

**From:** [Jon.BLONDAL@oecd.org](mailto:Jon.BLONDAL@oecd.org)  
**Sent:** Thursday, August 11, 2005 8:07 PM  
**To:** [padhemar@ccomptes.fr](mailto:padhemar@ccomptes.fr)  
**Cc:** [mike.hathorn@moorestephens.com](mailto:mike.hathorn@moorestephens.com); [psutcliffe@ifac.org](mailto:psutcliffe@ifac.org); [John.Stanford@cipfa.org](mailto:John.Stanford@cipfa.org);  
[matthewbohun@ifac.org](mailto:matthewbohun@ifac.org)  
**Subject:** 2006 Meeting of the OECD Network on Financial Management (Annual Public Sector Accruals Symposium)

Dear Philippe et al

I wanted to confirm that next year's meeting of the OECD accruals network will take place on 6-7 March (Monday-Tuesday) at OECD Headquarters in Paris.

Best,

Jon

Jón R. Blöndal  
Deputy Head of Division  
Budgeting and Public Expenditures Division  
Organisation for Economic Co-operation and Development  
Paris  
Telephone (33-1) 45 24 76 59  
E-mail [jon.blondal@oecd.org](mailto:jon.blondal@oecd.org)

**View the OECD Journal on Budgeting**  
[www.oecd.org/gov/budget/journal](http://www.oecd.org/gov/budget/journal)

IFAC

PDF  
FYI - 2.

12122859570 P.02



Tasmania

DEPARTMENT of  
TREASURY and FINANCE

Contact: Douglas Clow  
Phone: 03 6233 3696  
Our Ref: D/001261 DC/CJ

Mr Philippe Adhémar  
Chairman  
International Public Sector Accounting Standards Board  
545 Fifth Avenue, 14th Floor  
NEW YORK NY 10017

Dear Mr Adhémar

**HOTARAC GUIDANCE PAPER - DETERMINING AND ENTITY AS FOR-PROFIT  
OR NOT-FOR-PROFIT**

The Heads of Treasuries Accounting and Reporting Advisory Committee (HoTARAC) has finalised its Guidance Paper on Distinguishing For-Profit from Not-for-Profit entities. I am pleased to attach a copy of the HoTARAC Guidance Paper for your information.

The Paper has been prepared to provide guidance to public sector preparers of financial reports. It aims to assist them in deciding whether reporting entities are for-profit or not-for-profit in accordance with Australian Equivalents to International Financial Reporting Standards (AEIFRS).

HoTARAC's Guidance Paper is based on the principle that financial reports should reflect economic substance rather than legal form. It seeks to guide, rather than replace, the use of professional judgement in the application of AEIFRS.

In considering issues in the development of the guidance, HoTARAC reviewed the definition of Government Business Enterprise contained in IPSAS 21, specifically whether the definition could assist HoTARAC to define for-profit entities. However, HoTARAC considers that the definition contains a circularity in the use of the term "profit" which would make it inappropriate for use in this instance. HoTARAC also expressed some concern that the requirement in the definition to operate at a profit or at full cost recovery was overly restrictive in that it did not take into consideration:

- the intention of the Government in establishing government businesses;
- that some government businesses may include separate components requiring various levels of government funding;
- that some government businesses may operate profitably in some periods but not in others; and
- that government businesses may require initial support through the provision of funding.

The Treasury Building, 21 Murray Street, Hobart 7000 GPO Box 147, Hobart, 7001, Tasmania, Australia  
Telephone: (03) 6233 3100 Facsimile: (03) 6223 2755  
Email: Reception@treasury.tas.gov.au Internet: <http://www.treasury.tas.gov.au>

AUG-03-2005 16:45

IFAC

12122869570

2

I have also forwarded a copy of the HoTARAC Guidance Paper to the Australasian Council of Auditors-General, the Australian Accounting Standards Board (AASB) and to the AASB's Urgent Issues Group for their information.

If you wish to discuss the HoTARAC Guidance Paper, please contact Brett Kaufmann at the Australian Department of Finance and Administration on (02) 6215 3158 or by email at [brett.kaufmann@finance.gov.au](mailto:brett.kaufmann@finance.gov.au).

Yours sincerely



D W Challen  
**CHAIR**  
**HEADS OF TREASURIES ACCOUNTING AND**  
**REPORTING ADVISORY COMMITTEE**

21 July 2005

Encl

# Meeting on the Task Force on Harmonization of Public Sector Accounting

Fourth Meeting  
Monday, October 3-6, 2005  
International Monetary Fund  
Washington, DC  
Room 2-530, Main building of IMF

The international Task Force on Harmonization of Public Sector Accounting (TFHPSA) works at enhancing the harmonization between statistical guidelines and accounting standards, and at updating statistical guidelines for the public sector. The TFHPSA was created in 2003 and is the first formal initiative at the international level that attempts to harmonize statistical guidelines and accounting. It is also recognized as the forum to provide guidance in the area of public sector statistics for the forthcoming update of the *System of National Accounts 1993 (1993 SNA)*.

The Task Force, which is chaired by the IMF, operates on the basis of two working groups (WGs). WGI focuses on harmonization of statistical and accounting standards and is chaired by the International Federation of Accountants-Public Sector Accounting Standards Board (IFAC-IPSASB); and WGII focuses on inputs to the update of the *1993 SNA* and is chaired by the OECD, that also acts as secretariat. The task force membership includes national statisticians and public sector accountants, and international agencies (European Central Bank, Eurostat, International Monetary Fund, IFAC-IPSASB, OECD, and World Bank).

The [October 3-6, 2005 meeting](#) of the [Task Force](#) is being sponsored by the Statistics Department of the IMF. It is the fourth meeting of the Task Force, following that held in March 2005 at the OECD in Paris. The intent of the meeting is first to take stock of the presentation to the July 2005 Advisory Expert Group of the System of National Accounts (SNA) with the work program since the last meeting. To this end, it will first review the work of WGI. Then it will review the work done by three of the five teams of WGII and then review the work of the two other teams for the update of the *1993 SNA*. Finally, it will also review the new Chapter on Government and Public Sectors to be included in the updated version of the *1993 SNA*. The [agenda](#) of the meeting is available below.

The discussions and decisions reached during the meeting will be communicated to the 2006 Advisory Expert Group in charge of the update of the *1993 SNA*, as well as the IFAC-IPSASB. To become member of the TFHPSA and have access to all the documentation, please contact [Jean-Pierre.Dupuis@oecd.org](mailto:Jean-Pierre.Dupuis@oecd.org).

*Participation in the October 2005 meetings is by invitation only.* For further information, please contact Mr. Keith Dublin, Chief of the Government Finance Division, Statistics Department, IMF at [kdublin@imf.org](mailto:kdublin@imf.org).

The subsequent meeting of the TFHPSA will be held in Paris in early 2006.

The section of the website relating to this **Task Force on Harmonization of Public Sector Accounting** conference contains papers and web links to papers that will be considered at the conference. The views expressed in these papers are those of the authors only, and the presence of them, or of links to them, on the IMF website does not imply that the IMF, its Executive Board, or its management endorses or shares the views expressed in the papers.

Date and time	Topic	Documents	Discussion Leader
<b>Working Group I (WG I) October 3, 2005</b>			
<i>Monday, October 3</i>			
9:15 a.m.	Coffee		
9:30 a.m.	Opening Remarks: Welcome		Richard Hemming Senior Advisor Fiscal Affairs Department
9:50 a.m.	Update since the March 2005 TFHPSA meeting	<a href="#">Minutes of the March 2005 Meeting</a>	Lucie Laliberté
10:15 a.m.	Coffee Break		
10:45 a.m.	<b>Working Group I</b>	Update on IPSAB work program <a href="#">IPSASB Update 2</a>	Paul Sutcliffe
		IPSASB ED Non Exchange Revenue	
		IPSASB ED/Update social policies of government	
		<a href="#">IPSASB ED-GGS</a> (Page 12.6 onwards)	
		Draft Accounting Standard for the GGS	Brett Kaufmann
12:30 p.m.	Lunch		
1:30 p.m.	WG I (continued)	Ongoing role of WG I Arrangements for liaison between statistical community and IPSASB  Responding to IPSASB and IASB exposure drafts	Lucie Laliberté
<b>Working Group II (WG II) October 3—6, 2005</b>			
2:30 p.m.	<b>Earnings from equity investment</b> (working team B)	<a href="#">Accrual of Earnings on Equity Stakes of General Government in Public Corporations: A Proposal for an Updated SNA</a>	Lucie Laliberté Brooks Robinson/ D. Timothy Dobbs
3:30 p.m.	Coffee break		
4:00 p.m.	Earnings from equity		

	investment (continued)		
5:00 p.m.	Summary of discussions		Paul Sutcliffe/ Jean-Pierre Dupuis
<b><i>Tuesday, October 4</i></b>			
9:00 a.m.	Coffee		Lucie Laliberté
9:15 a.m.	<b>Special Purpose Vehicles</b> (working team E)	<a href="#">Special Purpose Entities in the Public Sector</a>	Sagé De Clerck
10:45 a.m.	Coffee break		
11:00 a.m.	<b>Debt</b> (working team E)	<a href="#">Recording Government Liabilities</a>	Richard Shepherd
12:30 p.m.	Lunch		
1:30 p.m.	<b>Debt Restructuring</b>	<a href="#">Debt Reorganization</a>	
3:30 p.m.	Coffee break		
4:00 p.m.	<b>Debt Restructuring</b> (Continued)		
5:00 p.m.	Summary of discussions		Jean-Pierre Dupuis
<b><i>Wednesday, October 5</i></b>			
9:00 a.m.	Coffee		Lucie Laliberté
9:15 a.m.	<b>Privatisation/Nationalisation</b> (working team E)	<a href="#">Privatisation and Nationalisation</a>	Jean-Pierre Dupuis
10:45 a.m.	Coffee break		
11:00 a.m.	Privatization/Nationalization (continued)		
12:30 p.m.	Lunch		
1:30 p.m.	<b>The July 2005 AEG meeting</b>		Lucie Laliberté/ Jean-Pierre Dupuis
	Tax	<a href="#">Tax Revenues, Uncollectible Taxes, and Tax Credits</a>  <a href="#">Property Income or Tax? The Case of Royalties Paid for Mineral Exploration</a>	
	Delineation	<a href="#">Government/Public Sector/Private Sector Delineation Issues</a>	
3:30 p.m.	Coffee Break		
4:00 p.m.	The July 2005 AEG meeting		

	(continued)		
	Guarantees	<a href="#">Granting of guarantees in an updated SNA</a>	
	Reinvested Earnings	<a href="#">Super-dividend, Capital Injections and Reinvested Earnings</a>	
5:00 p.m.	Summary of discussions		Jean-Pierre Dupuis
<b>Thursday, October 6</b>			
9:15 a.m.	Coffee		
9:30 a.m.	The July 2005 AEG meeting (continued)		
	Government SPVs abroad		
	Chapter/Annex	<a href="#">General Government and Public Sectors: Chapter and Annex Outline</a>	
10:45 a.m.	Coffee Break		
11:00 a.m.	<b>Chapter on Government and Public Sectors</b>	<a href="#">The General Government and Public Sectors</a>	John Pitzer
1:00 p.m.	Lunch		
2:30 p.m.	Chapter on Government and Public Sectors (continued)		
3:30 p.m.	Summary of discussions		Jean-Pierre Dupuis/ Lucie Laliberté
4:00 p.m.	Coffee Break		
4:30 p.m.	Closing		Lucie Laliberté

Draft

**TASK FORCE ON HARMONIZATION OF PUBLIC SECTOR ACCOUNTING**  
**Summary of the main issues and conclusions**  
**October 3-6 2005 Meeting in Washington DC**

**This fourth meeting of the Task Force on Harmonisation of Public Sector Accounting (TFHPSA), hosted by the IMF (Washington DC, 3-6 October 2006), was attended by approximately 40 persons whose representation was as follows:**

**- Countries: Australia, Austria, Brazil, Bulgaria, Canada, Denmark, Hungary, Japan, Korea, Mexico, New Zealand, Norway, United Kingdom, United States**  
**- International organizations, IMF, OECD, IPSAS Board, Eurostat, European Central Bank, United Nations, World Bank, CEPAL/ECLAC.**

**A. Opening remarks by Richard Hemming**

- A range of issues were covered, including from privatization, public investments, delineation between current and capital spending, privatization, public investments, delineation between current and capital spending, public investment and expenditure carried out by government through enterprises outside the general government sector, public/private partnership, guarantees.
- These issues need to be portrayed in a consistent and analytically useful framework for statistical and macro-economic analysis. The GFSM 2001 provides such a framework.
- The need is now to have data across countries according to the GFSM 2001 framework.

**B. Minutes of the March 2005 meeting**

- An overview of the minutes was presented. There were no comments.

**C. Working Group I**

Paul Sutcliffe provided an overview of the IPSASB work program,

- noting work program priorities as public sector specific issues; convergence with International Financial Reporting Standards (IFRS); and convergence with statistical bases.
- highlighting issues of interest to the TFHPSA that included: *Improvements to International Public Sector Accounting Standards* Exposure Draft (ED 26) that proposes updates to 11 IPSASs to converge with the equivalent IFRSs, where appropriate for the public sector; *Non Exchange Revenue* ED that is anticipated to be approved at the next IPSASB meeting; *Social Policy Obligations* ED that is under development; the proposal of a joint project with IASB on PPP; *External Assistance*, ED 24, that needs field testing (and IPSASB would welcome further input);
- indicating that work program also includes the following EDs that have been approved for issue: ED 27 on *Reporting actual and budget information* and ED 28 on *Disclosure of information about the General Government Sector*, with the general government sector defined to include all activities of the general government as defined in statistical reporting bases and where all the IPSASs will apply except for the IPSAS on consolidation. Final versions of ED 27 and ED 28 will be issued in the next week or so. (please refer to <http://www.ifac.org/Guidance/EXD-Download.php?EDFID=00153> )



- indicating that the next IPSASB meeting is on Nov. 29, Cape Town S.A. The IPSASB will include a review of the status and profile of IPSASB Observers.

**Action: 1. Jeff Golland agreed to coordinate the response of the TFHPSA (individually or collectively) on the update version of the ED 28 before the February deadline.**

**D. Australia "General Government Sector Financial Reporting" by Brett Kaufman Presentation:**

- The Australian Accounting Standards Board (AASB) issued an ED on this matter in July 2005. It was very controversial since the GGS is not an usual reporting entity for accounting purposes. The AASB took the view that there was a sufficient need from users (government, investment community, debt rating agencies, etc) to justify its status as a reporting entity.
- The AASB adopted the Australian Standards (based on IASB IFRS) that are closer to GFS and are more suitable for application to the GGS than many of the other GAAP. In cases where there were options in the Australian GAAP, those that best aligned with the GFSM 2001 were adopted (e.g., borrowing cost are expensed). Investment is reported at carrying value of the investees as a surrogate of market value. Income, asset and liabilities are classified on a COFOG basis (but difficult to allocate tax revenues on that basis).
- The two frameworks are not fully harmonized as there remain differences (e.g., weapons platforms, interest rate swaps).

**Discussion:**

- Process in UK mirrors that in Australia, the Financial Reporting Manual (posted on hm-treasury.gov.uk) concerns the central government accounts, and the intent is to extend the reconciliation to the whole of public sector. Others noted that there were no developments on this front yet.
- Narrowing the differences between the two systems could range from full harmonization (as intended in Australia) to a reconciliation where differences are recognized, and reported as bridging tables.

**Conclusion:**

- The group discussed the extent to which the systems could and should be harmonized over the long term. It was agreed that where appropriate harmonization should be pursued. However, because the two systems had, to some extent, different objectives (accountability and input to entity specific decision making for accounting, and economic and sector analysis for statistical reporting bases), full harmonization may not be possible or appropriate. It was also noted that while harmonization/ reconciliation will differ at the international and at national levels, the intent of the ongoing convergence program is to ensure that differences that emerge from the development of the two systems are intended, leading to justifiable rather than unintended differences.

**Action:** none

Dr. Sakurachi, an academic from Japan, presented a paper, and annexed discussions, on the conceptual framework for public sector. The framework includes budget information (not

currently in the financial statements of the government), and forecast of macroeconomic indicators, and the annexes include making a bridge between statistics and accounting.

## **E. Ongoing role of WG I** by Lucie Laliberté

### Presentation:

- The TFHPSA has two objectives: promoting further harmonization with public accounting standards, and updating statistical guidelines for the public sector in the update of SNA 93.
- The internationalization of accounting standards, as embodied in the IPSASB, facilitates the exchange of views between statisticians and accountants in the TFHPSA.
- Unlike the accounting standards, the SNA is updated periodically and not as an ongoing process.

### Discussion:

- Carol Carson noted that ongoing input from and exchange of views with accounting standards setters could be put on the SNA research agenda. It would be useful to consider at a future meeting how the continuing need for input from accounting perspective in the development of the statistical manuals should be achieved. Similarly, it would be important to consider how the statistical community could participate in the ongoing development of the accounting standards.
- The World Bank noted that it provides comments, including those drawn from its constituents, on a ongoing basis on the various EDs issued by the IPSASB.
- The possibility of having an observer from the national accounts community on the IPSASB was also raised. It was noted that the IMF, OECD and UN already participated in IPSASB meetings as observers with full rights of the floor and that IFAC had recently restructured the IPSASB to allow for membership by public members – that is, members other than those drawn from the accounting profession.
- Participants noted that while it was useful to have participation at the international level, one of the benefits of the WG1 and WG2 structures was that it brought to the table representation from national statistical offices and national treasuries and ministries of finance. The ability to discuss IPSASB, IPSAS and other developments from a national perspective had been very useful and should not be lost in arrangements going forward.

### Conclusion:

- How to proceed will be further discussed at the next TFHPSA. For instance, the IPSASB could participate in the SNA research agenda together with representation from individual countries.

## **F. Earnings from equity investment** by Brooks Robinson/Tim Dobbs

### Presentation:

- The paper presents four alternatives to record transactions between government and public corporations, and criteria to make an appropriate choice. The favoured proposal of the authors is the "Reinvested earnings" (D.43) approach. If this proposal were to be adopted, a subsidiary question would be whether to apply it to all public corporations or just to 100% owned corporations.

### Discussion:

- Support to the D.43 proposal was expressed by: Australia, Eurostat, USA, K. Dublin (IMF, GFD).
- Strong opposition came from: Canada, France, ECB, UNSD, Japan, John Pitzer.

- The proposal was made to accrue earnings (through D.43) of public corporations in the government sector for 100 % owned corporations only.
- A presentation of the issue by Anne Harrison narrowed the choice, mainly to two approaches (improved amended SNA which would include a revised treatment for superdividends and capital injections versus accrued earnings). Several speakers expressed clear preference for the improved/amended SNA approach, in particular taking on board the recommendations put forward in the *EMGDD* and in the *GFSM2001*.
- The need to clarify the issue of superdividends was expressed. However, the major issue from the point of view of the impact on the figures is the recording of capital injections.

#### Conclusion:

- There is no majority for a radical change of the SNA in favour of D.43.
- The preference of the TFHPSA is in favour of the improved/amended SNA approach. The task force concludes that the D.43 approach is to be put on the Research agenda, with a contribution of the TFHPSA (see under Action 2)

**Action : 2A. J. Pitzer and J-P Dupuis will prepare a draft for the January AEG that will present the two approaches in an even-handed manner (as requested in the July AEG meeting), but indicating the preferred choice of the TFHPSA. The draft should be circulated in the task force around November 10, in order to be made available to the ISWGNA on 18 November 2005 as requested.**

**2B. The present Robinson-Dobbs paper will be modified in collaboration with P. de Rougemont (Eurostat) to present the two main approaches in a more balanced way. This will be a contribution of the TFHPSA to the research on the subject.**

#### **G. Special Purpose Entities by Sage de Clerck**

##### Presentation:

- Sage de Clerck presented the alternatives for the treatments of SPEs created by government.
- Mr. Ivo Havinga informed the meeting of the outcome of the Expert Group Meeting (EGM) on Industrial Statistics in New York, including the relevant decisions on ancillary corporations and SPEs (minutes since posted on the UN site  
<http://unstats.un.org/unsd/industry/meetings/eg2005/AC105-4.PDF>

##### Discussion:

- The meeting generally agreed that the SPEs should be investigated on a case by case basis to determine the economic substance of the entity and the transactions of the entity. While general accounting and classification principles were regarded as sufficient to deal with these entities in the domestic economy, some reservations about the treatment of non-resident SPEs were expressed. While some members of the taskforce were content with having general government units abroad (which is a major change to the existing SNA), other members pointed out that this will result in a difference in the coverage of general government sector in the national accounts and the fiscal statistics.
- From an accounting perspective, the meeting was informed that the transfer of control of a securitized asset and the prior existence of the asset to be securitized by the SPE were regarded as major criteria in deciding whether a SPE was to be consolidated with the originator's accounts. The meeting was informed that both the IFRIC interpretations and the accounting standards on consolidation and non-exchange revenue would have an impact on the accounting treatment of these units. It was noted that these SPE arrangements are devised in such a way that the identification of control is very difficult.

- The meeting discussed the possibility of accommodating general government SPEs created abroad in the "rest of the world" account for purposes of the SNA, but to consolidate the SPE with the domestic general government sector for purpose of fiscal analyses. Participants in the meeting pointed out that the consolidation of units of the economy could be done at different levels, proposing that for fiscal analysis the domestic general government units and foreign general government units could be consolidated. There was no general agreement on this treatment. A smaller group worked on a set of core principles that were presented and discussed during the meeting.
- These core principles included the following proposal: *Non-resident SPEs created by government as a conduit* for undertaking government borrowing and incurring government outlays abroad, should be treated as non-resident units. In the context of the SNA/BOP, the borrowing and expenses of the non-resident unit on behalf of the government should be imputed and reflected in the accounts of the resident government (i.e., the originator of the SPE), because of the economic substance of these transactions and the principal party to the transactions.

#### Conclusion

- The meeting agreed on the amended principles to be put forward for consideration by the AEG in the January 2005 meeting.

**Action: 3.A** Sage de Clerck will submit electronically to the TFHPSA an amended version for review before the end of October.

**Action: 3.B** Sage de Clerck will prepare the contribution of the TFHPSA to the issue paper on Institutional Units to be presented to the AEG in January 2006 by Ivo Havinga on behalf of the Expert Group Meeting (EGM) on Industrial Statistics. The full AEG paper should be finalized for mid-November.

### **H. Recording of Government Liabilities** by Richard Shepherd

#### Presentation:

- The paper provided a definition of a liability and notes about the time or recording, valuation, and the relationship between stocks and flows of liabilities. The bulk of the paper presented the classifications used in *SNA 93*, *GFSM 2001* and the *External debt Guide*, together with suggestions for useful supplementary classifications. The current version of the IMF debt template was distributed.
- It was noted that "currency" should have been recorded as a liability of governments. It would be useful to provide a rationale for inclusion.

#### Discussion:

- It was noted that financial derivatives should have been included as a category of liabilities and the sectors should cover the general government sector and the social security sub-sector.

#### Conclusion

- The group agreed that the paper was a useful summary of many aspects of government liabilities, in particular the many ways in which they are classified in the various

macroeconomic statistic manuals. The paper will be used as a reference by the authors of the chapter on the general government and public sectors.

- The group agreed that the paper should be supplemented to reflect the accounting treatment of liabilities and equity. The editor will use the amended paper as input for delineating liabilities, provisions and contingent liabilities between the statistical and accounting systems in the rev.1 of *SNA 93*, with cross-references to other methodological manuals, as relevant.

