

NATURAL RESOURCES

IPSASB Meeting – June 2024

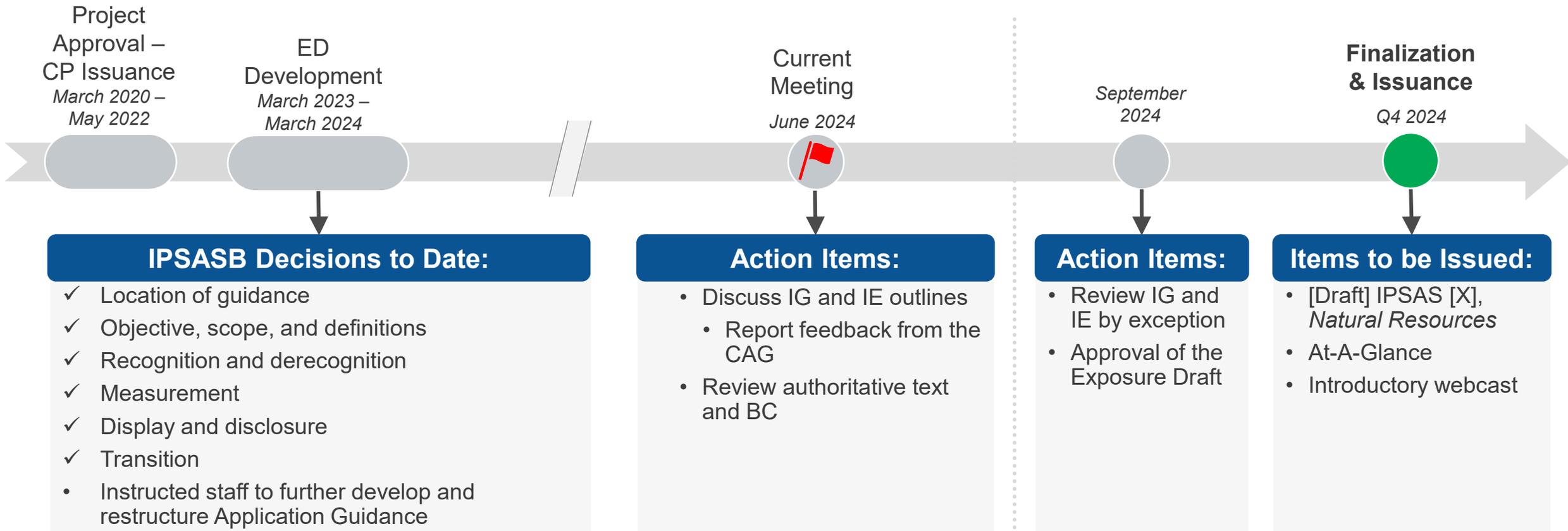
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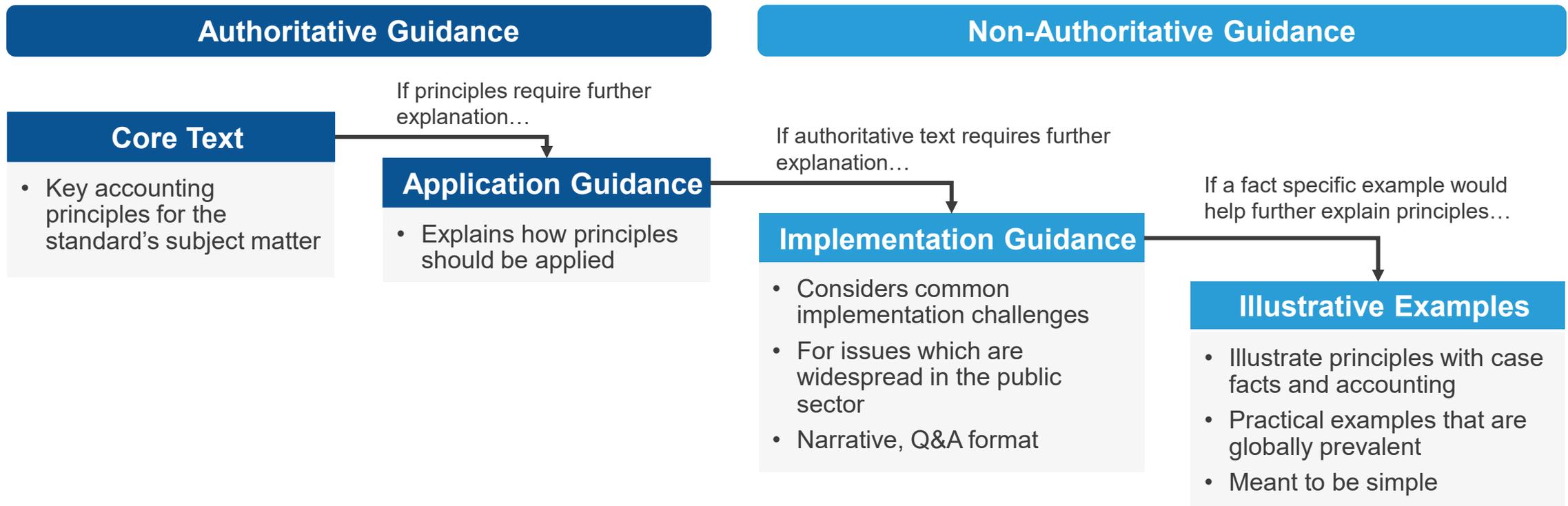
Natural Resources

Background and Project Timeline



Outline for Implementation Guidance and Illustrative Examples

Authoritative Guidance vs Non-Authoritative Guidance



Outline for Implementation Guidance and Illustrative Examples

Topic	Implementation Guidance	Illustrative Examples
Scope	✓	✓✓
Identification of Potential Natural Resources	✓	
Control	✓	
Subsoil Resources	✓	
Unit of Account	✓	
Conservation	✓	
Conservation Expenditures	✓	
Change in Primary Use	✓	
Determination of Current Value	✓	
Inability to Reliably Measure Current Value	✓	✓
Impairment	✓	
Grouping of Disclosures	✓	
Transition		✓

Outline for Implementation Guidance and Illustrative Examples

Location of Cross-Cutting Guidance

- IG4 Subsoil Resources
 - Unlikely to be considered resources, so unlikely to be recognized
 - Accounting as inventory starts upon extraction, which is separate from the resource; no need to relocate/reproduce in IPSAS 12
- IG11 Impairment
 - Signposts to IPSAS 21 & IPSAS 26; no need to relocate/reproduce
- IE1 and IE2 Scope
 - Illustrate items which meet the definition of natural resources but fall within the scope of IPSAS 45
 - Examples signpost to IPSAS 45; no need to relocate/reproduce
- IE3 Land that Cannot be Reliably Measured
 - Typically considered PP&E so recommend relocating to IPSAS 45

Recommendation

- Develop IG and IE based on the topics proposed
- Keep the following in the ED:
 - IG4 on subsoil resources
 - IG11 on impairment
 - IE1 and IE2 on scope
- Relocate IE3 on land that cannot be reliably measured to IPSAS 45

Key Revisions to the Natural Resources ED

Analysis

- Revised core text, application guidance, and related basis for conclusions
 - Changes based on decisions and instructions from March 2024
- Also added 4 Specific Matters for Comment:
 - Scoping approach
 - Rebuttable presumption to not depreciate in-scope natural resources
 - Proposed exemption from certain disclosures for rare or endangered natural resources
 - Transition
- Full text of the ED can be found in Agenda Item 9.3.1

Recommendation

- Incorporate the proposed revisions to [draft] IPSAS [X], *Natural Resources*

