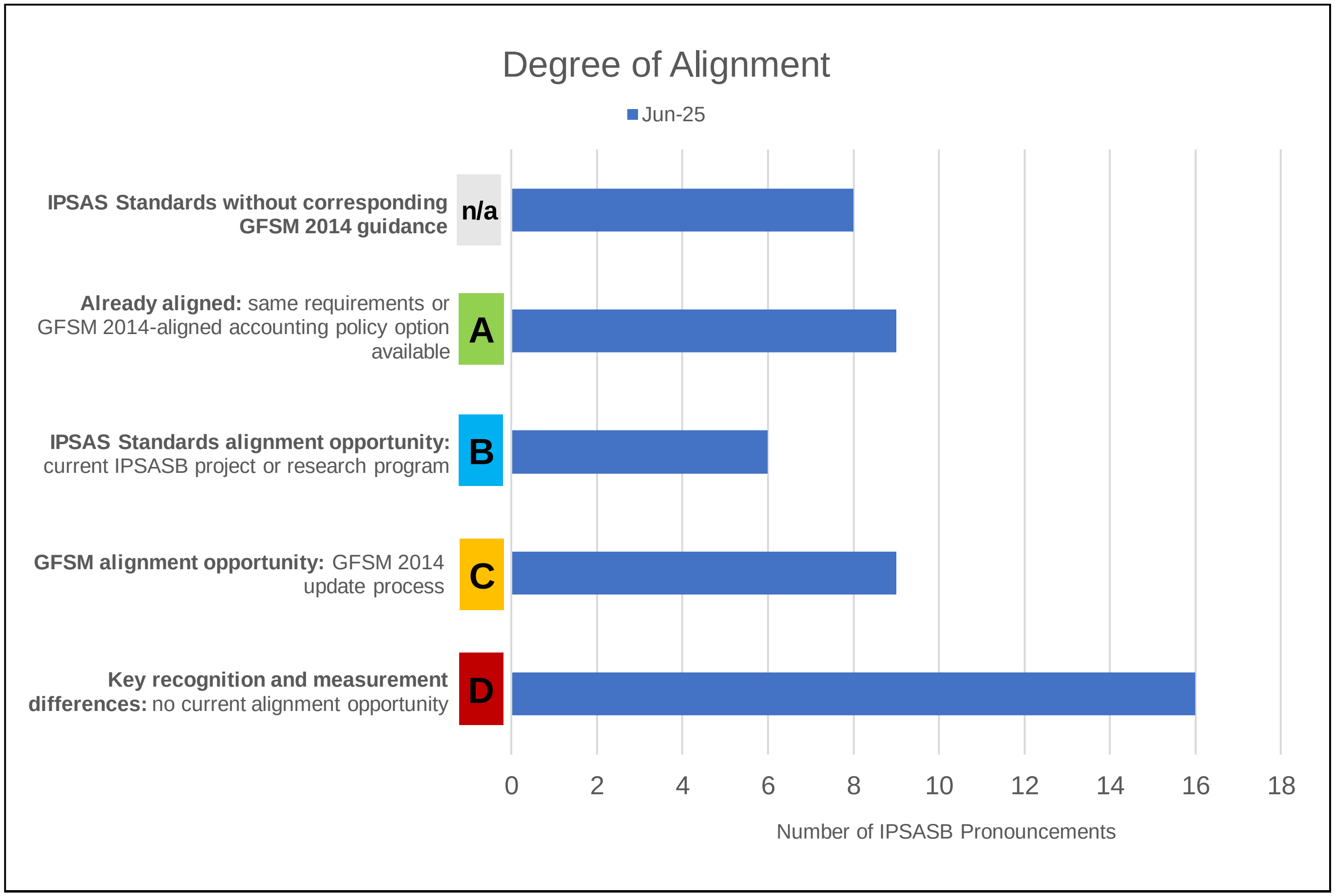
IPSAS Standards-GFSM 2014 Alignment[1] Overview[2][3]



[1] The term 'alignment' refers to the formal processes the IPSASB® follows to assess the applicability of IFRS® Accounting Standards and/or International Statistical Standards (ISS) requirements when developing pronouncements which faithfully represent the economic substance of transactions in the public sector. Through these processes the IPSASB aims to reduce unnecessary differences with these sources of guidance when they can also be applied in the public sector context.

[2] The legend is only related to recognition and measurement requirements. In IPSAS® Standards, the legend is related to possible future alignment between IPSAS Standards and GFSM 2014.

[3] Staff assessment.

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Alignment Impact of Key Changes Since March 2025

IPSASB Pronouncements:

- n/a

GFSM:

- n/a

References:

[IMF Government Finance Statistics Advisory Committee (GFSAC)]
[Update of the Government Finance Statistics Manual 2014 (GFSM 2014)]
[IPSASB, Consultation Paper, *IPSAS and Government Finance Statistics Reporting Guidelines*, 2012]

Table 1 – Alignment Between IPSAS Standards/RPG Guidelines and GFSM 2014—Summary

IPSAS Standards	GFSM 2014	Status
1, Presentation of Financial Statements	4.16-4.50	B
2, Cash Flow Statements	4.32-4.35	A D
3, Accounting Policies, Changes in Accounting Estimates and Errors	A6.46	B
4, The Effects of Changes in Foreign Exchange Rates	3.31; 10.44	A
5, Borrowing Costs	6.62-6.83	A
10, Financial Reporting in Hyperinflationary Economies	–	n/a
12, Inventories	7.20-7.33; 7.75-7.86; 10.16-10.17	D
14, Events after the Reporting Date	ESA 20.189 MGDD II.7	D
16, Investment Property	7.4-7.12; 7.20-7.33;	A D
18, Segment Reporting	–	B
19, Provisions, Contingent Liabilities and Contingent Assets	7.251-7.260	C
20, Related Party Disclosures	–	n/a
21, Impairment of Non-Cash-Generating Assets	10.1-10.69	D
22, Disclosure of Financial Information about the General Government Sector	–	B
24, Presentation of Budget Information in Financial Statements	–	n/a
26, Impairment of Cash-Generating Assets	10.1-10.69	D

