

**Meeting:** IPSASB Consultative Advisory Group

**Meeting Location:** Toronto, Canada

**Meeting Date:** June 24, 2024

# Agenda Item

# 6

For:

Approval

Discussion

Information

## NATURAL RESOURCES

<b>Project summary</b>	The objective of the natural resources project is to develop a Consultation Paper, then one or more Exposure Drafts to address the issues relating to the recognition, measurement, presentation and disclosure of natural resources.	
<b>Meeting objectives</b>	<b>Topic</b>	<b>Agenda Item</b>
<b>Discussion Items</b>	<a href="#">Natural Resources – Implementation Guidance and Illustrative Examples</a>	<a href="#">6.1</a>
<b>Other supporting items</b>	<a href="#">Appendix A: IPSASB Due Process Checklist</a>	<a href="#">6.2</a>

## **Natural Resources – Implementation Guidance and Illustrative Examples**

### **Background**

1. In March 2023, based on constituent feedback from the Consultation Paper, *Natural Resources* (CP), the IPSASB decided to develop an exposure draft (ED) on the financial reporting of natural resources. Based on this decision, staff began to develop the exposure draft based on the concepts presented in the CP.
2. The CAG had previously provided advice on the general description of natural resources and their recognition as assets during the CP stage. In addition, the CAG also discussed the location of guidance and the definition of natural resources, and provided advice on these issues to the IPSASB during the development of the authoritative text of the ED.
3. From June 2023 to March 2024, the IPSASB had made the following key decisions:
  - (a) Locating the guidance on natural resources in a standalone IPSAS;
  - (b) Objective and scope of the ED;
  - (c) Definition of natural resources; and
  - (d) Principles on the recognition, measurement, derecognition, display, and disclosure of natural resources, as well as guidance on the initial application of the future pronouncement.
4. In addition to the decisions noted in paragraph 3, the IPSASB instructed staff to develop application guidance on a number of topics, including natural resources held for conversation and the unit of account.
5. Staff have updated the draft ED for the IPSASB's decisions and instructions and will present the revised document at the June 2024 IPSASB meeting. The full version of the exposure draft can be found by clicking [here](#).
6. At the March 2024 IPSASB meeting, staff also presented a table of proposed topics for the implementation guidance and illustrative examples to be included in the ED. In response, the IPSASB instructed staff to work with the Natural Resources Task Force (Task Force) to further develop these topics and to present a more detailed table at the June 2024 meeting.
7. The IPSASB also instructed staff to get feedback from the CAG on whether additional implementation guidance or illustrative examples should be developed. This paper walks through the revised table of proposed topics and solicits feedback from the CAG regarding the sufficiency of the proposed implementation guidance and illustrative examples. A copy of the table to be presented at the June 2024 IPSASB meeting is included in [Appendix 1](#) of this paper.

### **Analysis**

#### *General Approach Used to Develop Implementation Guidance and Illustrative Examples*

8. Generally, the core text in an IPSAS sets out the accounting principles for the standard's subject matter, while the application guidance provides details on how these principles are to be applied in specific circumstances.

9. The non-authoritative text in an IPSAS provides explanatory guidance on how the principles in the authoritative text are implemented in practice. Non-authoritative guidance generally consists of the following:
  - (a) **Implementation Guidance (IG)**, which considers common implementation challenges which are widespread among public sector entities using a question-and-answer format; and
  - (b) **Illustrative Examples (IE)**, which illustrate the principles with case facts developed from practical examples that are prevalent globally among public sector entities. Typically, the sample facts used in an IE are not overly complex, as each example is meant to individually illustrate the accounting impacts from only one or two key principles in the standard.
10. IGs and IEs are typically developed for topics that would benefit from additional guidance to support the principles in an IPSAS for one or more of the following reasons:
  - (a) The concept is complex and potentially difficult to apply in practice;
  - (b) The topic is an area of concern for constituents; or
  - (c) Staff and/or IPSASB members noted during discussions that additional non-authoritative guidance would be useful.