**Action 4: R. Shepherd will seek inputs, by October-end, notably from Brett Kaufmann, Paul Sutcliffe, Ken Warren and Louise Breton from the perspective of financial accounting standards, and, in particular, with regard to the notion of constructive obligations, provisions, contingencies, and the valuation of certain liabilities using actuarial principles rather than market prices. The amended paper should be finalized by mid-November.**

## **I. Debt reorganization involving government** by Richard Shepherd

### Presentation:

- The paper defined debt reorganization and then discussed several types of debt reorganizations with proposed accounting treatments for each. Included were debt assumption, debt payments on behalf of others, debt forgiveness, debt restructuring, debt-for-equity swaps, prepayments and buybacks, write-offs, arrears, and defeasance. It also discussed some of the complexities of debt reorganizations under the HIPC initiative.

### Discussion:

- There was general agreement with the proposals of the paper, with the following amendments: *SNA* terms would be used rather than *GFSM 2001* terms when there is a difference.
- When a debt of a public corporation is assumed and an effective equal-valued claim against the corporation is not obtained, the counterpart of the transaction would always be a capital transfer rather than an acquisition of equity. (The special cases of debt assumption mentioned in the Eurostat manual on government deficit and debt will not be proposed for inclusion in the revised *SNA*.) The rationale is that there is in this case a voluntary transfer of wealth.
- The description of debt defeasance will be modified to allow the possibility of a debt to be removed from the debtor's balance sheet when there is an agreement with the creditor to that effect.
- The value of debt forgiveness depends on whether the debt is valued in nominal or market terms. There was no resolution of this issue.

### Conclusion:

- The issues are of clarification of debt, rather than a change in the *SNA*, with cross-references to other manuals where more details can be provided. Relevant paragraphs on debt operations are part of the chapter for the updated *SNA*.

**Action 5: The description of HIPC debt forgiveness is to be considered for inclusion as an example of the complexity of debt reorganizations. The TFHPSA should work in conjunction with BOPCOM on the paper to be presented to the AEG.**

## **J.. Privatisation/Nationalisation** by Jean-Pierre Dupuis

Presentation:

- Privatization and nationalization are not treated as such in the SNA.

Discussion:

- As the SNA 93 accommodates the privatization/nationalization transactions, there is no need for changes.
- However, from an operational viewpoint, clarification could be provided on the timing of reclassification, on the related taxes, on preliminary and carry over transactions (e.g., creation of shares prior to the privatization, valuation of assets).
- The issue of restructuring agencies have not been treated in an exhaustive manner, and those may entail changes in the SNA

Conclusion:

- The paper will serve as input for the Chapter, and the comments will be welcome.

**Action 6: Of the topics covered by team 5, only restructuring agencies may need changes to the SNA. Philippe de Rougemont took the lead to identify the scope of the paper, including issues on how the units and transactions should be treated (see Appendix). The paper could be presented by Ivo Havinga under the Unit paper to be submitted to the AEG.**

**K. Overview of SNA update by Carol Carson**

- The Statistical Commission endorsed the rev. 1 to be ready for March 2008.
- The July 2005 AEG meeting took decision on selected TFHPSA issues (guarantees, delineation, taxes and chapter), and covered as information items the earnings of public corporations and SPES.
- For the January 2006 AEG, follow up include e-discussion on guarantees, and on delineation. In addition, issue papers will have to be presented on earnings of public corporations and SPES/ restructuring agencies (item 25). May also be useful to present issues that may emerge from the Chapter (e.g., consolidation).
- The papers need to be ready by November 16 for review by the ISWGNA and the SNA update project manager and editor; they will be distributed to the AEG on December 15.

**L. Delineation by Tulsi Ram**

- It appeared that the AEG opinions were interpreted somewhat differently by the participants. It was suggested that the ISWGNA contacts the AEG members to find out what was needed.
- It was agreed to shorten the paper, clarify the main principles, and reach the right balance between principles and recommendations. The revised version of the paper would be “for e-discussion with the aim of finalizing this question at the next AEG meeting”. Lessons learned include exchange of views with the relevant members of the AEG.

**Action 7: Graham Jenkinson will take the lead on the revised version.**

**M. Guarantees by Reimund Mink**

- Principles and recommendations in the paper have reached a large agreement in the AEG. Clarification still needed for the recording of activation of guarantees
- There seems to be different views between countries on contingencies – and in particular constructive obligations (including political promises?) – as transactions. The IPSAS view is important here to help for harmonization of accounting

**Action 8: Reimund Mink and Manik Shrestna (BOBCOM) will collaborate on a e-discussion paper on granting and activation of guarantees.**

#### **N. Taxes by Jean-Pierre Dupuis**

- It is agreed to restate the principle according to which uncollectible taxes would not be accounted for in the tax revenue of government. In the context of a gross recording of tax (amounts of tax due, based on realistic assessments), it may happen that some tax unlikely to be collected – due to risk of bankruptcy for instance – are accounted for in the tax revenue. In this case, it is understood that the recording of a capital transfer, will neutralize this effect on the net borrowing / net lending of the general government.
- In line with the AEG opinion, draft paragraphs in the chapter will find the right balance between the statement of principles and of some recommendations.

**Action 9 : The text on taxes will be incorporated in the Chapter**

#### **O. Public/Private Partnership by John Pitzer**

- Sufficiently important to be covered in the SNA though the treatment would be general in terms of principles. Will include discussion on the types of relevant risks/ rewards (or control), including political risks, and the need to await the accounting standards resolution.

**Action 10 : Comments on PPP to be provided to John Pitzer by mid-November.**

#### **P. Taxes on mineral exploration and extraction by Jean-Pierre Dupuis**

##### **Presentation :**

- Borderline between rent (property income) and taxes on mineral exploration and extraction when the government is the owner (TFHPSA opinion asked by the AEG).
- In light of the presentation of a practical case (petroleum in Norway), the task force reached a conclusion similar to that of the Canberra II group: it is relevant to record common taxes (at usual rates) in the tax revenue, and the other payments – whatever their names are (royalties, tax etc.) – under property income. The (sub-soil) assets must be recorded in the balance sheets in national accounts.

**Action 11 : Jean-Pierre Dupuis to inform the Canberra Group of this conclusion and to clarify this point in the chapter.**

#### **Q. Water by Anne Harrison**

Presentation :

- The specific case is the recording of payments for discharging dirty water by government agencies, to be recorded either as a fee for the production of a service (like the delivering of water), as a fine for pollution or as tax.
- Several cases may be distinguished. In the main one - remedial action to clean dirty water-, the recommendation will be to record a fee for service, unless the payment would be out of proportion with the costs of producing the service (case for recording as tax).

**R. Chapter** by John Pitzer

- The AEG endorsed the notions of a chapter and annex on government and public sector, as well as the outline of the chapter at the July 2005 meeting.
- The chapter is a work-in-progress, with a provisional text that will need to be incorporated in the rest of the rev. 1 SNA 93.
- The text was viewed as a good start, well balanced overall, with certain sections to be shortened, notably debt that could be covered in the financial accounts.
- To the extent that issues arise in drafting the remainder of the chapter, they will be brought to the attention of the January AEG meeting.

**S. Closing** by Lucie Laliberté

- Proposed date for the next TFHPSA meeting: **8-9-10 March 2006**, to be held in Paris, back to back with the OECD Senior budget Officials meeting (6-7 March 2006).
- The topics to be covered: the Chapter and the follow up to the January-February 2006 AEG meeting, and future of WG I.



NOT FOR RELEASE TO THE  
PUBLIC OR THE PRESS

IASB MEETING WITH WORLD STANDARD SETTERS  
LONDON, SEPTEMBER 2005

## IASB Meeting with World Standard Setters Agenda and Running Order

**Renaissance London Chancery Court Hotel,  
252 High Holborn, London WC1V 7EN**

**Monday 26 September 2005**

Time	Agenda Item	Agenda Paper	Presenter/ Discussion Leader
09.00 – 09.15	Welcome and Introduction		David Tweedie
09.15 – 10.45	IASB timetable; IFRIC (including role of IFRIC and review of operations)	1, 2	Wayne Upton / Liz Hickey / Bob Garnett
10.45 – 11.15	Conceptual Framework - Introduction	3	Kimberley Crook / Ian Hague
<i>11.15 – 11.30</i>	<i>Tea/Coffee Break (in Break-out Rooms)</i>		
11.30 – 12.30	Conceptual Framework – Break-out Discussions		
12.30 – 13.30	Conceptual Framework – Feedback		Kimberley Crook / Ian Hague
<i>13.30 – 14.30</i>	<i>Lunch</i>		
14.30 – 15.30	Keynote speaker		John Tiner CESR-FIN
15.30 – 16.00	SME - Introduction	4	Paul Pacter
<i>16.00 – 16.15</i>	<i>Tea/Coffee Break (in Break-out Rooms)</i>		
16.15 – 17.15	SME – Break-out Discussions		
17.15 – 18.15	SME – Feedback		Paul Pacter

**Reception and dinner – Renaissance Hotel Salon 3**

**Tuesday 27 September 2005**

<b>Time</b>	<b>Agenda Item</b>	<b>Agenda Paper</b>	<b>Presenter/ Discussion Leader</b>
09.00 – 10.30	MOU discussion	5	IASB
10.30 – 11.00	Non-financial Liabilities – Introduction	6	Henry Rees
<i>11.00 – 11.15</i>	<i>Tea/Coffee Break (in Break-out Rooms)</i>		
11.15 – 12.15	Non-financial Liabilities – Break-out Discussions		
12.15 – 13.15	Non-financial Liabilities – Feedback		Henry Rees
<i>13.15 – 14.15</i>	<i>Lunch</i>		
14.15 – 16.45	General round-table discussion of challenges and opportunities facing jurisdictions as they adopt/converge with IFRSs		
16.45 – 17.00	Wrap-up and concluding remarks		Warren McGregor/David Tweedie

## Meeting of National Standard-setters

London, 25 September 2005

### Final Agenda

- |                   |             |  |
|-------------------|-------------|--|
|                   | 9:00-9:15   | Introduction ( <i>No Papers</i> )  |
| <b>1</b>          | 9:15-9:45   | Reports on current projects: <ul style="list-style-type: none"> <li>- Measurement (Canada) (<i>Paper 1A</i>)</li> <li>- MD&amp;A (New Zealand) (<i>Paper 1B</i>)</li> <li>- Disclosures (Canada) (<i>Paper 1C</i>)</li> <li>- Intangibles (Australia) (<i>Paper 1D, Paper 1D(a)</i>)</li> <li>- Pensions (UK) (<i>Paper 1E</i>)</li> </ul>                   |
| <b>2</b>          | 9:45-10:30  | Impairment (Canada) ( <i>Paper 2</i> )   |
| 10:30-10:45 Break |             |  |
| <b>3</b>          | 10:45-11:30 | Leases (UK) ( <i>Paper 3</i> )   |
| <b>4</b>          | 11:30-12:00 | Investment Companies (EFRAG) ( <i>Paper 4</i> )  |
| <b>5</b>          | 12:00-12:30 | Extractive industries (Australia) ( <i>Paper 5, Paper5A</i> )  |
| 12:30-13:30 Lunch |             |  |
| <b>6</b>          | 13:30-14:15 | Interpretations (Australia) ( <i>Paper 6</i> )   |
| <b>7</b>          | 14:15-15:15 | Conceptual Framework (Canada/NZ) ( <i>Paper 7, Paper 7A</i><br><i>(two electronic files)</i> <ul style="list-style-type: none"> <li>- Not for profit/public sector (Kevin Simpkins)<br/> <i>(Paper 7B)</i></li> </ul>  |
| 15:15-15:30 Break |             |  |
| <b>8</b>          | 15:30-17:00 | Future of this group ( <i>No papers</i> ) <ul style="list-style-type: none"> <li>- IASB Constitution/Memorandum of Understanding</li> <li>- Convergence jurisdictions, regional organisations</li> <li>- Membership</li> <li>- Conduct of research projects</li> <li>- Suggestions for future projects</li> <li>- Timing, dates of future meeting</li> </ul> |



## AUSTRALIAN ACCOUNTING STANDARDS BOARD

14 October 2005

### International Public Sector Accounting Standards Board Exposure Drafts

The AASB notes that the International Public Sector Accounting Standards Board (IPSASB), the international body responsible for issuing International Public Sector Accounting Standards (IPSASs), has recently issued the four Exposure Drafts:

- ED 25 *Equal Authority of Paragraphs in IPSASs*;
- ED 26 *Improvements to International Public Sector Accounting Standards*;
- ED 27 *Presentation of Budget Information in Financial Statements*; and
- ED 28 *Disclosure of Financial Information about the General Government Sector*.

The IPSASB has requested comments on ED 25 and ED 26 by 31 January 2006 and on ED 27 and ED 28 by 10 February 2006. Copies of the EDs are available to download at [www.ifac.org](http://www.ifac.org), free of charge.

In noting the proposals in ED 25 and ED 26, Professor David Boymal (AASB Chairman) stated that “ED 26 proposes updating 11 IPSASs, which were originally based on IASB standards, to reflect the changes made to the improved IASB standards that were issued by the IASB in December 2003. It is expected that any outcome from ED 25 and ED 26 will have limited short term implications in an Australian context, given the work the AASB has done recently in issuing and maintaining on a timely basis Australian equivalents to IFRSs that are applicable to both private sector and public sector entities.”

In noting the proposals in ED 27, Professor Boymal commented that “Depending on the outcome of ED 27, the IPSASB work has the potential to significantly influence the direction the AASB takes in relation to budgetary reporting.” He noted that this is possible, despite the budgetary reporting requirements recently proposed in AASB ED 142 *Financial Reporting of General Government Sectors by Governments* differing significantly from those in IPSASB ED 27.

In noting the proposals in ED 28, Professor Boymal observed that the ED is pertinent to the AASB’s GAAP/GFS convergence project. He commented that “The proposals in AASB ED 142 go significantly further than the proposals in IPSASB ED 28. Consistent with the FRC strategic direction, the AASB will continue to progress its project, but will be interested to see the outcome of the IPSASB’s work. Although in the short term ED 28 is unlikely to have a significant impact on the Australian project, in the longer term there may be some impacts.”

Professor Boymal went on to say “It is the AASB’s intention to submit comments to the IPSASB on each of the EDs. While encouraging AASB constituents to respond to all four EDs, it particularly encourages constituents to respond to ED 27 on budgetary reporting. Copying those responses to the AASB on a timely basis (before 15 January 2006) will enable the AASB to consider those responses in formulating its own response.”

#### Further enquiries

David Boymal	Chairman	03 9617 7615
Angus Thomson	Technical Director	03 9617 7618
Robert Keys	Senior Project Manager	03 9617 7624



## IPSASB Update 2

August 2005

### Introduction

The International Public Sector Accounting Standards Board (IPSASB) met in New York, USA on July 25-28, 2005.

This update summarizes the major features of the meeting. Agenda papers for IPSASB meetings are made available on the IPSASB page of the IFAC web site before the meeting.

### Work Program

#### *Revenue from Non-Exchange Transactions (Comprising Taxes and Transfers)*

The IPSASB reviewed a proposed exposure draft (ED) and provided directions for its further development, particularly in respect of the:

- Structure of the ED;
- Characteristics that conditions must possess to give rise to a present obligation, and the relationship between conditions and liabilities; and
- Basis for measurement of goods and services received in a non-exchange transaction and its implications for other IPSASs.

A process for further development and finalization of the ED was agreed. An updated draft will be considered by the IPSASB at its next meeting in November 2005, with a view to its approval for issue.

#### *Accounting for Social Policies of Governments*

The IPSASB considered a first draft ED addressing social benefits of governments other than age pensions and age related social benefits. The focus of the IPSASB's discussion was on the circumstances that would give rise to a present obligation. The IPSASB confirmed the scope of the project and further developed its approach to a number of key issues, including:

- Definition of social benefits;
- Identification of the obligating event and the present obligation;
- The nature and key characteristics of eligibility criteria.

The draft ED will be revised for consideration at the next meeting of the IPSASB. At that time, the relationship between the ED and the pension components of the IPSASB's broader social policy obligations project will also be revisited.

The IPSASB also continued its exploration of the government pensions components of this project. The IPSASB noted potential developments relating to the

System of National Accounts (SNA) and will further consider these in materials being prepared for consideration at its next meeting.

The IPSASB also confirmed its intention to consider the applicability of IAS 19, "Employee Benefits" to the public sector as resources permit.

#### *Budget Reporting*

The IPSASB approved the issue of an ED dealing with the reporting of budget and actual financial information in general purpose financial statements, subject to amendments to reflect decisions made at the meeting and final review by the IPSASB members out of session.

Major features of the ED include proposed requirements to disclose the original and final approved budgets and actual financial information on a comparable basis to the budget. The ED also proposes that a reconciliation to the general purpose financial statements be disclosed. The ED will be amended and circulated to IPSASB members for review in the third quarter of 2005. Issue early in the fourth quarter of 2005 is anticipated.

#### *Accounting for Heritage Assets*

The IPSASB in conjunction with the UK Accounting Standards Board (ASB) is developing a Discussion Paper on accounting for heritage assets. The ASB has identified issues of particular concern to UK constituents and is currently developing a paper which deals with those issues. A subcommittee of IPSASB members is working with the ASB to provide additional input from an international perspective for inclusion in the joint Discussion Paper.

At this meeting, the IPSASB received an update on the development of the Discussion Paper, considered papers identifying the principles and issues of particular relevance in the UK, and additional international issues that the IPSASB subcommittee had identified as necessary for inclusion in a ASB-IPSASB paper. The IPSASB welcomed the progress being made on this project and agreed to include a full draft of the Discussion Paper on its agenda for review at its next meeting.

#### *Convergence with International Financial Reporting Standards (IFRSs) issued by the IASB*

The IPSASB has a long-term objective of converging IPSASs with IASs/IFRSs issued by the IASB, where the requirements of the IASs/IFRSs are relevant for the public sector. In pursuit of that objective, the IPSASB has been developing an omnibus ED to update eleven existing IPSASs to reflect amendments to the IFRSs issued by the IASB in

December 2003 as a result of its (the IASB's) General Improvements Project.

The IPSASB has been reviewing proposed improvements to its IPSASs at meetings in 2004 and early 2005. At this meeting, the IPSASB reviewed, and approved the issue of, an omnibus ED comprising the eleven improved IPSASs, subject to final amendments to reflect decisions made at the meeting. It is anticipated that the ED will be finalized and issued late in the third quarter of 2005.

At this meeting the IPSASB also confirmed its commitment to fully progress all aspects of the IASs/IFRSs convergence program as resources allow, and approved a statement to reflect that commitment and to update constituents on the current status of that program. That statement will be released together with the omnibus improvements ED.

The IASB has specified that the black and grey letter text of the IFRSs, including those on which a number of IPSASs are based, will have equal authority. This policy is adopted for all IASs previously issued, as well as for newly issued IFRSs.

The IPSASB has reviewed and considered the authority of the text of all IPSASs currently on issue, and has agreed that it should also adopt this approach, subject to comments from constituents. An ED proposing amendments to the Preface to IPSASs to reflect that all paragraphs in IPSASs have equal authority will also be issued with the omnibus improvements ED.

#### *Convergence of IPSASs with Statistical Bases of Financial Reporting*

The IPSASB's work program includes consideration of projects directed at converging IPSASs and statistical bases of financial reporting, where such convergence is appropriate.

As part of this program, the IPSASB has been developing an ED dealing with the disclosure of information about the general government sector (GGs) in whole-of-government general purpose financial statements. At this meeting, the IPSASB considered and approved the issue of the ED, subject to amendments to reflect decisions made at the meeting and final review by IPSASB members out of session.

The ED does not require disclosure of GGs information in general purpose financial statements, but prescribes reporting requirements that must be adopted by governments which elect to make such disclosures. It is anticipated that the ED will be issued together with the budget reporting ED (see above) in the final quarter of 2005.

#### *Disclosure of External Assistance*

The IPSASB commenced its consideration of responses to ED 24 "Financial Reporting Under the Cash Basis of

Accounting – Disclosure Requirements for Recipients of External Assistance". The ED was issued in early February 2005 for comment by 15 June 2005. Members noted that responses were still being received but it appeared that field testing promoted by individual IPSASB members and the OECD-DAC Joint Venture on Financial Management had not been as successful as had been anticipated. Members noted that while a number of the responses received had commented favorably on the proposed disclosures, a number had also expressed concern that they may be too onerous, particularly where information is not available from donors.

The IPSASB expressed the view that without further input, including the results of field testing the ED it was not in a position to finalize an IPSAS. It was agreed that the IPSASB would seek the participation of both donors and recipients in field testing the ED and that progress would not be made until such tests had been undertaken. It was also agreed that the IPSASB would reach out to donor organizations in IPSASB member countries, its consultative group and the IFAC Developing Nations Task Force for assistance in promoting field tests.

Responses to ED 24 can be downloaded from the IFAC website.

#### **Consultative Group**

During this meeting, the IPSASB met with Consultative Group members from China, Switzerland, South Africa, Ghana and United States of America. Members of the government standard setting community in the USA and international bodies also joined in the discussion of specific issues identified by the IPSASB and constituents in respect of accounting for pensions and other social policies of government; revenue from non-exchange transactions (including taxes and transfers); budget reporting and external assistance. Consultative Group members provided valuable input on these issues.

**Next IPSASB Meeting:** Cape Town, South Africa, November 29-December 2, 2005. **For further information please contact:**  
**Paul Sutcliffe, IPSASB Technical Director**  
[psutcliffe@ifac.org](mailto:psutcliffe@ifac.org) or  
**Matthew Bohun, IPSASB Technical Manager**  
[matthewbohun@ifac.org](mailto:matthewbohun@ifac.org)

**IPSASB MEMBERS 2005**

**FRANCE** – Philippe Adhémar (Chair), Conseiller Maître à la Cour des Comptes. **UNITED KINGDOM** – Mike Hathorn (Deputy Chair), Partner, Moore Stephens, United Kingdom. **ARGENTINA** – Carmen Palladino, Consultant InterAmerican Development Bank. **AUSTRALIA** – Wayne Cameron, Auditor-General, State of Victoria. **CANADA** – Richard J. Neville, Vice-President and Chief Financial Officer, Royal Canadian Mint. **GERMANY** – Norbert Vogelpoth, Partner, PwC Deutsche. **INDIA** – Pankaj Jain – Partner, Khandelwal Jain & Co. **ISRAEL** – Ron Alroy, Chief Accountant, Accountant General, Ministry of Finance. **JAPAN** – Ryoko Shimizu, Partner, PwC Japan. **MALAYSIA** – Mohd. Salleh Mahmud, Deputy Accountant-General, Malaysia. **MEXICO** – Alejandro Luna Rodríguez, Contraloría de la Función Pública. **NEW ZEALAND** – Greg Schollum, Assistant Auditor-General (Accounting and Auditing Policy) of New Zealand. **NORWAY** – Tom Olsen, Partner, PwC Norway. **SOUTH AFRICA** – Erna Swart, Chief Executive Officer, Accounting Standards Board of South Africa. **UNITED STATES OF AMERICA** – Ron Points, Consultant, World Bank.

**IPSASB OBSERVERS 2005**

Asian Development Bank (ADB), European Union (EU), International Accounting Standards Board (IASB), International Monetary Fund (IMF), International Organisation Of Supreme Audit Institutions - Committee on Accounting Standards (INTOSAI-CAS), Organisation For Economic Cooperation And Development (OECD), United Nations/United Nations Development Programme (UN/UNDP) and the World Bank.

*INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS (IPSASs – Accrual Basis)*

**IPSAS 1 Presentation of Financial Statements** sets out the overall considerations for the presentation of financial statements, guidance for the structure of those statements and minimum requirements for their content under the accrual basis of accounting.

**IPSAS 2 Cash Flow Statements** requires the provision of information about the changes in cash and cash equivalents during the period from operating, investing and financing activities.