IPSAS Standards	GFSM 2014	Status
27, Agriculture	7.20-7.33; 7.59-7.63; 10.70	D
28, Financial Instruments: Presentation	7.118-7.124; 7.143-7.177; 7.203-7.226;	D
29, Financial Instruments: Recognition and Measurement	7.118-7.124; 7.143-7.177; 7.203-7.226;	D
30, Financial Instruments: Disclosures	7.236-7.260; 7.262	n/a
31, Intangible Assets	7.20-7.33; 7.64-7.73; 7.104	A D
32, Service Concession Arrangements: Grantor	A4.58-A4.65	C
33, First-time Adoption of Accrual Basis IPSAS	–	n/a
34, Separate Financial Statements	–	n/a
35, Consolidated Financial Statements	3.152-3.166	A
36, Investments in Associates and Joint Ventures	2.140-2.143; A4.40	D
37, Joint Arrangements	2.140-2.143; A4.40	D
38, Disclosure of Interests in Other Entities	–	n/a
39, Employee Benefits	7.189-7.202; 7.261	C
40, Public Sector Combinations	7.113-7.117	D
41, Financial Instruments	7.118-7.124; 7.143-7.177;	C
42, Social Benefits	7.261	C

IPSAS Standards	GFSM 2014	Status
43, Leases	7.108; A4.4-A4.17;	A D
44, Non-Current Assets Held for Sale and Discontinued Operations	–	D
45, Property, Plant, and Equipment	6.53-6.61; 7.4-7.12; 7.20-7.57;	C
46, Measurement	3.107-3.129	C
47, Revenue	5.1-5.151; A3.1-A3.36	B
48, Transfer Expenses	6.1-6.8;6.84-6.95;	B
49, Retirement Benefit Plans	7.189–7.200	A
50, Exploration for and Evaluation of Mineral Resources	8.37-8.39	A D

RPG Guidelines	GFSM 2014	Status
RPG 1, Reporting on the Long-Term Sustainability of an Entity's Finances	–	C
RPG 2, Financial Statement Discussion and Analysis	–	C
RPG 3, Reporting Service Performance Information	–	n/a

Table 2 – GFSM 2014 Update Research Projects by Task Team				
#	**IPSAS Standards**	**Name**	**Current Alignment Degree**	**Outcome of GFSM 2014 Update**
		Task Team 1: GFS compilation		
2.1	N/A	Boundary between government and nonfinancial public corporations	C	
2.14	IPSAS 32, *Service Concession Arrangements: Grantor*	Treatment of public private partnerships (PPPs)	C	
2.21	IPSAS 42, *Social Benefits*	Social Security Schemes	C	
2.22	IPSAS 42, *Social Benefits*	Government assumption of pension obligations	C	
2.23	IPSAS 39, *Employee Benefits*	Employee benefits – defined benefit schemes	C	
2.17	N/A	Boundary between capital and current transfers	C	
2.6	N/A	Defining and subclassifying extrabudgetary units	n/a	
2.7	N/A	Government or public nonlife insurance schemes	C	
2.5	N/A	Treatment of zakat	n/a	
2.3	N/A	Indigenous governments	n/a	
		Task Team 2: Debt and Other Monetary and Financial topics		
2.8	IPSAS 41, *Financial Instruments*	Debt valuation issues	C	
2.15	IPSAS 41, *Financial Instruments*	Treatment of capital injections by government into corporations	C	
2.2	N/A	Boundary between government and financial public corporations	C	
2.11	IPSAS 19, *Provisions, Contingent Liabilities, and Contingent Assets*	Recording of provisions and contingent liabilities	C	
2.9	IPSAS 41, *Financial Instruments*	Debt assumption and debt payments on behalf of others	C	
2.13	IPSAS 41, *Financial Instruments*	Equity for public corporations	C	
2.10	IPSAS 41, *Financial Instruments*	Valuation and recognition of loans	C	
2.16	IPSAS 41, *Financial Instruments*	Treatment of privatization	C	

Table 2 – GFSM 2014 Update Research Projects by Task Team

#	IPSAS Standards	Name	Current Alignment Degree	Outcome of GFSM 2014 Update
2.12	IPSAS 41, *Financial Instruments*	Stock positions and related flows with the IMF and other regional / international organizations	C	
2.4	IPSAS 41, *Financial Instruments*	Transactions with sovereign wealth funds (SWFs)	C	
		Task Team 3: Environmental topics		
2.19	ED 92, *Tangible Natural Resources*	Accounting for natural resources and their exploitation in GFS	C	
2.18	IPSAS 45, *Property, Plant, and Equipment*	Recording and valuation of infrastructure assets	C	
2.20	IPSAS 48, *Transfer Expenses*	Climate-sustaining and climate damaging subsidies and other transfers	C	
2.26	ED 92, *Tangible Natural Resources*	Presentation of GFS flows related to natural resources	C	
		Task Team 4: Fiscal Analysis & GFS Communication Task team		
2.32	RPG 1, *Reporting on the Long-Term Sustainability of an Entity's Finances* RPG 2, *Financial Statement Discussion and Analysis*	Balance sheet analysis	C	
2.31	RPG 1, *Reporting on the Long-Term Sustainability of an Entity's Finances* RPG 2, *Financial Statement Discussion and Analysis*	GFS within fiscal analysis and policymaking	C	
2.25	N/A	Communicating GFS to users	n/a	
2.27	N/A	Relationship between GFS and IPSAS	n/a	
2.30	N/A	Methodological guidance on compilation and analyzing SOE data	n/a	
2.24	N/A	A framework for the presentation of GFS metadata	n/a	
2.28	N/A	Tax expenditures, tax deferrals, and other similar incentives	n/a	
2.29	N/A	Retained earnings of public corporations and their impact on fiscal analysis	n/a	

