

Date: December 12, 2024

Mr. Ross Smith  
Program and Technical Director,  
International Public Sector Accounting Standards Board  
International Federation of Accountants  
529 5th Avenue  
New York, New York 10017

RE: Comments on ED 91, *Limited-scope Updates to First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSAS) (Amendments to IPSAS 33)*

Dear Mr. Smith,

We welcome the opportunity to comment on ED 91, *Limited-scope Updates to First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSAS) (Amendments to IPSAS 33)*.

We received, through our outreach activities, feedback on the Exposure Draft from several stakeholders in Saudi Arabia, including preparers and consultancy firms. Our responses to the specific questions raised in the Exposure Draft as well as comments received from our stakeholders are set out in Appendix 1.

Should you have any queries concerning the matters in this submission, or wish to discuss them in further detail, please contact Mr. Abdullah Alhomaïda via email at:

[a.alhomaïda@mof.gov.sa](mailto:a.alhomaïda@mof.gov.sa)

Yours sincerely,

Abdullah Al Mehthil

Head of the Public Sector Accrual Accounting & Assistant Undersecretary - Deputyship of Accounts & Finance in the Ministry of Finance.

The Ministry of Finance

Riyadh, Saudi Arabia



## **Appendix 1 - Exposure Draft (ED) 91, *Limited-scope Updates to First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSAS) (Amendments to IPSAS 33)***

### **Specific Matter for Comment 1:**

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 or not 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.

### **[Our Comments]**

We agree with the proposed amendments subject to the comments received from our stakeholders listed in this letter.

### **Specific Matter for Comment 2:**

The definition of “deemed cost” was previously deleted from the IPSAS 33 as a consequential amendment through IPSAS 46, Measurement. The IPSASB agreed that the definition of “deemed cost” is important for the understanding of the exemptions in the Standard relating to the use of deemed cost, and therefore propose to include a copy of the IPSAS 46 definition of deemed cost

**in IPSAS 33. Do you agree with the inclusion of the definition of “deemed cost”? If not, please explain your reasons.**

**[Our Comments]**

We agree to include a copy of the IPSAS 46 definition of deemed cost, for the sake of clarity. This should assist jurisdictions less familiar with the IPSAS literature.

**[Comments from Our Stakeholders]**

1. The objective paragraph is modified to refer only to an entity's first IPSAS financial statements while the standard still deals with both transitional IPSAS financial statements and first IPSAS financial statements.
2. The paragraphs listed below from the original IPSAS should not be deleted for the reasons noted:

Paragraph 14

This actually clarifies the scope of the standard

Paragraphs 31-32

These clarify that exemptions classified in the standard as affecting fair presentation and compliance with IPSAS, if applied to immaterial items may not affect fair presentation and compliance with IPSAS, and judgement is still needed to assess materiality. This is relevant to IPSAS 33 since it is the only standard with exemptions affecting compliance with the other IPSAS- i.e. it delas with a situation that is different from the day-to-day accounting under IPSAS.

Paragraphs 34, 52, 57, 61, 152

The encouragement to fully comply with IPSAS ASAP should be maintained. It is not clearly articulated in the exemption paragraphs.

Paragraph 37

This is relevant is to IPSAS 37 since it provides an exemption from IPSAS 39, i.e. it delas with a situation that is different from the day-to-day accounting under IPSAS.

Paragraphs 64A-65



This is relevant to IPSAS 33 since it provides an exemption allowing use of deemed cost by a first time adopter, i.e. it deals with a situation that is different from the day-to-day accounting under IPSAS.

3. Paragraph AG9 provides an accounting requirement. It should show elsewhere, not under "Definitions".
4. Paragraph AG19 reads, "A first-time adopter shall only change its accounting policies during the transition period to better conform to the accounting policies in accrual basis IPSASs, and may retain its existing accounting policies until the exemptions that provided the relief have expired or when the relevant items are recognized and/or measured in the financial statements in accordance with the applicable IPSASs (whichever is earlier). A first-time adopter may change its accounting policy in respect of the recognition and/or measurement of assets and/or liabilities and/or revenue and/or expenses on a class-by-class or category-by- category basis where the use of classes or categories is permitted in the applicable IPSAS." Please note the categorization in IPSAS is generally associated with the application of a different accounting policy for measurement (see IPSAS 3 paragraph 16, IPSAS 41 paragraphs 39-65, IPSAS 45 paragraph 24), which raises a question as to whether this provision would still be applicable in situations where a first time adopter intends to use the same accounting policy for different categories (for example, historical cost for subsequent measurement of different categories of PPE). The IPSASB should address this by adding guidance and should not leave room for interpretation.
5. Paragraph AG32 reads, "A first-time adopter may elect to measure an asset acquired through a non-exchange transaction at its current value, or for property, plant, and equipment at its current operational value or fair value, when reliable cost information about the asset is not available and use that fair current value as its deemed cost." This paragraph deals with accounting. It should not show in the middle of disclosures. It also should be updated for the changes from *Measurement: Application Phase*; for example, COV will be also allowed for other types of assets held for their operational capacity such as inventories and intangible assets.
6. Paragraphs AG38 through AG40 – In the current version of IPSAS 33, these are exemptions that do not affect fair presentation and compliance with IPSAS. However, they are reintroduced in the ED as exemptions that affect fair presentation and compliance with IPSAS.
7. Paragraph AG54 – The items listed here should also include IPSAS 32 (service concession assets).



8. Paragraphs AG57 through AG58 – In the current version of IPSAS 33, these are exemptions that do not affect fair presentation and compliance with IPSAS. However, they are reintroduced in the ED as exemptions that affect fair presentation and compliance with IPSAS.
9. The following exemption is missing; it should be added below the heading “IPSAS 45”; the paragraph number is only meant as indication of where the paragraph should be placed:

AG69A. A first-time adopter may elect to measure property, plant, and equipment at current operation value or fair value, in accordance with IPSAS 46, when reliable cost information about the assets is not available and use that current operational value or fair value as the deemed cost. In this case the first-time adopter provides the disclosures required by paragraph AG29 of this Standard.

10. Paragraph AG70 relates to exceptions to retrospective application (estimates) , paragraphs 23A-26; it is not specific to IPSAS 45. It should not show where it is. It should show elsewhere.
11. Paragraph AG71 - There should be a similar paragraph for each of the other types of depreciable assets (intangible assets, investment property, right of use assets, biological assets carried at cost).
12. Paragraphs AG73 through AG 75 should precede paragraphs AG 71 through AG 72.
13. Paragraph AG76 should succeed paragraphs AG71 through AG 72.
14. Paragraph AG90- It is not clear why the following part from the original paragraph 118 should be deleted:

“A first-time adopter shall not reflect in its opening statement of financial position a hedging relationship of a type that does not qualify for hedge accounting in accordance with IPSAS 41 (for example, many hedging relationships where the hedging instrument is a stand-alone written option; or where the hedged item is a net position in a cash flow hedge for another risk than foreign currency risk). However, if...”

