



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

This summary provides an overview of [ED 90, *Amendments to IPSAS as a Result of the Application of IPSAS 46, Measurement*](#)

Project Objective:	The primary objective of the ED is to propose amendments to add the current operational value measurement basis across relevant IPSAS.
Project Stage:	The International Public Sector Accounting Standards Board® (IPSASB®) issued the consultation in August 2024.
Next Steps	The IPSASB seeks feedback on the proposal in the ED to update the suite of IPSAS for the measurement requirements in IPSAS 46, <i>Measurement</i> issued in May 2023.
Comment Deadline:	ED 90 is open for public comment through November 29, 2024.
How To Respond:	Respondents are asked to submit their comments electronically through the IPSASB website, using the “Submit a Comment” . Please submit comments in both a PDF <u>and</u> Word file. Comments must be received in English to be considered. All comments will be considered a matter of public record and will ultimately be posted on the website.

Project Overview

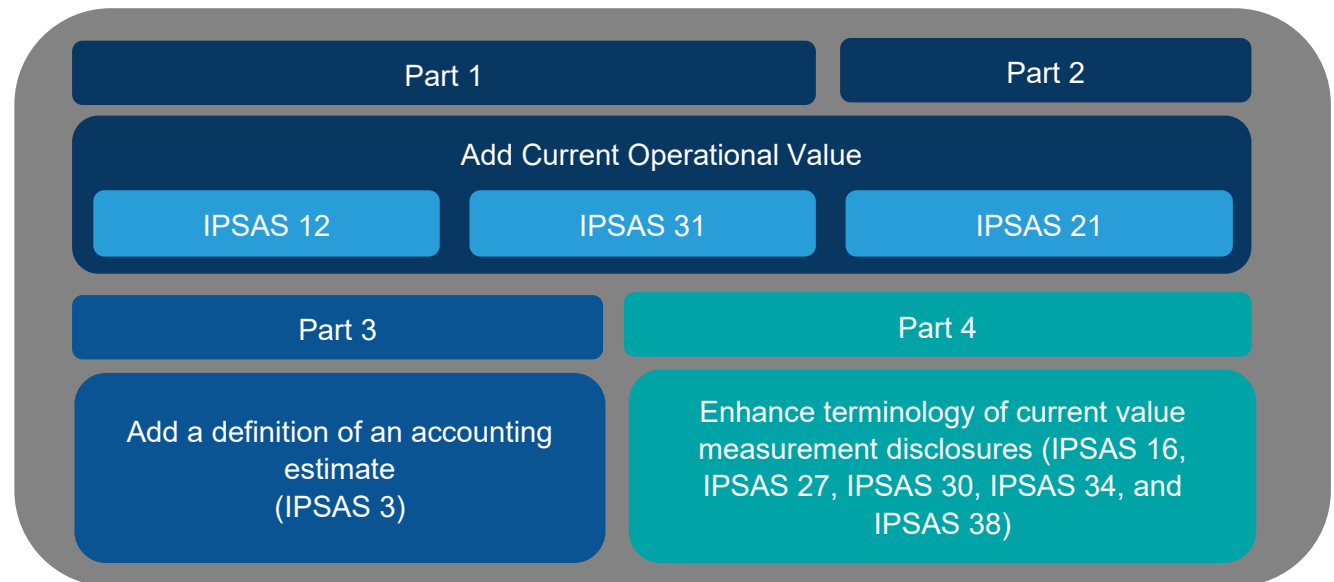
This project proposes amendments to IPSAS to add current operational value, a definition of an accounting estimate, and enhance the terminology used across current value measurement disclosures.

Why the IPSASB undertook this project

In March 2023, the IPSASB began the 'limited scope' phase of the measurement project with the primary objective of evaluating the applicability of current operational value across existing IPSAS, in the context of the principles in [IPSAS 46, Measurement](#), and the Updated Conceptual Framework: [Chapter 7, Measurement of Assets and Liabilities in Financial Statements](#) issued in May 2023.