**IPSAS 3 Net Surplus or Deficit for the Period, Fundamental Errors and Changes in Accounting Policies** specifies the accounting treatment for changes in accounting estimates, changes in accounting policies and the correction of fundamental errors, defines extraordinary items and requires the separate disclosure of certain items in the financial statements.

**IPSAS 4 The Effects of Changes in Foreign Exchange Rates** deals with accounting for foreign currency transactions and foreign operations. IPSAS 4 sets out the requirements for determining which exchange rate to use for the recognition of certain transactions and balances and how to recognize in the financial statements the financial effect of changes in exchange rates.

**IPSAS 5 Borrowing Costs** prescribes the accounting treatment for borrowing costs and requires either the immediate expensing of borrowing costs or, as an allowed alternative treatment, the capitalization of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset.

**IPSAS 6 Consolidated Financial Statements and Accounting for Controlled Entities** requires all controlling entities to prepare consolidated financial statements which consolidate all controlled entities on a line by line basis. The Standard also contains a detailed discussion of the concept of control as it applies in the public sector and guidance on determining whether control exists for financial reporting purposes.

**IPSAS 7 Accounting for Investments in Associates** requires all investments in associates to be accounted for in the consolidated financial statements using the equity method of accounting, except when the investment is acquired and held exclusively with a view to its disposal in the near future in which case the cost method is required.

**IPSAS 8 Financial Reporting of Interests in Joint Ventures** requires proportionate consolidation to be adopted as the benchmark treatment for accounting for such joint venturers entered into by public sector entities. However, IPSAS 8 also permits – as an allowed alternative – joint ventures to be accounted for using the equity method of accounting.

**IPSAS 9 Revenue from Exchange Transactions** establishes the conditions for the recognition of revenue arising from exchange transactions, requires such revenue to be measured at the fair value of the consideration received or receivable and includes disclosure requirements.

**IPSAS 10 Financial Reporting in Hyperinflationary Economies** describes the characteristics of a hyperinflationary economy and requires financial statements of entities which operate in such economies to be restated.

**IPSAS 11 Construction Contracts** defines construction contracts, establishes requirements for the recognition of revenues and expenses arising from such contracts and identifies certain disclosure requirements.

**IPSAS 12 Inventories** defines inventories, establishes measurement requirements for inventories (including those inventories which are held for distribution at no or nominal charge) under the historical cost system and includes disclosure requirements.

**IPSAS 13 Leases** establishes requirements for the accounting treatment of operating and finance leasing transactions by lessees and lessors.



**IPSAS 14 Events After the Reporting Date** establishes requirements for the treatment of certain events that occur after the reporting date, and distinguishes between adjusting and non-adjusting events.

**IPSAS 15 Financial Instruments: Disclosure and Presentation** establishes requirements for the presentation of on-balance-sheet financial instruments and identifies the information that should be disclosed about both on-balance-sheet (recognized) and off-balance-sheet (unrecognized) financial instruments.

**IPSAS 16 Investment Property** establishes the accounting treatment, and related disclosures, for investment property. It provides for application of either a fair value or historical cost model.

**IPSAS 17 Property, Plant and Equipment** establishes the accounting treatment for property, plant and equipment, including the basis and timing of their initial recognition, and the determination of their ongoing carrying amounts and related depreciation. It does not require or prohibit the recognition of heritage assets.

**IPSAS 18 Segment Reporting** establishes requirements for the disclosure of financial statement information about distinguishable activities of reporting entities.

**IPSAS 19 Provisions, Contingent Liabilities and Contingent Assets** establishes requirements for the recognition of provisions, and the disclosure of contingent liabilities and contingent assets.

**IPSAS 20 Related Party Disclosures** establishes requirements for the disclosure of transactions with parties that are related to the reporting entity including Ministers, senior management, and their close family members.

**IPSAS 21 Impairment of Non-Cash-Generating Assets** establishes requirements for determining whether an asset is impaired, for the recognition and reversal of impairment losses, and for the disclosures to be made in respect of impaired assets.

**Glossary of Defined Terms (IPSAS 1-IPSAS 21)** identifies the terms defined in IPSASs on issue at 31 December 2004.

#### **CASH BASIS IPSAS AND TRANSITIONAL GUIDANCE**

**CASH BASIS IPSAS Financial Reporting Under the Cash Basis of Accounting** is a comprehensive IPSAS on financial reporting under the cash basis. It establishes requirements for the preparation and presentation of a statement of cash receipts and payments and supporting accounting policy notes. It also includes encouraged disclosures which enhance the cash basis report.

**Study 14 Transition to the Accrual Basis of Accounting: Guidance for Governments and Government Entities 2<sup>nd</sup> Edition (December 2003)**: identifies key issues to be addressed and alternate approaches that can be adopted in implementing the accrual basis of accounting in an efficient and effective manner in the public sector.

#### **EXPOSURE DRAFTS**

**Exposure Draft (ED) 24 Financial Reporting Under the Cash Basis of Accounting – Disclosure Requirements for Recipients of External Assistance** proposes the disclosure of information about external assistance, including development assistance under the cash basis of accounting. *The comment period closed 15 June 2005*

#### **INVITATIONS TO COMMENT and RESEARCH REPORTS**

**ITC Accounting for Social Policies of Governments** deals with accounting for social policies of governments. The ITC proposes a conceptual model for the recognition and measurement of social policy obligations derived from concepts implicit in existing IPSASs, particularly IPSAS 19. This conceptual model is then applied to a variety of social policy obligations, including the provision of health care, education, social welfare benefits and aged pensions. The ITC also proposes disclosure requirements for social policy obligations. *The comment period closed 30 June 2004.*

**ITC Revenue from Non-Exchange Transactions (Including Taxes and Transfers)** deals with the recognition and measurement of revenue from non-exchange transactions including taxes of various kinds, and transfers including grants, appropriations, gifts, bequests and fines. The ITC proposes an "assets and liabilities" model for the recognition of revenue from non-exchange transactions based on the definition of revenue already provided in IPSASs. The ITC demonstrates the application of this model to different classes of revenue. *The comment period closed 30 June 2004.*

**Budget Reporting (May 2004)**: The primary objective of this Research Report is to determine if an IPSAS should be issued on budget reporting.

**International Public Sector Accounting Standards (IPSASs) and Statistical Bases of Financial Reporting: An Analysis of Differences and Recommendations for Convergence (January 2005)**: This Research Report details the differences between financial reporting in accordance with IPSASs and statistical reporting in accordance with the International Monetary Fund's "Government Finance Statistics Manual 2001," Eurostat's "European System of Accounts 1993" and "ESA95 Manual on Government Deficit and Debt," and the UN's "System of National Accounts 1993."



#### **International Federation of Accountants**

545 Fifth Avenue, 14th Floor, New York, NY 10017 USA

Tel +1 (212) 286-9344 Fax +1 (212) 286-9570 [www.ifac.org](http://www.ifac.org)

530 Little Collins Street, Suite 1302, Melbourne Victoria Australia

Tel +61 (3) 9909-7677 Fax +61 (3) 9909-7669





## Nouvelles IPSASB 2

## AOÛT 2005

### Introduction

L'International Public Sector Accounting Standards Board (IPSASB) s'est réuni à New York, Etats-Unis, du 25 au 28 juillet 2005.

Ce numéro récapitule les principaux points de la réunion. Les documents d'information relatifs aux réunions de l'IPSASB sont disponibles, avant la réunion, sur la page IPSASB du site internet de la Fédération Internationale des Comptables (IFAC).

### Programme de travail

*Produits des opérations sans contrepartie directe (y compris les impôts et transferts)*

L'IPSASB a examiné un projet d'exposé-sondage (ED) et fourni des orientations pour son élaboration ultérieure. Ces orientations concernent en particulier :

- la structure de l'ED ;
- les caractéristiques que doivent présenter les conditions pour générer une obligation actuelle et les relations entre les conditions et les passifs ;
- la base d'évaluation des produits et des services reçus dans le cadre d'une opération sans contrepartie directe et ses implications pour d'autres IPSAS.

Un processus de développement ultérieur et de finalisation de l'ED a été décidé. Un projet actualisé sera examiné par l'IPSASB, pour approbation de sa publication, lors de la prochaine réunion en novembre 2005.

### *Comptabilisation des politiques sociales des gouvernements*

L'IPSASB a examiné un premier projet d'ED traitant des avantages sociaux accordés par les gouvernements, autres que les pensions et avantages sociaux connexes. La discussion a porté principalement sur les circonstances qui généreront une obligation actuelle. L'IPSASB a confirmé le champ d'application du projet et développé son approche d'un certain nombre de problèmes clés incluant :

- la définition des avantages sociaux ;
- l'identification de l'événement générant l'obligation et de l'obligation actuelle ;
- la nature et les caractéristiques clés des critères d'admissibilité.

Le projet d'ED sera révisé et ce projet révisé sera examiné lors de la prochaine réunion de l'IPSASB. A cette occasion, les relations entre l'ED et la composante retraites du projet plus vaste des obligations en termes de politique sociale seront également revisités.

L'IPSASB a également continué à examiner les composantes retraites publiques de ce projet. Il a noté les développements potentiels relatifs au système de comptes nationaux (SNA) et les examinera plus en détail dans les documents préparés en vue d'être examinés lors de sa prochaine réunion.

L'IPSASB a également confirmé son intention d'examiner l'applicabilité au secteur public d'IAS 19 « Avantages du personnel » sous réserve de disposer des ressources nécessaires.

### *Informations sur le budget et l'exécution budgétaire*

L'IPSASB a approuvé la publication d'un ED traitant de la présentation d'informations financières sur le budget et les réalisations dans les états financiers à usage général, sous réserve d'amendements pour refléter les décisions prises lors de la réunion et l'examen final par les membres de l'IPSASB en dehors des sessions.

Les principales caractéristiques de l'ED incluent des propositions de dispositions imposant la fourniture, sur une base comparable, du budget initial et du budget final approuvé et d'informations financières sur les réalisations. L'ED propose également de présenter un rapprochement avec les états financiers à usage général. L'ED sera amendé et diffusé aux membres de l'IPSASB pour examen au troisième trimestre 2005. Sa publication est prévue pour le début du quatrième trimestre 2005.

### *Comptabilisation des actifs historiques*

L'IPSASB travaille, conjointement avec le Accounting Standards Board (ASB) britannique, à l'élaboration d'un document de discussion sur la comptabilisation des actifs historiques. L'ASB a identifié les principaux sujets de préoccupation pour les parties prenantes britanniques et travaille actuellement à l'élaboration d'un document traitant de ces questions. Un sous-comité composé de membres de l'IPSASB travaille avec l'ASB à la fourniture d'informations complémentaires dans une optique internationale, à inclure dans le document de discussion conjoint.

Lors de cette réunion, l'IPSASB a reçu une version actualisée du document de discussion, examiné les rapports identifiant les principes et les points d'une importance particulière pour le Royaume-Uni, et les problèmes internationaux complémentaires que le sous-comité de l'IPSASB a jugé nécessaire d'inclure dans le document ASB-IPSASB. L'IPSASB s'est félicité de l'avancement du projet et s'est engagé à faire figurer un projet intégral du document de discussion dans l'ordre du jour de sa prochaine réunion.

### *Convergence avec les Normes internationales d'information financière (IFRS) publiées par l'IASB*

L'IPSASB a un objectif à long terme de convergence des IPSAS avec les IAS / IFRS publiées par l'IASB lorsque les

dispositions de ces normes sont pertinentes pour le secteur public. Dans le cadre de la poursuite de cet objectif, l'IPSASB a élaboré un ED d'ensemble pour actualiser onze IPSAS existantes de manière à refléter les amendements apportés aux IFRS publiées en décembre 2003 par le Bureau international de normalisation comptable (IASB), suite au Projet d'améliorations générales de l'IASB.

Lors de ses réunions de 2004 et du début de l'année 2005, l'IPSASB a examiné les propositions relatives aux améliorations à apporter à ses IPSAS. Lors de cette réunion, l'IPSASB a examiné, et approuvé la publication d'un ED d'ensemble englobant les onze IPSAS améliorées, sous réserve d'amendements finaux reflétant les décisions prises lors de la réunion. La finalisation et la publication de l'ED sont prévues pour la fin du troisième trimestre 2005.

Lors de cette réunion, l'IPSASB a également confirmé son engagement de faire avancer tous les aspects de son programme de convergence IAS/IFRS dans la mesure où ses ressources le lui permettent, et approuvé une déclaration reflétant cet engagement et faisant le point pour les parties concernées sur l'état actuel d'avancement de ce programme. Cette déclaration sera publiée avec l'ED d'ensemble sur les améliorations des IPSAS.

L'IASB a précisé que le texte en caractères normaux et le texte en caractères gras des IFRS, y compris de celles à partir desquelles ont été élaborées un certain nombre d'IPSAS, s'appliquera de la même façon. Cette politique est adoptée pour toutes les IAS publiées antérieurement, ainsi que pour les IFRS nouvellement publiées.

L'IPSASB a examiné l'autorité du texte de toutes les IPSAS actuellement publiées et admis qu'il devrait également adopter cette approche, sous réserve des commentaires des parties prenantes. Un ED proposant d'amender la Préface des IPSAS pour refléter le fait que tous les paragraphes des IPSAS font autorité de la même façon sera également publié avec l'ED d'ensemble sur les améliorations.

#### *Convergence des IPSAS avec les bases statistiques de l'information financière*

Le programme de travail de l'IPSASB inclut l'examen de projets visant à la convergence des IPSAS avec les bases statistiques de l'information financière, lorsque cette convergence est appropriée.

Dans le cadre de ce programme, l'IPSASB a élaboré un ED traitant de la fourniture d'informations sur le secteur gouvernemental général dans les comptes à usage général de l'Etat dans son ensemble. Lors de cette réunion, l'IPSASB a examiné et approuvé la publication de l'ED, sous réserve d'amendements pour refléter les décisions prises lors de la réunion et de son examen final par les membres de l'IPSASB en dehors des sessions.

L'ED n'impose pas la fourniture d'informations sur le secteur gouvernemental général dans les comptes à usage général, mais prescrit des dispositions en matière d'information financière qui doivent être adoptées par les gouvernements qui choisissent de fournir ces informations. Il est prévu de publier

cet ED en même temps que l'ED sur le rapport budgétaire (voir ci-dessus) au cours du dernier trimestre 2005.

#### *Fourniture d'informations sur l'aide extérieure*

L'IPSASB a commencé l'examen des réponses à l'exposé-sondage ED 24 « Information financière tenue en comptabilité de caisse – Informations à fournir par les bénéficiaires de l'aide extérieure ». L'ED a été publié au début du mois de février 2005 pour commentaires avant le 15 juin 2005. Les membres ont noté qu'ils continuaient à recevoir des réponses mais qu'apparemment les résultats des tests sur le terrain, encouragés par les différents membres de l'IPSASB et la joint venture avec l'OCDE/CAD sur la gestion financière, ne sont pas aussi concluants que prévu. Les membres ont noté que si un certain nombre de réponses reçues contiennent des commentaires favorables sur les propositions relatives à la fourniture d'informations, un certain nombre d'autres s'inquiètent du coût excessif de cette fourniture, en particulier lorsque les informations ne peuvent être obtenues auprès des donneurs.

L'IPSASB a exprimé le point de vue selon lequel sans informations complémentaires, notamment sans les résultats des tests sur le terrain, elle n'était pas en mesure de finaliser une IPSAS. Il a été convenu que l'IPSASB solliciterait à la fois la participation des donneurs et celle des bénéficiaires aux tests sur le terrain de l'ED et qu'aucun progrès ne serait réalisé tant que ces tests n'auraient pas été entrepris. Il a été également convenu que l'IPSASB contacterait les organisations de donneurs dans les pays membres de l'IPSASB, son groupe consultatif et le groupe de travail de l'IFAC sur les nations en développement pour qu'ils l'aident à promouvoir la réalisation de tests sur le terrain.

Les réponses à l'ED 24 peuvent être téléchargées à partir du site web de l'IFAC.

#### **Groupe consultatif**

Pendant sa réunion, l'IPSASB a rencontré les membres du Groupe consultatif, notamment les membres de la Chine, de la Suisse, de l'Afrique du Sud, du Ghana et des Etats-Unis. Les membres de la communauté de l'élaboration de normes pour le secteur public aux Etats-Unis et d'organismes internationaux se sont également joints à la discussion des points spécifiques identifiés par l'IPSASB et les organismes qui la composent, concernant la comptabilisation des retraites et autres politiques sociales des gouvernements ; les produits des opérations sans contrepartie (y compris les impôts et transferts) ; les rapports budgétaires et l'aide extérieure. Les membres du Groupe consultatif ont fourni des informations précieuses sur ces questions.

**Prochaine réunion de l'IPSASB** : Le Cap, Afrique du Sud, du 29 novembre au 2 décembre 2005. **Pour toute information complémentaire, veuillez contacter :**  
**Paul Sutcliffe, Directeur technique de l'IPSASB**  
[psutcliffe@ifac.org](mailto:psutcliffe@ifac.org) ou  
**Matthew Bohun, Administrateur technique de l'IPSASB**  
[matthewbohun@ifac.org](mailto:matthewbohun@ifac.org)

**MEMBRES DE L'IPSASB 2005**

**FRANCE** – Philippe Adhémar (Président), Conseiller Maître à la Cour des Comptes. **ROYAUME-UNI** – Mike Hathorn (Vice-Président), Associé, Moore Stephens, Royaume-Uni. **ARGENTINE** – Carmen Palladino, Consultante pour la Banque Inter-Américaine de Développement. **AUSTRALIE** – Wayne Cameron, Commissaire aux Comptes (Auditor-General), Etat de Victoria. **CANADA** – Richard J. Neville, Vice-Président et Chef de la Comptabilité de la Monnaie royale canadienne. **ALLEMAGNE** – Norbert Vogelpoth, Associé, PwC Deutsche. **INDE** – Pankaj Jain, Associé, Khandelwal Jain & Co. **ISRAEL** – Ron Alroy, Directeur des services comptables, Comptable général, Ministère des Finances. **JAPON** – Ryoko Shimizu, Associé, PwC Japan. **MALAISIE** – Mohd. Salleh Mahmud, Comptable général adjoint, Malaisie. **MEXIQUE** – Alejandro Luna Rodríguez, Contrôle de la Fonction publique. **NOUVELLE-ZELANDE** – Greg Schollum, Commissaire aux Comptes adjoint (Politique en matière de comptabilité et d'audit) de Nouvelle-Zélande. **NORVEGE** – Tom Olsen, Associé, PwC Norway. **AFRIQUE DU SUD** – Erna Swart, Directeur général, Bureau de normalisation comptable de l'Afrique du Sud. **ETATS-UNIS D'AMERIQUE** – Ron Points, Consultant, Banque mondiale.

**OBSERVATEURS DE L'IPSASB EN 2005**

La Banque asiatique de Développement (BASD), l'Union européenne (UE), le Bureau international de normalisation comptable (IASB), le Fonds monétaire international (FMI), le Comité sur les Normes comptables de l'International Organisation of Supreme Audit Institution (INTOSAI-CAS), l'Organisation de Coopération et de Développement Économiques (OCDE), les Nations Unies / le Programme des Nations Unies pour le Développement (ONU/PNUD) et la Banque mondiale.

**NORMES COMPTABLES INTERNATIONALES DU SECTEUR PUBLIC (IPSAS – Comptabilité d'exercice)**

**IPSAS 1 Présentation des Etats financiers** énonce des considérations générales pour la présentation des états financiers, formule des commentaires sur leur structure et établit les dispositions minima pour le contenu d'états financiers établis selon la méthode de la comptabilité d'exercice.

**IPSAS 2 Tableaux des flux de trésorerie** impose la présentation d'informations sur les évolutions de la trésorerie et des équivalents de trésorerie en classant les flux de trésorerie de l'exercice en activités opérationnelles, d'investissement et de financement.

**IPSAS 3 Solde net de l'exercice, erreurs fondamentales et changements de méthodes** précise le traitement comptable applicable aux changements d'estimations comptables, aux changements de méthodes comptables et à la correction des erreurs fondamentales, définit également les éléments extraordinaires et prescrit l'indication de certains éléments dans les états financiers.

**IPSAS 4 Effets des variations des cours des monnaies étrangères** traite des opérations en monnaies étrangères et des activités à l'étranger. IPSAS 4 précise les règles à observer pour déterminer le cours de change à utiliser pour convertir les transactions et les soldes en devises, et comment comptabiliser dans les états financiers l'incidence financière des variations de cours de change.

**IPSAS 5 Coûts d'emprunts** prescrit le traitement comptable des coûts d'emprunts et impose soit qu'ils soient directement comptabilisés en charge soit, à titre d'autre traitement autorisé, que ceux qui sont directement attribuables à l'acquisition, la construction ou la production d'un actif soient incorporés dans le coût de cet actif.

**IPSAS 6 Etats financiers consolidés et comptabilité des entités contrôlées** impose à toutes les entités contrôlantes de préparer des états financiers consolidés par consolidation ligne à ligne de toutes les entités contrôlées. La norme comprend également une discussion détaillée sur la notion de contrôle appliquée au secteur public et fournit des directives pour déterminer l'existence du contrôle pour les besoins de l'information financière.

**IPSAS 7 Comptabilisation des participations dans des entités associées** impose pour la comptabilisation de toutes les participations dans des entités associées la méthode de la mise en équivalence, sauf si la participation a été acquise et est détenue dans l'unique perspective d'une cession dans un avenir proche. Elle doit être alors comptabilisée au coût de revient.

**IPSAS 8 Information financière relative aux participations dans des coentités** impose comme traitement de référence la consolidation proportionnelle pour les coentités formées avec des entités du secteur public. Cependant l'IPSAS 8 permet également, comme autre traitement autorisé, une comptabilisation selon la méthode de la mise en équivalence.

**IPSAS 9 Produits générés par des opérations d'échange** établit les conditions de comptabilisation des produits résultant d'opérations d'échange, requiert l'évaluation à la juste valeur de la contrepartie reçue ou à recevoir, et mentionne l'information à fournir.

**IPSAS 10 Information financière dans des économies hyperinflationnistes** décrit les caractéristiques d'une économie hyperinflationniste et impose le retraitement des états financiers des entités qui opèrent dans ces économies.

**IPSAS 11 Contrats de construction** définit les contrats de construction, établit les règles pour la prise en compte des produits et des charges découlant de tels contrats et indique certaines informations à fournir.

**IPSAS 12 Stocks** définit les stocks, établit les règles pour leur évaluation (y compris pour ceux qui sont destinés à être distribués gratuitement ou à bas prix) selon la méthode du coût historique et établit les informations à fournir en annexe.

**IPSAS 13 Contrats de location** établit les règles pour le traitement comptable des opérations de location simple et de location financement tant pour le bailleur que pour le preneur.

**IPSAS 14 Evénements postérieurs à la date de clôture** établit les règles pour le traitement des événements postérieurs à la date de clôture et fait une distinction entre ceux qui nécessitent un ajustement des états financiers et ceux qui ne nécessitent pas d'ajustement.

**IPSAS 15 Instruments financiers : information à fournir et présentation** établit les règles pour la présentation au bilan des instruments financiers et définit l'information qui doit être fournie en annexe à la fois sur les instruments financiers inscrits au bilan et sur ceux qui sont en hors bilan.

**IPSAS 16 Immeubles de placement** prescrit le traitement comptable et précise l'information à fournir en annexe pour les immeubles de placement. Elle propose soit la juste valeur soit le coût historique

**IPSAS 17 Immobilisations corporelles** prescrit le traitement comptable des immobilisations corporelles, notamment leur date de comptabilisation, leur évaluation à cette date, leur évaluation postérieure et leur amortissement. Elle n'oblige ni n'interdit la comptabilisation des actifs historiques.

