

**Meeting:** International Public Sector Accounting Standards Board

**Meeting Location:** New York, USA

**Meeting Date:** March 12–15, 2024

# Agenda Item 11

For:

Approval

Discussion

Information

## IPSAS 33–LIMITED SCOPE UPDATE

<b>Project summary</b>	The objective of this project is to address stakeholder concerns with IPSAS 33, <i>First-Time Adoption of Accrual Basis IPSASs</i> to be more user-friendly and effective.	
<b>Project staff leads</b>	Christoph Braxton, Principal	
<b>Subject matter expert</b>	Abdullah Alhomida, Ministry of Finance, Saudi Arabia	
<b>Task Force members</b>	<ul style="list-style-type: none"> <li>• Abdullah Al-Mehthil, IPSASB Member (Task Force Chair)</li> <li>• Nor Yati Ahmad, IPSASB Member</li> <li>• Kamira Sanchez Nicosia, IPSASB Member</li> <li>• Admire Ndurunduru, Pan-African Federation of Accountants</li> <li>• Lindy Bodewig, National Treasury, South Africa</li> <li>• Paul Sama, Ministry of Finance, Cameroon</li> <li>• David Watkins, IPSASB Technical Advisor</li> </ul>	
<b>Meeting objectives</b>	<b>Topic</b>	<b>Agenda Item</b>
<b>Project management</b>	<a href="#">Exposure Draft Dashboard</a>	<a href="#">11.1.1</a>
	<a href="#">Instructions up to Previous Meeting</a>	<a href="#">11.1.2</a>
	<a href="#">Decisions up to Previous Meeting</a>	<a href="#">11.1.3</a>
	<a href="#">Project Roadmap</a>	<a href="#">11.1.4</a>
<b>Decisions required at this meeting</b>	<a href="#">Applicability of IPSAS 33 to the IPSAS Implementation Process</a>	<a href="#">11.2.1</a>
	<a href="#">Clarifying Exemptions During the Transition Period</a>	<a href="#">11.2.2</a>
	<a href="#">Implementation Guidance Approach and Structure</a>	<a href="#">11.2.3</a>
	<a href="#">Changes to IPSAS 33</a>	<a href="#">11.2.4</a>
<b>Other supporting items</b>	<a href="#">[draft] Exposure Draft – Amendments to IPSAS 33</a>	<a href="#">11.3.1</a>

**IPSAS 33–LIMITED SCOPE UPDATE:  
 EXPOSURE DRAFT DASHBOARD**

Topic	Past Meetings	March 2024	June 2024
<b>Overall Project Management</b>			
Project Planning	✓		
Project Brief	✓		
Review and Approval of IPSAS 33 Limited Scope Update			
<b>IPSAS 33 – Authoritative Text</b>			
Objective & Scope			
Definitions			
Recognition & Measurement			
Opening Statement of Financial Position on Adoption of IPSAS			
Accounting Policies			
Exceptions to the Retrospective Application of IPSAS			
Estimates			
Presentation & Disclosure			
Exemptions from Disclosure Requirements in IPSASs During the Period of Transition			
Explanation of Transition to IPSAS			
Reconciliations			
Transitional Provisions in other IPSAS			
Effective Date			
Withdrawal of IPSAS 33 (issued 2015)			
Application Guidance			
<b>IPSAS 33 – Non-Authoritative Text</b>			
Basis for Conclusions			
Implementation Guidance			
Illustrative Examples			

# Agenda Item 11.1.1

Legend	
	Task Completed
	Planned IPSASB Discussion
	Page-by-page Review

**INSTRUCTIONS UP TO PREVIOUS MEETING**

Meeting	Instruction	Actioned
December 2023	1. Include the diagram on the adoption of accrual accounting in the Project Brief.	1. The Project Brief is updated and available on the <a href="#">IPSASB website</a> .
	2. Re-consider the proposed grouping of IPSAS 43, Leases, and IPSAS 49, Retirement Benefit Plans as well as some of the grouping titles.	2. See <a href="#">Agenda Item 11.2.4</a> and <a href="#">Agenda Item 11.3.1</a>
	3. Develop Implementation Guidance to distinguish first-time adoption of all IPSAS from a phased approach.	3. See <a href="#">Agenda Item 11.2.1</a> for the proposed Approach to provide Implementation Guidance.
	4. Re-consider the wording in paragraph 5 and 6 of the illustrative IPSAS 33 to improve how transitional relief is presented, and clarify the effect of exemptions, utilized by an entity during the transition period, on fair-presentation.	4. See <a href="#">Agenda Item 11.2.4</a> and <a href="#">Agenda Item 11.3.1</a>

