

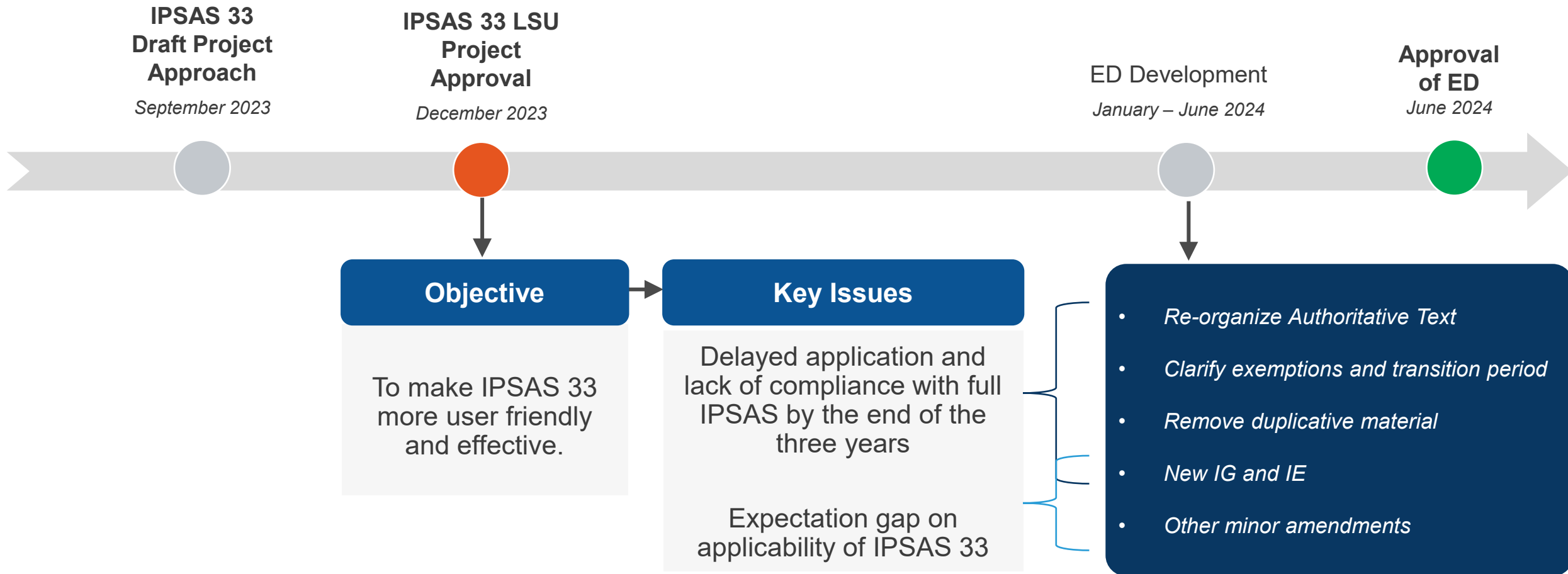
IPSAS 33 – LIMITED SCOPE UPDATE

IPSASB Meeting – June 2024

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Overview of the IPSAS 33 Limited Scope Update Project



Amendments to Authoritative Text

Analysis

- **Addressing Decisions, Instructions/Comments and Other Items since March 2024**
 - Rephrased relevant paragraphs in authoritative text
 - Finalized reorganization of authoritative text
 - Amended Application Guidance for exemptions related to Entity Combinations and Financial Instruments
- **Reviewing Exclusions of Specific Paragraphs from Original IPSAS 33**
 - Completed a thorough review of IPSAS 33 paragraphs incorporated vs. not incorporated into the revised IPSAS 33
 - Focused on usefulness, minimizing duplication or repetition within IPSAS 33 and in other IPSAS
 - Confirmed that exclusions do not substantially change the objective, scope, nor available exemptions in IPSAS 33

Recommendations

- Confirm instructions to amend authoritative text have been addressed appropriately
- Confirm exclusion of specific authoritative text to minimize duplication

Changes to Measurement Guidance

Analysis

- **Definition of “deemed cost”**
 - Re-insert, aligned with IPSAS 46
- **COV as deemed cost**
 - Update measurement exemptions guidance on using deemed cost to include COV
- **Current Value Measurement Disclosures**
 - Include essence of disclosure, i.e., measurement techniques and inputs used to develop CV
 - Reduce duplication with other IPSAS

