improvements to IPSAS, 2023* includes the Basis for Conclusions (see [Agenda Item 4.3.2](#)).

Decision Required

- 7. Does the IPSASB agree with the staff's [recommendations](#)?

³ The publication *Classification of Liabilities as Current or Non-current* (Amendments to IAS 1) was issued in January 2020 and had an initial effective date of January 1, 2022, which was postponed twice to January 1, 2023 and January, 2024. The publication *Lease Liability in a Sale and Leaseback* (Amendments to IFRS 16) was issued in October 2022 and had an effective date of January 1, 2024.

Appendix A – Detailed Due Process for Approval of *Improvements to IPSAS, 2023*

1. The IPSASB has followed due process throughout this project. As such, the detail of the final steps in due process are noted below.
2. The IPSASB released [ED 85, *Improvements to IPSAS, 2023*](#) in October 2023. The IPSASB received 16 comment letters. During Q4 2023:
 - (a) Staff reviewed and analyzed the 16 comment letters received;
 - (b) Staff have made several editorial amendments to the text (shown in [Agenda Item 3.3.2](#) in mark-up) related to:
 - (i) Adding the expected publication date and effective dates; and
 - (ii) Removing references to [draft];
 - (c) The IPSASB discussed the issues raised by respondents to ED 85.
3. When the staff are satisfied a proposed new final international standard is ready for approval, IPSASB's [Due Process and Working Procedures](#) sets out the necessary steps to facilitate its approval (bolded procedures require action by the IPSASB):

(a) Staff present the revised content of the exposed international standard to the IPSASB;

[Agenda Item 4.3.2](#) includes all changes in mark-up from Exposure Draft (ED) 85, *Improvements to IPSAS, 2023* and is consistent with staff recommendations in this Agenda Item. Changes to ED 85 reflect matters raised in comment letters. These changes enhance the interpretation of ED 85 to help constituents apply the Final Pronouncement, *Improvements to IPSAS, 2023* in practice. No principles were altered.

(b) The IPSASB Program and Technical Director advises the IPSASB on whether due process has been followed effectively;

The IPSASB Program and Technical Director asserts due process has been followed effectively, noting that:

- [ED 85, *Improvements to IPSAS, 2023*](#) was issued for consultation;
- Responses to the ED were received and made publicly available on the [IPSASB website](#);
- The IPSASB has deliberated significant matters raised in the comment letters at its March 2024 meeting, and decisions taken will be minuted;
- The IPSASB will be asked to consider whether there are any issues raised by respondents, in addition to those summarized by staff, that it considers should be discussed by the IPSASB and agree there are none.

(c) The IPSASB confirms whether or not it is satisfied the due process has been followed effectively;

The IPSASB Chair asks the IPSASB confirmation on due process.

(d) The IPSASB votes on the approval of final international pronouncement *Improvements to IPSAS, 2023* in accordance with its [terms of reference](#);

Staff recommends the approval of final international pronouncement *Improvements to IPSAS, 2023*.

(e) The IPSASB considers whether there has been a substantial change to the exposed document such that a vote on re-exposure is necessary;

The IPSASB Program and Technical Director, in consultation with the Chair of the IPSASB, advises the IPSASB that no substantial changes have been made to ED 85, *Improvements to IPSAS, 2023*, such that necessitate a vote on re-exposure. Changes to ED 85 reflect matters raised in comment letters. No principles were altered.

(f) The IPSASB sets the effective date of the application of *Improvements to IPSAS, 2023*;

The IPSASB will need to consider the effective date of final international pronouncement *Improvements to IPSAS, 2023*. Paragraph A44 of the IPSASB's [Due Process and Working Procedures](#) requires the IPSASB to consider the reasonable expected minimum period for effective implementation, including the need for translation into national languages.

Staff notes that the IPSASB's usual practice with respect to Improvements is to set an effective date of January 1 in the year following publication, subject to any additional implementation period required for specific improvements.