**DECISIONS UP TO PREVIOUS MEETING**

<b>Meeting</b>	<b>Decision</b>	<b>BC Reference</b>
December 2023	1. The IPSASB voted to approve the Project Brief, IPSAS 33 – Limited Scope Update Arrangements.	1. To be drafted
September 2023	1. Material in IPSAS 33 shall be rearranged by topic and non-authoritative guidance shall be added.	1. To be drafted

**IPSAS 33–LIMITED SCOPE UPDATE:  
 PROJECT ROADMAP**

<b>Meeting</b>	<b>Completed Actions or Discussions / Planned Actions or Discussions:</b>
September 2023	1. Discussion to determining the best option to improving IPSAS 33, First-Time Adoption of Accrual Basis IPSASs to better enable the use of IPSAS 33 in practice.
December 2023	1. Approve project brief.
March 2024	1. Discuss Issues 2. Review the Implementation Guidance (IGs) Approach and Structure.
June 2024	1. Review [draft] Exposure Draft (ED). 2. Approve ED.
July 2024	1. Issue Exposure Draft.
August 2024- November 2024	1. Consultation Period (4 months).
December 2024	1. Initial Review of Comments to Exposure Draft. 2. Discuss Issues.
March 2025	1. Initial Review of Comments to Exposure Draft. 2. Discuss Issues. 3. Review [draft] IPSAS.
June 2025	1. Approve Pronouncement.

## Applicability of IPSAS 33 to the IPSAS Implementation Process

### Question

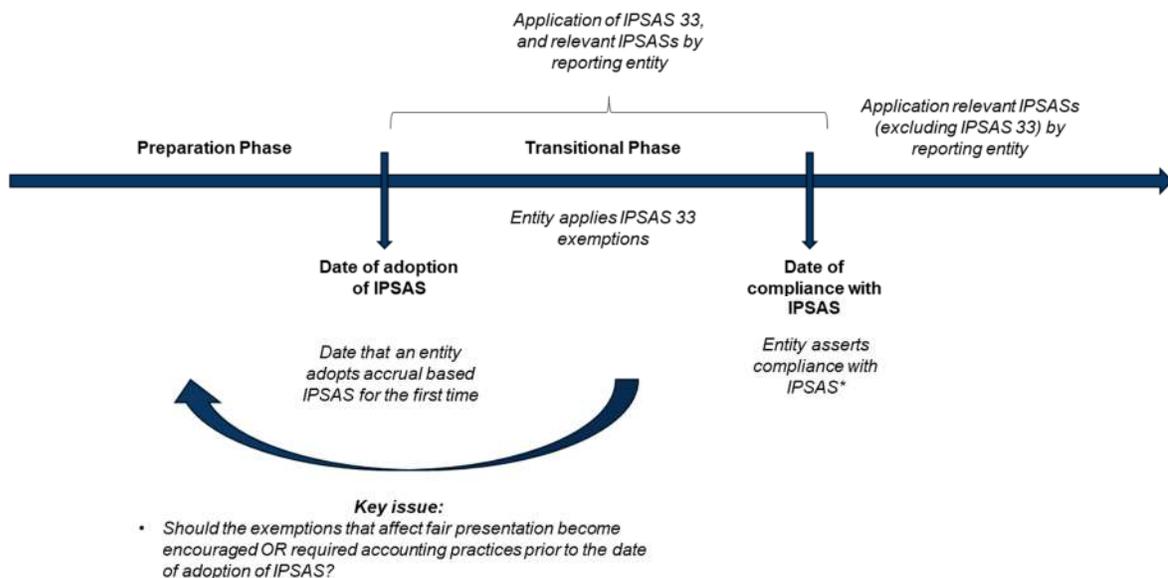
1. Does the IPSASB agree with including non-authoritative Implementation Guidance (IGs) in IPSAS 33, *First-time adoption of Accrual Basis IPSASs* based on Pathways to Accrual, to assist first-time adopters in the transition to accrual basis IPSAS?