*Proposed Topics for Implementation Guidance and Illustrative Examples*

11. Based on the approach outlined in paragraphs 8-10, the IPSASB Natural Resources Task Force and staff propose developing the following IGs and IEs for the reasons noted below:
  - (a) **Scope (IG1, IE1 and IE2)** – In December 2023, the IPSASB decided that the ED would be applicable to items that meet the definition of a natural resource and do not fall within the scope of an existing IPSAS. As a result of this decision, the ED is effectively a “residual” standard. To support constituents in understanding the intended scope of the proposed Standard, the examples were developed to focus on items which are natural resources but are scoped out of the ED because they are accounted for under another IPSAS. In addition to the IG and IEs on scoping, SMC 1 of the ED also highlights this approach and asks constituents for feedback on the proposed scope.
  - (b) **Identification of Potential Natural Resources (IG2)** – In response to the CP, a number of constituents questioned whether it was necessary to perform a detailed exercise to create an inventory of all naturally occurring items in a jurisdiction, even if the resulting recognition, measurement, and disclosure impact in their financial statements may be minimal. This IG was developed to assist constituents in focusing on naturally occurring items that could provide service potential or economic benefits to the entity.
  - (c) **Determination of Control (IG3)** – Unlike control over other tangible assets, the determination of control for some natural resources is expected to be more complex. Based on discussions at previous meetings, the IPSASB agreed that additional guidance on control would be helpful for constituents.
  - (d) **Difficulties in the Recognition of Subsoil Resources (IG4)** – Due to limitations in the currently available technological abilities and estimation methodologies, several constituents noted in response to the CP that it would be extremely difficult, if not impossible, to recognize unextracted subsoil resources as an asset within the IPSASB’s Conceptual Framework. While

the inability to recognize subsoil resources is commonly accepted in the private sector, this issue is relatively new for the public sector, so additional guidance will be helpful.

- (e) **Unit of Account (IG5)** – As the unit of account would have significant impact on the recognition and measurement of natural resources, this IG was developed based on previous discussions at the March 2024 IPSASB meeting.
- (f) **Conservation (IG6)** – Conservation is typically viewed as a different ‘use’ of an asset compared to the assets within the scope of existing IPSAS, so this will be a new topic for many constituents.
- (g) **Subsequent Conservation Expenditures (IG7)** – As noted in paragraph (f), conservation may be viewed as a new way to ‘use’ an asset, so constituents will unlikely have experience with how to account for the expenditures incurred. This IG was developed to walk through the potential accounting that could be applicable when conserving a natural resource.
- (h) **Change in the Primary Use of a Natural Resource (IG8)** – As naturally occurring items could fall within the scope of an existing IPSAS based on an entity’s primary objective for holding the asset, it is possible for an item to move in or out of the scope of the ED when there has been a change in use. This IG was developed as it will be helpful to provide additional guidance in this area.
- (i) **Determination of Current Value (IG9)** – Throughout the development of the CP and ED, the measurement of potential natural resources was seen by the staff, IPSASB, and constituents as an area where significant implementation difficulties may arise. While it is not possible to address every possible situation when valuing a natural resource, providing more guidance and walking through the potential valuation approaches would be useful for constituents.
- (j) **Inability to Reliably Measure Current Value (IG10 and IE3)** – As noted in paragraph (i), the measurement of natural resources is expected to be a difficult implementation area, so it is likely that many natural resources will not meet the recognition criteria as they cannot be reliably measured. IG10 was developed to provide more guidance on when an entity can conclude that a natural resource cannot be reliably measured. In addition, staff received feedback from constituents requesting clarity on how to account for land that could not be reliably valued due to its location in remote areas. Example IE 3 was developed based on this feedback. (Note: The IPSASB will discuss whether it would be more appropriate to locate this example in IPSAS 45 or IPSAS 16 if the land is considered an investment property.)
- (k) **Impairment (IG11)** – At a March 2024 Task Force meeting, members discussed the issue of whether a decision to conserve an asset that is currently held for other purposes would result in an immediate impairment. Based on the Task Force’s discussions, this IG was developed to signpost to the impairment standards.
- (l) **Grouping of Disclosures (IG12)** – At the March 2024 IPSASB meeting, the IPSASB discussed whether the disclosures of all natural resources should be grouped into one note, regardless of whether they fall within the scope of the ED. The potential impact of IPSAS 18, *Segment Reporting*, on the disclosure of natural resources was also discussed. Based on these discussions, the IPSASB instructed staff to develop guidance on this issue.