Improvements to IPSAS, 2023 is expected to be published in April 2024. If the IPSASB were to follow its usual practice, this would result in an effective date of **January 1, 2025**, for **Part 2—Interest Rate Benchmark Reform—Phase 2**. Staff considers this effective date is appropriate and recommends that the IPSASB adopts this effective date because:

- (a) Some major interest rate benchmarks ceased to be published at the end of 2021⁴;
- (b) IPSASB's constituents that need to apply these requirements may already be applying them through the hierarchy in IPSAS 3, *Accounting Policies, Changes in Accounting Estimates, and Errors*; and
- (c) It is consistent with the IASB's following year effective date after its publication date⁵.

Regarding **Part 1—Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants** and **Part 3—Lease Liability in a Sale and Leaseback**, staff recommends an effective date of **January 1, 2026**, because it:

- (a) Part 1 combines two IASB's publications in a single Improvements to IPSAS at the same time;
- (b) Gives additional time for IPSASB's constituents to prepare the implementation of the new requirements; and

⁴ All GBP LIBOR, EUR LIBOR, CHF LIBOR and JYP LIBOR settings and two USD LIBOR settings were permanently discontinued or became non-representative after their last publication on December 31, 2021. All remaining USD LIBOR tenors ceased to be published or became non-representative after June 30, 2023.

⁵ The publication *Interest Rate Benchmark Reform—Phase 2* (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) was issued in August 2020 and had an effective date of January 1, 2021.

(c) Is consistent with the IASB's more than one-year effective date after its publication date⁶.

(g) The IPSASB issues Basis for Conclusions with respect to comments received on an exposure draft.

Staff highlights that [draft] final international pronouncement *Improvements to IPSAS, 2023* includes the Basis for Conclusions (see [Agenda Item 4.3.2](#)).

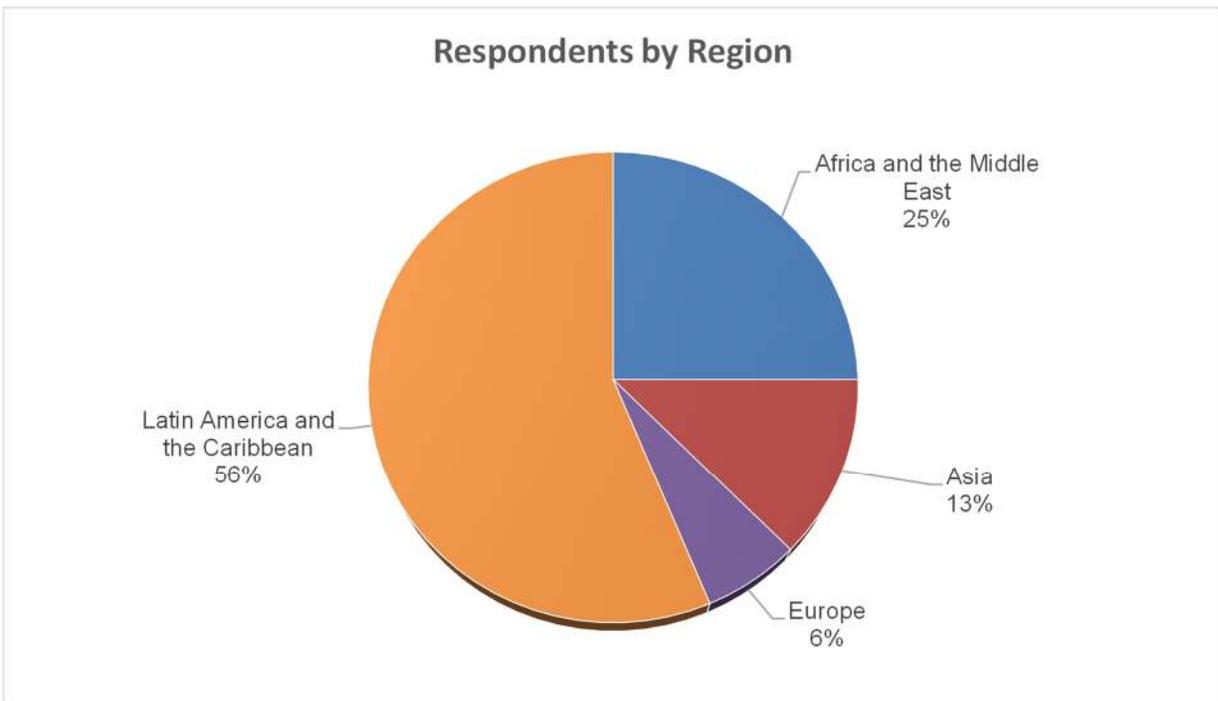
⁶ The publication *Classification of Liabilities as Current or Non-current* (Amendments to IAS 1) was issued in January 2020 and had an initial effective date of January 1, 2022, which was postponed twice to January 1, 2023 and January, 2024. The publication *Lease Liability in a Sale and Leaseback* (Amendments to IFRS 16) was issued in October 2022 and had an effective date of January 1, 2024.