15. Paragraph AG98- It is not clear why the following part from the original paragraph 122A should be deleted:

“At the date of adoption of IPSAS 41, when the exemptions that provided the relief have expired, and/ or when the relevant financial instruments are recognized and/or measured,...”



16. Exemptions that Affect Fair Presentation and Compliance with Accrual Basis IPSAS during the Transition Period (refer to paragraph AG4(f)), paragraphs AG107 through AG109— These exemptions should also include:

- Defined benefit plans and other long-term employee benefits (IPSAS 39, *Employee Benefits*)
- Liabilities related to service concession arrangement, either under the financial liability model or the grant of a right to the operator model (IPSAS 32, *Service Concession Arrangements: Grantor*)
- Social benefits (IPSAS 42, *Social Benefits*)

17. IG. B.1.3 Comparative Information and the Date of Adoption of IPSAS. The answer provided conflicts with paragraphs IG29-IG30 of the current version of IPSAS 33.

Current version of IPSAS 33	ED 91
<p><b>Presenting Comparative Information</b></p> <p>IG29. Paragraph 78 of IPSAS 33 encourages, but does not require an entity to present comparative information in its first transitional IPSAS financial statements or its first IPSAS financial statements in accordance with this IPSAS. <u>The decision to present comparative information affects not only the extent of the information presented, but also the date of adoption of IPSASs.</u></p> <p><i>Date of Adoption of IPSASs</i></p> <p>IG30. To illustrate: <u>The end of a first-time adopter's first accrual basis reporting period is December 31, 20X5. The first-time adopter decides to present comparative information in those financial statements for one year only (see paragraph 78 of IPSAS 33). Therefore, its date of adoption of IPSASs is the beginning of the comparative period i.e. January 1, 20X4 (or equivalently December 31, 20X3).</u></p>	<p><b>B.1.3 Comparative Information and the Date of Adoption of IPSAS</b></p> <p><u>Does the election to present comparative information in the first transitional IPSAS financial statements or first IPSAS financial statements affect the date of adoption of IPSAS?</u></p> <p><u>No. The date of adoption of IPSAS is the start of the reporting period in which an entity elects to adopt accrual basis IPSAS and for which it presents its first transitional IPSAS financial statements or (if the entity does not adopt the exemptions in IPSAS 33 that affect fair presentation and compliance with accrual basis IPSAS) its first IPSAS financial statements.</u></p> <p><u>For example, Public Sector Entity A prepares and presents its first transitional IPSAS financial statements for the year ended December 31, 20X1. The entity elects to present comparative information for the year ended December 31, 20X0, which paragraphs AG11 of IPSAS 33 requires to be in compliance with IPSAS 1, Presentation of Financial Statements.</u></p>



Current version of IPSAS 33	ED 91
	<u>The date of adoption of IPSAS remains, January 1, 20X1, being the start of the reporting period of the first transitional IPSAS financial statements.</u>

18. IG. D.2 Changes in Estimates – It suggested to add the following paragraph at the end for a complete answer that is aligned with the guidance in IPSAS 33 on exceptions to retrospective application:

However, in some cases, a first-time adopter's estimates in accordance with its previous basis of accounting may have been made in error and therefore differ from those that would be acceptable in accordance with IPSAS (for example, when its depreciation methods and rates do not reflect a reasonable estimate of the asset's useful life). If those differences have a material effect on the financial statements, the first-time adopter adjusts accumulated depreciation in its opening statement of financial position retrospectively so that it complies with IPSAS.

19. Many of the IGs in the current version as of IPSAS 33 are left out, which are very useful. The IPSASB has not provided a table to track them, however, like it did with the core text and Basis for Conclusions. The IPSASB should reconsider this and explain why any IGs from the current version of IPSAS 33 should not be included. The same goes for the appended tables to the current version of IPSAS 33, which are completely left out.
20. The IPSASB should consider aligning with IFRS 1 rather than continue to allow the three-year transitional reliefs. In most jurisdictions, a discretionary gradual application of the accrual basis standards during a transition phase is not permissible. Also, for consolidation purposes, IPSAS 35, paragraphs 38 and 41, requires uniform accounting policies of all consolidated entities, which is not achievable during a three-year transition phase unless all entities uniformly apply the transitional provisions; otherwise the consolidated financial statements cannot even claim compliance with IPSAS 33. Should the IPSASB proceed with the proposals in ED 91, the IPSASB should introduce the following exemptions:
- (a) IPSAS accounting policies may be applied prospectively during the transition, on a class-by-class or category-by-category basis (regardless of whether the entity will adopt different accounting policies under the relevant IPSAS for the different classes or categories [see Comment #4 above]). An IPSAS accounting policy applied as such shall



- be applied consistently to items within the same class/category and from period to period.
- (b) IPSAS accounting policies shall be applied retrospectively by the end of the transition period, with adjustments recognized to the opening balances of the reporting period in which the items are recognized and/or measured.
- (c) The requirements in IPSAS 35 and IPSAS 36 for uniform accounting policies may be applied incrementally during the transition. This means on a controlled entity-by-controlled entity, associate-by-associate or joint venture-by-joint venture basis.
- (d) The requirements in IPSAS 35 and IPSAS 36 for uniform accounting policies must be applied to all controlled entities, associates and joint ventures by the end of the transition period.
- (e) A similar incremental approach should be also considered for disclosure only standards such as IPSAS 18, IPSAS 20 and IPSAS 38.

The flexibility provided by these reliefs would make the implementation of IPSAS 33 over the transition period more practical and support, if not actually enable, an incremental approach towards compliance with accrual basis IPSAS. In other words, it would make IPSAS 33 more user friendly and in turn promote compliance with the Standard.

21. The IPSASB should reconsider its position on the use of deemed cost for internally generated intangible assets. Material items such as government-wide management information systems might end up not captured in the financial statements due to unavailability of reliable cost information. Interestingly, the IPSASB's reasoning in BC51 for not allowing the use of deemed cost for internally generated intangible assets refers to the difficulty "to retrospectively assess the probability of expected future economic benefits or service potential through reasonable and supportable assumptions as management would not be able to apply hindsight in obtaining such information. Due to the absence of reliable information on the date of adoption of accrual basis IPSAS, it was therefore agreed that a deemed cost may not be determined for internally generated intangible assets." This difficulty equally applies to pulling together the historical development cost.