The Structure of ED 90

ED 90 is split into four parts:



Amendments to Add Current Operational Value

ED 90 proposes to add current operational value in IPSAS 12, IPSAS 21, and IPSAS 31.

Current operational value across IPSAS

After publishing IPSAS 46 in May 2023, the IPSASB started the analysis of the applicability of current operational value across existing IPSAS. The IPSASB evaluated aligning the measurement methodology of existing IPSAS with the updated measurement methodology in IPSAS 46.

ED 90 proposes to add current operational value to the following IPSAS:

Inventories (IPSAS 12)

ED 90 proposes to add current operational value:

- (a) At initial measurement, for inventories acquired in non-exchange transactions; and
- (b) At subsequent measurement, for inventories held for their operational capacity.

The addition of current operational value, for the measurement of inventories, held for other purposes than the generation of cash flows, is expected to result in more relevant and faithful measurement information.

Intangible Assets (IPSAS 31)

ED 90 proposes to add current operational value:

- (a) At initial measurement, for intangible assets acquired in non-exchange transactions; and

- (b) At subsequent measurement, for intangible assets held for their operational capacity, when an entity chooses the current value model.

The addition of current operational value for intangible assets held for their operational capacity is expected to result in more relevant and faithful measurement information.

Impairment of Non-Cash Generating Assets (IPSAS 21)

ED 90 proposes to:

- (a) Update the definition of recoverable service amount in IPSAS 21 to the higher of fair value less costs to sell and current operational value; and
- (b) Remove depreciated replacement cost, restoration cost, and service unit approaches from IPSAS 21.

The replacement of value in use of a non-cash operating asset with current operational value aligns recoverable service amount with the updated measurement methodology in IPSAS 46.

Other Amendments in ED 90

ED 90 proposes the addition of a definition of accounting estimates to IPSAS 3 and the enhancement of the current value measurement disclosure terminology across relevant IPSAS.

Definition of an Accounting Estimate

ED 90 proposes to introduce a definition of accounting estimates aligned with IPSAS 46 terminology.

The addition of a definition of accounting estimate is expected to help entities better distinguish changes in accounting estimates from changes in accounting policies.

The accounting estimate definition proposed in ED 90 leverages the terminology introduced by IPSAS 46 subsequent measurement framework (i.e., measurement techniques).

Current Value Measurement Disclosures

ED 90 proposes to streamline the terminology used in the current value measurement disclosure requirements across IPSAS by removing the term 'recurring or non-recurring'.

This terminology is considered redundant as the current value measurement disclosures are in the specific IPSAS that indicates the measurement requirements, as opposed to consolidating current value measurement disclosures in IPSAS 46.

Next Steps

The deadline for comments is November 29, 2024.

The IPSASB members are available to discuss the proposals during the comment period.



How Can I Comment on the Proposals?

The ED includes Specific Matters for Comment (SMCs) on which the IPSASB is seeking views.

Respondents may choose to answer all SMCs or just a selected few. The IPSASB welcomes comments on any other matters within the scope of the project that respondents think it should consider in forming its views.

Respondents are asked to submit their comments electronically through the IPSASB website, using the “[Submit a Comment](#)” link. Please submit comments in both a PDF [and](#) a Word file.

All Comments will be considered a matter of public record and will be posted on the IPSASB website.

The IPSASB will carefully consider all feedback and discuss responses at its public meetings after the comment period has ended.

Stay Informed

The IPSASB’s website will indicate the meetings at which feedback on the ED will be discussed. The dates and the locations of the 2025 meetings are available at:

<https://www.ipsasb.org/meetings>

To stay up to date about the project, please visit:

<https://www.ipsasb.org/consultations-projects/measurement-application-current-operational-value>

Specific Matters for Comment

The three Specific Matters for Comment asked in ED 90 cover the following issues:

SMC 1: The applicability of current operational value in IPSAS 12, *Inventories*, and IPSAS 31, *Intangible Assets*.

SMC 2: The applicability of current operational value as a subsequent measurement of right-of-use assets.

SMC 3: The replacement of value in use of a non-cash-generating asset with current operational value.