

Exposure Draft (ED) 90, Amendments to IPSAS as a result of the Application of IPSAS 46, Measurement

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Region/Country: Costa Rica

Exposure Draft Group: Individual and Others

Exposure Draft (ED) 90, Amendments to IPSAS Resulting from the Application of IPSAS 46, Measurement

Project Objective: The primary objective of the ED is to propose amendments to add the current operating value measurement basis to all relevant IPSAS.

Project stage: The International Public Sector Accounting Standards Board® (IPSASB®) issued the consultation in August 2024.

Next steps: The IPSASB seeks comment on the proposal in the ED to update the IPSAS set for the measurement requirements in IPSAS 46, Measurement issued in May 2023.

Deadline for comments: ED 90 is open for public comment until November 29, 2024.

Background to the principles in IPSAS 46, Measurement and the Updated Conceptual Framework: Chapter 7, Measurement of Assets and Liabilities in Financial Statements issued May 2023.



REQUEST FOR COMMENTS

Objetivo del DE

El objetivo del ED 90 es proponer modificaciones a IPSAS específicas para:

- (a) Agregar el valor operacional actual como base de medición del valor actual aplicable en la medición inicial y posterior para la NICSP 12, Inventarios, y la NICSP 31, Activos Intangibles (ver [Parte 1](#)); _____
- (b) Actualizar la definición de importe de servicio recuperable en la NICSP 21, Deterioro del valor de los activos no monetarios. Generación de activos (ver [parte 2](#)); _____
- (c) Agregar una definición de estimación contable a la NICSP 3, Políticas contables, cambios en las políticas contables. Estimaciones y errores (véase [la Parte 3](#)) de conformidad con la terminología de la NICSP 46; y _____
- (d) Mejorar la coherencia de las revelaciones sobre la medición del valor actual en las IPSAS (véase [la Parte 4](#)). _____

Se espera que el Pronunciamento Final incluya modificaciones a IPSAS específicas, como se analiza en este ED.

COMMENT	CRITERIA - AMENDMENTS:
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<p>IPSAS 3, Accounting Policies and Changes in Accounting Estimates and Errors Part 1 - Estimates 40. A change in the measurement basis model applied is a change in accounting policy and is not a change in accounting estimate.</p> <p>Part 3 - Definitions 7-The following terms are used in this Standard with the meanings specified</p> <p>Paragraph 40 is amended. Paragraphs 40A and 59G are added. New text is underlined and deleted text is struck through.</p>	<p>According to IPSASB with all amendments giving relevance.</p> <p>Part 1 - We agree considering the particularities that may arise in the treatment of IPSAS and the public sector. Especially in the application of the new IPSAS 45 - Property, Plant and Equipment. Part 2 - The general term "measurement techniques" in IAS 8 is not required in the improvements to IPSAS 3.</p>
<p>IPSAS 12, Inventories</p> <p>Part 1 - Amendments to reflect that current operating value is a basis of Applicable measurement: At initial measurement, for inventories acquired in non-exchange transactions; and</p> <p>In the subsequent measurement, for inventories maintained for their operating capacity. 16. When inventories are acquired through a non-exchange transaction, their cost shall be measured at their fair value at the date of acquisition. An entity shall apply IPSAS 46 when measuring the deemed cost of inventories. Paragraphs 1, 9, 16, 17, 31, 43, 50A, 50C(a)-50C(g), 50D and 50E are amended. Paragraphs 17A and 51L are added. The heading above paragraph 43 is amended. New text is underlined and deleted text is struck through.</p>	<p>According to IPSASB with all amendments giving relevance.</p> <p>Part 1 - When inventories are acquired through a non-exchange transaction, their cost shall be measured at their fair value at the acquisition date. An entity shall apply IPSAS 46 in measuring the deemed cost of inventories. The IPSASB identified IPSASs that require the measurement of assets at current values or on a non-historical cost measurement basis.</p>
<p>IPSAS 16, Investment Property</p> <p>Part 4 - Amendments to improve consistency of disclosure terminology from the measurement of the present value in the IPSAS</p>	<p>According to IPSASB with all amendments giving relevance.</p> <p>Part 4 - The IPSASB decided to remove the terms "recurring" and "non-recurring" to improve the Consistency of present value measurement disclosure terminology across all IPSASs.</p>