- (m) **Transition (IE4)** – The ED proposes to allow its application on 1) a prospective basis for natural resources that meet the recognition criteria on the date of initial application, or 2) retrospectively by applying IPSAS 3, *Accounting Policies, Changes in Accounting Estimates and Errors*. As recognized natural resources are typically not depreciated, the key material difference expected to arise from the two approaches would be from natural resources which could have been recognized but were derecognized prior to the date of initial application. Applying the proposals on a retrospective basis for these natural resources may impact historical revenues, surpluses or deficits in specific periods, but the opening net assets and accumulated surpluses or deficits on the date of initial application are expected to be the same under both approaches. As a result, it will be useful to illustrate the different outcomes from the two transition methods.

**Questions for CAG Members:**

**Do the proposed topics for implementation guidance set out in Appendix 1 of this paper adequately address implementation challenges in the public sector?**

**Are the examples provided in Appendix 1 of this paper illustrative of the principles developed in the exposure draft and are they practical?**

**Would you add any other implementation guidance or illustrative examples?**

**Appendix 1 – Proposed Implementation Guidance and Illustrative Examples**

Scope		
Principle or Topic	Implementation Guidance	Illustrative Examples
<p><b>Determination of Whether a Tangible Natural Resource Falls Within the Scope of [Draft] IPSAS [X] or Another IPSAS</b></p> <p>Related Application Guidance: AG3-AG7</p>	<p>IG1. When might items meeting the definition of a natural resource be accounted for under [draft] IPSAS [X], and when might they be accounted for under other IPSAS?</p> <p>(a) Explain that some naturally occurring items could fall within the scope of an existing IPSAS. An entity should consider whether the item falls within the scope of another IPSAS based on the assets' intended use, regardless of whether the asset is naturally occurring or humanmade. For example:</p> <p>(i) Even though a forest is naturally occurring, if its biological transformation is managed for sale, it meets the definition of a biological asset and is within the scope of IPSAS 27.</p> <p>(ii) The purchase of trees to develop an urban canopy could be within the scope of IPSAS 45.</p> <p>(iii) Untreated water held in a controlled environment to be sold can be considered inventory within IPSAS 12.</p> <p>(b) Naturally occurring items which do not fall within the scope of an existing IPSAS would fall within the scope of [draft] IPSAS [X].</p>	<p>IE1. Example will illustrate the difference between park land and a conservation reserve. Both could have the same physical characteristics. However:</p> <p>(a) Parks (land and potentially forests if measurable) primarily intended for use as public campgrounds or hiking trails are considered PP&amp;E within the scope of IPSAS 45.</p> <p>(b) In contrast, if the same land and forest are primarily managed or maintained for the benefit of future generations, they would be within the scope of the ED.</p> <p>Example will also explain that there could be situations where an asset could have multiple uses. An entity will need to apply judgment to determine which intended use is its primary reason for holding the asset.</p>

