TRANSFER EXPENSES

Edwin Ng, Principal

IPSASB Meeting – March 2023
DANKE!
THANK YOU!
MERCI!
GRAZIE!
GRACIAS!
DANK JE WEL!

............
Approval of IPSAS 48, *Transfer Expenses*

**IPSASB Due Process**

A. **Staff** present revised content of exposed Standard

B. **Program & Technical Director** advises whether Due Process followed effectively

C. **IPSASB** confirms whether it is satisfied that Due Process has been followed effectively

D. **IPSASB** votes on approval of IPSAS 48, *Transfer Expenses*

E. **IPSASB** considers whether vote on re-exposure is necessary

See Agenda Item 6.2.2

PTD assertion

Chair asks for confirmation

Staff recommend approval

See Agenda Item 6.3.1
Consider the Need for Re-Exposure

Due Process – Considering Re-exposure

a) Determine whether a vote on re-exposure is necessary*
   • Consider whether there been substantial change
   • Consider wholistically, including benefits and costs

b) If the IPSASB concludes a vote is necessary, then IPSASB members will vote on re-exposure
   • Re-exposure requires 2/3 of IPSASB members to vote in favor
   • Basis for re-exposure is recorded in the minutes

* Due process does not require re-exposure, only consideration of whether it’s necessary.
### Considering the Need for Re-Exposure

<table>
<thead>
<tr>
<th>Principle or Topic</th>
<th>ED 72</th>
<th>IPSAS 48</th>
<th>Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Structure</strong></td>
<td>One exposure draft</td>
<td>One standard</td>
<td>No change</td>
</tr>
<tr>
<td><strong>Identifying the transaction</strong></td>
<td>Existence of the transfer recipient’s performance obligations</td>
<td>Existence of a binding arrangement</td>
<td>Revised</td>
</tr>
<tr>
<td><strong>Recognition</strong></td>
<td>Asset recognition based on transfer recipient’s performance obligation</td>
<td>Asset recognition based on transfer provider’s transfer right</td>
<td>Revised</td>
</tr>
<tr>
<td><strong>Measurement</strong></td>
<td>Carrying amount of the transferred resources, with adjustments mirroring revenue</td>
<td>Carrying amount of the transferred resources; variable consideration based on IPSAS 19</td>
<td>Simplified</td>
</tr>
<tr>
<td><strong>Display and Disclosure</strong></td>
<td>New display and disclosure requirements</td>
<td>Leverages requirements from existing IPSAS with limited new requirements</td>
<td>Simplified</td>
</tr>
<tr>
<td><strong>Transitional Provisions</strong></td>
<td>Retrospective application only</td>
<td>Retrospective or prospective application</td>
<td>Simplified</td>
</tr>
<tr>
<td><strong>Non-Authoritative Guidance</strong></td>
<td>2 IGs 41 IEs mirroring revenue</td>
<td>10 IGs 11 IEs</td>
<td>Revised</td>
</tr>
</tbody>
</table>
Agenda Item 6.2.2 (Pages 14-21)

Considering the Need for Re-Exposure

**Constituent Inputs**

- **2015**: Inputs into Project Brief
- **2017**: Responses to the CP
  - Task Force involvement
  - 2019 Roundtables
- **2020**: Responses to the ED
  - Drafting Group involvement
  - CAG membership
  - Outreach activities and events

**Potential benefits are limited**
...as it is unlikely to yield new insights or information

**Expected costs may be significant**
...from public interest perspective and for the IPSASB
Agenda Item 6.2.2 (Pages 14-21)

Considering the Need for Re-Exposure

Recommendation

- On balance, staff do not recommend re-exposure because:
  a) While there were substantial changes, all changes were made to address feedback from constituents; and
  b) From a public interest perspective, the expected costs of re-exposure outweigh the potential benefits.

Does the IPSASB disagree with this recommendation?
Agenda Item 6.2.1 (Pages 9-13)

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D. **IPSASB** votes on approval of IPSAS 48, *Transfer Expenses*

   Staff recommend approval

E. **IPSASB** considers whether vote on re-exposure is necessary

   See Agenda Item 6.2.2

F. **IPSASB** sets effective date for IPSAS 48

   January 1, 2026

G. **IPSASB** issues Basis for Conclusions

   See Agenda Item 6.3.1