<p>89A. An entity shall disclose information that assists users of its financial statements in evaluating both of the following:</p> <p>(a) For investment property that is measured at fair value on a recurring or non-recurring basis in the statement of financial position after initial recognition, the measurement techniques and inputs used to develop those measurements.</p> <p>(b) For the measurements fair value measurements using significant unobservable inputs (Level 3), the effect of the measurements on the surplus or deficit or net assets/equity for the period.</p> <p>Paragraphs 89A and 89C(a) to 89C(g) are amended. Paragraph 101N is added. New text is underlined and deleted text is struck through.</p> <p>The IPSASB decided that current operating value is not an applicable measurement basis for investment property in the scope of IPSAS 16 because it is not held for its operating capacity.</p>	
<p>IPSAS 27, Agriculture Part 4 - Modifications to improve consistency of disclosure terminology</p> <p>from the measurement of the present value in the IPSAS</p> <p>Measuring present value</p> <p>46A. An entity shall disclose information that assists users of its financial statements in evaluating both of the following:</p> <p>(a) For agricultural assets that are measured at fair value on a recurring or non-recurring basis in the statement of financial position after initial recognition, measurement techniques and</p>	<p>According to IPSASB with all amendments giving relevance.</p> <p>Part 4 - The IPSASB decided to delete the terms "recurring" and "non-recurring" to improve the Consistency of present value measurement disclosure terminology across all IPSASs.</p>

<p>inputs used to develop these measurements</p> <p>(b) For recurring fair value measurements that use significant unobservable inputs (Level 3), the effect of the measurements on the surplus or deficit or net assets/equity for the period</p> <p>Paragraphs 46A and 46C(a) to 46C(g) are amended. Paragraph 56L is added. New text is underlined and deleted text is struck through.</p> <p>The IPSASB decided that current operating value is not an applicable measurement basis for assets within the scope of IPSAS 27 because they are not held for their operating purpose.</p> <p>ability.</p>	
<p>IPSAS 21, Impairment of non-monetary assets Generating assets</p> <p>Part 2 - Amendments to IPSAS 21, Impairment of non-cash generating assets</p> <p>Paragraphs 10A, 10A(b), 14, 35–40, 67(a)–67(b), and 77(e)–77(f) are amended. Paragraphs 41–42 and 44 are amended. Paragraphs 50 and 39B are deleted. Paragraphs 39B, 39C, 39D, 43A, 77(f)(i)–77(f)(iii) and 82O, as well as the heading above paragraph 39B, are added. New text is underlined and deleted text is struck through.</p>	<p>According to IPSASB with all amendments giving relevance.</p> <p>FC29. The IPSASB decided to update IPSAS 21 due to the following:</p> <p>(a) The publication of IPSAS 46, Measurement, in May 2023, in particular the adoption of current operating value as a public sector-specific current value measurement basis for assets held for operating capability and the revised definition of and guidance on fair value; and</p> <p>(b) Reservations expressed regarding the term and description of “value in use of a non-cash-generating asset” during the update of Chapter 7, Measurement of Assets and Liabilities in Financial Statements, in the Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities.</p>
<p>IPSAS 30, Financial Instruments: Disclosures</p> <p>Part 4 - Modifications to improve the consistency of disclosure terminology</p> <p>from the measurement of the present value in the IPSAS</p>	<p>According to IPSASB with all amendments giving relevance.</p> <p>Fair value</p> <p>30A. An entity shall disclose information that assists users of its financial statements in evaluating both of the following:</p>

<p>Paragraphs 30A and 30C(a) to 30C(h) are amended. Paragraph 52O is added. New text is underlined and deleted text is struck through.</p>	<p>(a) For financial instruments that are measured at fair value on a recurring or non-recurring basis in the statement of financial position after initial recognition, the measurement techniques and inputs used to develop those measurements</p> <p>(b) For recurring fair value measurements that use significant unobservable inputs (Level 3), the effect of the measurements on the surplus or deficit or net assets/equity for the period.</p> <p>The IPSASB decided to remove the terms "recurring" and "non-recurring" to improve the Consistency of present value measurement disclosure terminology across all IPSASs.</p>
<p>IPSAS 31, Intangible assets</p> <p>Part 1 - Amendments to reflect that current operating value is an applicable measurement basis:</p> <ul style="list-style-type: none"> • At initial measurement, for intangible assets acquired in non-exchange transactions; and • In subsequent measurement, for intangible assets held for their operating capacity, when an entity elects the current value model. <p>Paragraphs 26, 28, 31, 43 to 45, 71, 74, 78, 80, 82, 121(c), 121(c)(i), 123A, 123C(a) to 123C(g) and 123D are amended to 123E. Paragraphs 71A, 74A, 74B, 132P and AG12 to AG15 are added. The heading above paragraph AG12 and the subheading above paragraph AG13 are added. New text is underlined and deleted. The text is crossed out.</p>	<p>According to IPSASB with all amendments giving relevance.</p> <p>Part 1 - Recognition and measurement</p> <p>26. The recognition of an item as an intangible asset requires an entity to demonstrate that the item meets:</p> <p>(a) The definition of an intangible asset (see paragraphs 17–25); and</p> <p>(b) The recognition criteria (see paragraphs 28 to 30).</p> <p>This requirement applies to the cost measured at recognition (the cost in an exchange transaction or to generate an intangible asset internally, or the fair value of the estimated cost of an intangible asset acquired through a non-exchange transaction) and those incurred subsequently to add it, replace part of it, or service it.</p> <p>The IPSASB discussed that intangible assets may be held for their operational capability and that the current value measurement basis selected should reflect the entity's intended use or reasons for holding the intangible asset.</p>
<p>IPSAS 32, Service</p>	<p>According to IPSASB with all amendments giving relevance.</p>

