

An aerial photograph of New York City, showing the dense skyline of Manhattan and the green expanse of Central Park. The image is used as a background for the presentation slide.

IPSASB

International Public
Sector Accounting
Standards Board®

AGENDA ITEM 5

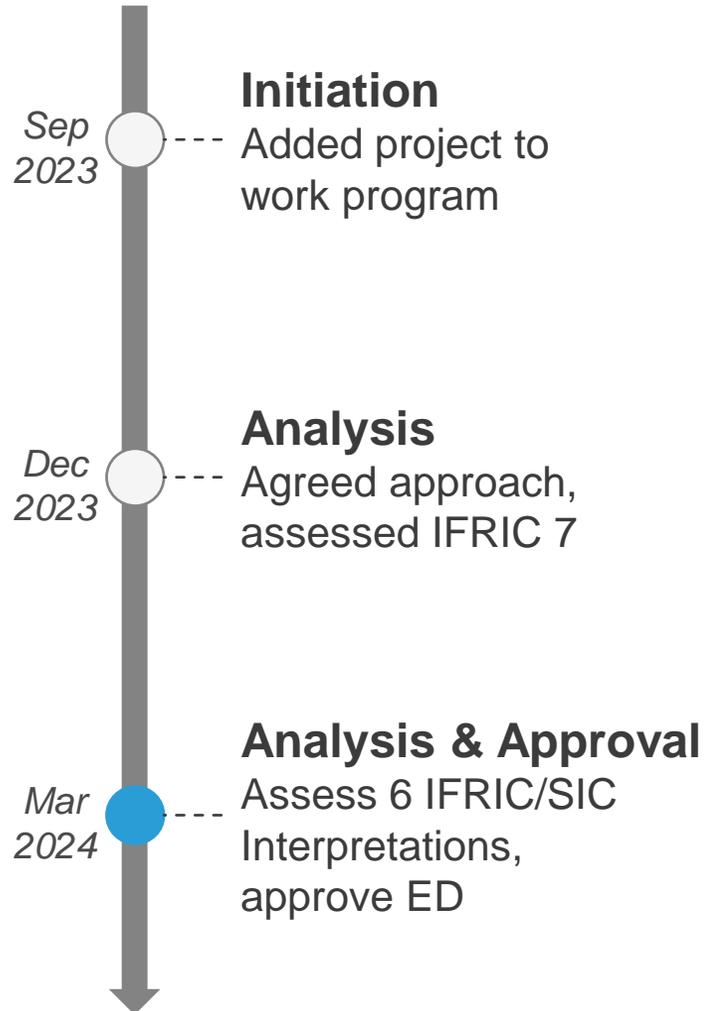
IFRIC ALIGNMENT – NARROW SCOPE AMENDMENTS

IPSASB Meeting – March 2024

Eileen Zhou, Principal

New York City, USA

Considering Analyses and Proposed Amendments



For each Interpretation, IPSASB members will be asked to:

- ✓ **Raise their hand to** indicate whether they agree with the recommendation to include the proposed draft guidance (based on that Interpretation) in the ED; and
- ✓ **Provide their rationale if** they disagree.

If the majority of IPSASB members...

Agree

The proposed draft guidance will be **included** in the ED (subject to any final editorial changes)

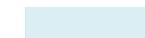
Disagree

The proposed draft guidance will be **excluded** from the ED (matter referred to Application Panel)

Considering Analyses and Proposed Amendments

IFRIC/SIC Interpretation	Analysis		Proposed Guidance	
	Agenda Item	Staff Recommendation	Amendments to	ED section
IFRIC 1, <i>Changes in Existing Decommissioning, Restoration and Similar Liabilities</i>	5.2.2	Yes – Applicable and appropriate for the public sector	IPSAS 19 IPSAS 43 IPSAS 45	Part 1
IFRIC 5, <i>Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds</i>	5.2.3	Yes	IPSAS 19	Part 2
IFRIC 6, <i>Liabilities arising from Participating in a Specific Market—Waste Electrical and Electronic Equipment</i>	5.2.4	Yes	IPSAS 19	Part 3
IFRIC 7, <i>Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies</i>	Dec 2023 10.2.2	Yes – the IPSASB reviewed analysis and approved amendments in Dec 2023	IPSAS 10	Part 4
IFRIC 14, <i>IAS 19—The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction</i>	5.2.5	Yes	IPSAS 39	Part 5
IFRIC 21, <i>Levies</i>	5.2.6	Yes	IPSAS 19	Part 6
SIC-7, <i>Introduction of the Euro</i>	5.2.7	Yes	IPSAS 4	Part 7