22. The following additional editorial changes are also suggested:

Text	Suggest change(s)	Comment
8. Transition period is the period during which a first-time adopter applies one or more of the exemptions in this Standard <u>before it complies with the accrual basis IPSAS in full</u> , and before it is able to	8. Transition period is the period during which a first-time adopter applies one or more of the exemptions in this Standard <u>affecting fair presentation and compliance with accrual basis IPSAS</u> before it complies	Improvements





Text	Suggest change(s)	Comment
<p>make an explicit and unreserved statement of such compliance with IPSAS.</p>	<p>with <u>all the applicable</u> accrual basis IPSAS <del>in full</del>, and before it is able to make an explicit and unreserved statement of such compliance with IPSAS.</p>	
<p>14A. Fair presentation and compliance with accrual basis IPSAS will be affected where the first-time adopter elects to apply any or all of the exemptions and provisions in paragraph AG4 during the transition period, and in <u>the judgment of the first-time adopter</u>, the recognition and/or measurement of the item, transaction or event that are exempted is material in relation to the financial statements as a whole. A first-time adopter shall not apply the exemptions in paragraph AG4 by analogy to any other items which are not specifically referred to in paragraph AG4.</p>	<p>14A. Fair presentation and compliance with accrual basis IPSAS will be affected where the first-time adopter elects to apply any or all of the exemptions and provisions in paragraph AG4 during the transition period, and <del>in the judgment of the first-time adopter</del>, the recognition and/or measurement of the item, transaction or event that are exempted is material in relation to the financial statements as a whole. A first-time adopter shall not apply the exemptions in paragraph AG4 by analogy to any other items which are not specifically referred to in paragraph AG4.</p>	<p>Typically, several parties are involved in such judgment, including management, those charged with governance (governing body), and assurance providers (auditors).</p>
<p>AG2. This Standard permits a first-time adopter to apply transitional exemptions and provisions (refer to <u>paragraph</u> AG4 and AG5) for a transition period after the date of adoption of IPSAS. The objective of those exemptions that affect fair presentation and compliance with accrual basis IPSAS is to allow a first-time adopter a transition period to develop reliable models and/or other procedures for recognizing and/or measuring items in accordance with accrual basis IPSAS. This Standard does not apply to the period prior to the date of adoption of IPSAS, or the</p>	<p>AG2. This Standard permits a first-time adopter to apply transitional exemptions and provisions (refer to <u>paragraphs</u> AG4 and AG5) for a transition period after the date of adoption of IPSAS. The objective of those exemptions that affect fair presentation and compliance with accrual basis IPSAS is to allow a first-time adopter a transition period to develop reliable models and/or other procedures for recognizing and/or measuring items in accordance with accrual basis IPSAS. This Standard does not apply to the period prior to the date of adoption of IPSAS, or the</p>	<p>Improvements</p>



Text	Suggest change(s)	Comment
<p>period following the end of the transition period.</p>	<p>period following the end of the transition period.</p>	
<p>AG3. In developing reliable models and/or other procedures, a first-time adopter shall apply the guidance in <a href="#">IPSAS 46</a>, Measurement when measuring assets and/or liabilities.</p>	<p>AG3. In developing reliable models and/or other procedures, a first-time adopter shall apply the guidance in <a href="#">the IPSAS specifically applicable as well as in IPSAS 46</a>, Measurement when measuring assets and/or liabilities.</p>	<p>Improvements</p>
<p>AG7. The previous basis of accounting is the basis of accounting that a first-time adopter used immediately before adopting accrual basis IPSAS. <a href="#">Prescribed bases</a> might be a cash basis of accounting, an accrual basis of accounting, a modified version of either a cash basis or an accrual basis of accounting, or another prescribed basis.</p>	<p>AG7. The previous basis of accounting is the basis of accounting that a first-time adopter used immediately before adopting accrual basis IPSAS. <a href="#">This</a> might be a cash basis of accounting, an accrual basis of accounting, a modified version of either a cash basis or an accrual basis of accounting, or another prescribed basis.</p>	<p>Improvements</p>
<p>AG8. The transition period is the period during which a first-time adopter can elect to apply exemptions described in paragraphs AG10–AG127. The transition period is limited to three years but can be shorter if the first-time adopter is able to apply accrual basis IPSAS in a period of less than three years. During the transition period, a first-time adopter may apply one or more of the exemptions in this Standard that do and/or do not affect fair presentation and compliance with accrual basis IPSAS. Where exemptions are applied that affect fair presentation and compliance with accrual basis IPSAS, the first-time adopter will still be in the transition period. When the first-time adopter</p>	<p>AG8. The transition period is the period during which a first-time adopter can elect to apply exemptions described in paragraphs AG10–AG127. The transition period is limited to three years but can be shorter if the first-time adopter is able to apply accrual basis IPSAS in a period of less than three years. During the transition period, a first-time adopter may apply one or more of the exemptions in this Standard that do and/or do not affect fair presentation and compliance with accrual basis IPSAS. Where exemptions are applied that affect fair presentation and compliance with accrual basis IPSAS, the first-time adopter will still be in the transition period. When the first-time adopter complies with <a href="#">all the applicable</a></p>	<p>Improvements</p>



Text	Suggest change(s)	Comment
<p>complies with <u>the accrual basis IPSAS in full</u>, and is able to make an explicit and unreserved statement of such compliance with IPSAS, the transition period will come to an end at that date.</p>	<p><u>accrual basis IPSAS in full</u>, and is able to make an explicit and unreserved statement of such compliance with IPSAS, the transition period will come to an end at that date.</p>	
<p>AG10. The following Standards are relevant:</p> <p>(a) IPSAS 1, Presentation of Financial Statements;</p> <p>(b) IPSAS 2, Cash Flow Statements;</p> <p>(c) IPSAS 22, Disclosure of Financial Information about the General Government Sector; and</p> <p>(d) IPSAS 24, Presentation of Budget Information in Financial Statements.</p> <p>The following paragraphs provide <u>more detail on any exemptions that apply to these Standards.</u></p>	<p>AG10. The following Standards are relevant:</p> <p>(a) IPSAS 1, Presentation of Financial Statements;</p> <p>(b) IPSAS 2, Cash Flow Statements;</p> <p>(c) IPSAS 22, Disclosure of Financial Information about the General Government Sector; and</p> <p>(d) IPSAS 24, Presentation of Budget Information in Financial Statements.</p> <p>The following paragraphs provide <u>more detail on any exemptions that apply to from these Standards that may be applied by a first-time adopter on the date of adoption of IPSAS and during the transition period.</u></p>	Improvements
<p>AG17. The following Standards are relevant:</p> <p>(a) IPSAS 3, Accounting Polices, Changes in Accounting Estimates, and Errors;</p> <p>(b) IPSAS 4, Effects of Changes in Foreign Exchange Rates;</p> <p>(c) IPSAS 10, Reporting in Hyperinflationary Economies;</p> <p>(d) IPSAS 14, Events after the Reporting Date; and</p>	<p>AG17. The following Standards are relevant:</p> <p>(a) IPSAS 3, Accounting Polices, Changes in Accounting Estimates, and Errors;</p> <p>(b) IPSAS 4, Effects of Changes in Foreign Exchange Rates;</p> <p>(c) IPSAS 10, Reporting in Hyperinflationary Economies;</p> <p>(d) IPSAS 14, Events after the Reporting Date; and</p>	Improvements