**IPSAS 18 Information sectorielle** établit les principes de la communication d'une information financière sectorielle sur les activités des entités présentant les états financiers.

**IPSAS 19 Provisions, passifs éventuels et actifs éventuels** établit les règles pour la comptabilisation des provisions et l'information à fournir en annexe sur les passifs éventuels et actifs éventuels.

**IPSAS 20 Information relative aux parties liées** établit les règles pour l'information à fournir en annexe sur les opérations avec des parties liées à l'entité, notamment les ministères, les dirigeants ou la proche famille.

**IPSAS 21 Dépréciation des actifs non générateurs de revenus monétaires** établit les critères à prendre en compte pour déterminer si un actif est déprécié, pour comptabiliser et reprendre des pertes de valeur et pour établir l'information à fournir en annexe concernant les actifs dépréciés.

**Glossaire des termes utilisés (IPSAS 1 – IPSAS 21)** définit les termes utilisés dans les IPSAS publiées au 31 décembre 2004.

**IPSAS SUR LA COMPTABILITE DE CAISSE ET DIRECTIVES POUR LA PERIODE DE TRANSITION** Jaudeau

**IPSAS sur la comptabilité de caisse. Information financière tenue en comptabilité de caisse** est une norme exhaustive sur la présentation de l'information financière tenue en comptabilité de caisse. Elle établit les règles pour la préparation et la présentation d'un état des encaissements et des décaissements, ainsi que des notes annexes décrivant les méthodes comptables. Elle encourage également la fourniture d'informations visant à améliorer la qualité des comptes annuels en comptabilité de caisse.

**Etude 14 Transition vers une comptabilité d'exercice : Directives pour les Gouvernements et les entités gouvernementales (2e édition, décembre 2003)** identifie les questions essentielles qui doivent être étudiées et les différentes approches qui peuvent être retenues pour une mise en place efficace d'une comptabilité d'exercice dans le secteur public

**EXPOSE-SONDAGE**

**Exposé-sondage(ED) 24 Information financière tenue en comptabilité de caisse – Informations à fournir pour les bénéficiaires de l'aide extérieure** propose de fournir des informations sur l'aide extérieure, notamment l'aide au développement selon une base de comptabilité de caisse. **Le délai fixé pour la réception des commentaires a pris fin le 15 juin 2005.** APPELS A COMMENTAIRES et RAPPORTS DE RECHERCHE

**ITC Comptabilisation des politiques sociales des gouvernements** traite de la comptabilisation des politiques sociales des gouvernements. L'ITC propose un modèle conceptuel pour la comptabilisation et l'évaluation des obligations de politique sociale qui découlent de concepts implicites figurant dans les IPSAS actuelles, en particulier dans IPSAS 19. Ce modèle conceptuel est ensuite appliqué à toute une série d'obligations de politique sociale, comme les régimes de santé, d'éducation, de prévoyance et de retraite. L'ITC propose également d'établir la fourniture d'informations en annexe sur les obligations de politique sociale. **Le délai fixé pour la réception des commentaires a pris fin le 30 juin 2004.**

**ITC Produits d'opérations sans contrepartie directe (y compris les impôts et transferts)** traite de la comptabilisation et de l'enregistrement des produits des opérations sans contrepartie directe, y compris les impôts et taxes de toute nature et les transferts y compris les subventions, les appropriations, les donations, les legs et les amendes. L'ITC propose un modèle « actifs et passifs » pour la comptabilisation des produits sans contrepartie directe, établi sur la base de la définition des produits déjà fournie dans les IPSAS. L'ITC fait la démonstration de l'application de ce modèle à différentes catégories de produits. **Le délai fixé pour la réception des commentaires a pris fin le 30 juin 2004**

**Rapport sur le budget (mai 2004)** - Le principal objectif de ce rapport de recherche est de déterminer s'il convient de publier une IPSAS sur le reporting budgétaire.

**Normes comptables internationales pour le secteur public (IPSAS) et bases statistiques de présentation de l'information financière : analyse des différences et des recommandations pour la convergence (janvier 2005)** - Ce rapport de recherche indique en détail les différences entre la présentation de l'information financière conformément aux IPSAS et la présentation de statistiques conformément aux indications du Manuel de statistiques de finances publiques 2001 du Fonds monétaire international, du Système européen de comptes 1993 d'Eurostat, du "ESA95 Manual on Government Deficit and Debt" et du Système de comptes nationaux 1993 des Nations-Unies.



**International Federation of Accountants**

545 Fifth Avenue, 14th Floor, New York, NY 10017 USA

Tel +1 (212) 286-9344 Fax +1 (212) 286-9570 [www.ifac.org](http://www.ifac.org)

530 Little Collins Street, Suite 1302, Melbourne Victoria Australia

Tel +61 (3) 9909-7677 Fax +61 (3) 9909-7669

IPSASB Cape Town, Nov/Dec 2005



## IPSASB Actualización 2

Agosto 2005

### Introducción

La Junta de Normas Contables Internacionales para el Sector Público (International Public Sector Accounting Standards Board - IPSASB) se reunió en Nueva York, EE.UU, entre el 25 y el 28 de julio, 2005.

La presente actualización resume los rasgos destacados del encuentro. Las monografías del programa para las reuniones de la IPSASB se hallarán disponibles en la página IPSASB del sitio Web de la IFAC con anterioridad a la reunión.

### Programa de Trabajo

*Ingresos por Transacciones sin Intercambio (Incluidos Impuestos y Transferencias)*

La IPSASB revisó un propuesto borrador de exposición (exposure draft – ED) y dio instrucciones para su ulterior desarrollo, en especial en lo que se refiere a:

- La estructura del ED;
- Las características que deben exhibir las condiciones a fin de dar origen a una obligación actual, y la relación entre las condiciones y los pasivos; y
- La base para la medición de bienes y servicios recibidos en una transacción sin intercambio y sus implicaciones para las otras IPSAS.

Se acordó un proceso para el desarrollo ulterior y la finalización del ED. La IPSASB considerará un borrador actualizado en su próximo encuentro en noviembre 2005, con vistas a su aprobación para ser publicado.

### *Contabilidad para Políticas Sociales de Gobiernos*

La IPSASB examinó un primer borrador sobre los beneficios sociales gubernamentales distintos de las pensiones por edad avanzada y de los beneficios sociales relacionados con la edad. La discusión de la IPSASB se centró en las circunstancias que podrían originar una obligación actual. La IPSASB confirmó el alcance del proyecto y continuó con el desarrollo de su enfoque sobre varios temas fundamentales, incluidos:

- La definición de beneficios sociales;
- La identificación del suceso generador de obligaciones y la obligación actual;
- La naturaleza y las características fundamentales de los criterios de elegibilidad.

El borrador ED será examinado para su discusión en la próxima reunión de la IPSASB. En esa oportunidad también se volverá a considerar la relación entre el ED y los componentes de pensión del proyecto de obligaciones de política social de la IPSASB.

Asimismo, la IPSASB continuó explorando los componentes de pensiones gubernamentales de este

proyecto. Tomó nota de los desarrollos potenciales vinculados con el Sistema de Cuentas Nacionales (System of National Accounts - SNA) y discutirá la preparación de estos materiales para su tratamiento en el próximo encuentro.

Además la IPSASB confirmó la intención de examinar la aplicabilidad de la IAS 19 “Beneficios del Empleado” al sector público en la medida permitida por los recursos.

### *Información sobre Presupuesto*

La IPSASB aprobó la emisión de un ED que trata de información sobre presupuesto e información financiera real en declaraciones financieras de propósito general, sujeto a enmiendas a fin de reflejar las decisiones tomadas en la reunión y la revisión final por parte de los miembros de la IPSASB fuera de sesión.

Las características más importantes del ED incluyen normas propuestas para revelar los presupuestos originales y finales aprobados y la información financiera real sobre una base comparable con el presupuesto. El ED también propone la revelación de una reconciliación de las declaraciones financieras de propósito general. Éste será corregido y distribuido entre los miembros de la IPSASB para su revisión en el tercer trimestre del 2005. Se anticipa su publicación para principios del último trimestre del 2005.

### *Contabilidad para Patrimonios Nacionales*

La IPSASB, junto con la Junta de Normas Contables (Accounting Standards Board - ASB) del Reino Unido está elaborando una Monografía de Discusión sobre la contabilidad para patrimonios nacionales. La ASB ha identificado temas de interés particular para los constituyentes del Reino Unido y está desarrollando una monografía sobre estos temas. Un subcomité de miembros de la IPSASB trabaja con la ASB a fin de proveer aportes adicionales desde una perspectiva internacional para su inclusión en la Monografía de Discusión conjunta.

En este encuentro la IPSASB recibió una actualización sobre la confección de la Monografía de Discusión y examinó monografías que identifican temas de importancia especial en el Reino Unido y asuntos internacionales adicionales que el subcomité IPSASB había señalado como necesarios para la inclusión en una monografía ASB – IPSASB. La IPSASB expresó satisfacción por el progreso realizado en este proyecto y convino incluir el borrador completo de la Monografía de Discusión en su programa para ser considerado en el próximo encuentro.

*Convergencia con las Normas Internacionales de Informes Financieros (International Financial Reporting Standards - IFRS) publicadas por el IASB*

La IPSASB tiene como objetivo a largo plazo la convergencia de las IPSAS con las IAS/IFRS emitidas por el IASB en los casos en que los requerimientos de las IAS/IFRS sean relevantes para el sector público. Con tal objetivo, la IPSASB ha confeccionado un ED “ómnibus” para actualizar 11 IPSAS existentes a fin de reflejar las enmiendas a las IFRS publicadas por el IASB en diciembre 2003 como resultado de su Proyecto General de Mejoras (del IASB).

La IPSASB ha revisado mejoras propuestas para las IPSAS en sus reuniones en el 2004 y a comienzos del 2005. En esta última, la IPSASB consideró y dio aprobación a la emisión de un ED “ómnibus” que incluye las once IPSAS mejoradas sujetas a enmiendas finales para mostrar las decisiones tomadas en el encuentro. Se anticipa la finalización y publicación del ED para fines del tercer trimestre de 2005.

En esta reunión la IPSASB también confirmó su compromiso con el progreso completo en todos los aspectos del programa de convergencia de las IAS/IFRS en la medida que lo permitan los recursos, y aprobó una declaración que exponga tal compromiso y actualice a los constituyentes sobre el estado actual del programa. Esta declaración se emitirá de manera conjunta con el ED “ómnibus” de mejoras.

El IASB especificó la igualdad de autoridad de entre el texto en tipos grises y negros de las IFRS, incluyendo aquéllos sobre los que se basan varias IPSAS. Esta política se adopta para todas las IAS publicadas previamente así como para las IFRS de publicación reciente.

La IPSASB ha examinado y tomado en consideración la autoridad del texto de todas las IPSAS actualmente publicadas y convino adoptar también este enfoque, sujeto a comentarios por parte de sus constituyentes. Asimismo, se agregará al ED “ómnibus” de mejoras un ED que proponga enmiendas al Prefacio de las IPSAS para que manifieste que todos los párrafos de las IPSAS poseen igual autoridad.

*Convergencia de las IPSAS con las Bases Estadísticas de Declaraciones Financieras*

El programa de trabajo de la IPSASB incluye el examen de los proyectos encaminados hacia la convergencia de las IPSAS con bases estadísticas de declaración financiera, en los casos en los que tal convergencia resulte apropiada.

Como parte de este programa, la IPSASB ha elaborado un ED que trata la revelación de información sobre el sector de gobierno general (general government sector - GGS) en declaraciones financieras para todo propósito tipo gubernamental integral. En esta reunión la IPSASB consideró y aprobó la publicación del ED, sujeta a enmiendas que reflejen las decisiones tomadas en la reunión y a revisión final por los miembros de la IPSASB fuera de sesión.

El ED no requiere revelación de la información del GGS en declaraciones financieras de propósito general, pero prescribe las normas de información que deben adoptar los gobiernos que eligen implementar tales revelaciones. Se anticipa la publicación del ED junto con el ED de información sobre presupuesto (ver más arriba) a fines del último trimestre del 2005.

*Revelación de Ayuda Externa*

La IPSASB comenzó a considerar las respuestas al ED 24 “Presentación de Informes Financieros en el marco de la Contabilidad con Base Efectivo --Requisitos de Revelación para Receptores de ayuda Externa”. El ED fue publicado a principios de febrero 2005 para su comentario al 15 de junio 2005. Algunos miembros observaron que aún se estaban recibiendo respuestas pero que, al parecer, la prueba de campo promovida por miembros individuales de la IPSASB y por el Emprendimiento Conjunto sobre Administración Financiera del OECD-DAC no fue tan exitosa como se anticipó. Algunos miembros observaron que mientras varias de las respuestas recibidas comentaban favorablemente sobre las revelaciones propuestas, otras también expresaban preocupación por la posibilidad de que resulten demasiado onerosas, en especial cuando no existe información disponible proveniente de los donantes.

La IPSASB opinó que sin aportes adicionales, incluidos los resultados de la prueba de campo del ED, no está en condiciones de finalizar una IPSAS. Se convino que la IPSASB buscará la participación tanto de donantes como de receptores en la prueba de campo del ED y que no se realizará progreso alguno hasta tanto no se efectúen dichas pruebas. También se acordó que la IPSASB recurrirá a organizaciones donantes de los países miembros, a su grupo de investigación y a la Fuerza de Tareas de Naciones en Desarrollo de la IFAC para asistencia en la promoción de pruebas de campo.

Las respuestas al ED24 pueden descargarse del sitio Web de la IFAC.

**Grupo de Investigación**

En este encuentro la IPSASB se reunió con miembros del Grupo de Investigación de China, Suiza, Sudáfrica, Ghana y de los Estados Unidos de América. Asimismo, miembros de la comunidad establecedora de normas gubernamentales en los EE.UU. y de organismos internacionales se incorporaron a la discusión de temas específicos identificados por la IPSASB y por sus constituyentes con respecto a la contabilidad para pensiones y a otras políticas sociales de gobierno; ingreso de transacciones sin intercambio (incluyendo impuestos y transferencias); información sobre presupuesto y ayuda externa. Los miembros del Grupo de Investigación realizaron valiosos aportes sobre estos temas.

**Próxima Reunión de la IPSASB: Ciudad del Cabo, Sudáfrica, 29 de noviembre – 2 de diciembre, 2005.**

**Para más información sírvase contactar a:**

**Paul Sutcliffe, Director Técnico de la IPSASB**

[psutcliffe@ifac.org](mailto:psutcliffe@ifac.org) o a **Matthew Bohun, Administrador**

**Técnico de la IPSASB** [matthewbohun@ifac.org](mailto:matthewbohun@ifac.org)

**MIEMBROS DE LA IPSASB EN 2005**

**FRANCIA** – Philippe Adhémar (Presidente), Conseiller Maître à la Cour des Comptes. **REINO UNIDO** – Mike Hathorn (Vicepresidente), Socio, Moore Stephens, Reino Unido. **ARGENTINA** – Carmen Giachino Palladino, Consultora Banco Interamericano de Desarrollo. **AUSTRALIA** – Wayne Cameron, Auditor General, Estado de Victoria. **CANADA** – Rick Neville, Vicepresidente y Jefe Financiero Oficial, Real Casa de la Moneda de Canadá. **ALEMANIA** – Norbert Vogelpoth, Socio, PwC Deutsche. **INDIA** – Pankaj Jain – Socio, Khandelwal Jain / Co. **ISRAEL** – Ron Alroy, Contador Jefe, Ministerio de Finanzas de Israel. **JAPÓN** – Ryoko Shimizu, Socio, PwC Japón. **MALASIA** – Mohd. Salleh Mahmud, Contador Adjunto General, Malasia. **MEXICO** – Alejandro Luna Rodríguez, Contraloría de la Función Pública. **NUEVA ZELANDA** – Greg Schollum, Auditor General Asistente, (Política de Contabilidad y Auditoría) de Nueva Zelanda. **NORUEGA** – Tom Olsen, Socio, PwC Norway. **SUDÁFRICA** – Erna Swart, Oficial Ejecutivo en Jefe, Junta de Normas para Prácticas Contables de Sudáfrica. **ESTADOS UNIDOS DE AMÉRICA** – Ron Points, Consultor, El Banco Mundial.

**OBSERVADORES DE LA IPSASB EN 2005**

Banco Asiático de Desarrollo (Asian Development Bank - ADB), Unión Europea (EU), Consejo Internacional de Normas Contables (International Accounting Standards Board - IASB), Fondo Monetario Internacional (International Monetary Fund - IMF), Organización Internacional de Instituciones Supremas de Auditoría - Comité de Normas Contables (International Organisation Of Supreme Audit Institutions - Committee on Accounting Standards - INTOSAI-CAS), Organización para la Cooperación Económica y el Desarrollo (Organisation For Economic Co-Operation And Development - OECD), Naciones Unidas/Programa de las Naciones Unidas para el Desarrollo (United Nations/United Nations Development Programme - UN/UNDP) y el Banco Mundial.

*NORMAS INTERNACIONALES PARA PRÁCTICAS CONTABLES DEL SECTOR PÚBLICO (NICSP - Acumulaciones básicas).*

**NICSP 1 *Presentación de estados financieros*** establece las consideraciones generales para la presentación de estados financieros, la guía para la estructura de dichos estados y los requisitos mínimos para su contenido en el marco del sistema de contabilidad con base en devengado.

**NICSP 2 *Estados de Flujo de Efectivo*** requiere el suministro de información sobre los cambios en efectivo y sus equivalentes durante el período derivado de actividades operativas, de inversión y financiamiento.

**NICSP 3 *Superávit/déficit neto del Periodo, Errores Fundamentales y Cambios en las Políticas Contables*** especifica el tratamiento contable para los cambios en estimaciones de contabilidad, cambios en las políticas contables y la corrección de errores fundamentales, define partidas extraordinarias y requiere la revelación separada de ciertos rubros en los estados financieros.

**NICSP 4 *Efectos de las Variaciones en las tasas de cambio de la Moneda Extranjera*** trata de la contabilidad para transacciones en moneda extranjera y operaciones en el exterior. El NICSP 4 establece los requerimientos para determinar cuál es la tasa de cambio que se utilizará para el reconocimiento de ciertas transacciones y saldos y de qué manera se reconocerá en los estados financieros el efecto financiero de las variaciones en el tipo de cambio de monedas extranjeras.

**NICSP 5 *Costos por Intereses*** prescribe el tratamiento contable de los costos de financiamiento y requiere ya sea la inmediata deducción de los costos de financiamiento o bien, como tratamiento alternativo permitido, la capitalización de los costos de financiamiento que son atribuibles directamente a la adquisición, construcción o producción de un activo idóneo.

**NICSP 6 *Estados Financieros Consolidados y Tratamiento Contable de las Entidades Controladas*** requiere que todas las entidades controladoras preparen estados financieros consolidados en los que todas las entidades controladas se consoliden rubro por rubro. La Norma también contiene una discusión detallada del concepto de control tal como se aplica en el sector público y una guía para determinar si el control existe para fines de información financiera.

**NICSP 7 *Contabilización de Inversiones en Entidades Asociadas*** requiere que todas las inversiones en empresas asociadas sean mostradas en estados financieros consolidados empleando el método de participación, excepto cuando la inversión se adquiere y mantiene exclusivamente con vistas a su enajenación en un futuro cercano, en cuyo caso se requiere el método de costo.

**NICSP 8 *Información Financiera sobre los Intereses en Negocios Conjuntos*** requiere adoptar la consolidación proporcional como tratamiento preferencial contable para los negocios conjuntos en los que participan entidades del sector público. No obstante, el NICSP 8 también permite – como alternativa autorizada – contabilizar negocios conjuntos utilizando el método de participación.

**NICSP 9 Ingresos por transacciones con Contraprestación** establece las condiciones para el reconocimiento de los ingresos provenientes de transacciones de intercambio, requiere que tales ingresos se midan al valor razonable de la prestación cobrada o por cobrar, e incluye requisitos de revelación.

**NICSP 10 Información Financiera en Economías Hiperinflacionarias** describe las características de una economía hiperinflacionaria y requiere la reevaluación de estados financieros de las entidades que operan en tales economías.

**NICSP 11 Contratos de Construcción** define los contratos de construcción, establece requisitos para el reconocimiento de ingresos y gastos que surgen de tales contratos e identifica ciertos requisitos de revelación.

**NICSP 12 Inventarios** define a los inventarios, establece los requisitos para la valuación de inventarios (incluyendo aquellos inventarios mantenidos para distribución sin cargo o a precio nominal) en el marco del sistema de costo histórico, e incluye requisitos de revelación.

**NICSP 13 Arrendamiento Financiero** establece los requisitos para el tratamiento contable de transacciones de arrendamiento operativas o financieras por los arrendatarios o arrendadores.

**NICSP 14 Hechos Ocurridos Después de la Fecha de los Estados Financieros** establece los requisitos para el tratamiento de ciertos hechos que acaecen en fecha posterior a la de presentación de los estados financieros y distingue entre hechos ajustables y no ajustables.

**NICSP 15 Instrumentos financieros: Presentación y Revelación** establece requisitos para la presentación de los instrumentos financieros incluidos en el balance (reconocidos) y excluidos del balance (no reconocidos).

**NICSP 16 Propiedades de Inversión** establece el tratamiento contable, y las revelaciones relacionadas, para las propiedades de inversión. Estipula la aplicación del valor razonable o bien del modelo de costo histórico.

**NICSP 17 Propiedad, Planta y Equipo** establece el tratamiento contable de las propiedades, planta y equipo, incluyendo la base y fecha de su reconocimiento inicial y la determinación de sus sucesivos valores de registro y la depreciación relacionada. No requiere ni prohíbe el reconocimiento de activos que representan el patrimonio nacional.

**NICSP 18 Información Financiera por Segmentos** establece los requisitos para la revelación de la información en estados financieros acerca de actividades distinguibles de las entidades informadoras.

**NICSP 19 Provisiones, Pasivos y Activos Contingentes** establece los requisitos para el reconocimiento de provisiones y la revelación de obligaciones contingentes y activos contingentes.

**NICSP 20 Revelaciones sobre Partes Relacionadas** establece los requisitos para la revelación de transacciones con partes relacionadas con la entidad informadora, incluidos Ministros, equipo directivo y sus familiares cercanos.

**NICSP 21 Deterioro de Activos No Generadores de Efectivo** establece requisitos para determinar si un activo se encuentra deteriorado, y para el reconocimiento y revocación de las pérdidas por deterioro, así como para las declaraciones que deberán formularse con respecto a los activos deteriorados.

**Glosario de Términos Definidos (NICSP 1-NICSP 21)** identifica los términos definidos en las NICSP publicadas al 31 de diciembre 2004.

#### *NICSP SOBRE BASE DE EFECTIVO Y GUÍA DE TRANSICIÓN*

**NICSP DE BASE DE EFECTIVO Presentación de Informes Financieros en el Marco de la Contabilidad con Base Efectivo** es una NICSP exhaustiva sobre la presentación de estados financieros estructurados con base en efectivo. Establece los requisitos para la preparación y presentación de un estado de ingresos y pagos de efectivo, así como las notas de políticas contables de apoyo. También incluye revelaciones aconsejadas que incrementan la información de la base de efectivo.

**IFAC Estudio 14 Transición al Método de Contabilidad con Base en Devengado: Guía para Gobiernos y Entidades Gubernamentales 2ª Edición (Diciembre 2003):** identifica asuntos clave a tratar y enfoques alternativos que pueden adoptarse en la implementación de la contabilidad con base en devengado en el sector público de manera eficiente y eficaz.