Recommendations

Approve:

- Re-insertion deemed cost definition
- Inclusion of COV as measurement basis for deemed cost
- Replacement of CV measurement disclosure with more succinct guidance

New Implementation Guidance

Analysis

- Approved IG topics (March 2024 IPSASB meeting)

Section	IG Topic	IG #
Definitions	Date of Adoption	B.1.1 – B.1.3
	Transition Period	B.2
	Transitional IPSAS financial statements and First IPSAS financial statements	B.3
Recognition & Measurement	How to apply deemed cost	C.5
Exceptions to the Retrospective Application of IPSAS	Explanation of exceptions	D.2
Presentation & Disclosure	Reconciliation requirements	E.1
Planning and Preparation Guidance	Guidance on the planning and preparation phase of IPSAS adoption, based on Pathways to Accrual	F.1 – F.4

New Implementation Guidance

Analysis

- Additional IG topics (Not previously considered by IPSASB)

Section	IG Topic	IG #
Objective & Scope	Use of IPSAS 33 by Newly Created Entities	A.1
Definitions	Opening Statement of Financial Position	B.4.1 – B.4.2
Recognition & Measurement	Use of exemptions not within IPSAS 33	C.1
	Assets/liabilities acquired during transition period	C.2
	Reporting entity application of exemptions	C.3
	Incomplete asset recognition at the date of adoption of IPSAS	C.4
Exceptions to the Retrospective Application of IPSAS	Basis for preparation	D.1

New Implementation Guidance

Recommendations

Review and approve

- Drafted IGs listed in Appendix 1, by exception
- Proposed and drafted IGs listed in Appendix 2, in detail

Amendments to Other IPSAS

Analysis

- Changes to IPSAS 33 which may have impacted other IPSAS:
 - Revisions to clarify key concepts, i.e., terminology, definitions, and exemptions
 - Editorials
- Amendments are not substantial

Recommendation

- Amend 43 IPSAS for consistency with IPSAS 33

Other Additions and Revisions

Analysis

- **Basis for Conclusions**
 - Reordered existing BC to match revised structure of authoritative text
 - Added new BC to reflect decisions made on this limited scope project
- **Illustrative Examples**
 - Retain 2 useful examples from IG in original IPSAS 33
- **Comparison with GFS and IFRS**
 - Comparison would not be relevant or useful
 - IPSAS 33 does not prescribe accounting, but exemptions, in contrast to GFS
 - GFS guidance not the objective of original IPSAS 33
 - IFRS 1 supports transition to a different accounting framework, and different user needs, would not be used by first-time adopter of IPSAS

Recommendations

- Reorder the BC as proposed
- Add new BC as drafted
- Retain 2 examples as IE
- No comparison tables

Approval of [Draft] Exposure Draft (ED) [XX]

Analysis

- **Overview of amendments to IPSAS 33**
 - Large volume of changes, but substance is consistent with the objective of this project
- **ED Number, Title, and Format**
 - Number: To be assigned
 - Title: “*IPSAS 33, First-Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSAS)(2025)*”
 - Format:
 - Issue “clean” ED to better support constituents in their review/response, with 120-day exposure period
 - Supplement with marked-up version, Table of Concordance
- **1 SMC on IPSAS 33 amendments only**

Recommendation

- Approve [draft] ED [XX]
- Expose for 120 days with one SMC

Approval of [Draft] Exposure Draft (ED) [XX]

Specific Matter for Comment

“The IPSASB agreed to undertake this limited scope project to address stakeholder concerns in the application of IPSAS 33, to improve its effectiveness and user-friendliness. In response, the IPSASB propose to amend IPSAS 33 as follows:

- a) To revise authoritative text and Basis for Conclusions by rearranging the guidance by topic;
- b) To revise guidance to improve understandability and reduce duplication;
- c) To revise relevant guidance to encourage the first-time adopter to apply IPSAS incrementally and as soon as possible by emphasizing the choice to elect to apply the available exemptions;
- d) To add non-authoritative guidance (particularly under implementation guidance) to support the understanding and application of IPSAS 33; and
- e) To add non-authoritative guidance on the pre-adoption planning and preparation phase of the transition to accrual basis IPSAS.

Do you agree with the proposed amendments? If not, please explain your reasons.”