Text	Suggest change(s)	Comment
<p>(e) IPSAS 46, Measurement.</p> <p>The following paragraphs provide more detail on any exemptions that may be applied relating to these Standards.</p>	<p>(e) IPSAS 46, Measurement.</p> <p>The following paragraphs provide <u>more detail on any exemptions that may be applied relating to from these Standards that may be applied by a first-time adopter on the date of adoption of IPSAS and during the transition period.</u></p>	
<p>AG19. A first-time adopter shall only change its accounting policies during the transition period to <u>better</u> conform to the accounting policies in accrual basis IPSAS, and may retain its existing accounting policies until the exemptions that provided the relief have expired or when the relevant items are recognized and/or measured in the financial statements in accordance with the applicable IPSAS (whichever is earlier). A first-time adopter may change its accounting policy in respect of the recognition and/or measurement of assets and/or liabilities and/or revenue and/or expenses on a class-by-class or category-by-category basis where the use of classes or categories is permitted in the applicable IPSAS.</p>	<p>AG19. A first-time adopter shall only change its accounting policies during the transition period to <u>better</u> conform to the accounting policies in accrual basis IPSAS, and may retain its existing accounting policies until the exemptions that provided the relief have expired or when the relevant items are recognized and/or measured in the financial statements in accordance with the applicable IPSAS (whichever is earlier). A first-time adopter may change its accounting policy in respect of the recognition and/or measurement of assets and/or liabilities and/or revenue and/or expenses on a class-by-class or category-by-category basis where the use of classes or categories is permitted in the applicable IPSAS.</p>	<p>“better” leaves room for interpretation. Can a first-time adopter change to a policy that is only partially IPSAS compliant?</p>
<p>AG22. Instead of applying paragraph AG20, a controlled <u>entity</u> may elect, in its financial statements, to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the controlling entity’s consolidated financial statements, based on the controlling entity’s date of adoption of IPSAS, if no adjustments were made</p>	<p>AG22. Instead of applying paragraph AG20, a controlled <u>entity that uses the exemption in paragraph AG38(a)</u> may elect, in its financial statements, to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the controlling entity’s consolidated financial statements, based on the controlling entity’s date</p>	<p>Improvements</p>



Text	Suggest change(s)	Comment
<p>for consolidation procedures and for the effects of the public sector combination in which the controlling entity acquired the controlled entity. A similar election is available to an associate or <u>joint venture</u>.</p>	<p>of adoption of IPSAS, if no adjustments were made for consolidation procedures and for the effects of the public sector combination in which the controlling entity acquired the controlled entity. A similar election is available to an associate or <u>a joint venture that uses the exemption in paragraph AG38(a)</u>.</p>	
<p>AG36. The following Standards are relevant:</p> <p>(a) IPSAS 34, Separate Financial Statements;</p> <p>(b) IPSAS 35, Consolidated Financial Statements;</p> <p>(c) IPSAS 36, Investments in Associates and Joint Ventures;</p> <p>(d) IPSAS 37, Joint Arrangements;</p> <p>(e) IPSAS 38, Disclosure of Interests in Other Entities; and</p> <p>(f) IPSAS 40, Public Sector Combination.</p> <p>The following paragraphs provide <u>more detail on any exemptions that may be applied relating to these Standards</u>.</p>	<p>AG36. The following Standards are relevant:</p> <p>(a) IPSAS 34, Separate Financial Statements;</p> <p>(b) IPSAS 35, Consolidated Financial Statements;</p> <p>(c) IPSAS 36, Investments in Associates and Joint Ventures;</p> <p>(d) IPSAS 37, Joint Arrangements;</p> <p>(e) IPSAS 38, Disclosure of Interests in Other Entities; and</p> <p>(f) IPSAS 40, Public Sector Combination.</p> <p>The following paragraphs provide <u>more detail on any exemptions that may be applied relating to from these Standards that may be applied by a first-time adopter on the date of adoption of IPSAS and during the transition period</u>.</p>	<p>Improvements</p>
<p>AG54. The following Standards are relevant:</p> <p>(a) IPSAS 5, Borrowing Costs;</p> <p>(b) IPSAS 12, Inventories;</p>	<p>AG54. The following Standards are relevant:</p> <p>(a) IPSAS 5, Borrowing Costs;</p> <p>(b) IPSAS 12, Inventories;</p>	<p>Improvements</p>



Text	Suggest change(s)	Comment
<p>(c) IPSAS 16, Investment Property;</p> <p>(d) IPSAS 21, Impairment of Non-Cash-Generating Assets;</p> <p>(e) IPSAS 26, Impairment of Cash-Generating Assets;</p> <p>(f) IPSAS 27, Agriculture;</p> <p>(g) IPSAS 31, Intangible Assets;</p> <p>(h) IPSAS 43, Leases (for Right-of-use assets)</p> <p>(i) IPSAS 44, Assets Held for Sale and Discontinued Operations; and</p> <p>(j) IPSAS 45, Property, Plant, and Equipment.</p> <p>The following paragraphs provide <u>more detail on any exemptions that may be applied relating to these Standards.</u></p>	<p>(c) IPSAS 16, Investment Property;</p> <p>(d) IPSAS 21, Impairment of Non-Cash-Generating Assets;</p> <p>(e) IPSAS 26, Impairment of Cash-Generating Assets;</p> <p>(f) IPSAS 27, Agriculture;</p> <p>(g) IPSAS 31, Intangible Assets;</p> <p>(h) IPSAS 43, Leases (for Right-of-use assets)</p> <p>(i) IPSAS 44, Assets Held for Sale and Discontinued Operations; and</p> <p>(j) IPSAS 45, Property, Plant, and Equipment.</p> <p>The following paragraphs provide <u>more detail on any exemptions that may be applied relating to from these Standards that may be applied by a first-time adopter on the date of adoption of IPSAS and during the transition period.</u></p>	
<p>AG55. Where a first-time adopter has recognized <u>non-financial assets</u> under its previous basis of accounting, it may take advantage of the <u>transition period and may</u> change its accounting policy/policies in respect of the measurement of these non-financial assets <u>from any date within</u> the transition period.</p>	<p>AG55. Where a first-time adopter has recognized <u>non-financial assets within the scopes of the Standards listed in paragraph AG54</u> under its previous basis of accounting, it may take advantage of the <u>transition period described in paragraph AG8 and may</u> <u>must</u> change its accounting policy/policies in respect of the measurement of these non-financial assets <u>starting from a reporting period beginning on any a date within</u> the transition period.</p>	<p>Any date is not appropriate. To align with the other provisions of the standard (for example AG18, AG34 and AG35) Compliance has to start at the beginning of a year within the transition period.</p>
<p>AG56. Where a first-time adopter has not recognized <u>non-financial assets</u></p>	<p>AG56. Where a first-time adopter has not recognized <u>non-financial assets</u></p>	<p>Any date is not appropriate. To align</p>