#### *BORRADORES DE EXPOSICIÓN*

**Borrador de Exposición (ED) Presentación de Informes Financieros en el Marco de la Contabilidad con Base Efectivo -- Requisitos de Revelación para Receptores de ayuda Externa** propone la revelación de información sobre ayuda externa, incluido el desarrollo de ayuda en el marco de la contabilidad con base de efectivo. **El período para comentarios cerró el 15 de junio de 2005.**

---

La Actualización de la IPSASB es preparada por el personal al término de cada reunión de la IPSASB con el objeto de suministrar un informe puntual sobre el progreso de los proyectos de la misma. Las opiniones vertidas en este documento no reflejan necesariamente las opiniones finales de la IPSASB o de los miembros individuales.



*INVITACIONES A COMENTAR E INFORMES DE INVESTIGACIÓN*

**ITC Contabilidad para Políticas Sociales Gubernamentales** trata de la contabilidad para las políticas sociales de gobiernos. La ITC propone un modelo conceptual para el reconocimiento y medición de las obligaciones de política social derivadas de conceptos implícitos en las NICSP existentes, en especial en la NICSP 19. Este modelo conceptual es posteriormente aplicado a una variedad de obligaciones de política social, incluyendo la provisión de servicios de salud, educación, beneficios de bienestar social y pensiones por edad. La ITC también propone requisitos de divulgación para las obligaciones en política social. ***El período para comentarios cerró el 30 de junio 2004.***

**ITC Ingresos por Transacciones no provenientes de Intercambio (Incluidos Impuestos y Transferencias)** trata del reconocimiento y la valuación del ingreso proveniente de transacciones no provenientes de intercambio, incluyendo impuestos de diversos tipos, y transferencias en las que se incluyen subvenciones, apropiaciones, regalos, legados y multas. La ITC propone un modelo de “activos y obligaciones” para el reconocimiento de ingresos provenientes de transacciones no provenientes de intercambio basado en la definición de ingresos ya provista en las NICSP. La ITC demuestra la aplicación de este modelo a diferentes clases de ingresos. ***El período para comentarios cerró el 30 de junio 2004.***

**Informe Presupuestario (Mayo 2004):** El objetivo primario de este Informe de Investigación es determinar si debe emitirse una NICSP sobre informes presupuestarios.

**Normas Contables Internacionales para el Sector Público (NICSP) y Bases Estadísticas de Información Financiera: Un Análisis de las Diferencias y Recomendaciones para Convergencia (Enero 2005):** Este Informe de Investigación detalla las diferencias entre la información financiera según las NICSP y la información estadística según el "Manual de Estadísticas de Finanzas Públicas", del Fondo Monetario Internacional, el "Sistema Europeo de Cuentas 1993" y el "Manual ESA95 sobre Déficit y Deuda Pública" de la Eurostat, y el "Sistema de Cuentas Nacionales 1993" de las NU.

**International Federation of Accountants**

545 Fifth Avenue, 14th Floor, New York, NY 10017 USA

Tel +1 (212) 286-9344 Fax +1 (212) 286-9570 [www.ifac.org](http://www.ifac.org)

530 Little Collins Street, Suite 1302, Melbourne Victoria Australia

Tel +61 (3) 9909-7677 Fax +61 (3) 9909-7669



**International Federation of Accountants**

545 Fifth Avenue, 14th Floor, New York, NY 10017 USA  
Tel +1 (212) 286-9344 Fax +1 (212) 286-9570 [www.ifac.org](http://www.ifac.org)

**FOR IMMEDIATE RELEASE**

**Contacts:**

**Helene Kennedy +1-973-394-9256**  
**(Mobile) +1-917-254-6706**  
[helenekenedy@ifac.org](mailto:helenekenedy@ifac.org)

**Bryan Hall +1-212-471-8719**  
[bryanhall@ifac.org](mailto:bryanhall@ifac.org)

**INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS  
AVAILABLE IN FRENCH AND SPANISH**

*(New York/October 17, 2005)* – The International Public Sector Accounting Standards Board (IPSASB) of the International Federation of Accountants (IFAC) has published French and Spanish language translations of its 2005 *Handbook of International Public Sector Accounting Pronouncements*. Both versions contain translations of the 21 accrual basis International Public Sector Accounting Standards (IPSASs) and the comprehensive Cash Basis IPSAS. These translations will increase the accessibility of the standards and will further help to enhance the accountability and transparency of governmental financial reporting.

IPSASs set out the requirements for financial reporting by governments and other public sector entities other than government business enterprises. The accrual IPSASs are based on International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) to the extent that the requirements in those standards are applicable to the public sector.

(more)

“We believe that providing the handbook in French and Spanish will both encourage the use of international public sector financial reporting standards and help facilitate convergence of national and international standards,” states Philippe Adhémar, IPSASB Chairman.

The translations of IPSASs into French and Spanish were undertaken by the IPSASB in conjunction with the International Accounting Standards Committee Foundation, which also prepares translations of IFRSs for the IASB. This will ensure that the English, French and Spanish versions of the IPSASs converge with the respective English, French and Spanish versions of the IFRSs, where appropriate.

It is important to note, however, that the English version of the IPSASs is the official authoritative version of the standards.

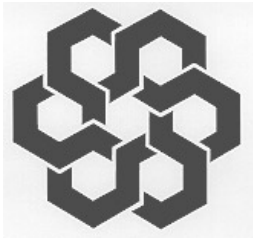
The French and Spanish handbooks are available free-of-charge in print and a PDF downloadable version and can be ordered from the IPSASB section of the IFAC online bookstore (<http://www.ifac.org/store>). For printed copies, shipping charges of US\$ 15.00 per handbook apply. For express courier service, please contact Yansa Morel, Publications Assistant at +1 (212) 471-8722.

IFAC is the worldwide organization for the accountancy profession dedicated to serving the public interest by strengthening the profession and contributing to the development of strong international economies. IFAC’s current membership consists of over 160 professional accountancy bodies in 119 countries, representing more than 2.5 million accountants in public practice, education, government service, industry and commerce. In addition to setting international public sector financial reporting standards

(more)

through the IPSASB, IFAC sets ethics, auditing and assurance, and education standards and issues guidance to encourage high quality performance by professional accountants in business.

# # #



International Accounting Standards  
Committee Foundation®

# Press Release

FOR IMMEDIATE RELEASE

17 October 2005

## **Restructured Standards Advisory Council appointed**

The Trustees of the International Accounting Standards Committee (IASC) Foundation today announced the membership of the restructured Standards Advisory Council (SAC). The formation of the new SAC with 40 members completes the steps taken by the Trustees to encourage the SAC to be a more effective source of advice both to the Trustees and to the International Accounting Standards Board (IASB). Previous steps included the appointment of Nelson Carvalho of Brazil as the SAC's independent chairman and the adoption of terms of reference for the restructured SAC.

The restructured SAC's foremost role will be to provide broad strategic advice on the IASB's agenda priorities and insight into the possible benefits and costs of particular proposals. The composition of the new SAC reflects this more closely defined mandate. The SAC comprises senior financial officers of corporations, investment analysts with knowledge of accounting issues, partners of audit firms with experience in auditing companies that apply IFRSs, executives of international financial and development organisations, and other senior representatives of public interest bodies. A list of the members is attached.

Commenting on the formation of the new SAC, Paul Volcker, Chairman of the IASC Foundation Trustees and former Chairman of the US Federal Reserve Board, said,

The effective functioning of the Standards Advisory Council is essential to providing practical guidance and advice to the IASB as it confronts the challenges facing accounting standard-setters and works to complete its convergence programme. The establishment of the new SAC comprising leading practitioners from 23 countries and seven international organisations is one of the many steps that the Trustees have taken to help ensure that the IASB takes into account the views of the many interested parties of the standard-setting process.

**END**

**For press enquiries:**

Tom Seidenstein, telephone: +44 (0)20 7246 6450; email: tseidenstein@iasb.org

**Note to Editors**

The International Accounting Standards Committee (IASC) Foundation, based in London, is the oversight body of the International Accounting Standards Board (IASB). The governance of the organisation rests with 22 Trustees, chaired by former US Federal Reserve chairman Paul A Volcker. The IASC Foundation is funded by contributions from the major accounting firms, private financial institutions and industrial companies throughout the world, central and development banks, and other international and professional organisations. The IASC Foundation, through the IASB, is committed to developing, in the public interest, a single set of high quality, global accounting standards that require transparent and comparable information in general purpose financial statements.

**Membership of the Standards Advisory Council****Africa**

1. **Benoît Antoine Atangana Onana**, President, Institute of Chartered Accountants of Cameroon; Senior Partner and General Manager, African Consulting Enterprise
2. **Darrel Scott**, Financial Officer, FirstRand Bank Limited, South Africa

**Asia-Oceania***Australia*

3. **Judith Downes**, Chief Operating Officer, Institutional Division, ANZ Bank

*China*

4. **Wang Jun**, Secretary-General, China Accounting Standards Committee, Ministry of Finance, China
5. **PM Kam**, Group Financial Controller, Jardine Matheson Ltd., Hong Kong SAR

*India*

6. **Shailesh Haribhakti**, Managing Partner of Haribhakti & Co., and CEO of Haribhakti Group

*Japan*

7. **Eiko Tsujiyama**, Professor, Waseda University
8. **Yoshiki Yagi**, Board Director and Chairman of the Audit Committee, Hitachi

## *Korea*

9. **Suk-Jun Lee**, Executive Director, Samsung Economic Research Institute

## *South-East Asia*

10. **Rifaat Ahmed Abdel Karim**, Secretary-General, Islamic Financial Services Board
11. **Danny Teoh**, Managing Partner, KPMG Singapore

## **Europe**

### *European Union*

12. **José Antonio Alvarez**, Chief Financial Officer, Group Santander (SCH), Spain
13. **Philippe Danjou**, Member, Financial Reporting Committee of the Committee of European Securities Regulators (CESR-fin);  
Director, Corporate Accounting, Autorité des Marchés Financiers, France
14. **Sarah Deans**, Vice President, Corporate Research,  
Head of Accounting and Valuation Research, JP Morgan, United Kingdom
15. **Anna di Michele**, Director, Products & Services - Active Advisory, UBS, Italy
16. **Patrice Marteau**, Chief Corporate Officer, PPR, France
17. **Alberto Giussani**, Partner, PricewaterhouseCoopers, Italy
18. **Mauro Grande**, Director, Financial Stability and Supervision, European Central Bank
19. **Ingebret Hisdal**, Managing Partner, Deloitte Norway
20. **David Lindsell**, Global Director, IFRS Services, Ernst & Young, United Kingdom
21. **Heinz-Joachim Neubürger**, Executive Vice President and CFO, Siemens, Germany
22. **Jochen Pape**, Member of the Management Board, PricewaterhouseCoopers, Germany and Head of the International Financial Reporting Centre, PwC Continental Europe
23. **Vladimir Preobrazhenskiy**, Deputy General Director for Economics and Finance, CFO, Siberian Coal Energy Company, Russia
24. **Hugo Schaub**, Group Controller and Member of the Group Management Board, UBS, Switzerland
25. **Kees Storm**, Former Chairman, AEGON; Director of Laurus, Pon Holdings, Inbev, KLM, AEGON, Baxter International, The Netherlands

## **Latin America**

26. **Nelson Carvalho**, SAC Chairman; Professor, University of São Paulo, Brazil, financial consultant and private investment banker, Brazil
27. **Hector Estruga**, retired partner and former Professional Practice Director for South America, Ernst & Young; currently consultant to E&Y;  
Member, CENCYA (Special Audit and Accounting Standards Committee), Argentine Federation of Professional Councils in Economic Sciences
28. **Hector Vela Dib**, Corporate Financing Director, Cemex, Mexico

## **Middle East**

29. **Adir Inbar**, Chairman, Professional Board of the Institute of Certified Public Accountants in Israel; Professional Leader and Senior Audit Partner, Deloitte Israel

## **North America**

30. **Frank Brod**, Corporate Vice President and Controller, The Dow Chemical Company; Immediate Past Chairman, Committee on Corporate Reporting, Financial Executives International
31. **Colleen Cunningham**, President and CEO, Financial Executives International
32. **Trevor Harris**, Managing Director of Valuation, Accounting, and Enterprise Risk, Morgan Stanley
33. **Patricia McConnell**, Senior Managing Director, Bear, Stearns & Co.

## **International organisations (with designated representatives)**

34. **Basel Committee of Banking Supervisors:**  
Arnold Schilder, Executive Director, De Nederlandsche Bank
35. **International Association of Insurance Supervisors:**  
Tomoko Amaya, Chair, IAIS Accounting Subcommittee
36. **International Federation of Accountants:** Ian Ball, Chief Executive
37. **International Monetary Fund:** Kenneth Sullivan, Senior Financial Sector Expert
38. **International Organization of Securities Commissions:**  
John Carchrae, Chief Accountant, Ontario Securities Commission, Canada, and  
Christoph Ernst, Head of the Accounting and Auditing Law Division of the  
Bundesministerium der Justiz, Germany
39. **United Nations Conference for Trade and Development:**  
Tatiana Krylova, Head, Investment and Enterprise Competitiveness Branch
40. **World Bank:** Charles McDonough, Chief Accountant

## **Observers**

European Commission  
Financial Services Agency of Japan  
US Securities and Exchange Commission



From: gvanderlinde@worldbank.org  
Sent: Friday, September 16, 2005 10:26 PM  
To: Paul Sutcliffe  
Cc: Erna Swart; 'Philippe Adhemar'; Simon Bradbury  
Subject: RE: COMPREHENSIVE GOVERNMENT BUDGETING, ACCOUNTING  
AND FINANCIAL REPORTING

Paul,

Thank you so much for the feedback. I appreciate the positive response and trust that IFAC and the WB would be able to work jointly in the Africa region in the future to build country capacity on these issues. We hope to be able to consult soon on a draft strategy in this regard, which will also address the funding issues.

I will consult with Erna and hope that she will be able to join us in Cape Town, 24 to 27 October. We will provide feedback from the workshop, with specific reference to ED 24.

Best regards

Gert

---

Lead FM Specialist  
World Bank  
Tel: +234-9-3145269(-74), extension 225  
From other WB Offices: 5359 + 225  
Mobile: +27-82-8076653 or +234-806-5358372  
Fax: +1-202-6140794

"Paul Sutcliffe"  
<psutcliffe@ifa  
To c.org> [gvanderlinde@worldbank.org](mailto:gvanderlinde@worldbank.org)  
cc  
09/15/2005 "Simon Bradbury" 03:17 AM <sbradbury@worldbank.org>,  
"Philippe Adhemar" <padhemar@ccomptes.fr >,  
"Erna Swart" [ernas@asb.co.za](mailto:ernas@asb.co.za)  
Subject  
RE: COMPREHENSIVE GOVERNMENT BUDGETING, ACCOUNTING AND  
FINANCIAL REPORTING

Dear Gert

Thank you for this invitation to participate in what promises to be a most useful workshop. Unfortunately, I have prior commitments and will not be able to attend. I will cc this response to our Chair to see if he could participate. However, I do know he is

already committed to a number of presentations on behalf of the IPSASB during October and November and suspect that those commitments will not allow his attendance.

My suggestion is that you contact the South African member of the IPSASB, Erna Swart to see if Erna is available. I will also cc this response to Erna. Erna is the Chief Executive Officer, Accounting Standards Board of South Africa.

As no doubt you are aware from Simon Bradbury, the IPSASB funding situation is currently very tight. The IPSASB is itself seeking additional funds to support its standards setting program in 2006 and beyond. In these circumstances, I am afraid we are unable to provide funding support for the workshop.

I have attached IPSASB Update 2 which provides a summary of the IPSASB's last meeting at the end of July. I have also attached ED 24 "Financial Reporting Under the Cash Basis of Accounting - Disclosure Requirements for Recipients of External Assistance". I anticipate the ED will be of great interest to many of the participants. As you will note from the Update the IPSASB would welcome additional input, particular field test experiences, on the proposals in ED 24.

It does appear to me that some sessions in the workshop may encompass consideration of ED 24. I would welcome any feedback from those sessions.

I hope this is useful to you. I hope, and am sure, that the Workshop will be most successful. My apologies for not being able to participate more actively.

Best Regards  
Paul

---

Paul Sutcliffe  
Technical Director  
International Public Sector Accounting Standards Board  
International Federation of Accountants  
1302/530 Little Collins Street  
MELBOURNE VIC 3000  
Australia  
Main: +61 3 9909 7677  
Fax: +61 3 9909 7669  
PaulSutcliffe@ifac.org

-----Original Message-----

From: gvanderlinde@worldbank.org [mailto:gvanderlinde@worldbank.org]  
Sent: Tuesday, September 13, 2005 2:14 AM  
To: psutcliffe@ifac.org  
Cc: Ahegarty@worldbank.org; sbradbury@worldbank.org

Subject: Fw: COMPREHENSIVE GOVERNMENT BUDGETING, ACCOUNTING  
AND FINANCIAL REPORTING

Dear Paul,

I have been referred to you by Simon Bradbury at the World bank.

The 2005 HIPC progress report highlights the difficulties experienced by many countries in the Africa region to ensure that budgetary information and the subsequent reporting of expenditure against the approved budget is comprehensive. In addition, different requirements of legislative frameworks, GFS and IPSAS regarding the boundaries of the reporting entity, cause practical problems for countries in developing and implementing systems to generate the necessary information. In order to address these matters, Budget Directorates and Accountants-General need to consider methods to:

- Ensure the budget, financial control, accounting and financial reporting implications are understood;

- Include off-budget government entities and funds provided by donors in the information submitted to Parliament;

- Deal with aspects of inter-governmental relationships such as disclosure, funding, accountability, and perceived weaknesses in financial control.

Proposed workshop

In order to assist with the conceptual design of solutions for these and other related issues, a workshop for key stakeholders is proposed. The workshop will run over four days, and will use specially commissioned case studies to demonstrate what have been done in some countries within the region to make progress. My unit, AFTFM has already agreed in principle to contribute to the cost of the workshop, preferably to be held in Cape Town, South Africa, from 24 to 27 October 2005.

The draft concept note is attached for your inputs, comments and an invitation to act or provide a resource person during the workshop. I would appreciate your favorable consideration, or suggestions for alternate speakers if IFAC is unable to participate.

(See attached file: Concept Note - Comprehensive Budgeting Workshop.doc)

If you are in principle agreeable to participate in the workshop together with the WB, I would also be grateful to learn if your participation would come funded, and if you know of possible funding sources to contribute to the cost of hosting the participants.

Looking forward to an early decision in this regard in order to mobilize the countries, consultants, staff, other development partners and logistics.

Best regards

Gert

---

Lead FM Specialist

World Bank

Tel: +234-9-3145269(-74), extension 225

From other WB Offices: 5359 + 225

Mobile: +27-82-8076653 or +234-806-5358372

Fax: +1-202-6140794

(See attached file: English IPSASB Update 2 .pdf)(See attached file: IPSASB ED  
24 Disclosure Requirements for Recipients of External Assistance - Financial  
Reporting Under the Cash Basis.pdf)

*Proposed International Public Sector Accounting  
Standard*

---

**Financial Reporting Under  
the Cash Basis of  
Accounting – Disclosure  
Requirements for Recipients of  
External Assistance**



**International Federation  
of Accountants**

### **The Mission of IFAC**

To serve the public interest, IFAC will continue to strengthen the worldwide accountancy profession and contribute to the development of strong international economies by establishing and promoting adherence to high-quality professional standards, furthering the international convergence of such standards and speaking out on public interest issues where the profession's expertise is most relevant.

The International Public Sector Accounting Standards Board (IPSASB) is a standing board of IFAC. It develops accounting standards for the public sector.

Copies of this Exposure Draft may be downloaded free of charge from the IFAC website at <http://www.ifac.org>.

No responsibility for loss occasioned to any person acting or refraining from action as a result of any material in this publication can be accepted by the authors or publisher.

International Federation of Accountants  
545 Fifth Avenue, 14<sup>th</sup> Floor  
New York, NY 10017 USA  
<http://www.ifac.org>  
Fax: +1 (212) 286-9570

Copyright © February 2005 by the International Federation of Accountants. All rights reserved. Permission is granted to make copies of this work to achieve maximum exposure and feedback provided that each copy bears the following credit line: "Copyright © February 2005 by the International Federation of Accountants. All rights reserved. Used with permission."

For more information, contact [permissions@ifac.org](mailto:permissions@ifac.org).

## **COMMENTING ON THIS EXPOSURE DRAFT**

This Exposure Draft of the International Federation of Accountants (IFAC) was prepared by the International Public Sector Accounting Standards Board (IPSASB). The proposals in this Exposure Draft may be modified in the final Standard in the light of comments received before being issued in the form of an International Public Sector Accounting Standard (IPSAS).

Comments should be submitted in writing so as to be received by June 15, 2005. E-mail responses are preferred. All comments will be considered a matter of public record. Comments should be addressed to:

The Technical Director  
International Public Sector Accounting Standards Board  
545 Fifth Avenue, 14th Floor  
New York, New York 10017  
United States of America

Fax: +1 (212) 286-9570  
E-mail Address: [publicsectorpubs@ifac.org](mailto:publicsectorpubs@ifac.org)

## **INTRODUCTION TO THE INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS**

The International Federation of Accountants' International Public Sector Accounting Standards Board (IPSASB) develops accounting standards for public sector entities referred to as International Public Sector Accounting Standards (IPSASs). The IPSASB recognizes the significant benefits of achieving consistent and comparable financial information across jurisdictions and it believes that the IPSASs will play a key role in enabling these benefits to be realized. The IPSASB strongly encourages governments and national standard-setters to engage in the development of its Standards by commenting on the proposals set out in these Exposure Drafts.

The IPSASB issues IPSASs dealing with financial reporting under the cash basis of accounting and the accrual basis of accounting. The accrual basis IPSASs are based on the International Financial Reporting Standards (IFRSs), issued by the International Accounting Standards Board (IASB) where the requirements of those Standards are applicable to the public sector. They also deal with public sector specific financial reporting issues that are not dealt with in IFRSs.

This Exposure Draft proposes additional requirements for entities reporting under the cash basis of accounting.

The adoption of IPSASs by governments will improve both the quality and comparability of financial information reported by public sector entities around the world. The IPSASB recognizes the right of governments and national standard-setters to establish accounting standards and guidelines for financial reporting in their jurisdictions. The IPSASB encourages the adoption of IPSASs and the harmonization of national requirements with IPSASs. Financial statements should be described as complying with IPSASs only if they comply with all the requirements of each applicable IPSAS.

The IPSASB encourages governments to progress to the accrual basis of accounting and to harmonize national requirements with the IPSASs prepared for application by entities adopting the accrual basis of accounting. Entities intending to adopt the accrual basis of accounting at some time in the future may find other publications of the IPSASB helpful, particularly Study 14, "Transition to the Accrual Basis of Accounting: Guidance for Governments and Government Entities 2nd Edition".

### **Due Process and Timetable**

An important part of the process of developing IPSASs is for the IPSASB to receive comments on the proposals set out in IPSAS Exposure Drafts from governments, public sector entities, auditors, standard-setters and other parties with an interest in public sector financial reporting. Accordingly, each proposed IPSAS is first released as an Exposure Draft, inviting interested parties to provide their comments. Exposure Drafts will usually have a comment period of four months, although longer periods may be used for certain Exposure Drafts. Upon the closure of the comment period,



the IPSASB will consider the comments received on the Exposure Draft and may modify the proposed IPSAS in the light of the comments received before proceeding to issue a final Standard.

## **Background**

Providers of external assistance, particularly providers of development assistance, require recipients to follow a variety of accounting practices. Recipients of external assistance usually receive external assistance from a number of sources. Adhering to a number of different accounting practices and reporting requirements within a portfolio of projects imposes significant compliance costs on recipients.