<p>Grant Agreements: Grantor</p> <p>The IPSASB decided that current operating value is applicable</p>	<p>The IPSASB decided that current operating value is applicable</p> <p>Subsequent measurement basis for service concession assets maintained for their operating capacity accounted for in accordance with IPSAS 45 and IPSAS 31.</p> <p>ED 90 does not propose any amendments because IPSAS 32 cross-references IPSAS 45 and IPSAS 31 for the subsequent measurement of service concession assets where appropriate subsequent measurement guidance is available.</p>
<p>IPSAS 34, Separate Financial Statements Declarations</p> <p>Part 4 - Amendments to Improve Consistency of Present Value Measurement Disclosure Terminology in IPSASs.</p> <p>Paragraphs 23A and 23C(a) to 23C(h) are amended. Paragraph 32F is added. New text is underlined and deleted text is struck through.</p>	<p>According to IPSASB with all amendments giving relevance.</p> <p>Measuring present value</p> <p>23A. An entity shall disclose information that assists users of its financial statements in evaluating both of the following:</p> <p>(a) For investments that are measured at fair value on a recurring or non-recurring basis in the statement of financial position after initial recognition, the measurement techniques and inputs used to develop those measurements; and (b) For recurring fair value measurements that use significant unobservable inputs (Level 3), the effect of the measurements on the surplus or deficit or net assets/equity for the period.</p> <p>The IPSASB decided to remove the terms "recurring" and "non-recurring" to improve the Consistency of present value measurement disclosure terminology across all IPSASs.</p>
<p>IPSAS 38, Disclosure of Interests in Other entities</p> <p>Part 4 - Amendments to Improve Consistency of Current Value Measurement Disclosure Terminology in IPSASs</p> <p>Paragraphs 57A and 57C(a)-57Cg are amended. Paragraph 61F is added. New text is underlined and deleted text is struck through.</p> <p>...</p>	<p>According to IPSASB with all amendments giving relevance.</p> <p>Measuring present value</p> <p>57A. An entity shall disclose information that assists users of its financial statements in evaluating both of the following:</p> <p>(a) For interests in other entities that are measured at fair value on a recurring or non-recurring basis in the statement of financial position after initial recognition, the measurement techniques and inputs used to develop those measurements;</p>

	<p>(b) For recurring measurements of the value reasonable using significant unobservable inputs (Level 3), the effect of measurements on the surplus or deficit or net assets/equity for the period</p> <p>The IPSASB decided to remove the terms "recurring" and "non-recurring" to improve the Consistency of present value measurement disclosure terminology across all IPSASs.</p>
<p>IPSAS 36, Investments in associates and joint ventures</p>	<p>According to IPSASB with all amendments giving relevance.</p> <p>The IPSASB decided that current operating value is not an applicable measurement basis for assets within the scope of IPSAS 36 because current operating value does not reflect the investor's ability to participate in the financial and operating decisions of the investee.</p>
<p>IPSAS 37, Joint Arrangements</p>	<p>According to IPSASB with all amendments giving relevance.</p> <p>Measurement requirements for assets within the scope of IPSAS 37 are determined by reference to other IPSASs.</p> <p>The IPSASB decided that no amendments will be made to IPSAS 37.</p> <p>required and the measurement of an asset within the scope of IPSAS 37 should continue to be determined by reference to the relevant IPSAS.</p>
<p>IPSAS 40, Public Sector Combinations</p> <p>Part 3 - Amendments to replace "valuation techniques" with "measurement techniques" to maintain consistency with new terminology introduced in IPSAS 46</p> <p>Paragraphs 120(p)(ii), 124(b)(iii) and AG91 are amended. Paragraph 126I is added. The subheading before paragraph AG94 is amended. New text is underlined and deleted text is struck through.</p> <p>Measurement requirements for assets within the scope of IPSAS 40 are determined by reference to other IPSASs.</p>	<p>According to IPSASB with all amendments giving relevance.</p> <p>Disclosures</p> <p>120. To meet the objective in paragraph 119, an acquirer shall disclose the following information for each acquisition that occurs during the reporting period:</p> <p>(p) For each acquisition in which the acquirer owns less than 100 percent of the quantifiable ownership interests or equivalent in the acquired operation at the acquisition date:</p> <p>...</p> <p>(ii) For each non-controlling interest in an acquired transaction measured at fair value,</p>

