



IPSAS 33 –*First-time Adoption of Accrual Basis International Public Sector Accounting Standards*

This summary provides an overview of [IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards](#).

Project Objective:

The objective of this pronouncement 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* to help public sector entities adopt accrual basis IPSAS Standards.

Approved:

The International Public Sector Accounting Standards Board® (IPSASB®) issued IPSAS 33 (2025) in November 2025.

Project History:

In 2023, the IPSASB initiated a limited-scope project to address stakeholder concerns with the application of IPSAS 33 (published in 2015). This limited-scope project focused on issues identified by stakeholders that had applied IPSAS 33. Issues identified related to the understandability and user-friendliness of the pronouncement, rather than the usefulness of its exemptions in transitioning to IPSAS Standards. As a result, this limited-scope update focused on re-organizing and clarifying guidance to make the Standard more useful and effective.

The IPSASB published [Exposure Draft \(ED\) 91, Limited-scope Updates to First-time Adoption of Accrual Basis International Public Sector Accounting Standards \(IPSAS\) \(Amendments to IPSAS 33\)](#) in August 2024 and analyzed responses during 2025. The proposals in ED 91 were strongly supported, and in response, the IPSASB published the final pronouncement [IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards](#) in November 2025.

Project Overview

This limited-scope project looked to address stakeholder concerns with the application and user-friendliness of IPSAS 33.

Why the IPSASB Undertook this Project

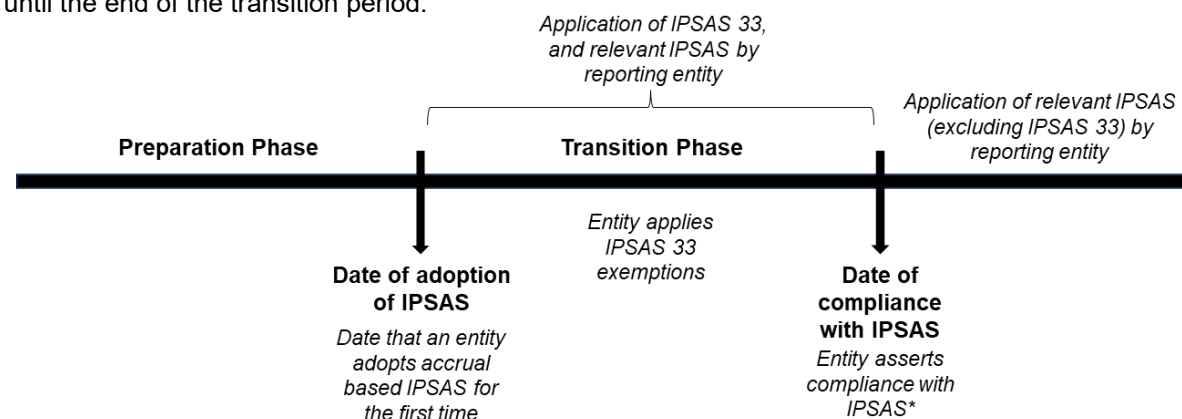
IPSAS 33, first issued in 2015, supports public sector entities with their transition to accrual basis IPSAS Standards. The Standard does not prescribe the recognition, measurement, presentation and disclosure for financial statement items, as these accounting requirements are in other IPSAS Standards.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

When applying IPSAS 33 (2015), constituents highlighted two key challenges with its application:

- **Expectations gap.** IPSAS 33 is to be applied from the date of adoption of IPSAS Standards, for a maximum of three years (see diagram below). However, first-time adopters expected IPSAS 33 to be applied before the date of adoption for the entire transition process to accrual basis IPSAS Standards; and
- **Delayed recognition and measurement.** 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 Standards, IPSAS 33 (2025):

- Does not change the scope, objective, nor available exemptions in IPSAS 33 (2015);
- 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

The pronouncement makes IPSAS 33 more user-friendly and effective by enhancing existing authoritative guidance and adding new non-authoritative guidance.

Enhancements to IPSAS 33

The pronouncement does not propose to change the scope, objective, nor available exemptions in the Standard. Rather, the pronouncement proposes amendments to improve the user-friendliness and effective application of IPSAS 33 (2015) 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 Standards;
- (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.

The pronouncement also reflects the changes made to IPSAS Standards resulting from the publication of [Amendments to IPSAS Standards as a Result of the Application of IPSAS 46, Measurement](#), in October 2025 on the applicability of Current Operational Value in its guidance on the application of deemed cost.

Furthermore, the pronouncement adds 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

The pronouncement adds new Implementation Guidance to address common and prevalent challenges first-time adopters may face in using IPSAS 33 (2015), 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.

Effective Date and Project History

The effective date of this pronouncement is January 1, 2028.



Effective Date

A first-time adopter shall apply this Standard if its first IPSAS financial statements or its first transitional financial statements are for a period beginning on or after January 1, 2028. Earlier application is permitted. If an entity applies this Standard earlier, it shall disclose that fact.

The IPSASB selected this date because it provides a reasonable period for effective implementation. This pronouncement maintains existing principles but addresses stakeholder concerns with the 2015 version of IPSAS 33, *First-Time Adoption of Accrual Basis IPSAS*, to be more user-friendly and effective.

Project History

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

<https://www.ipsasb.org/consultations-projects/ipsas-33-limited-scope-update>