A comprehensive IPSAS, “Financial Reporting under the Cash Basis of Accounting” (Cash Basis IPSAS) was issued in January 2003. Many recipients of external assistance maintain their accounts on the cash basis of accounting. In response to requests from constituents for a generally accepted accounting standard for reporting external assistance, the IPSASB has developed this Exposure Draft of a proposed Standard for application when the Cash Basis IPSAS is adopted. The Exposure Draft proposes disclosure requirements for recipients of external assistance.

This Exposure Draft has been developed following consideration of a project brief by the former Public Sector Committee (PSC) and inputs from the former PSC’s Project Advisory Panel (PAP) based on a Key Decisions Questionnaire. (At its November 2004 meeting, the IFAC Council approved a change in the name of the Public Sector Committee to the International Public Sector Accounting Standards Board (IPSASB)). Additional inputs have been provided by the IPSASB, the PAP, Multilateral Development Banks and the Organization for Economic Development (OECD) – Development Assistance Committee’s Joint Venture on Public Sector Management. This Exposure Draft reflects that reporting requirements for external assistance should be harmonized on the basis of accounting principles followed by the recipient.

## **Purpose of the Exposure Draft**

This Exposure Draft proposes requirements for the disclosure of information about external assistance, including the terms and conditions that apply to external assistance received during the reporting period.

## **Request for Comments**

Comments are invited on any proposals in this Exposure Draft by June 15, 2005. The IPSASB would prefer that respondents express a clear overall opinion on whether the Exposure Draft in general is supported and that this opinion be supplemented by detailed comments, whether supportive or critical, on the specific issues in the Exposure Draft. Respondents are also invited to provide detailed comments on any other aspect of the Exposure Draft (including materials and examples contained in appendices) indicating the specific paragraph number or groups of paragraphs to

which they relate. It would be helpful to the IPSASB if these comments clearly explained the issue and suggested alternative wording, with supporting reasoning, where this is appropriate.

### **Specific Matters for Comment**

The IPSASB would particularly value comments on:

1. Whether the proposed definition of “external assistance” in paragraph 5 is sufficiently broad to encompass all official resources received.
2. Whether other sources of assistance, such as assistance provided by non-governmental organizations (NGOs), should also be included in the definition of “external assistance”. Currently, the Exposure Draft requires that entities disclose all official resources received. Official resources as defined in paragraph 5 would exclude certain assistance received from NGOs.
3. Whether the Exposure Draft should specify the categories of external assistance as required in paragraphs 13-15 or only require the disclosure of external assistance by “major classes” without further specification.
4. The proposal to disclose the balance of, and changes in, undrawn external assistance during the period (paragraph 22).
5. The proposal to disclose the terms and conditions of external assistance agreements as required by paragraphs 26-28 and any non-compliance thereof (paragraph 36).
6. Whether the proposals in paragraph 44 as noted below are appropriate:
  - (a) To disclose the fair value of non-cash goods-in-kind; and
  - (b) That fair value should be based on the prices of equivalent goods or services in the recipient country.
7. Whether the disclosures proposed are appropriate. If the disclosures are considered excessive, the IPSASB would welcome input on which disclosures should not be required. The IPSASB would also welcome input on any key disclosures that have not been dealt with and should be required.
8. Whether the proposal in paragraph 54:
  - (a) For a transition period of two years is sufficient to apply this Standard. Is a longer transitional period necessary to ensure that the appropriate authorities in each recipient country are able to access the data necessary to properly account for external assistance?
  - (b) To exempt the requirement to disclose comparative figures during the first year of application of this Standard is appropriate.

EXPOSURE DRAFT  
DISCLOSURE REQUIREMENT FOR RECIPIENTS OF EXTERNAL ASSISTANCE**INTERNATIONAL PUBLIC SECTOR  
ACCOUNTING STANDARDS BOARD IPSAS XX****Contents**

	Paragraphs
Disclosure Requirements for Recipients Of External Assistance	
Objective	
Scope .....	1–3
Definitions .....	4–6
External Assistance Agreements.....	7–10
Disclosure Requirements under the Cash Basis IPSAS .....	11–12
Additional Disclosure Requirements under this Standard .....	13–51
Undrawn External Assistance .....	22–25
Terms and Conditions of External Assistance Loans or Grants.....	26–32
Guarantees .....	33–35
Non-Compliance with Terms and Conditions of External Assistance Loans, Grants or Guarantees.....	36–38
Repayment Terms of External Assistance Loans.....	39–43
Receipt of Goods or Services In-kind .....	44–49
Disclosure of Rescheduled or Cancelled External Assistance Debt.....	50–51
Transitional Provisions .....	52–54
Effective Date .....	56
Appendices .....	
1 Illustration of the Disclosure Of External Assistance By A Government	
2 Illustration of the Disclosure Of External Assistance By A Project Specific Entity	
3 Rescheduled or Cancelled debt	
4 Basis For Conclusions	

## **INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARD IPSAS 24**

### **Disclosure Requirements for Recipients of External Assistance**

This Standard should be read in conjunction with the Cash Basis IPSAS. It requires certain disclosures about external assistance. These disclosures are additional to those specified in the Cash Basis IPSAS. The standards, which have been set in bold type, should be read in the context of the commentary paragraphs in this Standard, which are in plain type, and in the context of the “Preface to International Public Sector Accounting Standards”. International Public Sector Accounting Standards are not intended to apply to immaterial items.

### **Objective**

The objective of this Standard is to prescribe the disclosures recipients of external assistance are to make about external assistance provided during the reporting in general purpose financial statements prepared in accordance with the Cash Basis IPSAS.

### **Scope**

1. **This Standard applies to all entities that are recipients of external assistance and prepare and present their general purpose financial statements under the cash basis of accounting, as defined in the Cash Basis IPSAS.**
2. **This Standard applies to all public sector entities other than Government Business Enterprises (GBEs).**
3. The Preface to International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) explains that International Financial Reporting Standards (IFRSs) are designed to apply to the general purpose financial statements of all profit-oriented entities. GBEs are defined in paragraph 4 below. They are profit-oriented entities. Accordingly, they are required to comply with IFRSs and International Accounting Standards (IASs).

### **Definitions**

4. **The following terms are defined in the Cash Basis IPSAS and shall be read with the meaning specified:**

**Cash basis means a basis of accounting that recognizes transactions and other events only when cash is received or paid.**

**Closing rate is the spot exchange rate at the reporting date.**

EXPOSURE DRAFT  
DISCLOSURE REQUIREMENT FOR RECIPIENTS OF EXTERNAL ASSISTANCE

**Control of cash** arises when the entity can use or otherwise benefit from the cash in pursuit of its objectives and can exclude or regulate the access of others to that benefit.

**Exchange difference** is the difference resulting from reporting the same number of units of a foreign currency in the reporting currency at different exchange rates.

**Exchange rate** is the ratio for exchange of two currencies.

**Foreign currency** is a currency other than the reporting currency of an entity.

**Government Business Enterprise** means an entity that has all the following characteristics:

- (a) is an entity with the power to contract in its own name;
- (b) has been assigned the financial and operational authority to carry on a business;
- (c) sells goods and services, in the normal course of its business, to other entities at a profit or full cost recovery;
- (d) is not reliant on continuing government funding to be a going concern (other than purchases of outputs at arm's length); and
- (e) is controlled by a public sector entity.

**Materiality**: information is material if its omission or misstatement could influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the item or error judged in the particular circumstances of omission or misstatement.

**Reporting currency** is the currency used in presenting the financial statements.

5. The following terms are used in this Standard with the meaning specified:

**Assigned External Assistance** means any external assistance, including external assistance grants, technical assistance, guarantees or other assistance, received by an entity that is assigned by the recipient to another entity.

**Balance of Payments Assistance** means all official resources received in support of the entity's balance of payments position or to defend a currency exchange rate.

EXPOSURE DRAFT

DISCLOSURE REQUIREMENT FOR RECIPIENTS OF EXTERNAL ASSISTANCE

**Bilateral External Assistance Agencies** are agencies established under national law, regulation or other authority of a nation for the purpose of, or including the purpose of, providing some or all of that nation's external assistance.

**Development Assistance** means all official resources received in support of the entity's economic development or welfare objectives.

**Emergency Assistance** means all official resources received in support of the entity's emergency relief objectives.

**An Emergency** is an urgent and/or abnormal situation which results in human suffering and/or loss of crops, livestock or physical infrastructure caused by natural or man-made events including war or severe civil unrest, drought, earthquakes, pests, disease or other similar events.

**External Assistance** means all official resources which the recipient can use or otherwise benefit from in pursuit of its objectives.

**Fair Value** is the amount for which an asset could be exchanged, or a liability settled between knowledgeable, willing parties in an arm's length transaction.

**Government** means national, state/provincial, municipal and other levels of administration/government or their equivalents.

**Military Assistance** means all official resources received in support of the entity's military and/or defense objectives.

**Multilateral External Assistance Agencies** are all agencies established under international agreement or treaty for the purpose of, or including the purpose of, providing external assistance.

**Non-Government Organizations** (NGOs) are all foreign or national agencies established independent of control by any government for the purpose of providing assistance to government(s), government agencies or to individuals.

**Official Resources** means all loans, grants, technical assistance, guarantees or other assistance provided or committed under a binding agreement by multilateral external assistance agencies or by governments or government agencies, including bilateral external assistance agencies, at their own risk and responsibility.

## EXPOSURE DRAFT

## DISCLOSURE REQUIREMENT FOR RECIPIENTS OF EXTERNAL ASSISTANCE

**Re-Lent External Assistance Loans** means external assistance loans received by an entity that are lent by the recipient to another entity or to a GBE.

**Trade Finance** means all official resources received in support of transactions that are primarily trade facilitating in purpose, including export credits or loans offered by Export/Import Banks or other government agencies.

6. Different organizations may use different terminology for the same type or types of assistance. For example, some organizations may use the term military aid rather than military assistance or development aid rather than development assistance. In these cases, the different terminology is unlikely to cause confusion. However in other cases, the terminology may be substantially different. In these cases, preparers, auditors and users of general purpose financial statements will need to consider the substance of the definitions rather than just the terminology in determining whether this Standard requires a change to current practice. In this context, it should be noted that the term Development Assistance as defined in this Standard is consistent with the term “Official Development Finance” as defined and used by the Organization for Economic Co-operation and Development (OECD).

### **External Assistance Agreements**

7. Governments regularly seeking development assistance from multilateral and bilateral external assistance agencies usually participate in an annual meeting to discuss the government’s macroeconomic plans and its development assistance needs. Some emergency situations are prolonged in nature, such as the effects of drought associated with desertification, and the need for emergency assistance may continue for a number of years. In such cases, the annual development assistance meeting may be expanded to include the country’s emergency assistance needs or a separate emergency assistance meeting may be held. Either meeting usually concludes with an announcement of the total assistance pledged by the agencies, together with a breakdown of the amount of assistance pledged by each agency. Statements of intent or pledges made at these meetings are not binding on either the government or the external assistance agencies. Separate meetings between the government and individual external assistance agencies may result in specific written agreements covering development or emergency assistance loans or grants that will be available provided any restrictions on access to the funds are met, and agreed conditions or covenants are adhered to by the entity.
8. Trade finance and military assistance normally result from direct bilateral discussions that may also result in statements of intent or pledges which are

## EXPOSURE DRAFT

## DISCLOSURE REQUIREMENT FOR RECIPIENTS OF EXTERNAL ASSISTANCE

not binding on the government or the external assistance agency. Subsequent written agreements may result in trade finance or military assistance loans or grants that will be available provided restrictions on access to the funds, if any, are met and agreed conditions or covenants are adhered to by the entity.

9. Balance of payments assistance usually results from a country inviting external assistance agencies to participate in a program to address the country's balance of payment concerns. Pledges of support or assistance which are not binding on the government or the external assistance agencies may result from meetings to organize a program of assistance. Subsequent written agreements may result in balance of payments loans or grants that will be available provided restrictions on access to the funds, if any, are met and agreed conditions or covenants are adhered to by the entity. Terms and conditions that determine or restrict immediate access to balance of payments funds or to future tranches of funds may have an important impact on macroeconomic policy and revenue and expenditure options available to the country. These terms and conditions plus the funding provided have a direct impact on the sustainability of the country's operations.
10. External assistance agreements usually provide for the entity to either:
  - (a) Draw down in cash the full proceeds of the loan or grant or a tranche of the loan or grant. External assistance agreements usually provide for the draw down or disbursement of funds over more than one accounting period;
  - (b) Seek reimbursement(s) for qualifying payments made by the entity to a third party settling in cash an obligation(s) of the entity, as defined by the loan or grant agreement; or
  - (c) Request the external assistance agency to make payments directly to a third party settling in cash an obligation(s) of the entity, as defined by the loan or grant agreement.

Payments to a third party may include payments to an NGO settling in cash an obligation of the entity for goods or services provided or to be provided by the NGO. External assistance agreements may also include provision of goods or services in-kind.

**Disclosure Requirements under the Cash Basis IPSAS**

11. The Cash Basis IPSAS specifies the following requirements in respect of the statement of cash receipts and payments and the disclosure of payments made by third parties:



EXPOSURE DRAFT  
DISCLOSURE REQUIREMENT FOR RECIPIENTS OF EXTERNAL ASSISTANCE

“An entity should prepare and present general purpose financial statements which include the following components:

- (a) a statement of cash receipts and payments which:
  - (i) recognizes all cash receipts, cash payments and cash balances controlled by the entity; and
  - (ii) separately identifies payments made by third parties on behalf of the entity in accordance with paragraph 1.3.24 of this Standard; and
- (b) accounting policies and explanatory notes.” (paragraph 1.3.4)

“The statement of cash receipts and payments should present the following amounts for the reporting period:

- (a) total cash receipts of the entity showing separately a sub-classification of total cash receipts using a classification basis appropriate to the entity’s operations;
- (b) total cash payments of the entity showing separately a sub-classification of total cash payments using a classification basis appropriate to the entity’s operations; and
- (c) beginning and closing cash balances of the entity.” (paragraph 1.3.12)

“Total cash receipts and total cash payments, and cash receipts and cash payments for each sub-classification of cash receipt and payment, should be reported on a gross basis, except that cash receipts and payments may be reported on a net basis when:

- (a) they arise from transactions which the entity administers on behalf of other parties and which are recognized in the statement of cash receipts and payments; or
- (b) they are for items in which the turnover is quick, the amounts are large, and the maturities are short.” (paragraph 1.3.13)

“Line items, headings and sub-totals should be presented in the statement of cash receipts and payments when such presentation is necessary to present fairly the entity’s cash receipts, cash payments and cash balances.” (paragraph 1.3.14)

## EXPOSURE DRAFT

## DISCLOSURE REQUIREMENT FOR RECIPIENTS OF EXTERNAL ASSISTANCE

“Where, during a reporting period, a third party directly settles the obligations of an entity or purchases goods and services for the benefit of the entity, the entity should disclose in separate columns on the face of the statement of cash receipts and payments:

- (a) total payments made by third parties which are part of the economic entity to which the reporting entity belongs, showing separately a sub-classification of the sources and uses of total payments using a classification basis appropriate to the entity’s operations; and
- (b) total payments made by third parties which are not part of the economic entity to which the reporting entity belongs, showing separately a sub-classification of the sources and uses of total payments using a classification basis appropriate to the entity’s operation.

Such disclosure should only be made when during the reporting period the entity has been formally advised by the third party or the recipient that such payment has been made or has otherwise verified the payment.” (paragraph 1.3.24)

12. This Standard requires certain disclosures about cash receipts and payments and third party payments in respect of external assistance and sub-classifications thereof. Disclosures about these matters will be made on the face of the statement of cash receipts and payments consistent with the requirements of the Cash Basis IPSAS. The Cash Basis IPSAS also requires additional note disclosures and in certain cases specifies the basis on which those disclosures are to be made. This Standard also requires additional disclosures to be made about certain aspects of external assistance. The additional disclosures required by this Standard are not inconsistent with, and do not replace, the disclosures required by the Cash Basis IPSAS. Rather, this Standard specifies the additional disclosures about external assistance that are to be made when the cash basis of accounting is adopted.

**Additional Disclosure Requirements under this Standard**

13. **The entity shall disclose separately, either on the face of the Statement of Cash Receipts and Payments or in the notes to the financial statements, total external assistance received in cash during the period, showing separately:**
- (a) **Development Assistance;**
  - (b) **Trade Finance;**
  - (c) **Emergency Assistance;**
  - (d) **Military Assistance;**

EXPOSURE DRAFT  
DISCLOSURE REQUIREMENT FOR RECIPIENTS OF EXTERNAL ASSISTANCE

- (e) **Balance of Payments Assistance; and**
  - (f) **Other assistance.**
14. **The entity shall disclose separately, either on the face of the Statement of Cash Receipts and Payments or in the notes to the financial statements, total external assistance paid by third parties during the period to directly settle obligations of the entity showing in separate columns:**
- (a) **Total payments made by third parties which are part of the economic entity to which the reporting entity belongs, showing separately:**
    - (i) **Development Assistance;**
    - (ii) **Trade Finance;**
    - (iii) **Emergency Assistance;**
    - (iv) **Military Assistance;**
    - (v) **Balance of Payments Assistance; and**
    - (vi) **Other assistance.**
  - (b) **Total payments made by third parties which are not part of the economic entity to which the reporting entity belongs, showing separately:**
    - (i) **Development Assistance;**
    - (ii) **Trade Finance;**
    - (iii) **Emergency Assistance;**
    - (iv) **Military Assistance;**
    - (v) **Balance of Payments Assistance, and**
    - (vi) **Other assistance.**
15. **Where external assistance is received from more than one provider, the major classes of providers of assistance shall be disclosed separately, either on the face of the Statement of Cash Receipts and Payments or in the notes to the financial statements.**
16. **Where external assistance is received in the form of loans and grants the total amount received during the period as loans or as grants shall be shown separately, either on the face of the Statement of Cash Receipts and Payments or in the notes to the financial statements.**

## EXPOSURE DRAFT

## DISCLOSURE REQUIREMENT FOR RECIPIENTS OF EXTERNAL ASSISTANCE

17. Disclosure of the amount of cash received and third party payments on behalf of the entity will indicate the extent to which the operations of the entity are funded from internal sources or are dependent upon external assistance. Disclosure of the composition of external assistance as required by paragraphs 13 and 14 above will indicate the purpose for which external assistance has been received and the amount of external assistance provided for each category.
18. Disclosure of the major classes of providers of assistance, such as multilateral donors and bilateral donors or international assistance organizations or national assistance organizations, will identify the extent of the entity's dependence on particular classes of providers and will be relevant to any assessment of the sustainability of the assistance. This Standard does not require the disclosure of the identity of each provider of assistance and the amount of assistance provided. However, such disclosure is not prohibited. Such disclosure, when there is more than one provider of assistance, will indicate the extent of diversification of sources of assistance.
19. External assistance is usually denominated in a currency other than the reporting currency of the entity. Cash receipts or payments made by third parties on behalf of the entity arising from transactions in a foreign currency will be recorded or reported in the entity's reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the receipts or payments, in accordance with the Cash Basis IPSAS.
20. National governments usually retain the exclusive right to enter into external assistance agreements with multilateral or bilateral external assistance agencies. In many of these cases, the project or activity is implemented by another entity or by a GBE. The national government may re-lend or assign the funds received to the other entity or GBE. The terms and conditions of the re-lent or assigned funds may be the same as received from the external assistance agency or may be harder or softer than initially received. In some cases, a small fee or interest spread is charged to cover the national government's administrative costs. An entity which enters into an external assistance agreement and passes the benefits as well as the terms and conditions of the agreement through to another entity or GBE by way of a subsidiary agreement will recognize or report the external assistance as it is received and record payments to the second entity in accordance with its normal classification of payments. Each entity will disclose the terms and conditions of its respective external assistance agreement in its notes to the financial statements in accordance with paragraphs 26 to 28 of this Standard.

## EXPOSURE DRAFT

## DISCLOSURE REQUIREMENT FOR RECIPIENTS OF EXTERNAL ASSISTANCE

21. Where the initial recipient of a loan or grant passes the proceeds and the terms and conditions of the loan or grant through to another entity, the initial entity may simply be administering the loan or grant on behalf of the end user. Netting of transactions where the terms and conditions are substantially the same may be appropriate in the financial statements of the administrator, in accordance with the provisions of the Cash Basis IPSAS.

**Undrawn External Assistance**

22. **The entity shall disclose separately in the notes to the financial statements the opening balance of undrawn external assistance, changes during the period and the closing balance available to fund future operations showing separately:**
- (a) **Total external assistance loans and for each of development assistance, trade finance, emergency assistance, military assistance, and balance of payments assistance:**
    - (i) **the opening balance of undrawn loans, including partially undrawn loans;**
    - (ii) **the amount of new loans approved or otherwise made available during the period;**
    - (iii) **the total amount drawn or utilized during the period;**
    - (iv) **the total amount cancelled during the period;**
    - (v) **total foreign exchange adjustments; and**
    - (vi) **the closing balance of undrawn loans.**
  - (b) **Total external assistance grants and for each of development assistance, trade finance, emergency assistance, military assistance, and balance of payments assistance:**
    - (i) **the opening balance of undrawn grants, including partially undrawn grants;**
    - (ii) **the amount of new grants approved or otherwise made available during the period;**
    - (iii) **the total amount drawn or utilized during the period;**
    - (iv) **the total amount cancelled during the period;**
    - (v) **total foreign exchange adjustments; and**
    - (vi) **the closing balance of undrawn grants.**
23. **The entity shall disclose separately in the notes to the financial statements the total undrawn external assistance by major source(s), by**

## EXPOSURE DRAFT

## DISCLOSURE REQUIREMENT FOR RECIPIENTS OF EXTERNAL ASSISTANCE

**loan or grant and the currency or currencies in which the external assistance is denominated.**

24. Disclosure of the amount of external assistance currently committed under a written agreement(s) but not yet drawn down will indicate the extent to which the entity may avail itself of external assistance to sustain its operations in the future. Disclosure of undrawn external assistance by the categories noted above will indicate the extent to which assistance is available for each category or activity in the future. Undrawn external assistance balances may be significant and their disclosure, together with the terms and conditions that limit or otherwise affect current or future access to the funds, may represent a source of confidence for the readers of the entity's financial statements that funds will be available to support its future operations. Disclosure of non-compliance with any terms and conditions of external assistance is also beneficial to the readers of the financial statements' determination of whether funds will be available to support the entity's future operations. External assistance provided without a written agreement would not result in a balance of undrawn external assistance.
25. External assistance denominated in a foreign currency and approved, drawn, utilized or cancelled during the accounting period will be reported in the entity's reporting currency by applying to the foreign currency amount the exchange rate on the date of each applicable transaction. Opening and closing balances will be determined by applying to the foreign currency amount the exchange rate on the respective dates. The note will also disclose the amount of exchange differences included as reconciling items between opening and closing undrawn external assistance balances for the period.