Text	Suggest change(s)	Comment
<p>under its previous basis of accounting, it may take advantage of the <u>transition period</u> and <u>may</u> recognize and/or measure them <u>for reporting periods from any date within</u> the transition period.</p>	<p><u>within the scopes of the Standards listed in paragraph AG54</u> under its previous basis of accounting, it may take advantage of the <u>transition period described in paragraph AG8</u> and <u>may must</u> recognize and/or measure them <u>for reporting periods starting from a reporting period beginning on any a date within</u> the transition period.</p>	<p>with the other provisions of the standard (for example AG18, AG34 and AG35) Compliance has to start at the beginning of a year within the transition period.</p>
<p>AG67. A first-time adopter may elect to measure intangible assets, other than internally generated intangible assets, at current operational value or fair value, in accordance with IPSAS 46, when reliable cost information about the assets is not available and use that <u>fair value</u> as the deemed cost. In this case the first-time adopter provides the disclosures required by paragraph AG29 of this Standard.</p>	<p>AG67. A first-time adopter may elect to measure intangible assets, other than internally generated intangible assets, at current operational value or fair value, in accordance with IPSAS 46, when reliable cost information about the assets is not available and use that <u>current operational value or fair value</u> as the deemed cost. In this case the first-time adopter provides the disclosures required by paragraph AG29 of this Standard.</p>	<p>Improvements</p>
<p>AG69. A first-time adopter may elect to measure right-of-use assets at current <u>operation</u> value or fair value, in accordance with IPSAS 46, when reliable cost information about the assets is not available and use that <u>fair value</u> as the deemed cost. In this case the first-time adopter provides the disclosures required by paragraph AG29 of this Standard.</p>	<p>AG69. A first-time adopter may elect to measure right-of-use assets at current <u>operational</u> value or fair value, in accordance with IPSAS 46, when reliable cost information about the assets is not available and use that <u>current operational value or fair value</u> as the deemed cost. In this case the first-time adopter provides the disclosures required by paragraph AG29 of this Standard.</p>	<p>Improvements</p>
<p>AG75. In measuring the current value in accordance with paragraph <u>AG73</u>, the first-time adopter shall apply the definition of fair value, or current operational value, and guidance in IPSAS 46.</p>	<p>AG75. In measuring the current value in accordance with paragraph <u>AG69A</u>, the first-time adopter shall apply the definition of fair value, or current operational value, and guidance in IPSAS 46.</p>	<p>See comment #9 above</p>



Text	Suggest change(s)	Comment
<p>Financial Assets and Liabilities (refer to paragraphs AG4(d) and AG5(e))</p>	<p>Financial Assets and Financial Liabilities (refer to paragraphs AG4(d) and AG5(e))</p>	<p>Improvements</p>
<p>AG77. The following Standards are relevant:</p> <p>(a) IPSAS 28, Financial Instruments: Presentation;</p> <p>(b) IPSAS 30, Financial Instruments: Disclosures; and</p> <p>(c) IPSAS 41, Financial Instruments.</p> <p>The following paragraphs provide <u>more detail on any exemptions that may be applied relating to these Standards.</u></p>	<p>AG77. The following Standards are relevant:</p> <p>(a) IPSAS 28, Financial Instruments: Presentation;</p> <p>(b) IPSAS 30, Financial Instruments: Disclosures; and</p> <p>(c) IPSAS 41, Financial Instruments.</p> <p>The following paragraphs provide <u>more detail on any exemptions that may be applied relating to from these Standards that may be applied by a first-time adopter on the date of adoption of IPSAS and during the transition period.</u></p>	<p>Improvements</p>
<p>AG78. Where a first-time adopter has recognized <u>financial assets and/or financial liabilities</u> under its previous basis of accounting, <u>it may elect not to change its accounting policy/policies in respect of the measurement of these assets and/or liabilities for reporting periods beginning on a date within the transition period.</u></p>	<p>The wording should be consistent with that in paragraph AG55.</p>	
<p>AG79. Where a first-time adopter has not recognized <u>financial assets and/or financial liabilities</u> under its previous basis of accounting, <u>it may elect not to recognize and/or measure these assets and/or liabilities for reporting periods</u></p>	<p>The wording should be consistent with that in paragraph AG56.</p>	<p>Improvements</p>





Text	Suggest change(s)	Comment
<p><u>beginning on a date within the transition period.</u></p>		
<p>AG102. The following Standards are relevant:</p> <p>(a) IPSAS 47, Revenue and</p> <p>(b) IPSAS 48, Transfer Expenses.</p> <p>The following paragraphs provide <u>more detail on any exemptions that may be applied relating to these Standards.</u></p>	<p>AG102. The following Standards are relevant:</p> <p>(a) IPSAS 47, Revenue and</p> <p>(b) IPSAS 48, Transfer Expenses.</p> <p>The following paragraphs provide <u>more detail on any exemptions that may be applied relating to from these Standards that may be applied by a first-time adopter on the date of adoption of IPSAS and during the transition period.</u></p>	<p>Improvements</p>
<p>AG103. A first-time adopter <u>may take advantage of the transition period and may change its accounting policy in respect of the recognition and measurement of revenue a from any date within the transition period. A first-time adopter may change its accounting policy in respect of revenue on a class-by-class basis.</u></p>	<p>The wording should be consistent with that in paragraphs AG55 and AG56.</p>	<p>Improvements</p>
<p>AG105. A first-time adopter may take advantage of the transition period and change its accounting policy in respect of the recognition and measurement of transfer expenses from any date within the transition period. A first-time adopter may change its accounting policy in respect of transfer expenses on a class-by-class basis.</p>	<p>The wording should be consistent with that in paragraphs AG55 and AG56.</p>	<p>Improvements</p>
<p>AG106. The following Standards are relevant:</p>	<p>AG106. The following Standards are relevant:</p>	<p>Improvements</p>



Text	Suggest change(s)	Comment
<p>(a) IPSAS 19, Provisions, Contingent Liabilities, and Contingent Assets;</p> <p>(b) IPSAS 32, Service Concession Arrangements: Grantor;</p> <p>(c) IPSAS 39, Employee Benefits;</p> <p>(d) IPSAS 42, Social Benefits; and</p> <p>(e) IPSAS 43, Leases.</p> <p>The following paragraphs provide <u>more detail on any exemptions that may be applied relating to these Standards.</u></p>	<p>(a) IPSAS 19, Provisions, Contingent Liabilities, and Contingent Assets;</p> <p>(b) IPSAS 32, Service Concession Arrangements: Grantor;</p> <p>(c) IPSAS 39, Employee Benefits;</p> <p>(d) IPSAS 42, Social Benefits; and</p> <p>(e) IPSAS 43, Leases.</p> <p>The following paragraphs provide <u>more detail on any exemptions that may be applied relating to from these Standards that may be applied by a first-time adopter on the date of adoption of IPSAS and during the transition period.</u></p>	
<p>AG125. The following Standards are relevant:</p> <p>(a) IPSAS 18, Segment Reporting; and</p> <p>(b) IPSAS 20, Related Parties.</p> <p>The following paragraphs provide <u>more detail on any exemptions that may be applied relating to these Standards.</u></p>	<p>AG125. The following Standards are relevant:</p> <p>(a) IPSAS 18, Segment Reporting; and</p> <p>(b) IPSAS 20, Related Parties.</p> <p>The following paragraphs provide <u>more detail on any exemptions that may be applied relating to from these Standards that may be applied by a first-time adopter on the date of adoption of IPSAS and during the transition period.</u></p>	Improvements
<p>AG126. A first-time adopter <u>may elect to present segment information from any date within the transition period.</u></p>	<p>The wording should be consistent with that in paragraphs AG55 and AG56.</p>	Improvements
<p>AG127. A first-time adopter <u>may elect to disclose related party relationships, related party transactions and information about</u></p>	<p>The wording should be consistent with that in paragraphs AG55 and AG56.</p>	Improvements



