Amendments to IPSAS Standards: Specific IFRIC Interpretations

This summary provides an overview of *Amendments to IPSAS Standards: Specific IFRIC Interpretations*.

Project Objective: The objective of this project was to amend IPSAS® Accounting Standards to add guidance, aligned with Interpretations developed by the IFRS Interpretations Committee, to clarify the application of existing principles in specific IPSAS Standards.

Approved: The International Public Sector Accounting Standards Board® (IPSASB®) approved *Amendments to IPSAS Standards: Specific IFRIC Interpretations* in December 2024. It was issued in January 2025.

Project History: In September 2023, the IPSASB initiated a narrow-scope amendments project to review IFRIC and SIC Interpretations issued by the IFRS Interpretations Committee but not yet considered by the IPSASB for applicability in the public sector.

Based on its analysis, the IPSASB issued *Exposure Draft (ED) 89, Amendments to Consider IFRIC Interpretations* in April 2024.

Responses to ED 89 were considered in developing the final pronouncement, *Amendments to IPSAS Standards: Specific IFRIC Interpretations*.

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Project Overview

This project introduces additional guidance to clarify the application of existing accounting principles in the IPSAS Standards.

Maintaining Alignment

The IPSASB develops accrual IPSAS Standards for the international public sector and aligns with IFRS where appropriate for the public sector.

To support the development of IPSAS Standards, and IFRS alignment where appropriate, the IPSASB considers Interpretations issued by the IFRS Interpretations Committee (IFRIC) and former Standing Interpretations Committee (SIC). Each Interpretation addresses a specific application matter and provides guidance to support consistent application of accounting principles.

The IPSASB initiated this project to review and consider IFRIC and SIC Interpretations to determine whether they are applicable to the public sector and whether they should be incorporated into IPSAS Standards.

Interpretations Considered

The following IFRIC and SIC Interpretations were considered in this project to determine whether they are applicable to the public sector:

- IFRIC 1 *Changes in Existing Decommissioning, Restoration and Similar Liabilities*;
- IFRIC 5 *Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds*;
- IFRIC 6 *Liabilities arising from Participating in a Specific Market—Waste Electrical and Electronic Equipment*;
- IFRIC 7 *Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies*;
- IFRIC 14 *IAS 19—The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*;
- IFRIC 21 *Levies*; and
- SIC-7 *Introduction of the Euro*.

Amendments to IPSAS Standards

This pronouncement adds authoritative guidance to IPSAS, based on four IFRIC Interpretations, to help entities better understand and apply existing IPSAS principles.

Guidance Incorporated into IPSAS

The IPSASB concluded that guidance in four IFRIC Interpretations in the scope of this project are applicable to the public sector, and have incorporated guidance based on these Interpretations into the IPSAS Standards. The additional guidance does not change the existing accounting principles; rather it clarifies the application of existing principles to specific matters.

IFRIC Interpretation	Amended IPSAS	Summary of Proposed Amendments
IFRIC 1 *Changes in Existing Decommissioning, Restoration and Similar Liabilities*	IPSAS 19, *Provisions, Contingent Liabilities and Contingent Assets*	Clarification on accounting for changes in estimates for liabilities to dismantle, remove, and restore assets.
	IPSAS 43, *Leases*	
	IPSAS 45, *Property, Plant, and Equipment*	
IFRIC 5 *Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds*	IPSAS 19	Clarification on accounting for obligations to pay costs and related interests in that decommissioning fund.
IFRIC 7 *Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies*	IPSAS 10, *Financial Reporting in Hyperinflationary Economies*	Clarification on how to identify the existence of hyperinflation in the economy of its functional currency when the economy was not hyperinflationary in the prior period.
IFRIC 14 *IAS 19—The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*	IPSAS 39, *Employee Benefits*	Clarification on how to consider limits on the defined benefit asset and minimum funding requirements when accounting for its post-employment defined benefits.

Guidance Not Incorporated into IPSAS

The IPSASB did not incorporate guidance based on three IFRIC or SIC Interpretations. A summary of its rationale is provided below.

IFRIC or SIC Interpretation	Summary of IFRIC or SIC Interpretation	IPSASB's Rationale for Not Incorporating into IPSAS
IFRIC 6 *Liabilities Arising from Participating in a Specific Market—Waste Electrical and Electronic Equipment*	To clarify when an entity that produces electrical and electronic equipment for household use and is required under legislation to pay e-waste management costs should recognize a provision for waste management costs.	The IPSASB decided that the guidance in IFRIC 6 would rarely be applicable in the public sector, and therefore did not include this in IPSAS Standards.
IFRIC 21 *Levies*	To clarify how an entity should account for an obligation to pay levies imposed by a government.	The IPSASB decided to monitor developments on the IASB's current *Provisions – Targeted Improvements* project, and reconsider IFRIC 21 after the IASB completes its project.
SIC-7 *Introduction of the Euro*	To clarify how an entity in a country participating in the Economic and Monetary Union (EMU) should account for the change from its national currency to the euro.	The IPSASB decided to further consider public sector challenges regarding the application of IPSAS 4, *The Effects of Changes in Foreign Exchange Rates* in its future work program.

Effective Date and Project History

The effective date of the amendments to IPSAS Standards is January 1, 2026.

Effective Date

The effective date of the amendments to IPSAS Standards, presented in *Amendments to IPSAS Standards: Specific IFRIC Interpretations* is January 1, 2026, with earlier application permitted.

The IPSASB selected this effective date because it:

(a) Is broadly consistent with the implementation period offered with respect to *Improvements to IPSAS* and IFRIC Interpretations; and

(b) Enables public sector entities time to prepare for and implement the amendments.

Project History

To learn more about the project, and to view the consultation documents and responses, please visit the IPSASB website:

IPSASB papers and minutes:

- December 2023
- March 2024
- September 2024
- December 2024

Public Consultation:

- ED 89 and responses