Table 3 – IPSAS Standards and GFSM 2014—Supporting Detail (updated on May 20, 2025)

IPSAS Standards	GFSM 2014	Status	Category A: Already Aligned	Category D: Key Differences	Categories B and C: Alignment Opportunities
Presentation of Financial Statements					
IPSAS 1 (Revised December 2006)	4.16-4.50	B	• IPSAS 1 includes Statement of Financial Position, Statement of Financial Performance, Statement of Changes in Net Assets/Equity and GFSM 2014 includes a Balance Sheet, a Statement of Operations, and a Statement of Other Economic Flows.	• IPSAS 1 and GFSM 2014 have different names for the financial statements. • The GFSM 2014 Statement of Other Economic Flows is partly captured in the IPSAS Statement of Financial Position, Statement of Changes in Net Assets/Equity and Statement of Financial Performance. • IPSAS 1 requires that assets and liabilities be presented as current and noncurrent, except when a presentation based on liquidity provides information that is faithfully representative and is more relevant. GFSM 2014 does not make this distinction in its financial statements, but allows a supplementary table on the maturity structure of government's financial assets and liabilities to be compiled. • IPSAS 1 does not require assets to be presented as financial and nonfinancial, while GFSM 2014 requires. • IPSAS 1 does not require the presentation of financial assets and liabilities as domestic and foreign/external, while GFSM 2014 requires. • IPSAS 1 does not require or permit liabilities to be presented in the Statement of Financial Position classified by sector of the counterparty and maturity, while GFSM 2014 permits. • The minimum items to be presented in the financial statements are different. • IPSAS 1 requires only as minimum comparative information for the preceding period, while GFSM 2014 information is usually presented in a time series of data. • The Classification of Functions of Government (COFOG) is only used in GFSM 2014.	**Category B: IPSAS Standards** • IPSASB project on Presentation of Financial Statements in the Public Sector. • IPSASB project on Presentation of Financial Statements in the Public Sector for enhanced alignment with Classification of Functions of Government (COFOG) categories.

Table 3 – IPSAS Standards and GFSM 2014—Supporting Detail

IPSAS Standards	GFSM 2014	Status	Category A: Already Aligned	Category D: Key Differences	Categories B and C: Alignment Opportunities
Cash Flow Statements					
IPSAS 2 (May 2000)	4.32-4.35	A D	• IPSAS 2 includes Cash Flow Statements and GFSM 2014 includes a Statement of Sources and Uses of Cash. • IPSAS 2 and GFSM 2014 classify the cash flows during the period as operating, investing, and financing activities.	• IPSAS 2 does not require the presentation of cash flows from financing activities as domestic and external, while GFSM 2014 requires.	• No alignment opportunities identified.
Accounting Policies, Changes in Accounting Estimates and Errors					
IPSAS 3 (Revised December 2006)	A6.46	B	• The correction of errors and changes in accounting policies under IPSAS 3 and GFSM 2014 are applied retrospectively. • In IPSAS 3, a change in accounting estimates is recognized prospectively by including it in surplus or deficit in the period of the change, if the change affects the period only, or the period of the change and future periods, if the change affects both. In GFS, revisions arising from changes in estimates (as more information becomes available) must be recorded in the period in which the economic event occurred.	• In practice, it is possible that what GFSM 2014 treats as a correction of an error (and therefore back casts) is treated as a change of estimate under IPSASB Standards (and therefore not back cast).	**Category B: IPSAS Standards** • **B.** Alignment opportunity to provide disclosures to support GFSM 2014 for data series.

Table 3 – IPSAS Standards and GFSM 2014—Supporting Detail

IPSAS Standards	GFSM 2014	Status	Category A: Already Aligned	Category D: Key Differences	Categories B and C: Alignment Opportunities
The Effects of Changes in Foreign Exchange Rates					
IPSAS 4 (Revised April 2008)	3.31; 10.44	A	• Both IPSAS 4 and GFSM 2014 recognize and measure changes in exchange rates.	• In IPSAS 4, exchange rates differences arising on the settlement of monetary items, or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are presented in surplus or deficit in the period in which they arise. • In IPSAS 4, exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation shall be presented in surplus or deficit in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. • In IPSAS 4, in the financial statements that include the foreign operation and the reporting entity (e.g., consolidated financial statements when the foreign operation is a controlled entity), such exchange differences are recognized initially in a separate component of net assets/equity, and presented in surplus or deficit on disposal of the net investment. • In GFSM 2014, exchange rates gains or losses are presented as other economic flows.	• No alignment opportunities identified.
Borrowing Costs					
IPSAS 5 (May 2000)	6.62-6.83	A	• IPSAS 5 permits borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset to be expensed. In GFSM 2014 all borrowing costs as expensed.	-	• No alignment opportunities identified.

Table 3 – IPSAS Standards and GFSM 2014—Supporting Detail

IPSAS Standards	GFSM 2014	Status	Category A: Already Aligned	Category D: Key Differences	Categories B and C: Alignment Opportunities
Financial Reporting in Hyperinflationary Economies					
IPSAS 10 (July 2001)	–	n/a	• Not applicable		
Inventories					
IPSAS 12 (Revised December 2006)	7.20-7.33; 7.75-7.86; 10.16-10.17	D	-	• IPSAS 12 requires any write-down of inventories and all losses of inventories to be recognized as an expense. The amount of any reversal of any write-down of inventories is to be recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs. In GFSM 2014, any change in the value of inventories between the time of acquisition and withdrawal are recorded as holding gains or losses. • IPSAS 12 requires inventories to be measured at the lower of cost and net realizable value for inventories held for sale, and at the lower of cost and current replacement cost for inventories held for distribution or consumption in a nonexchange transaction. GFSM 2014 requires inventories to be valued at current market prices on the balance sheet date. • IPSAS 12 classifies as inventory ('animal produce') animals and plants for one-time use after they harvested/slaughtered, which until then are classified as fixed assets under IPSAS 27. GFSM 2014 classifies animals and plants for one-time use always as inventories.	• No alignment opportunities identified.

