



IPSAS Exposure Draft (ED) 93, *Definition of Material* (Amendments to IPSAS 1, IPSAS 3, and the Conceptual Framework)

This summary provides an overview of IPSAS ED 93, *Definition of Material* (Amendments to IPSAS 1, IPSAS 3, and the Conceptual Framework)

- Project Objective:** The objective of the ED is to align the definition of material between the Conceptual Framework and IPSAS® Accounting Standards.
- Project Stage:** The International Public Sector Accounting Standards Board® (IPSASB®) issued IPSAS ED 93 in May 2025.
- The IPSASB seeks feedback on IPSAS ED 93 to guide it in developing a final pronouncement that amends the definition of material in IPSAS Standards to align with the concept of materiality in the Conceptual Framework.
- Comment Deadline:** IPSAS ED 93 is open for public comment through July 14, 2025.
- 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

The purpose of the *Making Materiality Judgements* project is to develop guidance on making materiality judgements when preparing general purpose financial reports in accordance with IPSAS and IPSASB SRS Standards.

Why the IPSASB Undertook this Project

The IPSASB received feedback on its [2021 Mid-Period Work Program Consultation](#), highlighting that some entities have difficulties making materiality judgments and tend to use disclosure requirements in IPSAS Standards as a checklist instead of applying judgement on what information is material and should be included in the general-purpose financial statements (GPFS).

The project will be undertaken in three distinct phases, each with its unique scope:

Phase 1—Enhance consistency of the definition of ‘material’:

- Enhance consistency of the definition of ‘material’ between the Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities and IPSAS Standards.

Phase 2—Materiality in IPSAS Standards:

- Development of non-authoritative guidance aligned with IFRS® Practice Statement 2 Making Materiality Judgements (narrow scope project).

Phase 3—Materiality in IPSASB SRS Standards:

- Develop guidance on making materiality judgments when preparing sustainability reporting in accordance with IPSASB SRS Standards.

Phase 1 – Consistent Definition of Material

IPSAS ED 93 proposes adding 'primary' before 'users' in the definition of material, clarifying the materiality threshold, and that obscuring information is a factor of materiality.

Clarification of the concept of materiality in Chapter 3 of the Conceptual Framework

IPSAS ED 93 proposes to clarify that an entity is required to consider the information needs of primary users instead of other users of general purpose financial reports when applying the concept of materiality. To achieve this, the IPSASB proposes to add 'primary' before 'users' to the concept of materiality, described in paragraph 3.32 in the Conceptual Framework.

Proposed amendments to the definition of material in IPSAS 1

IPSAS ED 93 proposes to align the definition of material in IPSAS 1 with the concept of materiality in paragraph 3.32 of the Conceptual Framework. Specifically, IPSAS ED 93 proposes to:

- Add 'primary' ahead of 'users', as financial statements need to meet the information needs of primary users instead of other users;
- Clarify the materiality threshold from 'could influence' to 'could reasonably be expected to influence'; and
- Add obscuring information as a materiality factor, as providing too much information can obscure material information.

IPSAS ED 93 proposes information is material if omitting, misstating or obscuring it could reasonably be expected to influence the discharge of accountability by the entity, or the decisions that primary users make on the basis of the entity's general purpose financial statements prepared for that reporting period.

Next Steps

The deadline for comments is July 14, 2025.

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



How Can I Comment on the Proposals?

The ED seeks comments on the proposed amendments. The IPSASB welcomes comments on any matters within the IPSAS ED's scope that respondents think it should consider in forming its views.

Respondents are asked to submit their comments electronically through 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/making-materiality-judgments>