Supporting Document 1 – ED 85: List of Respondents and Analysis of Respondents by Region, Function and Language

Appendix A: Analysis of Respondents by Region, Function and Language

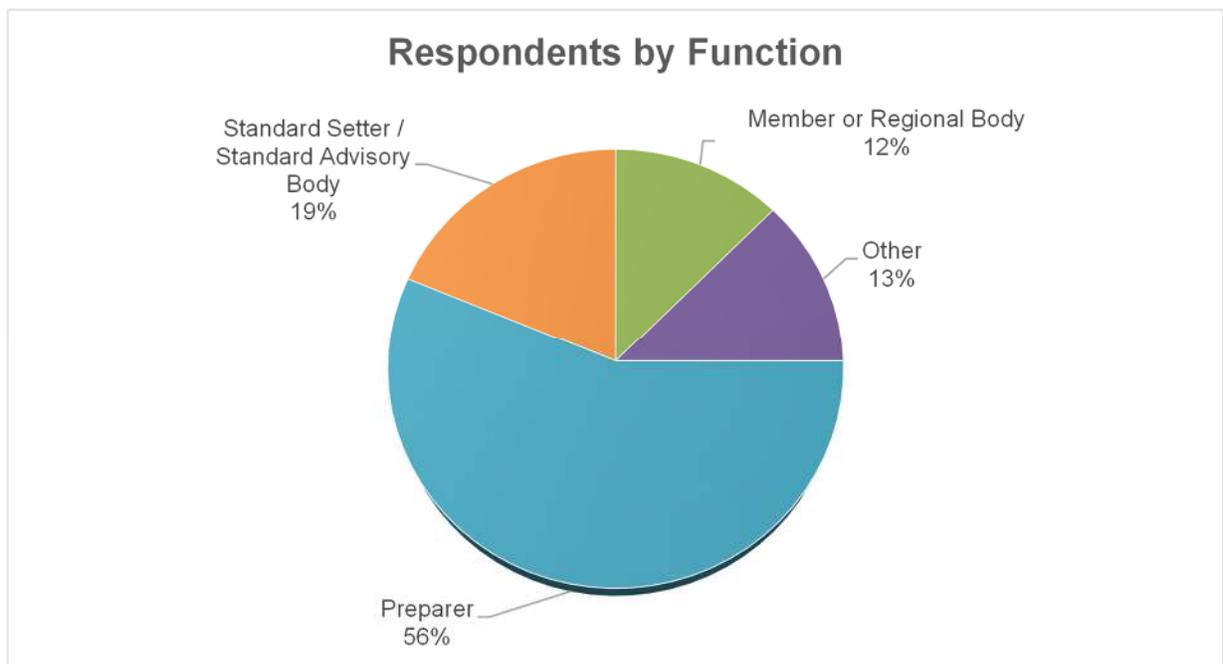
Geographic Breakdown

Region	Comment letter(s)	Total Respondents
Africa and the Middle East	R01, R02, R03, R15	4
Asia	R04, R06	2
Europe	R05	1
Latin America and the Caribbean	R07, R08, R9, R10, R11, R12, R13, R14, R16	9
Total		16