Table 3 – IPSAS Standards and GFSM 2014—Supporting Detail					
IPSAS Standards	**GFSM 2014**	**Status**	**Category A: Already Aligned**	**Category D: Key Differences**	**Categories B and C: Alignment Opportunities**
Events After the Reporting Date					
IPSAS 14 (Revised December 2006)		D	-	• IPSAS 14 requires an entity to adjust the amounts recognized in its financial statements, or to recognize items that were not previously recognized related to a settlement after the reporting date of a court case that confirms that the entity had a present obligation at the reporting date. In GFS only when a court of justice rules that compensation must be paid, or a transaction reversed, resulting from or related to past events, the time of recording of the expenditure or revenue is when the claimants have an automatic and incontrovertible right for a given amount that can be individually determined, and when it is unlikely that claimants will fail requesting their due. When a court of justice merely sets a principle of compensation, or when the claims must be reviewed for eligibility and in relation to determination of the amount by administrative services, expenditure or revenue is recorded as soon as the value of the obligation is reliably determined. Amounts should not be distributed over the past periods when they accrued, except for that part of the claims that were not the subject of controversy.	• No alignment opportunities identified.
Investment Property					
IPSAS 16 (Revised December 2006)	7.4-7.12; 7.20-7.33;	A D	• IPSAS 16 allows fair value measurement at initial and after recognition. In GFS, assets are measured at market value.	• IPSAS 16 allows subsequent measurement at historical cost, while GFS only allows market value. • In IPSAS 16 fair value model, changes in the fair value after recognition are recognized in surplus or deficit. In GFS, changes in market value are recognized as other economic flows. • In IPSAS 16, transaction costs are included in the measurement of investment property at initial recognition. In GFS, ownership transfer costs are expensed.	• No alignment opportunities identified.

Table 3 – IPSAS Standards and GFSM 2014—Supporting Detail

IPSAS Standards	GFSM 2014	Status	Category A: Already Aligned	Category D: Key Differences	Categories B and C: Alignment Opportunities
Segment Reporting					
IPSAS 18 (June 2002)	–	B	-	-	**Category B: IPSAS Standards** • Possible future IPSASB project on Segment Reporting opportunity for enhanced alignment with Classification of Functions of Government (COFOG) categories.
Provisions, Contingent Liabilities and Contingent Assets					
IPSAS 19 (October 2002)	7.251-7.260	C	-	• GFSM 2014 distinguishes explicit contingent liabilities and implicit contingent liabilities. IPSAS 19 does not make such distinction. • IPSAS 19 recognizes provisions, including constructive obligations. GFSM 2014 does not recognize provisions, including constructive obligations.	**CATEGORY C: GFSM 2014** • Research Project 2.11 – Recording of provisions and contingent liabilities
Related Party Disclosures					
IPSAS 20 (October 2002)	–	n/a	• Not applicable.		

Table 3 – IPSAS Standards and GFSM 2014—Supporting Detail

IPSAS Standards	GFSM 2014	Status	Category A: Already Aligned	Category D: Key Differences	Categories B and C: Alignment Opportunities
Impairment of Non-Cash-Generating Assets					
IPSAS 21 (December 2004)	10.1-10.69	D	-	• IPSAS 21 uses different methodology to measure the recoverable service amount. • IPSAS 21 recognizes an impairment loss in surplus or deficit, unless the asset is carried at revalued amount in accordance with another Standard. GFSM 2014 recognizes changes in the value of assets as other economic flow.	• No alignment opportunities identified.
Disclosure of Financial Information about the General Government Sector					
IPSAS 22 (December 2006)	–	B	-	-	**Category B: IPSAS Standards** • **B.** Project "Strengthening Linkages Between IPSAS Standards and GFSM".
Presentation of Budget Information in Financial Statements					
IPSAS 24 (December 2006)	–	n/a	• Not applicable.		
Impairment of Cash-Generating Assets					
IPSAS 26 (February 2008)	10.1-10.69	D	-	• IPSAS 26 uses different methodology to measure the recoverable amount. • IPSAS 26 recognizes an impairment loss in surplus or deficit, unless the asset is carried at revalued amount in accordance with another Standard. GFSM 2014 recognizes changes in the value of assets as other economic flow.	• No alignment opportunities identified.

Table 3 – IPSAS Standards and GFSM 2014—Supporting Detail					
IPSAS Standards	**GFSM 2014**	**Status**	**Category A: Already Aligned**	**Category D: Key Differences**	**Categories B and C: Alignment Opportunities**
Agriculture					
IPSAS 27 (December 2009)	7.20-7.33; 7.59-7.63; 10.70	D	-	• IPSAS 27 classifies animals and plants for one-time use as fixed assets, until they are harvested/slaughtered, at which point they become "agricultural produce", which thereafter is classified as inventory under IPSAS 12. GFSM 2014 classifies animals and plants for one-time use always as inventories. • IPSAS 27 requires biological assets to be measured on initial recognition at its fair value less costs to sell if fair value can be measured reliably; otherwise, it should be measured at its cost less any accumulated depreciation and any accumulated impairment losses. GFSM 2014 requires cultivated biological resources to be measured at current market prices if there is available information; otherwise, they should be measured at written-down replacement cost.	• No alignment opportunities identified.
Financial Instruments: Presentation					
IPSAS 28 (January 2010)	7.118-7.124; 7.143-7.177; 7.203-7.226; A3.47-A3.53	D	-	• GFSM 2014 provides a decision tree to present "capital injections". IPSAS 28 does not have this decision tree. • IPSAS 28 treats shares/contributed capital as equity. GFSM 2014 treats shares/contributed capital as liabilities. • IPSAS 28 requires distributions payable to holders of equity to be recognized by the entity directly in net/assets equity. GFSM 2014 requires dividends paid to be expensed. • IPSAS 28 requires any related costs of an equity transaction (other than when related to acquisition of a business) to be accounted for as a direct deduction from equity. GFSM 2014 requires costs of ownership transfer to be expensed for financial assets and financial liabilities.	• No alignment opportunities identified.