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<p>(Same Topic as IG1 and IE1)</p>		<p>IE2. Costs to develop natural spaces* to accomplish the same objective as constructed or “grey” infrastructure, such as the installation of rain gardens to reduce the risk of flooding and help communities adapt to climate change. (This example is based on the scenario presented in Example 3 of RPG 3, <i>Reporting Sustainability Program Information</i>.)</p> <p>(a) The rain gardens are used to achieve the same objective as other infrastructure which reduces the risk flooding. Therefore, they are considered PP&amp;E.</p> <p>(b) The entity would consider the recognition and measurement guidance from IPSAS 45—i.e., consider whether the costs incurred to develop the natural space can be capitalized, and if so, determine its useful life, etc. The capitalization of the expenditures to install the rain gardens is considered separately from the accounting for the land on which the gardens are planted.</p> <p>* These items are sometimes referred to as modified or enhanced natural assets, or more broadly as “green infrastructure” in some jurisdictions.</p>
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<b>Definitions</b>		
<i>Principle or Topic</i>	<i>Implementation Guidance</i>	<i>Illustrative Examples</i>
<p><b>Identification of Potential Natural Resources</b></p> <p>Related Application Guidance: AG12</p> <p>(Note: This issue was previously discussed in September 2023 to address constituents' concerns in response to the CP.)</p>	<p>IG2. Should all naturally occurring items within a jurisdiction be considered natural resources within the scope of this [draft] IPSAS?</p> <p>(a) Generally, no. Not all naturally occurring items are automatically considered natural resources, as such items are only a resource if the entity can derive economic benefits or service potential from the item in some way.</p> <p>(b) One acceptable approach to ensure complete identification of potential natural resources is to consider existing programs or plans to conserve, make use of, or sell natural occurring items.</p>	<p>None, as concept is better explained in an IG.</p>
<b>Recognition</b>		
<i>Principle or Topic</i>	<i>Implementation Guidance</i>	<i>Illustrative Examples</i>
<p><b>Determination of Control</b></p> <p>Related Application Guidance: AG14-AG16</p> <p>(Note: Addition based on the decision regarding repurposing the draft AGs from March 2024.)</p>	<p>IG3. What should an entity consider when assessing whether they control certain types of natural resources?</p> <p>(a) Repurpose the discussion in the CP on water and living resources.</p> <p>(b) Incorporate the contrast between controlled animals within a jurisdiction and free-roaming animals.</p> <p>(c) Include a discussion of how the unit of account could impact control then refer to IG5.</p>	<p>None, as concept is better explained in an IG.</p>

<p><b>Difficulties in the Recognition of Subsoil Resources</b></p> <p>Related Application Guidance: AG11</p> <p>(Note: Consistent decision to relocate AGs from March 2024 and with constituent feedback received in response to the CP.)</p>	<p>IG4. Can unextracted subsoils resources generally be recognized as an asset?</p> <p>(a) Generally, subsoil resources are not recognized as they do not meet the definition of an asset.</p> <p>(b) Subsoil resources, such as most mineral resources or petroleum deposits, are typically located underground and not readily quantifiable.</p> <p>(c) Estimates of these resources generally do not provide enough certainty for them to be considered resources. Therefore, they generally do not meet the definition of an asset and so cannot be recognized.</p>	<p>None, as concept is better explained in an IG.</p>
<p><b>Recognition of an Asset Purchased for Conservation</b></p> <p>Related Application Guidance: AG4-AG7</p>	<p>The Task Force considered whether an IG and/or IE was needed in this area. However, after revising the core text and AGs, staff noted that any IG or example would just be a straightforward application of the recognition criteria, which are consistent with those from IPSAS 45. Therefore, none recommended.</p>	
<p><b>Recognition of an Asset that Previously Could Not be Reliably Measured</b></p> <p>Related Application Guidance: N/A</p>	<p>The Task Force considered whether an IE was needed in this area. However, after revising the core text, staff noted that authoritative guidance is already quite clear, and that any example would only reflect a very specific fact pattern. Therefore, none recommended.</p>	