**Terms and Conditions of External Assistance Loans or Grants**

26. **The entity shall disclose separately in the notes to the financial statements the terms and conditions contained in the agreements that determine or effect access to external assistance as well as terms and conditions that limit the use of such funds.**
27. **The entity shall disclose separately in the notes to the financial statements terms and conditions contained in the agreements that apply throughout the life of the external assistance agreement, and which, if in default, may result in suspension, cessation or repayment of some or all external assistance funds provided under the agreements.**
28. **The entity shall disclose separately in the notes to the financial statements terms and conditions of any Balance of Payments Assistance**

## EXPOSURE DRAFT

## DISCLOSURE REQUIREMENT FOR RECIPIENTS OF EXTERNAL ASSISTANCE

**agreement, other than foreign exchange rate targets, foreign exchange intervention levels and other foreign exchange market sensitive data.**

29. Disclosure of terms and conditions that determine or affect access to external assistance will indicate the extent to which external assistance is time bound and/or is dependent upon the entity taking certain actions and what those actions are. Some external assistance may be released on specific dates. In other cases, external assistance release may be dependent upon the entity undertaking actions specified in an external assistance agreement, such as implementing specific policy changes prior to the release of the external assistance. Some external assistance agreements limit or specifically define the use or purpose for which the external assistance may be used or limit the sources from which goods or services funded under the external assistance may be purchased. This type of external assistance condition may specify that the funds are available only to purchase specific inputs for the construction of specified facilities at a specified location or that the goods or services purchased under the external assistance agreement must originate from a specified country or countries.
30. Disclosure of an entity's receipt of balance of payments assistance indicates that concerns exist regarding its ability to meet or manage its foreign exchange reserve requirements. This may impact its ability to raise additional foreign capital, its ability to service debt denominated in foreign currency and its ability to import goods and services invoiced in foreign currency. The terms and conditions of a balance of payments agreement may include macroeconomic targets including budget deficit targets, establishment of a financial sector asset recovery or management agency or other broad economic recovery or management objectives. Disclosure of those terms and conditions provide details of the performance criteria the entity must meet to access or continue accessing balance of payments assistance.
31. The terms and conditions of balance of payments assistance may include a policy reform agenda similar to that for certain forms of development assistance. The determining factor in differentiating between these types of assistance would be the intended purpose or objective of the assistance. When the policy agenda focuses on domestic macroeconomic or sector issues and/or the domestic currency proceeds of the assistance are utilized for budget support, development assistance is indicated. Balance of payments assistance is indicated when the policy agenda includes a focus on issues relevant to stabilization of the national currency exchange rate, and/or when the domestic proceeds of the assistance are "neutralized" or "sanitized" by the issuance of domestic bonds in a similar amount or by other means to minimize the effect of the assistance on domestic money supply. Balance of payments assistance is indicated when the assistance

## EXPOSURE DRAFT

## DISCLOSURE REQUIREMENT FOR RECIPIENTS OF EXTERNAL ASSISTANCE

provided is part of, or is associated with, a rescheduling, deferral or cancellation of some or all of the entity's sovereign debt.

32. The exchange rate of the currency of a country receiving balance of payments assistance may experience some market fluctuation. In order to stabilize the exchange rate, the government and an external assistance agency may agree on exchange rate targets for the domestic currency versus convertible currencies, foreign currency market intervention levels or other market sensitive information. Disclosure of this type of information may undermine the immediate objective of stabilizing the currency exchange rate. Therefore it does not need to be disclosed.

**Guarantees**

33. **The entity shall disclose separately in the notes to the financial statements:**
- (a) the outstanding balance of any loans, and any terms and conditions relating to such loans, for which performance has been guaranteed by a third party or parties. The entity shall also disclose any additional terms and conditions resulting from the guarantee agreement; and**
  - (b) terms and conditions attaching to grants that have been guaranteed by a third party or parties. The entity shall also disclose any additional terms and conditions resulting from the guarantee agreement.**
34. External assistance may consist of a guarantee of the balance of a loan borrowed by an entity, in total or up to a specified amount, or a guarantee of performance of some action under the loan, such as payment of interest or setting tariffs according to an agreed formula. Grants may also be subject to terms and conditions which are guaranteed by third parties.
35. Disclosure of the outstanding balance of any external assistance loans guaranteed and any terms and conditions of any such loans for which performance of the terms and/or the conditions has been guaranteed would indicate the extent of, or need for, support from another entity to obtain the benefits of the external assistance agreement. Disclosure of the terms and conditions set as part of the guarantee agreement indicates the additional performance agreement that arises as a consequence of the guarantee. Disclosure of the terms and conditions that are attached to grants will also be relevant in identifying the performance criteria the entity must meet to avail or continue availing itself of the grant and/or the guarantee.



EXPOSURE DRAFT

DISCLOSURE REQUIREMENT FOR RECIPIENTS OF EXTERNAL ASSISTANCE

**Noncompliance with Terms and Conditions of External Assistance Loans, Grants or Guarantees**

36. **The entity shall disclose separately in the notes to the financial statements any terms and conditions associated with external assistance loans, grants or guarantees that have not been complied with together with the consequence of the noncompliance.**
37. Disclosure of the terms and conditions of an external assistance agreement that have not been complied with usually indicates what actions need to be taken to re-establish compliance with the agreement and indicates that the consequences specified by the agreement may be applied. Disclosure of the consequences will indicate the lost opportunities or cost to the entity. Consequences stated in the agreement may include cessation of rights to draw funds under the affected agreement until the default is corrected, repayment of a portion of the funds already drawn down or repayment of the entire balance of the funds drawn down. Default may occur during the draw down period for the loan or grant or during the life of the agreement. Guarantee agreements usually carry cross default clauses which trigger a default under the guaranteed loan if the guarantee agreement is violated.
38. Any violation of the terms and conditions of an external assistance agreement has immediate impact on the entity's expectations for future cash flow under that agreement and possibly other agreements.

**Repayment Terms of External Assistance Loans**

39. **The entity shall disclose separately in the notes to the financial statements summarized data specifying the repayment terms and conditions covering all outstanding external assistance debt, including at least: the grace period; interest rate; current debt service payments; future debt service payments; remaining term of the loan; currency of debt service payments; and any other significant repayment terms.**
40. **Disclosure of future debt service payments for outstanding external assistance debt denominated in a foreign currency shall be reported in the entity's reporting currency by applying to the foreign currency amount the closing rate. Where debt service payments consist of only interest or other service charges with principal repayment deferred until the term of the loan, or some other future date, these principal repayment requirements shall be disclosed separately. Future debt service payments for variable rate debt shall be estimated based on applicable interest rates at the closing date.**
41. Disclosure of the specified terms and conditions will indicate when debt service (principal and interest or service charges) will commence and the

## EXPOSURE DRAFT

## DISCLOSURE REQUIREMENT FOR RECIPIENTS OF EXTERNAL ASSISTANCE

amount of principal and interest or service charge, if any, payable. Debt service payments may be a significant cash outlay for the entity and will impact on cash available to fund current operations as well as the entity's ability to fund further operations.

42. Disclosure of the currency of debt service payments indicates the nature of the foreign exchange risk, if any, associated with the future repayment of external assistance. Disclosure of future annual debt service payments indicates the impact of debt service on future cash resources.
43. External assistance loans usually include concessional repayment terms and interest rates relative to those the entity would receive from commercial sources. Grace periods associated with external assistance loans often defer initial debt service payments for several years from the commencement of the project or program.

**Receipt of Goods or Services In-kind**

44. **The entity shall disclose separately in the notes to the financial statements the fair value of goods or services received in-kind measured in the economy of the recipient as of the date of receipt. Where fair value in the economy of the recipient is not determinable, fair value in the world market shall be used. Where goods are not traded internationally, fair value in the donor's economy shall be used.**
45. Disclosure of the value of goods or services received in-kind under an external assistance agreement will indicate the extent of external assistance received as goods or services in-kind.
46. In some cases, used goods such as naval vessels, vehicles, computers or other equipment may be transferred to the ownership of an entity under an external assistance agreement. The original purchase price may not reflect fair value at the time the assets are transferred to the recipient because the assets may be several years old and have been used. Fair value in the recipient's economy as of the date the recipient gains control of the assets will be determined and used as the basis for reporting the value of goods received.
47. In other cases, food aid may be provided under an external assistance agreement to an entity for distribution to its citizens. The price paid for the food by the external assistance agency may reflect prices in the provider's economy which may be different from the price for identical items in the recipient's economy. The fair value used to reflect the receipt of these goods will be the fair value for the specific goods provided in the recipient's economy as of the date of receipt.

## EXPOSURE DRAFT

## DISCLOSURE REQUIREMENT FOR RECIPIENTS OF EXTERNAL ASSISTANCE

48. Emergency relief goods and services provided during a time of crisis, such as war, famine or earthquake may not result from a written agreement between the provider of the goods and services and a recipient entity. In addition, the recipients may be individual citizens of a country in which case there is no receipt of goods or services by a government or entity reporting under this Standard. Where the government is identified as the recipient of emergency assistance, the value of goods or services received is disclosed in the notes to the financial statements.
49. Market prices for goods or services received may not be determinable in the recipient's economy, in which case world market prices for internationally traded goods will be used. Where goods are not internationally traded the fair value of the goods and services in the donor's economy will be used.

**Disclosure of Rescheduled or Cancelled External Assistance Debt**

50. **The entity shall disclose separately in the notes to the financial statements the amount of external assistance debt rescheduled or cancelled as part of a plan to restructure the entity's debt, together with the terms and conditions associated with the restructuring of the entity's debt.**
51. An entity experiencing difficulty in servicing its external assistance debt may seek renegotiation of the terms and conditions of the debt. Separate disclosure of the restructuring arrangements, including the amount of external assistance debt rescheduled, cancelled or partly rescheduled cancelled, will be disclosed separately in the notes to the financial statements. A new set of terms and conditions covering the debt rescheduled, including the maturity date, interest rate, debt service payments and other conditions may result. The renegotiated or revised terms and conditions of the rescheduled external assistance debt will be disclosed separately in accordance with paragraphs 26 to 28 and 39 of this Standard.

**Transitional Provisions**

52. **Entities are not required to disclose separately in the notes to the financial statements the opening or closing balance or changes during the period in the balance of undrawn external assistance for a period of two years from the date of first adoption of this Standard.**
53. **Entities are not required to disclose comparative figures in the Statement of Cash Receipts and Payments or in the notes to the financial statements in the first year of application of this Standard.**

EXPOSURE DRAFT

DISCLOSURE REQUIREMENT FOR RECIPIENTS OF EXTERNAL ASSISTANCE

54. **When an entity applies the transitional provisions in paragraph 52 and/or 53, it shall disclose that fact.**
55. Entities that adopt this Standard for the first time may not have readily available, or reasonable access to, the information necessary to provide comparative information on initial application of this Standard, or to satisfy the requirements of this Standard to disclose the information about opening and closing balances of undrawn external assistance received, and changes therein during the reporting period. To provide for an orderly introduction of the requirements of this Standard, paragraph 52 provides relief from the requirements in paragraphs 22 to 24 for a period of two years from initial application. Paragraph 53 also provides relief from the requirement to disclose comparative figures in the first year of application of this Standard. However, to ensure users are informed of the extent to which the requirements of this Standard have been complied with, paragraph 54 requires that entities that make use of these transitional provisions disclose that they have done so.

**Effective Date**

56. **This IPSAS becomes effective for annual financial statements covering periods beginning on or after XX XX 200X. Earlier application is encouraged.**

**Appendix 1: Illustration of the Disclosure of External Assistance  
by a Government**

This appendix is illustrative only and does not form part of the Standard. It illustrates an extract of a Statement of Receipts and Payments and relevant note disclosures for a government that has received external assistance loans and grants during the current and preceding years. Its purpose is to assist in clarifying the meaning of the standards by illustrating their application in the preparation and presentation of general purpose financial statements under the cash basis of accounting.

EXPOSURE DRAFT  
DISCLOSURE REQUIREMENT FOR RECIPIENTS OF EXTERNAL ASSISTANCE

**External Assistance Received by a Government**

**(Paragraphs 13, 14, 15 and 16)**

**CONSOLIDATED FINANCIAL STATEMENTS FOR GOVERNMENT A**  
**CONSOLIDATED STATEMENT OF CASH RECEIPTS AND PAYMENTS FOR YEAR ENDED 31 DECEMBER 200X**  
**(RECEIPTS ONLY)**

	Note	<-----200X----->			<-----200X-1----->		
(in thousands of currency units)		Cash Receipts	Payments by third parties	Total	Cash Receipts	Payments by third parties	Total
RECEIPTS							
<i>Taxation</i>							
Income tax		X	-	X	X	-	X
Value-added tax		X	-	X	X	-	X
Property tax		X	-	X	X	-	X
Other taxes		X	-	X	X	-	X
		<u>X</u>	<u>-</u>	<u>X</u>	<u>X</u>	<u>-</u>	<u>X</u>
<i>External Assistance</i>							
	1						
Borrowed Funds							
Multilateral agencies		X	X	X	X	X	X
Bilateral agencies		X	X	X	X	X	X

EXPOSURE DRAFT  
DISCLOSURE REQUIREMENT FOR RECIPIENTS OF EXTERNAL ASSISTANCE

(in thousands of currency units)	Note	<-----200X----->			<-----200X-1----->		
		Cash Receipts	Payments by third parties	Total	Cash Receipts	Payments by third parties	Total
Grants							
Multilateral agencies		X	X	X	X	X	X
Bilateral agencies		X	X	X	X	X	X
<i>Total External Assistance</i>		X	X	X	X	X	X
<b><i>Capital Receipts</i></b>							
Proceeds from disposal of plant and equipment		X	-	X	X	-	X
<b><i>Trading Activities</i></b>							
Receipts from trading activities		X	-	X	X	-	X
<b><i>Other receipts</i></b>		X	-	X	X	-	X
<b>Total receipts</b>		X	X	X	X	X	X

EXPOSURE DRAFT  
DISCLOSURE REQUIREMENT FOR RECIPIENTS OF EXTERNAL ASSISTANCE**Note 1 External Assistance**  
**(Paragraphs 13, 15, and 16)**

External assistance was received from Multilateral and Bilateral External Assistance Agencies under agreements specifying that the assistance would be utilized for the following purposes.

	<u>200X</u>					
	Development Assistance	Trade Finance	Emergency Assistance	Military Assistance	Bal of Pay Assistance	Total
<b><u>Borrowed Funds</u></b>						
Multilateral Agencies	X	-	-	-	X	X
Bilateral Agencies	X	X	-	X	-	X
Total	X	X	-	X	X	X
<b><u>Grant Funds</u></b>						
Multilateral Agencies	X	-	X	-	-	X
Bilateral Agencies	X	-	X	X	-	X
Total	X	-	X	X	-	X
<b>Total External Assistance</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>



EXPOSURE DRAFT  
DISCLOSURE REQUIREMENT FOR RECIPIENTS OF EXTERNAL ASSISTANCE

			<u>200X-1</u>			
	<b>Development Assistance</b>	<b>Trade Finance</b>	<b>Emergency Assistance</b>	<b>Military Assistance</b>	<b>Bal of Pay Assistance</b>	<b>Total</b>
<b><u>Borrowed Funds</u></b>						
Multilateral Agencies	X	-	-	-	X	X
Bilateral Agencies	X	X	-	X	-	X
Total	X	X	-	X	X	X
<b><u>Grant Funds</u></b>						
Multilateral Agencies	X	-	-	-	-	X
Bilateral Agencies	X	-	-	-	-	X
Total	X	-	-	-	-	X
<b>Total External Assistance</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>

EXPOSURE DRAFT  
DISCLOSURE REQUIREMENT FOR RECIPIENTS OF EXTERNAL ASSISTANCE**Note 2 Undrawn External Assistance****(Paragraphs 22, 23, and 33)**Undrawn external assistance – Loans

Undrawn external assistance loans consist of the amount of external assistance loans agreed with external assistance agencies that have not been utilized at the close of the fiscal year. External assistance cancelled resulted from overestimation of the cost of development projects and in the case of trade finance and military assistance from expired deadlines.

	<b><u>200X</u></b>					
	<b>Development Assistance</b>	<b>Trade Finance</b>	<b>Emergency Assistance</b>	<b>Military Assistance</b>	<b>Bal. of Pay. Assistance</b>	<b>Total</b>
Opening balance	X	X	-	X	X	X
External assistance approved	X	X	X	X	X	X
Total available	X	X	X	X	X	X
External assistance received	X	X	X	X	X	X
External assistance cancelled	(X)	(X)	-	(X)	-	(X)
Exchange difference	X	X	-	X	X	X
Closing balance	X	X	-	X	X	X
Closing balance available by currency						
US Dollar	X	X	-	X	X	X
Euro	X	X	-	X	-	X
Yen	X	X	-	-	-	X
Other	X	-	-	-	-	X
Total	X	X	-	X	X	X

EXPOSURE DRAFT  
DISCLOSURE REQUIREMENT FOR RECIPIENTS OF EXTERNAL ASSISTANCE

			<u>200X-1</u>			
	<b>Development Assistance</b>	<b>Trade Finance</b>	<b>Emergency Assistance</b>	<b>Military Assistance</b>	<b>Bal. of Pay. Assistance</b>	<b>Total</b>
Opening balance	X	X	-	X	X	X
External assistance approved	X	X	-	X	X	X
Total available	X	X	-	X	X	X
External assistance received	X	X	-	X	X	X
External assistance cancelled	(X)	(X)	-	-	-	X
Exchange difference	X	X	-	X	X	X
Closing balance	X	X	-	X	X	X
Closing balance available by currency						
US Dollar	X	X	-	X	X	X
Euro	X	X	-	X	-	X
Yen	X	X	-	-	-	X
Other	X	-	-	-	-	X
Total	X	X	-	X	X	X

EXPOSURE DRAFT  
DISCLOSURE REQUIREMENT FOR RECIPIENTS OF EXTERNAL ASSISTANCEUndrawn external assistance – Grants

Undrawn external assistance grants consist of the amount of external assistance grants agreed with external assistance agencies that has not been utilized at the close of the respective fiscal year ends.

	<u>200X</u>					
	<b>Development Assistance</b>	<b>Trade Finance</b>	<b>Emergency Assistance</b>	<b>Military Assistance</b>	<b>Bal. of Pay. Assistance</b>	<b>Total</b>
Opening balance	X	-	-	-	-	X
External assistance approved	X	-	X	X	-	X
Total available	X	-	X	X	-	X
External assistance received	X	-	X	X	-	X
External assistance cancelled	(X)	-	-	-	-	(X)
Exchange difference	X	-	-	-	-	X
Closing balance	X	-	-	-	-	X
Closing balance available by currency						
US Dollar	X	-	-	-	-	X
Euro	X	-	-	-	-	X
Yen	X	-	-	-	-	X
Other	X	-	-	-	-	X
Total	X	X	-	-	X	X

EXPOSURE DRAFT  
DISCLOSURE REQUIREMENT FOR RECIPIENTS OF EXTERNAL ASSISTANCE

			<u>200X-1</u>			
	<u>Development Assistance</u>	<u>Trade Finance</u>	<u>Emergency Assistance</u>	<u>Military Assistance</u>	<u>Bal. of Pay. Assistance</u>	<u>Total</u>
Opening balance	X	-	-	-	-	X
External assistance approved	X	-	-	-	-	X
Total available	X	-	-	-	-	X
External assistance received	X	-	-	-	-	X
External assistance cancelled	(X)	-	-	-	-	(X)
Exchange difference	X	-	-	-	-	-
Closing balance	<u>X</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>X</u>
Closing balance available by currency						
US Dollar	X	-	-	-	-	X
Euro	X	-	-	-	-	X
Yen	X	-	-	-	-	X
Other	-	-	-	-	-	-
Total	<u>X</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>X</u>

Undrawn external assistance – Guarantees

Guarantees issued by the Government of YYYY covering undrawn commercial export financing at the end of 200X in the amount of US Dollars XXX (200X -1: US Dollars Nil) is not included in the above tables.

EXPOSURE DRAFT  
DISCLOSURE REQUIREMENT FOR RECIPIENTS OF EXTERNAL ASSISTANCE**Note 3 Access to External Assistance****(Paragraphs 26, 27, 28, 33 and 36)**General Restrictions

The balance of commitments or undrawn external assistance is subject to, or restricted by, prior performance of specific agreed actions or the maintenance of agreed economic or financial performance levels by the Government or the relevant project implementation agency.

The Government has prepared an economic development plan as the basis for receipt of balance of payments assistance. The plan includes a poverty reduction strategy which is supported by the donor community. The Government and the donors have agreed targets for reducing the fiscal deficit to sustainable levels within five years through a program of tax reforms, sale of state owned enterprises and by focusing expenditures within the poverty reduction strategy. Fiscal expenditures will be increased for the agricultural, health and education sectors. The Government and the donor community have agreed on methods to monitor progress to achieve agreed targets and have agreed to meet annually to review progress and to ensure continued donor financial support for the Government's economic development plan.

Loans and grants to support specific projects include financial performance targets for all electricity and water utilities to ensure adequate revenue to cover the cost of providing services, to properly maintain existing utility assets and to contribute to a program of asset replacement and renewal.

The tables below indicate the extent to which external assistance is subject to agreed actions or performance targets. After adherence to these agreed actions or performance targets, the funds then become available and may be used to procure goods or services, subject to certain procurement restrictions described below.

EXPOSURE DRAFT  
DISCLOSURE REQUIREMENT FOR RECIPIENTS OF EXTERNAL ASSISTANCE

	<b><u>200X</u></b>					
	<b>Balance of Payments or Budget Support Loans and Grants</b>			<b>Specific Purpose Loans and Grants</b>		
	<b><u>Unrestricted Subject to</u></b>	<b><u>Total</u></b>		<b><u>Unrestricted Subject to</u></b>	<b><u>Total</u></b>	<b><u>Total</u></b>
Development Assistance	X	X	X	-	X	X
Trade Finance	-	-	-	-	X	X
Military Assistance	-	-	-	-	X	X
Balance of Payments Assistance	-	X	X	-	-	-
<b>Total</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>-</b>	<b>X</b>	<b>X</b>

	<b><u>200X-1</u></b>					
	<b>Balance of Payments or Budget Support Loans and Grants</b>			<b>Specific Purpose Loans and Grants</b>		
	<b><u>Unrestricted Subject to</u></b>	<b><u>Total</u></b>		<b><u>Unrestricted Subject to</u></b>	<b><u>Total</u></b>	<b><u>Total</u></b>
Development Assistance	X	X	X	-	X	X
Trade Finance	-	-	-	-	X	X
Military Assistance	-	-	-	-	X	X
Balance of Payments Assistance	-	X	X	-	-	-
<b>Total</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>-</b>	<b>X</b>	<b>X</b>

EXPOSURE DRAFT  
DISCLOSURE REQUIREMENT FOR RECIPIENTS OF EXTERNAL ASSISTANCE

Procurement Restrictions

Certain development assistance received is subject to restrictions in regards to the nature of goods or services that may be purchased or the country in which the goods or services may be purchased. All multilateral development bank loans or grants are restricted in that (a) they prohibit the use of their funds for the purchase of military goods or services, luxury goods or environmentally damaging goods and (b) the purchase of goods or services must be from their respective member countries. Bilateral Agencies are either unrestricted or limit purchases of goods or services to the country providing the funds. All “Specific Purpose Loans or Grants” fund specifically defined projects and as such the procurement of goods and services is restricted to the agreed inputs for each project.

	<b>Balance of Payments or Budget Support</b>			<b><u>200X</u></b>			
	<b><u>Loans and Grants</u></b>			<b><u>Specific Purpose</u></b>			
	<b><u>Unrestricted</u></b>	<b><u>Subject to</u></b>	<b><u>Total</u></b>	<b><u>Unrestricted</u></b>	<b><u>Subject to</u></b>	<b><u>Total</u></b>	<b><u>Total</u></b>
Development Assistance	-	X	X	-	X	X	X
Trade Finance	-	-	-	-	X	X	X
Military Assistance	-	-	-	-	X	X	X
Balance of Payments Assistance	X	-	X	-	-	-	X
<b>Total</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>-</b>	<b>X</b>	<b>X</b>	<b>X</b>



EXPOSURE DRAFT  
DISCLOSURE REQUIREMENT FOR RECIPIENTS OF EXTERNAL ASSISTANCE

	<b><u>200X-1</u></b>					
	<b>Balance of Payments or Budget Support</b>			<b>Specific Purpose</b>		
	<b><u>Loans and Grants</u></b>			<b><u>Loans and Grants</u></b>		
	<b><u>Unrestricted Subject to</u></b>	<b><u>Total</u></b>		<b><u>Unrestricted Subject to</u></b>	<b><u>Total</u></b>	<b><u>Total</u></b>
Development Assistance	-	X	X	-	X	X
Trade Finance	-	-	-	-	X	X
Military Assistance	-	-	-	-	X	X
Balance of Payments Assistance	X	-	X	-	-	-
<b>Total</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>-</b>	<b>X</b>	<b>X</b>

**Guarantees**

Guarantees issued by the Government of YYYY covering a commercial debt in the amount of US Dollars XXX (200X-1: US Dollars Nil) applies only to goods manufactured in YYYY.