Table 3 – IPSAS Standards and GFSM 2014—Supporting Detail

IPSAS Standards	GFSM 2014	Status	Category A: Already Aligned	Category D: Key Differences	Categories B and C: Alignment Opportunities
Financial Instruments: Recognition and Measurement					
IPSAS 29 (January 2010)	7.118-7.124; 7.143-7.177; 7.203-7.226; 7.246; 7.262; A3.1-A3.78	D	-	• Different classification and recognition requirements between IPSAS 29 and GFSM 2014 for hedge accounting. • IPSAS 29 classifies hedging relationships into three types: fair value hedge, cash flow edge, and hedge of a net investment in a foreign operation as defined in IPSAS 4. GFSM 2014 does not have classification of hedging relationships. • Hedge accounting in IPSAS 29 recognizes the offsetting effects on surplus or deficit in the fair values of the hedging instrument and the hedged item. In GFSM 2014, the offsetting effects are recognized in other economic flows. • IPSAS 29 recognizes gains or losses from remeasuring the hedging instrument in either surplus or deficit or net assets/equity depending on the type of hedging relationship and other criteria. In GFSM 2014, the gains or losses from remeasuring the hedging instrument are recognized in other economic flows.	• No alignment opportunities identified.
Financial Instruments: Disclosure					
IPSAS 30 (January 2010)	7.236-7.260; 7.262	n/a	• Not applicable.		

Table 3 – IPSAS Standards and GFSM 2014—Supporting Detail					
IPSAS Standards	**GFSM 2014**	**Status**	**Category A: Already Aligned**	**Category D: Key Differences**	**Categories B and C: Alignment Opportunities**
Intangible Assets					
IPSAS 31 (January 2010)	7.20-7.33; 7.64-7.73; 7.104	A D	• IPSAS 31 allows fair value measurement at initial and after recognition. In GFSM 2014, assets should be measured at market value.	• IPSAS 31 allows measurement at historical cost, while GFSM 2014 does not. • IPSAS 31 classifies the generation of an internally generated intangible asset into a research phase and a development phase. GFSM 2014 bundles together research and development. • In IPSAS 31, expenditure on research is recognized as expense and expenditure on development is recognized as an asset if it meets certain criteria. In GFSM 2014, expenditure on research and development is recognized as an asset if it provides economic benefits to its owner. • In IPSAS 31, revaluation model: (a) Increases in the carrying amount of a class of assets are credited directly to revaluation surplus in net assets equity, unless it reverts a revaluation decrease of the same class of assets previously recognized in surplus or deficit; and (b) Decreases in the carrying amount of a class of assets are recognized in surplus or deficit, unless it reduces the credit balance in the revaluation surplus in respect of that class of assets. In GFSM 2014, changes in market value are recognized as other economic flows. • In IPSAS 31, transaction costs are included in the measurement of intangible assets at initial recognition. In GFSM 2014, ownership transfer costs with non-produced assets other than land are incorporated in the value of the asset to which they relate.	• No alignment opportunities identified.

Table 3 – IPSAS Standards and GFSM 2014—Supporting Detail

IPSAS Standards	GFSM 2014	Status	Category A: Already Aligned	Category D: Key Differences	Categories B and C: Alignment Opportunities
Service Concession Arrangements: Grantor					
IPSAS 32 (October 2011)	A4.58-A4.65	C	-	• IPSAS 32 follows a control-based approach to service concession asset recognition. GFS follows a risks and rewards approach to service concession asset recognition. • IPSAS 32 identifies two models of service concession arrangements: financial liability model and grant of a right to the operator model. GFS identifies two models to public-private partnerships: government gradually builds up a financial claim and the private corporation gradually accrues a corresponding liability and the change of legal and economic ownership from the private unit to government as a capital transfer at the end of the contract period.	**Category C: GFSM 2014 update** • Research Project 2.14 – Treatment of public private partnerships (PPPs)
First-time Adoption of Accrual Basis IPSAS					
IPSAS 33 (January 2015)	–	n/a	• Not applicable.		
Separate Financial Statements					
IPSAS 34 (January 2015)	–	n/a	• Not applicable.		

Table 3 – IPSAS Standards and GFSM 2014—Supporting Detail

IPSAS Standards	GFSM 2014	Status	Category A: Already Aligned	Category D: Key Differences	Categories B and C: Alignment Opportunities
Consolidated Financial Statements					
IPSAS 35 (January 2015)	3.152-3.166	A	-	• GFSM 2014 requires consolidation for the sub-sectors of the public sector. IPSAS 35 does not require such consolidation. • IPSAS 35 requires that the controlling entity consolidates all controlled entities irrespective of being resident or nonresident or whether they are general government units or public corporations. GFSM 2014 requires the consolidation of only resident units and distinguishes between government units and public corporations. [Note: These differences can be managed through limited adjustments at data source level without impact on alignment at Standards level]	• No alignment opportunities identified.
Investments in Associates and Joint Ventures					
IPSAS 36 (January 2015)	2.140-2.143; A4.40	D	-	• IPSAS 36 requires the application of the equity method to recognize and measure investments in associates and joint ventures. In GFSM 2014, equity is measured at current market prices if there are observable market prices. If there are no observable market prices, it is used information from the stock market on a similar listed share or recent transaction price, net asset value, present value/price to earnings ratios, book values reported by enterprises with macro-level adjustments by the statistics compilers, own funds at book value, and apportioning global value. • In IPSAS 36, under the equity method, on initial recognition the investment in an associate or a joint venture is recognized at cost and the carrying amount is increased or decreased to recognize the investor's share of the surplus or deficit of the investee after the date of acquisition. The investor's share of the investee's surplus or deficit is recognized in the investor's surplus or deficit. Distributions received from an investee reduce the carrying amount of the investment. Adjustments to the carrying amount may also be necessary for changes in the investor's proportionate interest in the investee arising from changes in the investee's equity that have not been recognized in the investee's surplus or deficit. Such changes include those arising from the revaluation of property, plant and equipment and from foreign exchange translation differences. The investor's share of those changes is recognized in net assets/equity of the investor. In GFSM 2014, changes in market value of traded shares and changes in the investor's share of the corporation's net worth are recorded as other economic flows.	• No alignment opportunities identified.