### Recommendations

2. The Task Force recommends that:
  - (a) The IPSASB add non-authoritative IGs to support first-time adopters' transition to accrual basis IPSAS, leveraging Pathways to Accrual where appropriate, to:
    - (i) Clarify the purpose and role of IPSAS 33; and
    - (ii) Provide guidance on the pre-adoption planning and preparation phase.
  - (b) Basis for Conclusions be updated for consistency with current IPSASB drafting practice and to reference current guidance.

### Background

3. The IPSASB approved the [Project Brief](#) for the limited-scope update of IPSAS 33 at the December 2023 IPSASB meeting. Two key issues were identified.
4. The first key issue relates to the expectation gap constituents have in applying IPSAS 33. Constituents expect IPSAS 33 to address the entire transition process to accrual basis IPSAS. However, the scope of IPSAS 33 begins only from the date an entity adopts accrual basis IPSASs. The following diagram illustrates the transition journey to accrual basis IPSAS from planning and preparation to compliance with IPSAS:



## **Analysis**

### *Existing Guidance*

5. The successful adoption of and compliance with accrual basis IPSAS depends on the first-time adopter’s planning and preparation activities to transition from its existing accounting basis, i.e., cash or another accrual framework.
6. The IPSASB intended IPSAS 33 to be used from the date of adoption (i.e., transitional phase presented above). Thus, IPSAS 33 has limited guidance for the pre-adoption planning and preparation phase:
  - (a) IPSAS 33.BC46 directs the reader to [Study 14, Transition to the Accrual Basis of Accounting: Guidance for Governments and Government Entities](#) (Study 14), which may assist a first-time adopter with planning its transition to accrual basis IPSAS. This is only a reference with no detail provided in the Standard.
  - (b) IPSAS 33.IG3 states that the relief provided in IPSAS 33 only apply at the end of the process to adopt accrual basis IPSAS.
7. However, feedback from constituents indicates that existing guidance does not sufficiently clarify that IPSAS 33 only applies to the transitional phase and is not the primary resource for the planning and preparation phase.

### *Leveraging Pathways to Accrual*

8. Given stakeholder expectations, it is reasonable to add non-authoritative guidance that highlights the key aspects of the planning and preparation phase (i.e., before the date of adoption).
9. As noted in paragraph 6, BC 46 references Study 14 to assist a first-time adopter with planning its transition to accrual basis IPSAS. However, Study 14 was superseded in 2022 by [Pathways to Accrual](#). Pathways to Accrual continues to serve the same objective as Study 14, building on the material in Study 14 to provide public sector entities with a useful tool for transitioning to accrual accounting.
10. The Task Force and Staff noted that Pathways to Accrual includes several useful considerations which could be leveraged in developing the IGs to clarify the purpose/intent of IPSAS 33 for constituents. The tool includes:
  - (a) An overview of the wider context in which the transition to the accrual basis of accounting may occur;
  - (b) A discussion of various transition pathways that entities choosing an incremental implementation process may adopt;
  - (c) Identification of the main tasks associated with the recognition of assets, liabilities, revenues, and expenses, including issues and challenges associated with the identification of, as well as measurement of, those elements in financial statements;
  - (d) Some implications of adopting accrual basis IPSAS;
  - (e) Practical suggestions based on the experience of other entities and jurisdictions; and
  - (f) Links to other useful guidance and resources.

11. The guidance in Pathways to accrual has direct applicability to Key Issue 1 of this project, i.e., the limited guidance in IPSAS 33 on planning and preparing for the transition to accrual basis IPSAS. Therefore, this guidance can be leveraged in the development of non-authoritative guidance on the planning and preparation phase, enhancing the role of IPSAS 33 in the transition journey. The guidance will also help distinguish between the first-time adoption of all IPSAS from a phased adoption approach; based on the first-time adopter's readiness to apply IPSAS.
12. When considering how to reflect the relevant guidance from Pathways to Accrual into IPSAS 33 as IGs, the Task Force considered the following:
  - (a) Generally, IPSAS literature does not include external references. Thus, adding any direct reference to Pathways to Accrual is not consistent with IPSASB's standard-setting process. Furthermore, external publications are not under the control of the IPSASB in terms of content development and updates, and referencing such sources directly may be interpreted as endorsement of the content.
  - (b) The approach taken on recently completed projects, including IPSAS 45, *Property, Plant, and Equipment*, IPSAS 47, *Revenue*, and IPSAS 48, *Transfer Expenses*, that use a Question & Answer (Q&A) structure to interpret core text.