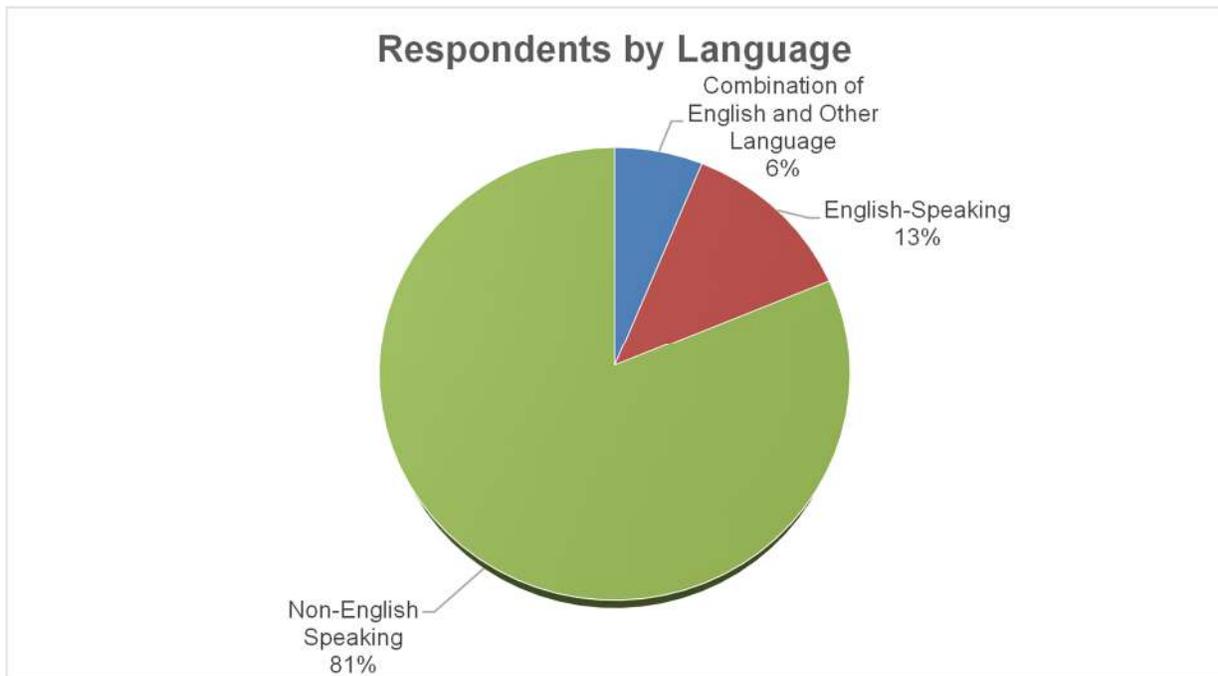
Functional Breakdown

Function	Comment letter(s)	Total Respondents
Member or Regional Body	R04, R16	2
Preparer	R03, R07, R08, R09, R10, R11, R12, R13, R14	9
Standard Setter / Standard Advisory Body	R02, R05, R15	3
Other	R01, R06	2
Total		16



Linguistic Breakdown

Language	Comment letter(s)	Total Respondents
English-Speaking	R02, R15	2
Non-English Speaking	R01, R03, R05, R06, R07, R08, R09, R10, R11, R12, R13, R14, R16	13
Combination of English and Other Language	R04	1
Total		16



Agenda Item 4.3.1

Appendix B: List of Respondents

Comment Letter #	Respondent	Country	Function
01	Meenakshi Bookauram Seebundhun	Mauritius	Other
02	Accounting Standards Board (ASB)	South Africa	Standard Setter / Standard Advisory Body
03	Ministry of Finance Saudi Arabia	Saudi Arabia	Preparer
04	Institute of Chartered Accountants of India (ICAI)	India	Member or Regional Body
05	Suisse Public Sector Financial Reporting Advisory Committee	Switzerland	Standard Setter / Standard Advisory Body
06	SACHIN BANSAL	India	Other
07	FOCAL - Colombia	Colombia	Preparer
08	FOCAL - El Salvador	El Salvador	Preparer
09	FOCAL - Mexico	Mexico	Preparer
10	FOCAL - Nicaragua	Nicaragua	Preparer
11	FOCAL - Paraguay	Paraguay	Preparer
12	FOCAL - Peru	Peru	Preparer
13	FOCAL - Dominican Republic	Dominican Republic	Preparer
14	FOCAL - Venezuela	Venezuela	Preparer
15	Public Sector Accounting Standards Board (PSASB)	Kenya	Standard Setter / Standard Advisory Body
16	Federal Accounting Council (CFC)	Brazil	Member or Regional Body

Supporting Document 2 – [draft] *Improvements to IPSAS, 2023*

1. The [draft] *Improvements to IPSAS, 2023* is posted separately for easier readability.
2. This Agenda Item is consistent with staff and Task Force proposals and recommendations in the above Agenda Items.
3. The marked-up changes in green and red are changes made to ED 85.