Table 3 – IPSAS Standards and GFSM 2014—Supporting Detail					
IPSAS Standards	**GFSM 2014**	**Status**	**Category A: Already Aligned**	**Category D: Key Differences**	**Categories B and C: Alignment Opportunities**
Joint Arrangements					
IPSAS 37 (January 2015)	2.140-2.143; A4.40	D	-	• IPSAS 37 classifies joint arrangements as joint operation or as a joint venture. GFS classifies joint operations as joint ventures, jointly controlled operations and jointly controlled assets. • GFS classifies joint ventures as market producer or nonmarket producer. IPSAS 37 does not make such distinction. • In GFS, changes in market value of traded shares and changes in the investor's share of the corporation's net worth are recorded as other economic flows. • IPSAS 37 requires that a joint operator to account for joint operations in accordance with the applicable IPSAS and joint ventures as cost, according to IPSAS 41, or using the equity method. GFS requires that changes in the value of assets and liabilities of joint ventures to be recorded as other economic flow.	• No alignment opportunities identified.
Disclosure of Interests in Other Entities					
IPSAS 38 (January 2015)	–	n/a	• Not applicable.		

Table 3 – IPSAS Standards and GFSM 2014—Supporting Detail

IPSAS Standards	GFSM 2014	Status	Category A: Already Aligned	Category D: Key Differences	Categories B and C: Alignment Opportunities
Employee Benefits					
IPSAS 39 (July 2016)	A2.1-A2.66 7.189-7.202; 7.261	C	• In IPSAS 39 any changes in the value of the defined benefit obligation is presented as remeasurements and recognize in net assets/equity. In GFSM 2014, any changes in the volume or value of assets that do not result from transactions are recorded in the Statement of Other Economic Flows.	• IPSAS 39 apply the net interest approach. GFSM 2014 reporting guidelines do not apply the net interest approach, but rather recognize the proceeds of fund assets and interest on fund liabilities according to the economic nature of these revenues and expenses. GFSM 2014 then attributes the property income and the increase in the liability for benefit entitlements due to the passage of time through an entry in "property expense for investment income disbursements". In IPSAS 39, equivalent entries are presented in surplus or deficit. • For autonomous funds recognized outside the employer's accounts, GFSM 2014 recognizes a claim of the pension fund on the pension manager for deficits of the pension fund in specific circumstances. In these cases, GFS does not require the recognition of an interest expense in the employers' accounts due to the passage of time in recognizing that claim. • In GFSM 2014, the pension fund only records actual revenue from transactions such as interest, dividends and rents in the Statement of Operations. • IPSAS 39 disaggregates employee benefits into short-term and long-term employee benefits. GFSM 2014 does not make such disaggregate and does not require specific disclosures on employee benefits. • In GFSM 2014, the plan assets are generally measured on the same basis as other assets, which is normally market value. Therefore, unlike IPSAS 39, no additional calculation to include the discount rate in the plan assets as a whole is necessary to estimate present value. However, in GFSM 2014 some assets are not measured at market value. This may give rise to different valuations between IPSAS 39 and GFSM 2014 (for example: loans are measured at nominal value in GFS and usually at amortized cost in IPSAS).	**Category C: GFSM 2014 update** • Research project 2.23 – Employee benefits – defined benefit schemes

Table 3 – IPSAS Standards and GFSM 2014—Supporting Detail

IPSAS Standards	GFSM 2014	Status	Category A: Already Aligned	Category D: Key Differences	Categories B and C: Alignment Opportunities
Public Sector Combinations					
IPSAS 40 (January 2017)	7.113-7.117	D	-	• GFSM 2014 guidelines make a distinction between an acquisition and an amalgamation based on the principle that with an acquisition a transaction occurs, while with an amalgamation just a reclassification of units may occur. IPSAS 40 does not have such distinction. • A transaction will occur where a “market unit” is nationalized or privatized (that is, entering government control or leaving it), and the amounts are recorded in GFSM 2014 as transactions in equity that correspond to the observed transaction price. Any changes in valuation–for example, between the opening balance of a government equity stake and the eventual transaction price–are recorded as revaluation effects, with no impact on government net lending/net borrowing. For amalgamations, the main impact is on the sectorization of the “institutional units”. Where the units before amalgamation belonged to the same sector or subsector of general government, the amalgamation will have no impact on the data for that sector or subsector. For example, an amalgamation of two local governments, where both are already classified to the local government sector, would not change results for the local government sector. However, in cases where a unit in one subsector is being amalgamated with a unit in another subsector, the amalgamated units will be removed from the sector they belonged to and be added to the sector of the new amalgamated unit, through a reclassification of the unit (recorded in GFSM 2014 as an “other volume change in assets and liabilities”). For example, if a local government unit is amalgamated with a state government, the unit will be reclassified from the local government subsector to the state government subsector. IPSAS 40 does not make sectorization of reporting entities. • In GFSM 2014, public sector combinations within the same sector or subsector of general government have no impact on the data in GFSM 2014. IPSAS 40 requires the changes to individual entities to be accounted for.	• No alignment opportunities identified.