<p><b>Unit of Account</b></p> <p>Related Application Guidance:                  AG18-AG21</p>	<p>IG5. How should the unit of account for a natural resource be determined?</p> <p>(a) Explain that the primary intended use of a resource drives the unit of account. (See IG1 and IE1.)</p> <p>(b) Explain the interaction between unit of account and the consideration of asset recognition—e.g., even if various resources are used or conserved together, there may be scenarios where only certain resources are recognized because the others cannot be individually controlled. This would require separate units of account.</p> <p>(c) In other situations, a group of distinct items could form one unit of account because they are managed together as one item. e.g., if conserving an entire ecosystem in a reserve, it may be appropriate to consider the area one unit of account rather than looking at individual plants and animals in the area.</p>	<p>None, as concept is better explained in an IG. IG5 will also refer to the discussion in AG18-AG21 which has a short example on unit of account.</p>
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<p><b>Conservation</b></p> <p>Related Application Guidance:                  AG4-AG7</p>	<p>IG6. How is conservation different from the typical uses of other tangible non-current assets?</p> <p>(a) Explain that conservation is typically viewed as different from the use of an asset in other IPSAS, as those standards deal with using an asset to provide immediate/near-term service potential or generate economic benefits for the entity. Conservation typically focuses on benefitting future generations.</p> <p>(b) Provide examples of typical activities performed to conserve a natural resource.</p>	<p>None, as concept is better explained in an IG.</p>
<p><b>Subsequent Expenditures Incurred to Conserve a Natural Resource</b></p> <p>Related Application Guidance:                  AG22, AG24</p>	<p>IG7. How should an entity account for subsequent expenditures incurred to conserve a natural resource?</p> <p>(a) Explain that the accounting for conservation expenditures is consistent with the general accounting for other subsequent expenditures:</p> <p>(i) Expenditures incurred to maintain the current quality and/or quality of a natural resource is in line with maintenance expenses, and are therefore expensed;</p> <p>(ii) Expenditures which result in incremental future economic benefits or service potential should be capitalized.</p> <p>IG will also note that some expenditures may result in a separate asset that is within the scope of another IPSAS. e.g., the construction of a fence will likely result in a separate asset under IPSAS 45.</p>	<p>None, as concept is better explained in an IG.</p>

<p><b>Change in Primary Use</b></p> <p>Related Application Guidance:                  N/A</p>	<p>IG8. How would an entity account for land that is set aside for “rewilding” rather than as an investment property under IPSAS 16 or for use as PP&amp;E under IPSAS 45?</p> <p>(a) The entity will need to determine when an item ceases to be an investment property or PP&amp;E, and whether the item is within the scope of [draft] IPSAS [X] once the change in use occurs. If so:</p> <p>(i) Account for the item using IPSAS 16 or IPSAS 45 up to the point of ceasing to be an investment property or PP&amp;E.</p> <p>(ii) The net carrying amount of the item then becomes the carrying amount of the natural resource within the scope of [draft] IPSAS [X].</p> <p>(iii) Under [draft] IPSAS [X], the entity may elect to change the asset’s subsequent measurement model.</p> <p>(iv) Entity will also need to consider impairment upon the change in use. See IG11.</p>	<p>None, as concept is better explained in an IG.</p>
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Measurement		
<i>Principle or Topic</i>	<i>Implementation Guidance</i>	<i>Illustrative Examples</i>
<p><b>Determination of Current Value</b></p> <p>Related Application Guidance: AG25-31</p>	<p>IG9. How would an entity determine COV for a natural resource within the scope of [draft] IPSAS [X]?</p> <p>(a) Explain that a market approach can be used to determine COV and that using market inputs does not necessarily result in a fair value measurement. For example, an entity could measure the COV of a forest held for conservation by using the market value of a forest consisting of similar species of trees as the forest that is being measured.</p> <p>(b) Alternatively, a non-market approach can be used, and an entity could estimate COV by estimating the cost of developing an identical or similar asset. For example, COV can be estimated by accumulating the costs of acquiring, planting, and growing saplings into a forest.</p>	<p>None, as concept is better explained in an IG.</p>

