



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

This summary provides an overview of ED 91, *Limited-scope Updates to First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSAS)* (Amendments to IPSAS 33).

- Project Objective:** The objective of this ED is to propose to clarify and restructure existing guidance, and add new non-authoritative guidance to IPSAS 33, *First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs)* to help public sector entities adopt accrual basis IPSAS.
- Project Stage:** The International Public Sector Accounting Standards Board® (IPSASB®) issued ED 91 in August 2024.
- Next Steps:** The IPSASB seeks feedback on ED 91 to guide it in developing a final International Public Sector Accounting Standard® (IPSAS®) that clarifies existing guidance and adds new non-authoritative guidance on first-time adoption of accrual basis IPSAS.
- Comment Deadline** ED 91 is open for public comment through December 13, 2024.
- How To Respond:** 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 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 limited-scope project aims to address stakeholder concerns with the application and user-friendliness of IPSAS 33.

Why the IPSASB Undertook this Project

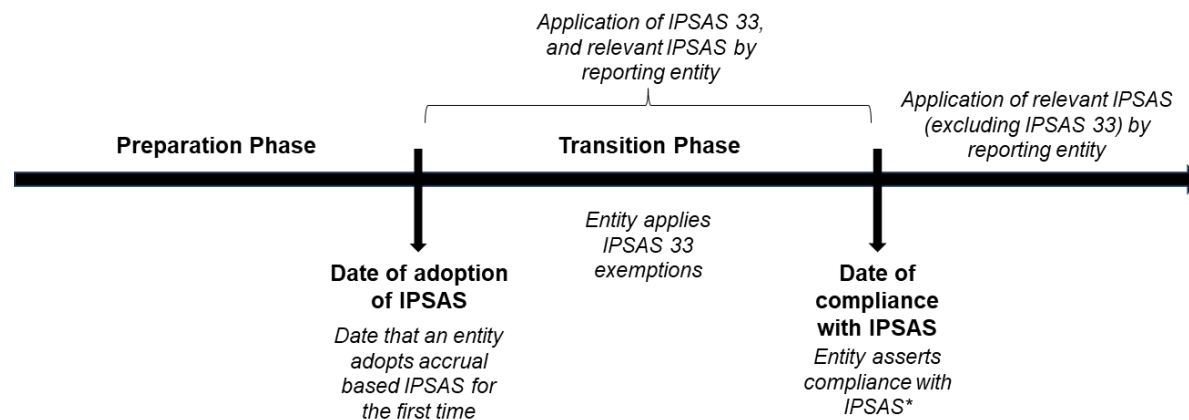
IPSAS 33, first issued in 2015, supports public sector entities with their transition to accrual basis IPSAS. The Standard does not prescribe the recognition, measurement, presentation and disclosure for financial statement items, as these accounting requirements are in other IPSAS. Rather, IPSAS 33 provides exemptions to help entities that are taking a phased approach to their transition to accrual basis IPSAS.

Constituent feedback highlighted two key challenges with the application of IPSAS 33:

- IPSAS 33 is to be applied from the date of adoption of IPSAS, for a maximum of three years (see diagram below). However, first-time adopters expect IPSAS 33 to be applied before the date of adoption for the entire transition process to accrual basis IPSAS; and
- IPSAS 33 provides first-time adopters certain exemptions for a maximum of three years. While entities are encouraged to stop using exemptions earlier in the transition period, the current guidance has unintentionally resulted in delayed recognition, measurement, and disclosure of certain items until the end of the transition period.

To address these challenges and better facilitate the adoption of IPSAS, the ED:

- Does not propose to change the scope, objective, nor available exemptions in IPSAS 33;
- Clarifies where in an entity's transition journey IPSAS 33 would be "applicable", as illustrated in the diagram below; and
- Overall proposes amendment to improve the user-friendliness and effective application of the Standard.



Amendments to IPSAS 33

ED 91 proposes to make IPSAS 33 more user friendly and effective by enhancing existing authoritative guidance and adding new non-authoritative guidance.

Proposals to Enhance IPSAS 33

ED 91 does not propose to change the scope, objective, nor available exemptions in the Standard. Rather, ED 91 proposes amendments to improve the user-friendliness and effective application of IPSAS 33 by:

- (a) Grouping existing authoritative guidance, and accompanying Basis for Conclusions, by topic (e.g., general principles, accounting boundaries, non-financial assets, etc.), to make the guidance more accessible for a more effective approach to adopting accrual basis IPSAS;
- (b) Revising existing guidance to encourage the first-time adopter who may elect to use any available exemptions in IPSAS 33, to stop using those exemptions as soon as possible in the transition period; and
- (c) Adding new non-authoritative guidance, particularly Implementation Guidance, to support constituents in tackling common and prevalent IPSAS 33 application challenges.

ED 91 also reflects proposals in ED 90, *Amendments to IPSAS as a result of the Application of IPSAS 46, Measurement*, on the applicability of Current Operational Value in its guidance on the application of deemed cost. Respondents are encouraged to consider the two EDs concurrently.

Furthermore, ED 91 proposes to include the definition of deemed cost from IPSAS 46, *Measurement* given its importance to the application of deemed cost exemptions in IPSAS 33.

Addressing Application Challenges

ED 91 proposes to add new Implementation Guidance to address common and prevalent challenges first-time adopters may face in using IPSAS 33, including but not limited to:

- (a) The objective and scope of IPSAS 33;
- (b) Key definitions to support effective application;
- (c) The use of exemptions;
- (d) The application of deemed cost;
- (e) Exceptions to the retrospective application of IPSAS, regarding the basis of preparation and changes in estimates;
- (f) Presentation and disclosure requirements when IPSAS 33 exemptions are used; and
- (g) Other considerations related to the planning and preparation phase of IPSAS transition.

The new Implementation Guidance was developed with the support of recent IPSAS 33 users from various jurisdictions to effectively address implementation challenges that are prevalent for first-time adopters.

Next Steps

The deadline for comments is **December 13, 2024**.

During the comment period, the IPSASB members, technical advisors, and/or staff are available to discuss the proposals with a wide range of parties.



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 one or both SMCs. The IPSASB welcomes comments on any other matters within the scope of the project that respondents think the IPSASB should consider in forming its views.

ED 91 is accompanied by two pieces of supplemental material. Respondents are not required to review the supplemental materials, as these are only provided to support respondents in understanding the proposed amendments to IPSAS 33, and which paragraphs were retained, revised, moved, or deleted.

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. Comments must be received in English to be considered.

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.

Specific Matters for Comment

The two SMCs asked in ED 91 cover the following two issues:

SMC 1: Proposed amendments to IPSAS 33, to enhance the authoritative guidance; and add new non-authoritative guidance.

SMC 2: Proposed inclusion of the definition of deemed cost from IPSAS 46.

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 upcoming 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/ipsas-33-limited-scope-update>