### *Proposed Next Steps*

13. Given the above considerations, the Task Force agreed the relevant parts of Pathways to Accrual should be included in IPSAS 33 as IGs in the Q&A format. IPSASB staff will work with the Task Force to develop IGs based on Pathways to Accrual in Q2 2024. Examples of the IGs based on Pathways to Accrual using the Q&A format is included in [Appendix 1](#) to this Agenda Item.
14. Furthermore, the reference to Study 14 in existing guidance should be updated for consistency with current practice and to reference current guidance to support a first time adopter:

Amendment to IPSAS 33.BC46: ~~"The guidance in Study 14, Transition to the Accrual Basis of Accounting: Guidance for Governments and Government Entities issued by the IPSASB may assist a~~  
~~A first-time adopter may consider other sources of guidance in planning their conversion to accrual basis IPSASs, prior to adoption of this IPSAS.~~

### **Decision Required**

15. Does the IPSASB agree with the Task Force's [recommendations](#)?

## Appendix 1 – Implementation Guidance Based on Pathways to Accrual

*This Appendix illustrates the proposed approach for including non-authoritative Implementation Guidance (IGs) in IPSAS 33 to assist a first-time adopter in navigating its transition to accrual-basis IPSAS.*

*Examples of topics to be included as IGs*

1. Key topics from Pathways to Accrual are proposed to be formulated as a series of questions and answers (Q&A) to be included as IGs in IPSAS 33. These are:
  - (a) The Wider Reform Context
  - (b) Governance;
  - (c) Public Financial Management (PFM) Framework
  - (d) Implementation Strategy
  - (e) Building Capacity
  - (f) Accounting Standards and Policies
  - (g) Entity-level Issues
  - (h) Processes and Procedures
  - (i) Internal Audit

*How will the Q&A approach be reflected in the IGs?*

2. Below are two examples of how the topics in Pathways to Accrual is expected to be incorporated using this Q&A approach. These examples are not final worked examples, and may change as the intended guidance is developed, but are shown as illustration of the proposed approach.

### **Example 1 – Topic: The Wider Reform Context**

#### **Question:**

What reform areas should a first-time adopter consider for the transition to accrual basis IPSASs?

#### **Answer:**

Transition to accrual accounting is a subset of a much larger reform program. A wider reform program will often be in the context of a need to improve Public Financial Management (PFM). A whole system approach brings together the main areas that are fundamental to strong PFM, which are:

- (a) Governance;
- (b) External PFM elements, including:
  - (i) Legislation;
  - (ii) Standards;
  - (iii) Transparency;
  - (iv) Scrutiny; and

- (c) Internal PFM elements, including:
  - (i) Strategy and planning;
  - (ii) Budget execution; and
  - (iii) Performance monitoring.

**Example 2 – Topic: PFM Framework**

**Question:**

What Standards need to be in place to achieve strong PFM?

**Answer:**

To achieve strong PFM, the public sector needs to demonstrate that it is governed by Standards, which should encompass:

- (a) Financial Reporting Standards, e.g., IPSAS;
- (b) Professional Standards on Ethics;
- (c) External Auditing Standards;
- (d) Internal Auditing Standards; and
- (e) Human Resource Management Standards.

## Clarifying Exemptions During the Transition Period

### Question

1. Does the IPSASB agree with the Task Force recommendations to rephrase/enhance parts of IPSAS 33, *First-time adoption of Accrual Basis IPSASs*?

### Recommendations

2. The Task Force recommends that:
  - (a) Exemption provisions be rephrased to encourage earlier application of the relevant IPSAS, instead of indicating that the first-time adopter is not required to apply relevant IPSAS during the transition period; and
  - (b) The Implementation Guidance (IGs) be revisited to encourage first-time adopters to, incrementally and as soon as possible during the transitional period, recognize, measure and disclose assets, liabilities, revenue and expenses, and other items exempted on adoption.