Supporting Document 3 – IPSASB Due Process Checklist for *Improvements to IPSAS, 2023*

Project: Improvements (*Improvements to IPSAS, 2023*)

#	Due Process Requirement	Yes/No	Comments
A. Project Brief			
A1.	A proposal for the project (project brief) has been prepared, that highlights key issues the project seeks to address.	See Comment	<p>In the IPSASB Strategy and Work Plan 2019-2023 it was confirmed that maintaining alignment with International Financial Reporting Standards, under Theme B for aligned standards, and continuing to align with GFS where appropriate under both Theme A and Theme B, are key priorities of the IPSASB.</p> <p>The <i>Improvements</i> Project is therefore a 'standing project' to deal with non-substantive changes to the IPSAS through minor amendments. It addresses improvements arising from:</p> <ul style="list-style-type: none"> • The Conceptual Framework; • Government Finance Statistics; • IASB Amendments; and • Other general improvements. <p>Because of the nature of the amendments, a project proposal is not developed for each improvements project.</p>
A2.	The IPSASB has approved the project in a public meeting.	N/A	See above.
A3.	The IPSASB CAG has been consulted on the project brief.	N/A	See above.
B. Development of Proposed International Standard			
B1.	The IPSASB has considered whether to issue a consultation paper or undertake other outreach activities to solicit views on matters under consideration from constituents.	Yes	Because of the nature of the amendments included in the Improvements Project, the IPSASB concluded that a CP stage is not warranted.

#	Due Process Requirement	Yes/No	Comments
B2.	If comments have been received through a consultation paper or other public forum, they have been considered in the same manner as comments received on an exposure draft.	N/A	See above.
B3.	The IPSASB CAG has been consulted on significant issues during the development of the exposure draft.	N/A	This step is not in effect for this project. Because of the nature of the amendments included in the Improvements Project, where significant issues are identified during the development of an Exposure Draft, the issue will be removed from the Exposure Draft and considered in a separate project. Consequently, there are no significant issues on which to consult the IPSASB CAG.
B4.	The IPSASB has approved the issue of the exposure draft.	Yes	<p>The IPSASB considered an issues paper and draft Exposure Draft (ED) for approval at its September 2023 meeting:</p> <p>https://www.ipsasb.org/flysystem/azure-private/2023-08/7%20-%20Improvements.pdf</p> <p>https://www.ipsasb.org/flysystem/azure-private/2023-08/7.3.1%20-%20ED%2085%20-%20Improvements%20to%20IPSAS%202023_0.pdf</p> <p>The IPSASB approved the issue of ED 85, <i>Improvements to IPSAS, 2023</i> at its September 2023 meeting.</p> <p>See the September 2023 minutes (section 7).</p>
C. Public Exposure			
C1.	The approved exposure draft has been posted to the IPSAS website for public comment for an appropriate period.	Yes	<p>The ED 85 was published in October 2023. Comments were requested by December 18, 2023.</p> <p>https://www.ipsasb.org/publications/exposure-draft-ed-85-improvements-ipsas-2023</p>
C2.	Comments on the exposure draft have been posted to the IPSASB website after the end of the exposure period.	Yes	<p>16 comment letters to ED 85 were received. All responses were made available publicly on the IPSASB website.</p>

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<i>D. Consideration of Respondents' Comments on an Exposure Draft</i>			
D1.	Staff have provided the IPSASB, as part of the public agenda papers, with an analysis summarizing the significant issues raised by respondents, outlined their proposed disposition, and, as appropriate, explained why significant changes recommended by respondents have or have not been accepted.	Yes	(To be Updated After March 2024 Meeting) The issues raised by respondents to the ED 85 were presented to the IPSASB. See Agenda Item 4.2.1 of the March 2024 meeting.
D2.	The IPSASB has deliberated significant matters raised in the comment letters, and significant decisions have been minuted.	Yes	(To be Updated After March 2024 Meeting) The IPSASB deliberated the issues raised in the comment letters to ED 85 at its March 2024 meeting. See section 4 of the March 2024 minutes.
D3.	The IPSASB has considered whether there are any issues raised by respondents, in addition to those summarized by Staff, that it considers should have been discussed by the IPSASB.	Yes	(To be Updated After March 2024 Meeting) The IPSASB considered whether there were any issues raised by respondents, that should be discussed, other than those raised by staff. The IPSASB was comfortable that all issues raised by respondents were discussed. See section 4 of the March 2024 minutes.
D4.	The IPSASB CAG has been consulted on significant issues raised by respondents to the exposure draft and the IPSASB's related responses.	N/A	This step is not in effect for this project. Because of the consequential nature of the amendments included in the Improvements Project, where significant issues are raised by respondents, the issue will be removed from the final international standard and considered in a separate project. Consequently, there are no significant issues on which to consult the IPSASB CAG as part of the Improvements project.