Table 3 – IPSAS Standards and GFSM 2014—Supporting Detail

IPSAS Standards	GFSM 2014	Status	Category A: Already Aligned	Category D: Key Differences	Categories B and C: Alignment Opportunities
Financial Instruments					
IPSAS 41 (July 2018)	7.118-7.124; 7.143-7.177; 7.203-7.226;	C	-	• GFS identifies four types of securitizations. IPSAS 41 does not make such distinction. • IPSAS 41 requires the recognition of the subsidy component in a concessionary loan for both the lender and the borrower. In GFS, the subsidy component in a concessionary loan is not recognized, but only disclosed as a memorandum item. • IPSAS 41 requires a financial asset to be measured at fair value where the cash flows are not solely payments of principle and interest (as is the case with equity instruments). GFS adopts a “current market price” (fair value) hierarchy across all assets. Information from markets may be used to value similar securities that are not traded, by analogy. • IPSAS 41 requires that at initial measurement, an entity shall measure a financial asset or financial liability at its fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. In GFS costs of ownership transfer are expensed for financial assets and liabilities and loans are measured at nominal values.	**Category C: GFSM 2014 update** • Research project 2.8 – Debt valuation issues • Research project 2.15 – Treatment of capital injections by government into corporations • Research project 2.9 – Debt assumption and debt payments on behalf of others • Research project 2.13 – Equity for public corporations • Research project 2.10 – Valuation and recognition of loans • Research project 2.16 – Treatment of privatization

Table 3 – IPSAS Standards and GFSM 2014—Supporting Detail

IPSAS Standards	GFSM 2014	Status	Category A: Already Aligned	Category D: Key Differences	Categories B and C: Alignment Opportunities
Social Benefits					
IPSAS 42 (January 2019)	A2.1-A2.66; 7.261	C	-	• IPSAS 42 adopts a narrower definition of social benefits than GFS. IPSAS 42 limits its definition of social benefits to cash transfers (including cash equivalents). Under GFS, social benefits can be provided in cash or in kind (for example, health services). • Under IPSAS 42, an entity recognizes a liability for the cash transfers that the entity will make until the next point at which eligibility criteria are required to be satisfied. Generally, no such liability is recognized in GFS for social benefits although liabilities are recorded for funded social insurance schemes. • IPSAS 42 permits relevant social benefits to be recognized and measured using the insurance approach. GFS does not include this option.	**Category C: GFSM 2014 update** • Research project – Social Security Schemes • Government assumption of pension obligations.
Leases					
IPSAS 43 (January 2022)	7.108; A4.4-A4.17; MGDD VI.2	A D	• Lessor accounting in IPSAS 43 and in GFS apply the risks and rewards model.	• Under IPSAS 43, lessors classify leases as finance lease or operating lease and lessees do not classify leases as finance lease or operating lease. Under GFS, leases are classified as financial lease, operating lease, or resource lease. • IPSAS 43 applies a right-of-use model for lessees and a risks and rewards model for lessors, while GFS applies a risks and rewards model for both lessees and lessors. • IPSAS 43 provides an optional recognition exemption for lessees on short-term leases and leases for which the underlying asset is of low value. GFS does not provide such recognition exemption. • IPSAS 43 includes specific measurement requirements on concessionary leases for lessees, whereas GFS does not.	• No alignment opportunities identified.

Table 3 – IPSAS Standards and GFSM 2014—Supporting Detail					
IPSAS Standards	**GFSM 2014**	**Status**	**Category A: Already Aligned**	**Category D: Key Differences**	**Categories B and C: Alignment Opportunities**
Non-Current Assets Held for Sale and discontinued Operations					
IPSAS 44 (May 2022)	n/a	D	-	• GFS uses market value as the general valuation approach for all assets. Under IPSAS 44, a non-current asset (or disposal group) classified as held for sale is measured at the lower of its carrying amount and fair value less costs to sell. Market value can be used as a technique for estimating fair value under IPSAS. • Under IPSAS 44, a non-current asset (or disposal group) is classified as held for sale when it is available for immediate sale in its present condition, and its sale is highly probable, subject only to terms that are usual for sales of such assets (or disposal groups). GFS does not have this type of classification.	• No alignment opportunities identified.

Table 3 – IPSAS Standards and GFSM 2014—Supporting Detail

IPSAS Standards	GFSM 2014	Status	Category A: Already Aligned	Category D: Key Differences	Categories B and C: Alignment Opportunities
Property, Plant, and Equipment					
IPSAS 45 (Revised December 2006)	7.4-7.12; 7.20-7.57; 7.74; 7.92-7.96	C	• Both IPSAS 45 and GFS require an entity to recognize property, plant, and equipment. • On subsequent measurement, IPSAS 45 allows historical cost, current operational value, or fair value measurement bases. In GFS, assets should be measured at market values, so the same valuation can result if the market approach is used as the measurement technique. • In IPSAS 45 current value model increases or decreases in the carrying amount are recognized in net assets/equity or surplus or deficit, as appropriate. In GFS, changes in market value are recognized as other economic flows. • Both IPSAS 45 and GFS require capitalization of transaction costs. Transaction costs in IPSAS 45 and GFS are presented together with the items of property, plant, and equipment, though ownership transfer costs of land in GFS are presented in land improvements.	• On initial recognition, IPSAS 45 requires measurement at cost or deemed cost where appropriate. GFS requires the use of market prices on initial recognition. • In IPSAS 45, depreciation can be based on historical cost or on current value, whereas consumption of fixed capital in GFS is always based on current value.	**Category C: GFSM 2014 update** • Research project – Recording and valuation of infrastructure assets