### Background

3. The IPSASB approved the [Project Brief](#) for the limited-scope update of IPSAS 33 at the December 2023 IPSASB meeting. Two key issues were identified.
4. The second issue related to the general exemption in IPSAS 33.36, which states, that where a first-time adopter has not recognized assets and/or liabilities under its previous basis of accounting, **it is not required** to recognize and/or measure certain assets and/or liabilities for reporting periods beginning on a date **within three years** following the date of adoption of IPSAS.

### Analysis

#### *Effect of IPSAS 33 exemptions and transition period on a first-time adopter's transition to accrual basis IPSAS*

5. In practice, the exemption guidance wording “not required to” along with the three-year transition period, is likely to result in deferred recognition, measurement, and disclosure of certain items until the first IPSAS financial statements at the end of the transition period. This delays the development of suitable financial accounting and reporting measures, hindering full compliance with accrual basis IPSASs by the transition period's end. Constituents surveyed<sup>1</sup> also observed no improvement in IPSAS compliance during the transition from the first to the second year.

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<sup>1</sup> Constituents noted challenges experienced by first-time adopters with the exemptions and other reliefs in IPSAS 33. These challenges include:

- (a) **Confusion.** The effect on the usefulness to users of financial information where the increasing or decreasing amount of assets and/or liabilities creates confusion about the equity/net assets position and calls into question the credibility of the financial information presented;
- (b) **Procrastination.** A first-time adopter may not start the work to recognize assets, liabilities or the other reliefs until the last moment;
- (c) **Difficulty in achieving full compliance.** The granting of exemptions and reliefs may, where a public sector entity has procrastinated (see point (b) above), mean that entities are unable to achieve full compliance with IPSAS within the transition period.

6. Early compliance with IPSAS by first-time adopters makes resulting information more useful for accountability and decision-making. Conversely, allowing deferral of recognition and/or measurement and/or disclosure until the first IPSAS financial statements at the end of the transition period may render the transitional IPSAS financial statements less useful.

*Options exist to address the issue*

7. To address the exemption issue, i.e., application of “not required to” within three-years of adoption, the Task Force considered the following options:

Option	Advantages	Disadvantages
(a) Do nothing	<ul style="list-style-type: none"> <li>• Users are familiar with the current guidance.</li> </ul>	<ul style="list-style-type: none"> <li>• Constituents’ needs will not be addressed, and the Project objective will not be achieved.</li> </ul>
(b) Remove the three-year transition period <sup>2</sup>	<ul style="list-style-type: none"> <li>• Confusion over the application of the transition period is removed.</li> <li>• Closer alignment with IFRS 1 is achieved.</li> </ul>	<ul style="list-style-type: none"> <li>• First-time adopters need time to transition to accrual basis IPSAS.</li> <li>• The IPSASB’s 2014 rationale<sup>2</sup> for including the three-year transition period has not changed and removing it would contradict the standing position.</li> </ul>
(c) Amend IPSAS 33	<ul style="list-style-type: none"> <li>• Maintains the IPSASB standing position<sup>2</sup> for including the three-year transition period. No reasons to depart were noted by the Task Force.</li> <li>• Supports effective transition to accrual basis IPSAS.</li> </ul>	<ul style="list-style-type: none"> <li>• More resource intensive.</li> </ul>

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<sup>2</sup> The IPSASB decided to include a three-year transition period following its consultation with constituents during the [Exposure Draft](#) phase in 2014. The rationale for including a three-year transition period was:

- (a) The first-time adopter may require a period of time to obtain and compile appropriate records to recognize, measure and/or classify;
- (b) First-time adopters should prepare well in advance for their transition to accrual basis IPSAS and not solely rely on the transition period provided in this IPSAS;
- (c) The three year transition period is more manageable, and reduces the period over which entities will not be able to assert compliance with IPSAS;
- (d) Prescribing a transition period reduces inconsistencies between jurisdictions, which in turn enhances the credibility and comparability of financial statements during the transition period; and
- (e) During this transition period, a first-time adopter will be able to develop reliable models and systems for applying the principles in the IPSAS.