#	Due Process Requirement	Yes/No	Comments
D5.	Significant comments received through consultation with the IPSASB CAG are brought to the IPSASB's attention. Staff have reported back to the IPSASB CAG the results of the IPSASB's deliberations on those comments received from the CAG.	N/A	This step is not in effect for this project. See above.
D6.	The IPSASB has assessed whether there has been substantial change to the exposed document such that re-exposure is necessary.	Yes	(To be Updated After March 2024 Meeting) The Program and Technical Director provided his assessment that there had been no substantial change to the exposed document such that re-exposure is necessary. The IPSASB members agreed with this assessment. See section 4 of the March 2024 minutes.
D7.	If applicable, the IPSASB has voted on a resolution in favor of re-exposure.	N/A	
D8.	The basis of the IPSASB's decision with respect to re-exposure has been minuted.	Yes	(To be Updated After March 2024 Meeting) See section 4 of the March 2024 minutes.
D9.	If the exposure draft has been re-exposed, the explanatory memorandum accompanying the re-exposure draft explained the reasoning for re-exposure and the changes made as a result of the earlier exposure.	N/A	
E. Approval			

#	Due Process Requirement	Yes/No	Comments
E1.	The Program and Technical Director has confirmed to the IPSASB that due process has been followed effectively the final standard is approved for issuance.	Yes	<p>(To be Updated After March 2024 Meeting)</p> <p>Staff's assessment that due process had been followed effectively is included in the extract from the draft minutes.</p> <p>The Program and Technical Director asserted that due process had been followed effectively, in that:</p> <ul style="list-style-type: none"> • An ED had been issued for consultation; • Responses to the ED were received and made publicly available on the IPSASB website; • The IPSASB had deliberated significant matters raised in the comment letters, and significant decisions will be minuted; and • The IPSASB had considered whether there are any issues raised by respondents, in addition to those summarized by Staff, that it considers should have been discussed by the IPSASB, and agreed there were none. <p>This is reflected in the extract from the draft minutes.</p>
E2.	The IPSASB has approved the final revised content of the exposed standard in accordance with its Terms of Reference.	Yes	<p>(To be Updated After March 2024 Meeting)</p> <p>The IPSASB approved <i>Improvements to IPSAS, 2023</i>, including the Basis for Conclusions. There were XX members in agreement, XX members against, XX abstention and XX members absent. The approval vote is reflected in the extract from the draft minutes.</p>

#	Due Process Requirement	Yes/No	Comments
E3.	If applicable, the IPSASB has set an effective date for application of the final standard.	Yes	<p>(To be Updated After March 2024 Meeting)</p> <p>Staff’s recommendation regarding the effective date is included in Agenda Item 4.2.2 of the March 2024 IPSASB meeting.</p> <p>The IPSASB set an effective date of:</p> <ul style="list-style-type: none"> (ii) January 1, 2025 for Part 2–Interest Rate Benchmark Reform—Phase 2; and (iii) January 1, 2026 for Part 1–Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants and Part 3–Lease Liability in a Sale and Leaseback. <p>The decision is reflected in the extract from the draft minutes. The draft minutes will be approved at the IPSASB’s June 2024 meeting.</p>
E4.	The IPSASB’s basis for conclusions has been prepared and included in the final standard.	Yes	<p>(To be Updated After March 2024 Meeting)</p> <p>The basis for conclusions will be included in the final standard.</p>

Completed by:

Staff **MMM DD, YYY**