Text	Suggest change(s)	Comment
<a href="#">key management personnel from any date</a> within the transition period.		
Exemptions that Do Not Affect Fair Presentation and Compliance with Accrual basis IPSAS <a href="#">during the Transition Period</a>	Exemptions that Do Not Affect Fair Presentation and Compliance with Accrual basis IPSAS <a href="#">on the date of adoption of IPSAS and during the Transition Period</a>	Improvements
Exemptions that Affect Fair Presentation and Compliance with Accrual basis IPSAS <a href="#">during the Transition Period</a>	Exemptions that Affect Fair Presentation and Compliance with Accrual basis IPSAS <a href="#">on the date of adoption of IPSAS and during the Transition Period</a>	Improvements
<a href="#">Financial Statements</a> (refer to paragraph AG5(a))	<a href="#">General Presentation and Disclosure Principles</a> (refer to paragraph AG5(a))	Improvements
<a href="#">Accounting Boundaries</a> (refer to paragraphs AG4(b) and AG 5(c)	<a href="#">Interests in Other Entities</a> (refer to paragraphs AG4(b) and AG 5(c)	Improvements
BC40. When this Standard was <a href="#">issued</a> , if an entity revalued an asset under the revaluation model in IPSAS 17, it had to revalue all assets in that class. This restriction prevented selective revaluation of only those assets whose revaluation would lead to a particular result...	BC40. When this Standard was <a href="#">first issued</a> , if an entity revalued an asset under the revaluation model in IPSAS 17, it had to revalue all assets in that class. This restriction prevented selective revaluation of only those assets whose revaluation would lead to a particular result...	Improvements
B.3 Transitional IPSAS Financial Statements and First IPSAS Financial Statements  When an entity only elects exemptions that do not affect <a href="#">fair presentation</a> , should the financial statements be referred to as “transitional IPSAS financial statements” or “first IPSAS financial statements”? ... However, if any of the exemptions in paragraph AG4 of IPSAS 33 are elected, i.e., exemptions that affect <a href="#">fair- presentation</a> , the	B.3 Transitional IPSAS Financial Statements and First IPSAS Financial Statements  When an entity only elects exemptions that do not affect <a href="#">fair presentation and compliance with accrual basis IPSAS</a> , should the financial statements be referred to as “transitional IPSAS financial statements” or “first IPSAS financial statements”? ... However, if any of the exemptions in paragraph AG4 of IPSAS 33 are elected, i.e., exemptions that affect <a href="#">fair-</a>	Improvements



Text	Suggest change(s)	Comment
<p>first-time adopter will not be able to make an explicit and unreserved statement of compliance with accrual basis IPSAS per paragraph 6A of IPSAS 33. In this instance, the financial statements should be referred to as “transitional IPSAS financial statements”. The Basis of Preparation should highlight this fact. To illustrate:</p> <p>“Basis of Preparation</p> <p>“The financial statements have been prepared <u>in accordance with accrual basis International Public Sector Accounting Standards (IPSAS), except as allowed for by IPSAS 33, First-Time Adoption of Accrual Basis IPSAS</u>, where a first-time adopter may elect to not recognize and/or measure certain assets and/or liabilities and/or revenue and/or expenses, for a transition period of up to three years, and in accordance with [legislative prescript or other determination]...</p>	<p><u>presentation and compliance with accrual basis IPSAS</u>, the first-time adopter will not be able to make an explicit and unreserved statement of compliance with accrual basis IPSAS per paragraph 6A of IPSAS 33. In this instance, the financial statements should be referred to as “transitional IPSAS financial statements”. The Basis of Preparation should highlight this fact. To illustrate:</p> <p>“Basis of Preparation</p> <p>“The financial statements have been prepared <u>in accordance with accrual basis International Public Sector Accounting Standards (IPSAS), except as allowed for by IPSAS 33, First-Time Adoption of Accrual Basis IPSAS</u>, where a first-time adopter may elect to not recognize and/or measure certain assets and/or liabilities and/or revenue and/or expenses, for a transition period of up to three years, and in accordance with [legislative prescript or other determination]...</p>	
<p>B.4.1 Reporting Amounts in the Opening Statement of Financial Position</p> <p>What amounts should be reported in the Opening Statement of Financial Position?</p> <p>Where the first-time adopter elects to apply any of the exemptions in paragraph AG9 to AG127 of IPSAS 33, the following two scenarios affect the opening statement of financial <u>performance</u>:...</p>	<p>B.4.1 Reporting Amounts in the Opening Statement of Financial Position</p> <p>What amounts should be reported in the Opening Statement of Financial Position?</p> <p>Where the first-time adopter elects to apply any of the exemptions in paragraph AG9 to AG127 of IPSAS 33, the following two scenarios affect the opening statement of financial <u>performance position</u>:...</p>	<p>Correction</p>



Text	Suggest change(s)	Comment
<p>B.4.2 Adjusting Amounts Reported in the Opening Statement of Financial Position</p> <p>Should amounts reported in the Opening Statement of Financial Position be adjusted when accounting policies change during the transition period?</p> <p>It depends. When a first-time adopter elects to apply the exemptions that affect <u>fair presentation</u> (that is, to not recognize and/or measure certain assets and/or liabilities), the first-time adopter shall recognize any adjustments to the opening balance of accumulated surplus or deficit (or, if appropriate, another category of net assets/equity) in the period in which the items are recognized and/or measured.</p>	<p>B.4.2 Adjusting Amounts Reported in the Opening Statement of Financial Position</p> <p>Should amounts reported in the Opening Statement of Financial Position be adjusted when accounting policies change during the transition period?</p> <p>It depends. When a first-time adopter elects to apply the exemptions that affect <u>fair presentation and compliance with accrual basis IPSAS</u> (that is, to not recognize and/or measure certain assets and/or liabilities), the first-time adopter shall recognize any adjustments to the opening balance of accumulated surplus or deficit (or, if appropriate, another category of net assets/equity) in the period in which the items are recognized and/or measured.</p>	<p>Improvements</p>
<p>C.2 Assets / liabilities acquired/accrued during transition period ... For example, Public Sector Entity A acquires 10 new vehicles during the transition period. At the date of adoption, it had 50 vehicles. The entity elected from the date of adoption of IPSAS not to recognize and measure vehicles (a separate class of property, plant and equipment) under IPSAS 45, Property, Plant and Equipment due to a lack of relevant financial information at the date of adoption. The entity should account for the 10 new vehicles under its previous basis of accounting <u>until</u> the entity has obtained the required</p>	<p>C.2 Assets / liabilities acquired/accrued during transition period ... For example, Public Sector Entity A acquires 10 new vehicles during the transition period. At the date of adoption, it had 50 vehicles. The entity elected from the date of adoption of IPSAS not to recognize and measure vehicles (a separate class of property, plant and equipment) under IPSAS 45, Property, Plant and Equipment due to a lack of relevant financial information at the date of adoption. The entity should account for the 10 new vehicles under its previous basis of accounting <u>until when</u> the entity has obtained the</p>	<p>Improvements</p>