Table 3 – IPSAS Standards and GFSM 2014—Supporting Detail

IPSAS Standards	GFSM 2014	Status	Category A: Already Aligned	Category D: Key Differences	Categories B and C: Alignment Opportunities
Measurement					
IPSAS 46 (May 2023)	3.107-3.129	C	• On initial recognition, IPSAS 46 requires measurement of assets at transaction price or deemed cost where appropriate. In GFS, as a general rule, all assets should be measured at market prices, so both may result in the same valuations when the transaction price is at market values or when the deemed cost is measured using • On subsequent measurement, IPSAS 46 allows historical cost, current operational value, cost of fulfilment, and fair value measurement bases. In GFS, as a general rule, all assets and liabilities should be measured at market prices. so the same valuations can result if the market approach is used as the measurement technique.	• IPSAS 46 requires capitalization of transaction costs for all assets, while GFS only requires capitalization of costs of ownership transfer for non-financial assets. • On initial recognition, IPSAS 46 requires measurement at transaction price or deemed cost where appropriate. In GFS, as a general rule, all assets and liabilities should be measured at market prices. • On subsequent measurement, IPSAS 46 allows historical cost, current operational value, cost of fulfilment, and fair value measurement bases. In GFS, as a general rule, all assets and liabilities should be measured at market prices. so the same valuations can result if the market approach is used as the measurement technique.	**Category C: GFSM 2014 update** • Measurement models from 2025 SNA being addressed in the update of GFSM 2014.

Table 3 – IPSAS Standards and GFSM 2014—Supporting Detail

IPSAS Standards	GFSM 2014	Status	Category A: Already Aligned	Category D: Key Differences	Categories B and C: Alignment Opportunities
Revenue					
IPSAS 47 (May 2023)	5.1-5.151; A3.1-A3.36	B	• Both IPSAS 47 and GFS require an entity to account for revenue on an accrual basis.	• IPSAS 47 distinguishes between revenue arising from transactions with or without a binding arrangement. GFS distinguishes revenue transactions by their characteristics, including whether it is a market transaction. • IPSAS 47 considers the enforceability of the entity's individual rights and/or obligations in order to identify whether the revenue arises from a transaction with a binding arrangement. GFS considers different characteristics to identify the type of revenue, including whether it is a market transaction. • Under IPSAS 47, an entity recognizes revenue when (or as) it satisfies any enforceable obligations associated with an inflow (or right to an inflow) of resources, as specified in the arrangement. Under GFS, the timing of revenue recognition is based on the type of revenue.	**IPSAS** • Development of Staff Q&A on presentation of revenue.

Table 3 – IPSAS Standards and GFSM 2014—Supporting Detail

IPSAS Standards	GFSM 2014	Status	Category A: Already Aligned	Category D: Key Differences	Categories B and C: Alignment Opportunities
Transfer Expenses					
IPSAS 48 (May 2023)	6.1-6.8; 6.84-6.95; 6.122-6.124	B	• The definition of 'transfer expenses' in IPSAS 48 is drawn from the definition of 'transfers' in GFS but focuses on the perspective of the transfer provider.	• The accounting in IPSAS 48 is driven by the existence of a binding arrangement. In principle, the accounting in GFS is based on, among other considerations, the assessment of whether the transfer is compulsory or voluntary. • IPSAS 48 distinguishes between transfer expenses arising from transactions with binding arrangements (including capital transfers) and transfer expenses from transactions without binding arrangements. GFS distinguishes grants as either current or capital grants, regardless of whether the grant arises from a binding arrangement. • Under IPSAS 48, an entity recognizes a transfer expense when (or as) its enforceable right to have the transfer recipient satisfy their obligations is extinguished. Under GFS, the timing of expense recognition is based on the type of grant.	**IPSASB** • Development of Staff Q&A on presentation of transfer expenses.

Table 3 – IPSAS Standards and GFSM 2014—Supporting Detail

IPSAS Standards	GFSM 2014	Status	Category A: Already Aligned	Category D: Key Differences	Categories B and C: Alignment Opportunities
Retirement Benefit Plans					
IPSAS 49 (November 2023)	6.1-6.8; 6.84-6.95; 6.122-6.124	A	• IPSAS 49 permits contributions to the retirement benefit plans to be accounted for as either revenue or a liability to the participant, depending on the terms of the plan, and GFS also permits this depending on the type of scheme. • IPSAS 49 requires retirement benefit obligations to be recognized in the statement of financial position. Similarly, GFS also requires pension entitlements to be presented on the balance sheet.	-	-
Exploration for and Evaluation of Mineral Resources					
IPSAS 50 (November 2024)	8.37-8.39	A D	• When an entity elects to capitalize exploration and evaluation expenditure, both IPSAS 50 and GFS require an entity to account for the expenditure as exploration and evaluation assets. • On subsequent measurement, IPSAS 50 allows the historical cost or current value model. In GFS, assets should be measured at market values, so the same valuation can result if the market approach is used as the measurement technique. • On subsequent measurement, IPSAS 50 requires exploration and evaluation assets to be assessed for impairment and impaired when the carrying amount exceeds the recoverable amount. In GFS, consumption of the asset is the decline in the current value of the asset.	• IPSAS 50 requires the classification of exploration and evaluation assets as either tangible or intangible assets. GFS requires their classification as a type of intellectual property products. • On initial measurement, the elements of cost in IPSAS 50 do not include a return to fixed capital used in the exploration and evaluation activity, while GFS does include a return to fixed capital.	• No alignment opportunities identified.

Table 4 – RPG Guidelines and GFSM 2014—Supporting Detail (updated on May 20, 2025)

RPG Guidelines	GFSM 2014	Status	Category A: Already Aligned	Category D: Key Differences	Categories B and C: Alignment Opportunities
Reporting on the Long-Term Sustainability of an Entity's Finances					
RPG 1 (July 2013)	–	C			**Category C: GFSM 2014** • GFSM 2014 update Research Projects: Balance sheet analysis (2.32), GFS within fiscal analysis and policymaking (2.31)
Financial Statement Discussion and Analysis					
RPG 2 (July 2013)	–	C			**Category C: GFSM 2014** • GFSM 2014 update Research Projects: Balance sheet analysis (2.32), GFS within fiscal analysis and policymaking (2.31)
Reporting Service Performance Information					
RPG 3 (March 2015)	–	n/a	• Not applicable.		