<p><b>When is a Current Value Not Reliably Measurable</b></p> <p>Related Application Guidance: N/A</p>	<p>IG10. When may an entity conclude that the current value of a natural resource cannot be reliably measured?</p> <ul style="list-style-type: none"> <li>(a) Significantly wide range of potentially reasonable values;</li> <li>(b) No reasonable way to assess the probabilities of various estimates; or</li> <li>(c) No reasonable methodology or lack of observable inputs to measure the asset.</li> </ul>	<p>IE3. Illustration of a situation when current value cannot be reliably measured:</p> <ul style="list-style-type: none"> <li>(a) A government entity acquires a plot of land in the wilderness through exercising its sovereign powers (i.e., a non-exchange transaction).</li> <li>(b) Due to the location of the land, the entity has determined that there is no reasonable basis to measure its current value.</li> <li>(c) The entity concludes that the while the land is an asset, it cannot be reliably measured. Therefore, the entity applies the disclosure requirements for unrecognized natural resources.</li> </ul>
<p><b>Rebuttable Presumption to Not Depreciate Natural Resources Within the Scope of [Draft] IPSAS [X]</b></p> <p>Related Application Guidance: AG32</p>	<p>The Task Force considered whether an IG was needed in this area. However, after revising the core text, AGs and BCs, staff noted that the rebuttable presumption is already clearly stated in the authoritative guidance and explained in the basis for conclusions. Therefore, none recommended.</p>	
<p><b>Impairment</b></p> <p>Related Application Guidance: N/A</p>	<p>IG11. Does the decision to change the primary purpose of holding a natural resource previously held for sale to a resource held for conservation result in an immediate impairment? (e.g., decision to conserve a forest previously held for sale as lumber.)</p> <ul style="list-style-type: none"> <li>(a) Explain that a change in use would lead to an assessment of impairment under IPSAS 21 or IPSAS 26. An immediate impairment is not necessarily expected in all circumstances.</li> </ul>	<p>None, as concept is better explained in an IG.</p>

Display and Disclosure		
Principle or Topic	Implementation Guidance	Illustrative Examples
<p><b>Grouping of Disclosures</b></p> <p>Related Application Guidance:                      N/A</p> <p>(Note: Based on the instruction on disclosures from March 2024.)</p>	<p>IG12. Do IPSAS require an entity to present all disclosures that relate to items which meet the definition of a natural resource in one note, even when they are within the scope of other Standards?</p> <p>(a) The decision as to whether the information should be disclosed together will depend on the entity’s judgment on whether this results in more useful information for users of the GPFS compared to the cost of reorganizing the information. Entities should consider the aggregation and disaggregation principles in IPSAS 1 when making this determination.</p> <p>(b) Regardless of whether naturally occurring items and their related activities fall within the scope of [draft] IPSAS [X] or another IPSAS, if an entity determines that these assets and activities are part of a reportable segment, IPSAS 18, <i>Segment Reporting</i>, requires the segment’s information to be disclosed together in its segment reporting note.</p> <p>(c) If not in a separate segment, IPSAS does not require or prohibit an entity from presenting the disclosures for all natural resources, including those within the scope of another IPSAS, together in one note.</p>	<p>Not recommended, as disclosures are specific to the relevant facts specific to each entity.</p>

Effective Date and Transition		
<i>Principle or Topic</i>	<i>Implementation Guidance</i>	<i>Illustrative Examples</i>
<p><b>Illustration of Transition</b></p> <p>Related Application Guidance: N/A</p>	<p>Not recommended as mechanics of the proposed transitional provisions are better illustrated in an example.</p>	<p>IE4. Walkthrough 2 scenarios to demonstrate the two proposed transition approaches:</p> <p>Scenario 1: Natural resource met the recognition criteria prior to initial application and is still controlled by the entity after initial application. Both transition methods would typically lead to the same accounting.</p> <p>Scenario 2: Natural resource could have been recognized prior to initial application but was derecognized (e.g., sold) prior to the date of initial application:</p> <ul style="list-style-type: none"> <li>(a) Full retrospective method:                             <ul style="list-style-type: none"> <li>(i) Need to adjust prior period assets, gains, net assets/equity due to the initial recognition and sale of the asset.</li> <li>(ii) Net surplus or deficit in specific prior period(s) may be different due to adjustments from (a)(i).</li> <li>(iii) However, net assets and accumulated surplus or deficit in the opening balance sheet are not expected to be impacted.</li> </ul> </li> <li>(b) Prospective method: No need to consider restatement for natural resource at all since it is no longer recognized at the date of initial application.</li> </ul>