<p>The IPSASB decided that no amendments will be made to IPSAS 40. required and the measurement of an asset within the scope of IPSAS 40 should continue to be determined by reference to the relevant IPSAS.</p>	<p>the valuation technique(s) and significant inputs used to measure that value. The IPSASB replaced the term "valuation techniques" with the term "measurement techniques" to maintain consistency with new terminology introduced in IPSAS 46, Measurement.</p>
<p>IPSAS 41, Financial Instruments</p> <p>Part 3 - Amendments to replace "valuation techniques" with "measurement techniques" to maintain consistency with new terminology introduced in IPSAS 46</p> <p>Paragraphs AG124, AG130, AG135 and AG136 are amended. Paragraph 156l is added.</p> <p>New text is underlined and deleted text is crossed out.</p> <p>The IPSASB decided that current operating value is not an applicable measurement basis for financial assets because they are not held for their operating capability.</p>	<p>According to IPSASB with all amendments giving relevance.</p> <p>Effective date 156l. Paragraphs AG124, AG130, AG135 and AG136 are amended by Part 3 of ED 90, Amendments to IPSASs Resulting from the Application of IPSAS 46, Measurement, issued in [month] [year].</p> <p>An entity shall apply these amendments to annual financial statements covering periods beginning on or after 1 January [Year] retrospectively in accordance with IPSAS 3. Earlier application is permitted. If an entity applies these amendments to an earlier period, it shall disclose that fact.</p> <p>The IPSASB replaced the term "valuation techniques" with the term "measurement techniques" to maintain consistency with new terminology introduced in IPSAS 46, Measurement.</p>
<p>IPSAS 43, Leases</p>	<p>According to the IPSASB with all the modifications giving relevance</p> <p>The IPSASB decided that current operating value is an applicable subsequent measurement basis for right-of-use assets held for their operating capacity when subsequently measured in accordance with IPSAS 45, Property, Plant and Equipment.</p> <p>ED 90 does not propose any amendments because IPSAS 43 cross-references IPSAS 16 and IPSAS 45 for subsequent measurement of right-of-use assets at current values, where appropriate subsequent measurement guidance is available.</p>
<p>IPSAS 45, Property, Plant and Equipment- IPSAS 46, Measurement</p> <p>Part 3 - Amendments to replace "valuation techniques" with "measurement techniques" for consistency</p>	<p>According to IPSASB with all amendments giving relevance.</p> <p>Part 3 - Measuring Present Value</p>

<p>with new terminology introduced in IPSAS 46.</p> <p>Paragraphs 79(a) and 81(d) are amended.</p> <p>Paragraph 87E is added. New text is underlined and deleted. Text is struck through.</p> <p>Part 1- Modifications to:</p> <ul style="list-style-type: none">• Clarify the application of the "least costly" principle when measuring current operating value <p>Paragraphs 23, B4 to B6 and B9 are amended.</p> <p>Paragraph 56A is added. New text is underlined and deleted text is struck through.</p>	<p>79. An entity shall disclose information that assists users of its financial statements in evaluating both of the following:</p> <p>(a) For property, plant and equipment that are measured at current operating value or fair value in the statement of financial position after initial recognition, the measurement valuation</p> <p>Techniques and inputs used to develop these measurements.</p> <p>Part 1 - Current Operating Value Basis</p> <p>23- on assets and related amortization, depreciation, etc., using updated information to reflect conditions at the measurement date.</p> <p>Therefore, current operating value reflects changes in asset values since the previous measurement date. Similar to fair value and cost of fulfillment, current operating value does not depend, even in part, on the transaction or event that gave rise to the asset.</p> <p>These amendments are the main ones of IPSAS 46 - Measurement</p>
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