Text	Suggest change(s)	Comment
<p>information on the existing 50 vehicles and able to change its accounting policy for the recognition and/or measurement of all vehicles...</p>	<p>required information on the existing 50 vehicles and able to change its accounting policy for the recognition and/or measurement of all vehicles...</p>	
<p>C.3 Reporting entity application of exemptions</p> <p>Can the economic entity of consolidated financial statements or financial statements applying the equity method, claim compliance with IPSAS 33 where the election of exemptions for recognition and/or measurement of the same items differs among the combined entities? ... No. Consolidated financial statements (in the scope of IPSAS 35) and financial statements applying the equity method (in the scope of IPSAS 36) should be prepared using uniform accounting policies. Where different elections are made between the entities of the economic entity (i.e., the controlling and controlled entities, joint ventures or associates), appropriate adjustments should be made to the combined entities' financial statements in preparing the consolidated financial statements (or where the equity method is applied, <u>those financial statements</u>), to ensure uniformity of the economic entity's accounting policies. Furthermore, the exemptions which entities may elect should be as described in paragraph AG1-AG127 of IPSAS 33.</p>	<p>C.3 Reporting entity application of exemptions</p> <p>Can the economic entity of consolidated financial statements or financial statements applying the equity method, claim compliance with IPSAS 33 where the election of exemptions for recognition and/or measurement of the same items differs among the combined entities? ... No. Consolidated financial statements (in the scope of IPSAS 35) and financial statements applying the equity method (in the scope of IPSAS 36) should be prepared using uniform accounting policies. Where different elections are made between the entities of the economic entity (i.e., the controlling and controlled entities, joint ventures or associates), appropriate adjustments should be made to the combined entities' financial statements in preparing the consolidated financial statements (or where the equity method is applied, <del>those</del> <u>the financial statements of the investor</u>), to ensure uniformity of the economic entity's accounting policies. Furthermore, the exemptions which entities may elect should be as described in paragraph AG1-AG127 of IPSAS 33.</p>	<p>Improvements</p>
<p>C.5 Application of Deemed Cost</p>	<p>C.5 Application of Deemed Cost</p>	<p>Improvements</p>



Text	Suggest change(s)	Comment
<p>When can an entity use a deemed cost in accordance with IPSAS 33?</p> <p>A deemed cost may only be used if <u>no cost information</u> is available about the historical cost of the asset and/or liability. This allowance applies in two scenarios with differing points in time (see paragraphs AG29 and AG32 of IPSAS 33):</p> <p>(a) Where the first-time adopter recognizes and/or measures <u>items</u>, then at the date of adoption of IPSAS; or</p> <p>(b) Where the first-time adopter elects to apply the exemptions not to recognize and/or <u>measure</u>, then at any point in time (“at any point in time” refers to the timing of the measurement effort, not to the as-of date of the measurement) during the transition period.</p> <p>When a first-time adopter initially measures these assets and/or liabilities, it recognizes the effect directly in accumulated surplus or deficit in the opening statement of financial position <u>in the period in which the deemed cost is determined.</u></p>	<p>When can an entity use a deemed cost in accordance with IPSAS 33?</p> <p>A deemed cost may only be used if <u>no reliable cost information</u> is available about the historical cost of the asset and/or liability. This allowance applies in two scenarios with differing points in time (see paragraphs AG29 and AG32 of IPSAS 33):</p> <p>(a) Where the first-time adopter recognizes and/or measures <u>items on the date of adoption of IPSAS</u>, then at the date of adoption of IPSAS; or</p> <p>(b) Where the first-time adopter elects to apply the exemptions not to recognize and/or <u>measure items</u>, then at any point in time (“at any point in time” refers to the timing of the measurement effort, not to the as-of date of the measurement) during the transition period.</p> <p>When a first-time adopter initially measures these assets and/or liabilities, it recognizes the effect directly in accumulated surplus or deficit in the opening statement of financial position <u>in the period in which the deemed cost is determined in case (a), or in the opening balance of accumulated surplus or deficit of the period in which the items are recognized and/or measured in case (b).</u></p>	
<p>D.1 Basis of Preparation</p> <p>Can the exemptions in IPSAS 33 affect a first-time adopter’s financial</p>	<p>D.1 Basis of Preparation</p> <p>Can the exemptions in IPSAS 33 affect a first-time adopter’s financial</p>	<p>Improvements</p>



Text	Suggest change(s)	Comment
<p>statements at the end of the transitional period?</p> <p>No. The exemptions in paragraphs AG4 and AG5 of IPSAS 33 only affect a first-time adopter's financial statements during the transition period up to and including the end of the second year following the date of adoption of IPSAS. Once the first-time adopter continues into the third and final year (maximum) of the transition period, it shall apply accounting policies that are consistent with accrual basis IPSAS, so that by the end of the third year, those financial statements comply in full with IPSAS (referred to as the first IPSAS financial statements).</p> <p>When accounting policies <u>are applied anew, unrelated to the exemptions</u>, those should be applied retrospectively. As a result, the first IPSAS financial statements should represent the financial position as at the beginning and end of that year, and the financial performance and changes in net assets/equity for that year, in accordance with accrual basis IPSAS.</p>	<p>statements at the end of the transitional period?</p> <p>No. The exemptions in paragraphs AG4 and AG5 of IPSAS 33 only affect a first-time adopter's financial statements during the transition period up to and including the end of the second year following the date of adoption of IPSAS. Once the first-time adopter continues into the third and final year (maximum) of the transition period, it shall apply accounting policies that are consistent with accrual basis IPSAS, so that by the end of the third year, those financial statements comply in full with IPSAS (referred to as the first IPSAS financial statements).</p> <p>When accounting policies <u>that conform to accrual basis IPSAS are applied anew for the first time, unrelated to the including any exemptions in IPSAS 33 that do not affect fair presentation and compliance with accrual basis IPSAS</u>, those should be applied retrospectively. As a result, the first IPSAS financial statements should represent the financial position as at the beginning and end of that year, and the financial performance and changes in net assets/equity for that year, in accordance with accrual basis IPSAS.</p>	
<p>F.1 Entity Operations</p> <p>How and when should an entity consider the <u>accounting</u> activities it should include in its financial</p>	<p>F.1 Entity Operations</p> <p>How and when should an entity consider the <u>accounting</u> activities it</p>	<p>Improvements</p>





