



IPSASB Meeting Highlights

February 2009

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This Meeting Highlights from the International Public Sector Accounting Standards Board (IPSASB) meeting in Paris, France on February 23-26, 2009 has been prepared for information purposes only.

For more detailed information on individual projects beyond that provided below, please refer to the IPSASB's project history pages:
<http://www.ifac.org/PublicSector/Projects.php#InProgress>.

Financial Instruments

The IPSASB approved three Exposure Drafts (EDs) on Financial Instruments (FIs). The EDs propose IPSASs based on the following IFRS:

ED 37 – IAS 32, *Financial Instruments: Presentation*;

ED 38 – IAS 39, *Financial Instruments: Recognition and Measurement*;

ED 39 – IFRS 7, *Financial Instruments: Disclosures*.

The IPSASB believes the current reliance on the hierarchy to be unsatisfactory and developing standards for recognition and measurement of FIs and related disclosures is necessary to having a robust set of accrual-based accounting standards for the public sector.

It is expected that the EDs will be issued shortly with a July 31, 2009 comment date.

IFAC staff member contacts – Stephenie Fox: stepheniefox@ifac.org, John Stanford: johnstanford@ifac.org and Matthew Bohun-Aponte: matthewbohun@ifac.org

Agriculture

The IPSASB approved ED 36, “Agriculture” drawn from IAS 41, “Agriculture.” The IPSASB made decisions relating to the definition of agricultural activity and to the scope of the ED and approved the ED for issuance.

It is expected that the ED will be issued by March 31, 2009 with a June 30, 2009 comment date.

IFAC staff member contact – Qi Chang: qichang@ifac.org

Intangible Assets

The IPSASB reviewed a draft Exposure Draft (ED) 40, “Intangible Assets,” based on IAS 38, “Intangible Assets.” The ED includes the IAS 38 guidance on business combinations consistent with the proposals in the IPSASB’s proposed ED 41, “Entity Combinations from Exchange Transactions” (see below).

The IPSASB agreed on the changes required to the draft, and expects to approve ED 40 out-of-session, jointly with ED 41, with a proposed publication date of May 2009 and an August 15, 2009 comment date.

IFAC staff member contact – Joy Keenan: joykeen@ifac.org

Entity Combinations

The IPSASB reviewed a draft Exposure Draft (ED) 41, “Entity Combinations from Exchange Transactions,” based on IFRS 3, “Business Combinations” and linked to ED 40.

The IPSASB agreed on the changes required to the draft and expects to approve 41 ED out-of-session, jointly with ED 40, with a proposed publication date of May 2009 and an August 15, 2009 comment date.

The IPSASB will also be developing a standard dealing with entity combinations from non-exchange transactions.

IFAC staff member contact – Annette Davis: annettedavis@ifac.org

Service Concession Arrangements

The IPSASB considered certain issues raised by respondents to the March 2008 Consultation Paper, and reached agreement on how they should be addressed in the ED. In particular, the IPSASB reaffirmed that the control-based approach is appropriate for determining whether the public sector entity grantor should recognize the asset.

The IPSASB will consider a draft Exposure Draft in May 2009.

IFAC staff member contact – Joy Keenan: joykeen@ifac.org

Cash Basis Review

The IPSASB considered a paper from the Task Force of the IPSASB which is undertaking a review of the IPSAS, “Financial Reporting under the Cash Basis of Accounting” to identify any major implementation issues with the IPSAS and to determine whether to provide further guidance to address such issues.

IFAC staff member contact – Paul Sutcliffe: paulsutcliffe@ifac.org

Improvements

The IPSASB considered improvements necessary to IPSASs that are converged with relevant IFRS. The improvements arise from those adopted by the IASB in May 2008 from its annual improvements project.

An ED will be presented for approval at the IPSASB’s May 2009 meeting.

IFAC staff member contact – Qi Chang: qichang@ifac.org

Borrowing Costs

The IPSASB considered responses to ED 35, “Borrowing Costs.” The IPSASB decided to defer work on finalizing ED 35 until clarification and additional input from all respondents is received.

IFAC staff member contact – Annette Davis: annettedavis@ifac.org

Next Meeting

The next IPSASB meeting will be held in Washington, DC, USA on May 18-21, 2009.