 Pending IPSASB approval

 Already approved by IPSASB

Analyzing IFRIC 1

Analysis

- IFRIC 1 (2004)
 - Provides guidance on how to account for specific changes in the measurement of existing decommissioning, restoration, and similar liabilities that is both recognized as a liability and as part of a related asset
- Primarily referenced principles in IFRS that are aligned with IPSAS 19, IPSAS 43, and IPSAS 45
- Guidance in Interpretation is applicable to the public sector and would provide greater clarity on applying IPSAS

Recommendation

- Incorporate guidance based on IFRIC 1 into IPSAS 19, as Appendix B, with IEs
- Add signposts to IPSAS 43 and IPSAS 45 to direct users to the new IPSAS 19 Appendix
- See **Part 1** of ED [XX]

Analyzing IFRIC 5

Analysis

- IFRIC 5 (2004)
 - Provides guidance for contributors of decommissioning, restoration, and environmental rehabilitation funds that are administered separately, and restricts the contributor's right to access the assets
- Primarily referenced principles in IFRS that are aligned with IPSAS 19
- Guidance in Interpretation is applicable to the public sector

Recommendation

- Incorporate guidance based on IFRIC 5 into IPSAS 19, as Appendix C
- See **Part 2** of ED [XX]

Analyzing IFRIC 6

Analysis

- IFRIC 6 (2005)
 - Provides guidance on what constitutes the obligating event for the recognition of a provision for waste management costs, in the financial statements of producers of EEE, under the EU's Directive on Waste Electrical and Electronic Equipment
- Primarily referenced principles in IFRS that are aligned with IPSAS 19
- Guidance in Interpretation is applicable to the public sector

Recommendation

- Incorporate guidance based on IFRIC 6 into IPSAS 19, as Appendix D
- See **Part 3** of ED [XX]

Analyzing IFRIC 14

Analysis

- IFRIC 14 (2007)
 - Provides guidance related to post-employment defined benefits and other long-term employee defined benefits, considering limits on defined benefit assets and minimum funding requirements
- Primarily referenced principles in IFRS that are aligned with IPSAS 39
- Guidance in Interpretation is applicable to the public sector

Recommendation

- Incorporate guidance based on IFRIC 14 into IPSAS 39, as Appendix AA, with IEs
- See **Part 5** of ED [XX]

Analyzing IFRIC 21

Analysis

- IFRIC 21 (2013)
 - Provides guidance on how to account for the obligation to pay a levy imposed by a government and when timing and amount is certain
- Primarily referenced principles in IFRS that are aligned with IPSAS 19
- Guidance in Interpretation is applicable to the public sector

Recommendation

- Incorporate guidance based on IFRIC 21 into IPSAS 19, as Appendix E, with IEs
- See **Part 6** of ED [XX]

Analyzing SIC-7

Analysis

- SIC-7 (1998)
 - Provides guidance on how to account for changeover from national currencies of participating members states in the EU, to the euro
- Primarily referenced principles in IFRS that are aligned with IPSAS 4
- Guidance in Interpretation is applicable to the public sector

Recommendation

- Incorporate guidance based on SIC-7 into IPSAS 4, as Appendix B
- See **Part 7** of ED [XX]

Approval of Exposure Draft [XX]

Analysis

- Standalone ED supports constituents considering and responding to the ED, and gives prominence to the IPSASB's work
- ED # will be assigned based on IPSASB's decisions this week
- ED title proposed as "*Amendments to Address IFRIC/SIC Interpretations*"
- ED structure consistent with past practice
- ED content is compilation of proposed guidance based on analysis of the 7 Interpretations
- 60-day exposure is consistent with Improvements process

Recommendation

- Approve ED [XX], *Amendments to Address IFRIC/SIC Interpretations*, subject to any revisions proposed by the IPSASB in preceding Agenda Items
- Expose for 60 days