8. Given the benefits, the Task Force agreed that option (c) should be pursued to enhance the usefulness and comparability of the transitional IPSAS financial statements and encourage first-time adopters to accelerate IPSAS compliance during the transition period. This can be achieved by rephrasing the exemption provisions. For example, IPSAS 33.42 can be amended as follows:  
  
“A first-time adopter ~~may take advantage of the three-year transitional period and may is not required to~~ change its accounting policy in respect of the recognition and measurement of revenue ~~from any date within the transitional period for reporting periods beginning on a date within three years following the date of the adoption of IPSAS~~. A first-time adopter may change its accounting policy in respect of revenue on a class-by-class basis.”
9. Furthermore, the IGs will be amended/added to promote incremental compliance with accrual basis IPSAS as early as possible.
10. The Task Force also noted that constituents may have misunderstood the three-year transition period to cover the entire transition, including planning and preparation. This misinterpretation is anticipated to be rectified with the proposed changes to IPSAS 33 and the inclusion of additional IGs.

### Decision Required

11. Does the IPSASB agree with Task Force’s [recommendations](#)?

## **Implementation Guidance Approach and Structure**

### **Question**

1. Does the IPSASB agree with the proposed topics and structure for the Implementation Guidance (IGs) in IPSAS 33, *First-time adoption of Accrual Basis IPSASs*, and to delegate the detail review of the IGs to the Task Force?

### **Recommendations**

2. The Task force recommends that:
  - (a) The IPSASB approve in principle the Approach and Structure to be used for the development of the IGs; and
  - (b) The Task Force be delegated the responsibility to review the IGs.

### **Background**

3. The Project Brief, approved in December 2023, identified the need for additional non-authoritative guidance, which will assist first-time adopters in the transition to accrual basis IPSAS.
4. The IPSASB also instructed staff to develop IGs that distinguishes first-time adoption of all IPSAS (all-in approach) from the adoption of IPSAS in a phased approach.

### **Analysis**

#### *Proposed Approach*

5. The Task Force considered the approach taken on recently completed projects, including IPSAS 45, *Property, Plant, and Equipment*, IPSAS 47, *Revenue*, and IPSAS 48, *Transfer Expenses*, to identify which topics to include in the IGs (in addition to the recommendation in [Agenda Item 11.2.1](#)), and proposed to use a consistent Q&A structure to present guidance related to common and prevalent challenges first-time adopters may face in using IPSAS 33.
6. The Task Force considered the principles in the authoritative text of IPSAS 33 and identified specific topics that would benefit from the IGs to support the principles for one or more of the following reasons:
  - (a) The lack of sufficient guidance is an area of concern for constituents; or
  - (b) The Task Force and/or IPSASB members have noted in past discussions that additional non-authoritative guidance would be useful.
7. The Task Force developed a list of proposed topics to be addressed in the IGs, included as [Appendix 1](#) to this Agenda Item.

#### *Delegation of Review of the IGs*

8. During Q2 2024, Staff will develop the topics as indicated in [Appendix 1](#). To support the development of this non-authoritative guidance in a timely manner, staff recommend delegating the detailed review of the IGs to the Task Force. This allows the IPSASB to:
  - (a) Focus Board sessions on principle-related issues;
  - (b) Deliver the updated IPSAS 33 guidance to stakeholders in a timely manner; and

- (c) Discuss any issues identified as part of the drafting review process on an as-needed basis (i.e., the Task Force will identify, and staff will present, any key drafting issues which require IPSASB input).

**Decision Required**

- 9. Does the IPSASB agree with the Task Force's [recommendations](#)?

**Appendix 1 – Topics for Additional Implementation Guidance**

*This Appendix includes proposed topics for additional non-authoritative Implementation Guidance in IPSAS 33 to assist a first-time adopter in applying IPSAS 33.*