Text	Suggest change(s)	Comment
<p>statements in accordance with IPSAS?</p> <p>Planning and preparing for the transition to accrual basis IPSAS includes the identification of activities and related items that will be recognized in the first-time adopter's financial statements in accordance with the Conceptual Framework and applicable IPSAS. This may involve various actions, including, but not limited to:</p> <p>(a) Determining if the <u>entity</u> itself controls the resources and incurs the obligations <u>described</u> or merely acts as an agent of the <u>government</u>;</p> <p>(b) Establishing the <u>entity's</u> boundaries as a reporting entity; and</p> <p>(c) Performing a gap analysis of existing and <u>expecting</u> financial reporting, including the previous basis of reporting and requirements under IPSAS.</p> <p>These activities should be identified and concluded before the date of adoption of IPSAS, so as to determine which exemptions should be elected for application from the date of adoption of IPSAS and to promote the correct application of the elected exemptions during the transition period.</p> <p>Furthermore, the relief provided in IPSAS 33 should not be seen as a complete roadmap for the adoption of accrual basis IPSAS, but rather the end stage of the adoption process, and the <u>first- time adopters</u> should</p>	<p>should include in its financial statements in accordance with IPSAS?</p> <p>Planning and preparing for the transition to accrual basis IPSAS includes the identification of activities and related items that will be recognized in the first-time adopter's financial statements in accordance with the Conceptual Framework and applicable IPSAS. This may involve various actions, including, but not limited to:</p> <p>(a) Determining if the <u>entity first-time adopter</u> itself controls the resources and incurs the obligations <u>described</u> or merely acts as an agent of the <u>government or another government entity</u>;</p> <p>(b) Establishing the <u>entity first-time adopter's</u> boundaries as a reporting entity; and</p> <p>(c) Performing a gap analysis of existing and <u>expecting expected</u> financial reporting, including the previous basis of reporting and requirements under IPSAS.</p> <p>These activities should be identified and concluded before the date of adoption of IPSAS, so as to determine which exemptions should be elected for application from the date of adoption of IPSAS and to promote the correct application of the elected exemptions during the transition period.</p> <p>Furthermore, the relief provided in IPSAS 33 should not be seen as a complete roadmap for the adoption of</p>	



Text	Suggest change(s)	Comment
<p>avoid using the transition period to identify <u>the entity's</u> activities and related items.</p> <p>Additional insights on the actions to support public financial reform, including adoption of accrual basis IPSAS, can be found outside of the <u>IPSAS</u> literature, for example Pathways to Accrual published by the International Federation of Accountants.</p>	<p>accrual basis IPSAS, but rather the end stage of the adoption process, and the <u>first- time adopters</u> should avoid using the transition period to identify <u>the entity's its</u> activities and related items.</p> <p>Additional insights on the actions to support public financial reform, including adoption of accrual basis IPSAS, can be found outside of the <u>IPSASB's</u> literature, for example Pathways to Accrual published by the International Federation of Accountants.</p>	
<p>F.2 Pre-Adoption Consideration of IPSAS 33</p> <p>Can an entity consider the guidance in IPSAS 33 to prepare for its transition to accrual basis IPSAS?</p> <p>Yes. An entity planning to transition to accrual basis IPSAS is encouraged to consider the requirements, exceptions and allowed exemptions in IPSAS 33 to plan and prepare for its transition. In doing so, the entity would know what to prepare for and which exemptions provided may be relevant to elect given its current state of operations, resources, accounting systems and reporting requirements. <u>Though</u> the transitional exemptions in IPSAS 33 are meant to support entities along their journey to implement IPSAS <u>and seen</u> as the last stage of the adoption process, considering these would assist entities to create <u>detail</u> plans to</p>	<p>F.2 Pre-Adoption Consideration of IPSAS 33</p> <p>Can an entity consider the guidance in IPSAS 33 to prepare for its transition to accrual basis IPSAS?</p> <p>Yes. An entity planning to transition to accrual basis IPSAS is encouraged to consider the requirements, exceptions and allowed exemptions in IPSAS 33 to plan and prepare for its transition. In doing so, the entity would know what to prepare for and which exemptions provided may be relevant to elect given its current state of operations, resources, accounting systems and reporting requirements. <del>Though</del> <u>Although</u> the transitional exemptions in IPSAS 33 are meant to support entities along their journey to implement IPSAS <u>and should be seen</u> as the last stage of the adoption process, considering these would assist entities to create <u>detailed</u> plans</p>	<p>Improvements</p>



Text	Suggest change(s)	Comment
<p>ultimately apply the requirements in accrual basis IPSAS.</p>	<p>to ultimately apply the requirements in accrual basis IPSAS.</p>	
<p>F.3 Approaches for Transitioning to IPSAS</p> <p>What are the possible approaches for transitioning to accrual basis IPSAS? ...</p> <p>The phased approach is one where IPSAS are implemented in stages – the stages depending on the institutional and individual capacity with a jurisdiction or within sectors, with the aim of meeting IPSAS requirements to the fullest extent practicable by the end of the transition period. For example, <u>accrual accounting</u> requires the recognition of all assets and liabilities which meet the definition of and satisfy the criteria for recognition. Under the phased approach, an entity might be permitted to move to the full accrual basis IPSAS by recognizing assets and liabilities in stages. <u>IPSAS 33 is designed for a phased approach, i.e., includes some exemptions over a period of up to three years.</u></p> <p>It should be noted <u>that IPSAS 33 does not prescribe a particular approach for transitioning to accrual basis IPSAS, and that any approach taken by a jurisdiction would depend on various factors, including those noted above, ultimately making the approach unique to that jurisdiction.</u></p> <p>Additional insights on the elements of reform implementation can be found outside of the <u>IPSAS</u> literature.</p>	<p>F.3 Approaches for Transitioning to IPSAS</p> <p>What are the possible approaches for transitioning to accrual basis IPSAS? ...</p> <p>The phased approach is one where IPSAS are implemented in stages – the stages depending on the institutional and individual capacity <u>within</u> a jurisdiction or within sectors, with the aim of meeting IPSAS requirements to the fullest extent practicable by the end of the transition period. For example, <u>accrual accounting under IPSAS</u> requires the recognition of all assets and liabilities which meet the definition of and satisfy the criteria for recognition. Under the phased approach, an entity might be permitted to move to the full accrual basis IPSAS by recognizing assets and liabilities in stages. <u>IPSAS 33 is designed for a phased approach, i.e., includes some exemptions over a period of up to three years.</u></p> <p>It should be noted <u>that, while the exemptions in IPSAS 33 support both approaches, IPSAS 33 does not prescribe a particular approach for transitioning to accrual basis IPSAS, and that any approach taken by a jurisdiction would depend on various factors, including those noted above, ultimately making the approach unique to that jurisdiction.</u></p>	<p>Improvements</p>



Text	Suggest change(s)	Comment
	Additional insights on the elements of reform implementation can be found outside of the <a href="#">IPSASB's</a> literature.	