**Appendix A: IPSASB Due Process Checklists**

Project: Natural Resources

#	Due Process Requirement	Yes/No	Comments
<b>A. Project Brief</b>			
A1.	A proposal for the project (project brief) has been prepared, that highlights key issues the project seeks to address.	Yes	The IPSASB considered the project brief at its March 2020 meeting (see <a href="#">Agenda Item 10</a> ).
A2.	The IPSASB has approved the project in a public meeting.	Yes	See the minutes of the <a href="#">March 2020 IPSASB meeting (section 10)</a> .
A3.	The IPSASB CAG has been consulted on the project brief.	Yes	At the June 2019 meeting, the CAG was consulted on the following topics, which fed into the development of the project brief: <ul style="list-style-type: none"> <li>• Potential scope of the project</li> <li>• Potential approaches to incorporate IFRS 6 into IPSAS</li> <li>• Proposed project communication plan</li> </ul> (See <a href="#">Agenda Item 6</a> from the June 2019 CAG Meeting.)
<b>B. Development of Proposed International Standard</b>			
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	In the approved project brief, the IPSASB agreed that a CP should be developed as part of this project. The <a href="#">CP, Natural Resources</a> , was approved in March 2022 (see item 4 in the <a href="#">March 2022 Approved Minutes of the Meeting</a> ) and published in May 2022 with a comment period ending in October 2022.
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.	Yes	A preliminary analysis of the responses to the CP was presented to the IPSASB at the March 2023 meeting. (See <a href="#">Agenda Item 12</a> from the March 2023 IPSASB Meeting.)

#	Due Process Requirement	Yes/No	Comments
B3.	The IPSASB CAG has been consulted on significant issues during the development of the exposure draft.	Yes	<p>The CAG was consulted on the following topics in relation to the development of the CP:</p> <ul style="list-style-type: none"> <li>• Recognition of Sovereign Power to Issue Exploration Licenses</li> </ul> <p>(See <a href="#">Agenda Item 4</a> from the December 2020 CAG Meeting.)</p> <ul style="list-style-type: none"> <li>• General Description of Natural Resources</li> <li>• Uncertainty and Asset Recognition</li> </ul> <p>(See <a href="#">Agenda Item 3</a> from the June 2021 CAG Meeting.)</p> <ul style="list-style-type: none"> <li>• Definition of Natural Resources</li> </ul> <p>(See <a href="#">Agenda Item 7</a> from the June 2023 CAG Meeting.)</p> <ul style="list-style-type: none"> <li>• Natural Resources – Location of Guidance</li> </ul> <p>(See <a href="#">Agenda Item 5</a> from the December 2023 CAG Meeting.)</p>
B4.	The IPSASB has approved the issue of the exposure draft.	TBD	[Pending]
<b>C. Public Exposure</b>			
C1.	The approved exposure draft has been posted to the IPSAS website for public comment for an appropriate period.	TBD	[Pending]
C2.	Comments on the exposure draft have been posted to the IPSASB website after the end of the exposure period.	TBD	[Pending]

#	Due Process Requirement	Yes/No	Comments
<b><i>D. Consideration of Respondents' Comments on an Exposure Draft</i></b>			
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.	TBD	[Pending]
D2.	The IPSASB has deliberated significant matters raised in the comment letters, and significant decisions have been minuted.	TBD	[Pending]
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.	TBD	[Pending]
D4.	The IPSASB CAG has been consulted on significant issues raised by respondents to the exposure draft and the IPSASB's related responses.	TBD	[Pending]
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.	TBD	[Pending]

#	Due Process Requirement	Yes/No	Comments
D6.	The IPSASB has assessed whether there has been substantial change to the exposed document such that re-exposure is necessary.	TBD	[Pending]
D7.	If applicable, the IPSASB has voted on a resolution in favor of re-exposure.	TBD	[Pending]
D8.	The basis of the IPSASB's decision with respect to re-exposure has been minuted.	TBD	[Pending]
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.	TBD	[Pending]
<b><i>E. Approval</i></b>			
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.	TBD	[Pending]
E2.	The IPSASB has approved the final revised content of the exposed standard in accordance with its Terms of Reference.	TBD	[Pending]
E3.	If applicable, the IPSASB has set an effective date for application of the final standard.	TBD	[Pending]
E4.	The IPSASB's basis for conclusions has been prepared and included in the final standard.	TBD	[Pending]

Completed by: IPSASB Staff as of June 2024.