Topic / Core Principle	Implementation Guidance
<b>Objective</b>	Not recommended. The authoritative text is sufficient, and this area typically does not require IGs.
<b>Scope</b>	Not recommended, as this area is relatively straightforward and does not require IGs. ( If the board agrees to add guidance regarding the planning phase, there may be a need to reflect the expanding scope of the non-authoritative guidance.
<b>Definitions</b>	<ul style="list-style-type: none"> <li>• Explain the “planning and preparation phase” (proposed to be added if the key issue (1) recommendations are approved) (See <a href="#">Agenda Item 11.2.1</a>)</li> <li>• Explain the “transition period” and its purpose (proposed to be added if the key issue (2) recommendations are approved) (See <a href="#">Agenda Item 11.2.2</a>)</li> <li>• Explain “the date of Adoption”</li> <li>• Explain “transitional IPSAS financial statements”</li> <li>• Explain “First IPSAS financial statements”</li> </ul>
<b>Recognition and Measurement</b>	<ul style="list-style-type: none"> <li>• Explain the requirements for the first-time adopter’s estimates under its previous basis of accounting</li> <li>• Explain how to apply deemed cost</li> </ul>
<b>Exceptions to the Retrospective Application of IPSAS</b>	Explain the exceptions to the retrospective application of IPSAS.
<b>Presentation and Disclosure</b>	<ul style="list-style-type: none"> <li>• Explain Transitional Exemptions that Provide Three-Year Relief for the Recognition and/ or Measurement of Assets and/or Liabilities.</li> <li>• Explain the Reconciliations requirement</li> </ul>
<b>Transitional Provisions in other IPSAS</b>	Not recommended, as this area is relatively straightforward and does not require IGs.
<b>Effective Date</b>	Not recommended. The authoritative text is sufficient, and this area typically does not require IGs.
<b>Pathways to Accruals guidance</b>	See <a href="#">Agenda Item 11.2.1</a>

## Changes to IPSAS 33

### Question

1. Does the IPSASB agree in principle with the proposed reorganization of IPSAS 33, *First-time adoption of Accrual Basis IPSASs*?

### Recommendations

2. The Task force recommends that:
  - (a) The IPSASB to perform a page-by-page review of the [draft] Exposure Draft;
  - (b) The IPSASB approve in principle the reorganization of IPSAS 33 authoritative text into core text and Application Guidance and
  - (c) The IPSASB provide any guidance in the development of the [draft] Exposure Draft, in particular relating to the topics under development, i.e., Business Combinations and Financial Instruments.

### Background

3. The [draft] Exposure Draft on Amendments to IPSAS 33 was presented at the December 2023 IPSASB meeting. The [draft] Exposure Draft demonstrated the re-arrangement of the authoritative text (core text and Application Guidance), and the arrangement of Application Guidance under new topic headings, aligned with the World Bank's Public Sector Accounting Assessment ('PULSE' Assessment) and potential EPSAS Standards<sup>3</sup>.

### Analysis

#### *Summary of changes made since December 2023*

4. The Guidance in IPSAS 33 has not changed materially.
5. Since December 2023, the following additional changes were made:
  - (a) Further reorganization of the authoritative text into core text and Application Guidance, in line with the IPSASB's current approach, consistent with the [draft] Exposure Draft presented in December 2023, and after re-considering the proposed grouping of IPSAS 43, *Leases*, and IPSAS 49, *Retirement Benefit Plans* and some of the grouping titles.
  - (b) Re-phrasing of relevant exemption paragraphs as proposed in [Agenda Item 11.2.2](#), including re-considering the wording in paragraph 5 and 6 of the [draft] Exposure Draft to improve how transitional relief is presented, and to clarify the effect of exemptions, utilized by an entity during the transition period, on fair-presentation.
  - (c) Amendments to text for clarity and consistency with current IPSASB literature.
  - (d) Editorial changes, and elimination of duplicative material.

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<sup>3</sup> In most areas, these groupings align with those used in the IFAC Pathways to Accrual tool, although some adjustments were made.

6. Although the original text per IPSAS 33 relating to the following topics is included in the [draft] Exposure Draft, development of the text is ongoing:

- (a) Entity Combinations; and
- (b) Financial Instruments

The IPSASB is requested to consider whether there are any further issues to be addressed in streamlining the authoritative text relating to these topics, and provide guidance to the Task Force and Staff:

7. A marked-up version of the [draft] Exposure Draft, showing all changes, including changes presented at the December 2023 IPSASB meeting, is included as [Agenda Item 11.3.1](#). Changes were applied to the version of IPSAS 33 included the [2022 Handbook](#).

#### *Next steps*

8. The Task Force and Staff will affect further changes to the authoritative text as part of the development of the Exposure Draft for review at the June 2024 IPSASB meeting.

#### **Decision Required**

9. Does the IPSASB agree with the Task Force's [recommendations](#)?

**[draft] Exposure Draft – Amendments to IPSAS 33**

The [draft] Exposure Draft is posted separately for easier readability. See [Agenda Item 11.2.4](#)