**Non-Compliance with Covenants or Restrictions**

The Government's expenditures in the education sector did not meet the investment target primarily due to construction delays caused by an earthquake. Expenditures were one percent below the target. Steps have been taken to correct the under investment in the education sector and the Government and the relevant donors support the corrective actions planned. The Government has complied with all procurement regulations applicable under all outstanding external assistance loans and grants.

**Note 4 Debt Service Obligations****(Paragraphs 39 and 40)**

Development Assistance terms include grace periods which range from at least five years to a maximum of seven years. Interest rates include both fixed rates and variable rates. All development assistance debt are denominated in US Dollars. Interest rates on fixed rate loans, as of fiscal year ending 200X range from 5.25 percent to 6.75 percent with a weighted average of 5.95 percent. For the fiscal year ending 200X-1, they range from 5.25 percent to 6.70 with a weighted average of 5.92 percent. Interest rates on variable rate loans range from LIBOR plus 1 percent to LIBOR plus 1.25 percent with a weighted average at the end of fiscal year 200X of 7.35 percent and at the end of fiscal year 200X-1 of 7.27 percent. Some development assistance credits include a grace period of ten years and are interest free but a service charge of 0.75 percent applies.

Major features of trade finance debt are:

- Trade Finance terms do not include grace periods;
- Interest rates include both fixed rates and variable rates;
- Fixed rates range from 7.3 percent to 8.2 percent for debt denominated in US Dollars, with a weighted average of 7.75 percent; 7.25 to 8.4 percent for debt denominated in Euros with a weighted average of 7.76 percent and 3.25 to 4.70 percent for debt denominated in Yen with a weighted average of 3.75 percent; and
- Variable interest rates range from 5.85 percent to 8.85 percent for debt denominated in US Dollars, with a weighted average of 6.80 percent; 5.80 percent to 8.70 percent for debt denominated in Euros, with a weighted average of 6.85 percent; 3.70 percent to 3.95 percent for debt denominated in Yen, with a weighted average of 3.82 percent.

Military Assistance terms do not include grace periods. Interest rates are fixed. They range from 8.0 percent to 8.85 percent for debt denominated in US Dollars, with a weighted average of 8.43 percent; and 8.0 percent to 8.75 percent for debt denominated in Euros, with a weighted average of 8.45 percent.

Balance of Payments Assistance does not include a grace period and is all denominated in US Dollars and includes a Poverty Reduction and Growth Facility with interest set at 0.5 percent and an Extended Fund Facility with interest set at 4.75 percent.

EXPOSURE DRAFT  
DISCLOSURE REQUIREMENT FOR RECIPIENTS OF EXTERNAL ASSISTANCE

<b><u>200X</u></b>				
<b>Outstanding Debt by Remaining Grace Period Years</b>				
	<b>Expired</b>	<b>0 – 4</b>	<b>5 – 7</b>	<b>Total</b>
Development Assistance	X	X	X	X
Trade Finance	X	-	-	X
Military Assistance	X	-	-	X
Balance of Payments Assistance	X	-	-	X
Total	X	X	X	X

<b><u>200X-1</u></b>				
<b>Outstanding Debt by Remaining Grace Period Years</b>				
	<b>Expired</b>	<b>0 – 4</b>	<b>5 – 7</b>	<b>Total</b>
Development Assistance	X	X	X	X
Trade Finance	X	-	-	X
Military Assistance	X	-	-	X
Balance of Payments Assistance	X	-	-	X
Total	X	X	X	X

Development Assistance loans have repayment periods varying from 20 years to 25 years subsequent to the grace period with a weighted average for outstanding debt of 27.7 years including the grace period. In all cases, the debt service is based on a fixed payment of principal plus interest accrued. Development assistance credits have repayment periods of 30 years following the grace period with a weighted average for outstanding debt of 32.4 years including the grace period. Debt service is based on a fixed payment of principal plus a service fee.

Trade Finance loans have repayment periods varying from 3 to 7 years with a weighted average of 4.7 years. Debt service is based on a fixed payment of principal plus interest accrued.

Military Assistance loans have repayment periods varying from 2 to 7 years with a weighted average of 4.9 years. Debt service is based on a fixed payment of principal plus interest accrued.

Balance of Payments Assistance loans include a Poverty Reduction and Growth Facility with a repayment period of 9 years and an Extended Fund Facility with a repayment period of 6 years. In both cases debt service is based on a fixed payment of principal plus interest accrued.

EXPOSURE DRAFT  
DISCLOSURE REQUIREMENT FOR RECIPIENTS OF EXTERNAL ASSISTANCE**200X****Debt Service Payments Including Interest**

	US				
	Dollar	Euro	Yen	Other	Total
Development Assistance	X	X	X	X	X
Trade Finance	X	X	X	-	X
Military Assistance	X	X	-	-	X
Balance of Payments Assistance	X	-	-	-	X
Total	X	X	X	X	X

**200X-1****Debt Service Payments Including Interest**

	US				
	Dollar	Euro	Yen	Other	Total
Development Assistance	X	X	X	X	X
Trade Finance	X	X	X	-	X
Military Assistance	X	X	-	-	X
Balance of Payments Assistance	X	-	-	-	X
Total	X	X	X	X	X

All debt service payments for subsequent years are based on a fixed payment of principal plus accrued interest. Interest payments or service charges are based on the outstanding principal of each loan or credit at the end of the current year, and for variable interest rate loans, at interest rates prevailing at that date. Debt service payments denominated in foreign currency have been determined by applying the closing rate of exchange on the reporting date of the financial statements.

**200X + 1 and Subsequent Years****Debt Service Payments Including Interest**

	US				
	Dollar	Euro	Yen	Other	Total
Development Assistance	X	X	X	X	X
Trade Finance	X	X	X	-	X
Military Assistance	X	X	-	-	X
Balance of Payments Assistance	X	-	-	-	X
Total	X	X	X	X	X

**Note 5 Receipt of Goods and Services In-Kind****(Paragraph 44)**

During 200X, a severe earthquake occurred in the ZZZ Region inflicting serious damage to government property and private property, and significant loss of life. Several nations donated specialized professionals and equipment to assist in locating and rescuing individuals trapped in the rubble. In addition, specialized medical teams trained in trauma treatment together with medical equipment, were flown into the region. Temporary shelter and food were also supplied. The value of goods and services received has been estimated at XX domestic currency units. The value of those specialized emergency assistance provided has been determined based on cost estimates provided by the bilateral aid agencies involved because local prices for equivalent goods or services were not available.

Fifty thousand tons of rice was received as food aid during the year. It has been valued at XX domestic currency units which represents the wholesale price of similar rice in domestic wholesale markets.

Goods in-kind received during the year, have not been recorded in the Statement of Cash Receipts and Payments, which reflects only cash received (directly or indirectly) or paid by the Government. Goods and services-in-kind were received as part of the emergency assistance and are reflected in this note.

**Appendix 2: Illustration of the Disclosure of External Assistance  
by a Project Specific Entity**

This appendix is illustrative only and does not form part of the Standard. It illustrates an extract of a Statement of Receipts and Payments and relevant note disclosures for a project specific entity that has received external assistance loans and grants during the current and preceding years. Its purpose is to assist in clarifying the meaning of the standards by illustrating their application in the preparation and presentation of general purpose financial statements under the cash basis of accounting.

INTERNATIONAL PUBLIC SECTOR  
ACCOUNTING STANDARD BOARD IPSAS XX

**Illustration of the Disclosure of External Assistance by a Project Specific Entity**

**Development Assistance Re-lent to an Individual Project**

**URBAN WATER SUPPLY PROJECT**  
**STATEMENT OF RECEIPTS AND PAYMENTS**  
**(RECEIPTS ONLY)**

	<u><b>200X</b></u>				<u><b>200X-1</b></u>			
	<b>Cash Receipts</b>	<b>Paid by Third Party Related</b>	<b>Unrelated</b>	<b>Total</b>	<b>Cash Receipts</b>	<b>Paid by Third Party Related</b>	<b>Unrelated</b>	<b>Total</b>
MMM Development Bank	-	-	X	X	-	-	X	X
CCC Bilateral Agency	-	-	X	X	-	-	X	X
National Government	X	X	-	X	X	X	-	X
<b>Total</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>

## EXPOSURE DRAFT

## DISCLOSURE REQUIREMENT FOR RECIPIENTS OF EXTERNAL ASSISTANCE

**Note 1 - Undrawn External Assistance****(Paragraph 22 and 23)**

Undrawn external assistance consists of development assistance agreed to be provided by the National Government to fund the Urban Water Supply System from funds lent to the National Government by the MMM Development Bank, the CCC Bilateral Agency and from its own resources. Funds provided from the MMM Development Bank and the CCC Bilateral Agency have been lent by the National Government to the Urban Government in the currencies received from the external assistance agencies.

Changes in undrawn external assistance:

	200X			200X-1		
	Loan	Grant	Total	Loan	Grant	Total
Opening balance	X	X	X	X	X	X
Additional development assistance	-	X	X	-	-	X
Total available	X	X	X	X	X	X
Development assistance utilized	X	X	X	X	X	X
Development assistance cancelled	-	(X)	(X)	(X)	(X)	(X)
Exchange difference	X	X	X	X	X	X
Closing balance	X	X	X	X	X	X

Undrawn External Assistance originated from the following sources and is denominated in the following currencies:

	200X			
	US Dollar	Euro	Local	Total
MMM Development Bank	X	-	-	X
CCC Bilateral Agency	-	X	-	X
National Government	-	-	X	X
Closing Balance	X	X	X	X

	200X-1			
	US Dollar	Euro	Local	Total
MMM Development Bank	X	-	-	X
CCC Bilateral Agency	-	X	-	X
National Government	-	-	X	X
Closing Balance	X	X	X	X



**Note 2 - Restrictions on Development Assistance****(Paragraphs 26, 27 and 36)****General Restrictions**

Loans provided by the National Government are on the same terms and conditions as the original loan from the external assistance agencies. Loans originating from the MMM Development Bank and the CCC Bilateral Agency require that the water supply utility set water tariffs at a level to cover the cost of providing potable water, the proper maintenance of all assets and to provide a reasonable contribution to the replacement and renewal of existing assets. Both loans are guaranteed by the National Government for which a fee of 0.25 percent of the outstanding loan amount is charged. No other conditions result from the guarantee. Additional funds from the National Government have been provided as a grant.

**Procurement Restrictions**

Procurement financed under the MMM Development Bank loan is limited to an agreed list of water purification equipment, distribution pipes and other equipment as well as services needed to increase the capacity of the water supply system to agreed levels. All procurement must take place utilizing agreed international competitive bidding procedures. All goods and services must be manufactured in or supplied from one or more of the 55 member countries of the MMM Development Bank.

Procurement financed under the CCC Bilateral Agency loan is limited to financing a contract to develop a ground water field on land owned by the city and leased to the utility. The services must be procured from a firm located in CCC Country using agreed competitive bidding procedures, except that up to twenty percent of the agreed loan amount may be used to procure domestic goods and services ancillary to the main drilling contract.

Procurement utilizing funds from the National Government grant must follow standard government procurement regulations.

**Compliance with Loan Covenants**

The Urban Water Supply System has complied with all loan covenants including performance covenants and other covenants requiring submission of audited annual financial statements and has followed all respective procurement regulations.

**Note 3 – Debt Service Obligations****(Paragraphs 39 and 40)**

Development Assistance received from the National Government utilizes funds originating from the MMM Development Bank and the CCC Bilateral Agency on the same terms and conditions as received by the National Government from these respective external assistance agencies.

## EXPOSURE DRAFT

## DISCLOSURE REQUIREMENT FOR RECIPIENTS OF EXTERNAL ASSISTANCE

The loan originating from the MMM Development Bank, for an amount not to exceed US \$XXX (XXXX Domestic currency units), has been drawn down in various currencies equivalent to US \$XX (XXX Domestic currency units) to pay suppliers in their required currencies. Interest is payable semi-annually at a rate of 5.75 percent on the outstanding balance. The loan is currently within the second year of a five year grace period. Interest payable during the grace period is financed under the loan. Debt service will commence in 200X + 6 based on fixed semi-annual payments for 20 years plus accrued interest.

The loan originating from the CCC Bilateral Agency, for an amount not to exceed Euro XXX (XXXX Domestic currency units), has been drawn down to pay the foreign drilling contract and domestic contractors in the amount of Euro XX (XXX Domestic currency units). The loan is in the second year of a five year grace period. Interest is accruing at the rate of 5.50 percent and is payable semi-annually. Interest is financed from the proceeds of the grant from the National Government during the grace period. Debt service will commence in 200X+6 based on fixed semi-annual payments for 15 years plus accrued interest.

Debt service payments for 200X+6 and subsequent years are based on a fixed payment of principal plus accrued interest. Interest payments are based on the estimated outstanding balance of each loan at the end of year 200X+5 and the fixed interest rates set under each loan. Debt service payments denominated in foreign currencies have been determined by applying the closing rate of exchange on the date of these financial statements to the foreign currency amount.

	<b>200X+6 and Subsequent Years</b>		
	<b>US Dollar</b>	<b>Euro</b>	<b>Total</b>
MMM Development Bank	X	-	X
CCC Bilateral Agency	-	X	X
Closing Balance	X	X	X

EXPOSURE DRAFT  
DISCLOSURE REQUIREMENT FOR RECIPIENTS OF EXTERNAL ASSISTANCE**Appendix 3: Rescheduled or Cancelled Debt**

*This appendix discusses the circumstances involved in rescheduling or canceling sovereign debt and the impact on the entity's financial statements.*

1. The following terms are used in this appendix with the meaning specified:

Highly Indebted Poor Countries (HIPC)s are countries which:

- (a) Are only eligible for highly concessional assistance such as from the World Bank's International Development Association (IDA) and the International Monetary Fund's (IMF's) Poverty Reduction and Growth Facility;
- (b) Face an unsustainable debt situation even after the full application of traditional debt relief mechanisms; and
- (c) Have a proven track record in implementing strategies focused on reducing poverty and building the foundation for sustainable economic growth.

HIPC Trust Fund has been established on the basis of contributions from participating multilateral creditors and bilateral donors.

2. A government experiencing difficulty in servicing its debt, including bilateral development assistance debt, may seek renegotiation of the terms of its sovereign debt under Paris Club arrangements. The Paris Club is not a legally established entity – it is an informal group of official creditors that seek to find coordinated and sustainable solutions to balance of payments difficulties experienced by debtor nations. Although each situation considered by Paris Club members is unique and is considered on a case by case basis, the members have harmonized the circumstances under which they will agree to forgive, defer or reschedule debt as well as the amount of medium to long term debt that will be addressed.
3. Paris Club negotiations may respond to short term balance of payments difficulties by addressing a financing gap covering up to three years debt service payments or may respond to long term balance of payments difficulties by addressing the remaining debt service requirements for debt existing at the time of the negotiations.
4. Rescheduling debt service payments for least developed countries may involve revised payment terms for sovereign commercial debt of up to 23 years (including up to 6 years grace during which only interest on the deferred amount is paid) and up to 40 years for official development assistance (including a grace period of up to 16 years). Debt from

## EXPOSURE DRAFT

## DISCLOSURE REQUIREMENT FOR RECIPIENTS OF EXTERNAL ASSISTANCE

multilateral agencies such as the International Monetary Fund (IMF), the World Bank or the regional development banks is not eligible for Paris Club consideration.

5. Increasingly, debt cancellation is applied as part of the solution to addressing long term balance of payments issues. Under the negotiations described above, debt cancellation of up to 67% of the remaining debt service obligations may be considered. For the least developed and most indebted countries (HIPC countries), the Paris Club will consider debt cancellation of up to 90% of remaining debt service obligations. HIPCs may also seek relief from debt service obligations to multilateral agencies through the HIPC Trust Fund. The proceeds of the HIPC Trust Fund are used to prepay or purchase a portion of the debt owed to a multilateral creditor(s) and cancel such debt or to make a debt service payment(s) on behalf of the HIPC as it comes due.
6. While the Paris Club provides a structure and a harmonized approach to address a portion of a country's balance of payments difficulties, it does not provide an overarching agreement between its members and the creditor nation. Each agreement covered by Paris Club consideration must be individually amended to reflect changes in the terms and conditions of the loan. An overarching set of conditions is provided by reference in the revised agreements to adherence with the terms and conditions of an IMF loan. In the case of HIPCs the overarching conditionality is provided by a Poverty Reduction Strategy Plan supported by loans from both the IMF and the World Bank and, in some cases, other agencies.
7. Debt rescheduling or debt cancellation does not involve a cash receipt or a cash payment. However, the terms and conditions attached to the debt that has been rescheduled have changed. The notes to the financial statements of the entity involved should disclose the renegotiated terms and conditions consistent with disclosure requirements specified in this Standard. The required note on compliance with all loan covenants should disclose the entity's inability to service its debt(s) and the principal terms of the rescheduling. Furthermore, any material additional terms and conditions resulting from, or in conjunction, with Paris Club negotiations or the HIPC Initiative, such as obligations under an IMF or World Bank loan including a Poverty Reduction Strategy Plan, should be disclosed. Rescheduling or cancellation of sovereign debt due to an immediate or anticipated inability to service the debt is a material event and should be fully disclosed in the notes to the financial statements.
8. Repayments made on behalf of the entity by the HIPC Trust Fund should be reported as cash receipts and disclosed in a separate column disclosing third party payments in the Statement of Cash Receipts and Payments in

EXPOSURE DRAFT

DISCLOSURE REQUIREMENT FOR RECIPIENTS OF EXTERNAL ASSISTANCE

accordance with the provisions of this Standard. A third party payment(s) of debt amortization obligations as part of debt relief is a material event and should be shown separately in accordance with the provisions of this Standard with a reference to the note describing the debt relief.

9. Further information regarding the Paris Club may be obtained from their website <http://www.clubdeparis.org/en/>.

## Appendix 4: Basis for Conclusions

*This appendix gives reasons for supporting or rejecting certain solutions related to disclosure of external assistance by recipients. It refers to the Public Sector Committee (PSC) of IFAC as well as to the International Public Sector Accounting Standards Board (IPSASB). At its November 2004 meeting, the IFAC Council approved a change in the name of the PSC, to the IPSASB.*

### Introduction – The Need for this Standard

- BC1. Providers of external assistance, particularly development assistance, require recipients to follow accounting principles acceptable to them for the use of the funds provided. In some cases, they require the recipient to follow accounting standards generally practiced in the donor country – including the accrual basis of accounting when the recipient’s accounting system is on the cash basis of accounting. Consequently, the recipient may maintain two sets of accounts, one for the provider of the assistance and a second utilizing national public sector accounting standards to meet domestic legal requirements and for submission to local authorities.
- BC2. Recipients of external assistance usually receive assistance from a number of sources. Adhering to a number of different accounting practices and reporting requirements within a portfolio of projects imposes additional compliance costs on recipients, which in many cases have insufficient staff with the requisite skills. Consequently, timely submission of required financial statements is often delayed.
- BC3. In some cases, providers of external assistance, that rely on the recipient’s national public sector accounting standards, receive financial statements from their portfolio of projects that are prepared on a number of different bases. In some cases, these financial statements are not sufficiently transparent or complete to permit a meaningful assessment of the receipt and use of assistance funds. Where the financial statements isolate and account for only the provider’s funds, the financial statements may not present a holistic view of the project’s total investment cost and all sources of funding. The IPSASB is of the view that narrowly focused financial statements do not indicate the extent to which the reporting entity is “aid dependent”.
- BC4. The IPSASB is of the view that the preparation of financial statements in accordance with an International Public Sector Accounting Standard (IPSAS) on external assistance provides a mechanism to:
- Increase the comparability and usefulness of the financial information to users of the statements; and

## EXPOSURE DRAFT

## DISCLOSURE REQUIREMENT FOR RECIPIENTS OF EXTERNAL ASSISTANCE

- Reduce the costs that recipients of such assistance face in complying with the different reporting requirements that may be imposed on them by providers of assistance.

**Cash and Accrual Bases of Accounting**

- BC5. The IPSASB developed this proposed Standard in response to a request from the OECD Development Assistance Committee and the Multilateral Development Banks' Financial Harmonization Working Group. It responds to a common need for the development of an international generally accepted accounting standard addressing the receipt of external assistance by governments and other public sector entities which adopt the cash basis of accounting. The vast majority of recipients of external assistance utilize the cash basis of accounting.
- BC6. Some entities that receive external assistance use the accrual basis of accounting or are in the process of conversion to the accrual basis of accounting. The IPSASB is currently progressing a project on accounting for non-exchange revenue under the accrual basis of accounting. That project will lead to requirements that will establish broad principles applicable to accounting for external assistance under the accrual basis of accounting. The IPSASB will consider whether additional requirements on accounting for, and/or disclosure of, external assistance by recipients is necessary as the non-exchange revenue and other key accrual accounting standards are developed, and in light of relevant issues that might be identified in the course of the development of this IPSAS.

**Scope of this Standard and Definition of External Assistance**

- BC7. This project initially focused on development assistance. The PSC's Project Advisory Panel, and other major constituents, advocated that the scope of the project be widened to address all official external assistance, and require disclosure of major components of external assistance. The PSC responded positively to that input and expanded the scope of the exposure draft to include all official external assistance.
- BC8. External assistance has been defined as official resources originating from multilateral agencies or from governments or government agencies. In developing this definition, the IPSASB considered definitions widely used in practice including those of major recipients, donors and industry representative organizations. While there is currently no single definition of external assistance adopted by all recipients and donors, the IPSASB is of the view that this definition captures the major features of the definitions currently in use, and is appropriate.

**Disclosure of the Terms and Conditions of External Assistance Agreements**

- BC9. This proposed IPSAS requires disclosure of the total amount of external assistance received in cash or paid to settle third party claims during the

## EXPOSURE DRAFT

## DISCLOSURE REQUIREMENT FOR RECIPIENTS OF EXTERNAL ASSISTANCE

period. It also requires the separate disclosure of the major classes thereof, being development assistance, trade finance, emergency assistance, military assistance and balance of payments assistance. The amounts of external assistance that have not yet been drawn down, and the terms and conditions that govern the draw down, or may otherwise limit access to external assistance, are also required to be disclosed. The IPSASB is of the view that these disclosures are necessary to adequately inform readers of the financial statements of the total amount of external assistance received, used and available during the reporting period, and are central to any assessment of the sustainability of ongoing operations. In this context, the IPSASB is of the view that:

- The disclosure of terms and conditions that determine or affect access to external assistance will indicate the extent to which external assistance is time bound and/or is dependent upon the entity taking certain actions and what those actions are. This will inform the reader that the entire amount of undrawn external assistance may not be available for immediate draw down in cash and will advise under what circumstances external assistance will be made available and whether it may be used for general budget purposes or must be used to finance specified investments.
- Disclosure of an entity's receipt of Balance of Payments Assistance indicates that concerns exist regarding its ability to meet or manage its foreign exchange reserve requirements. This may impact its ability to raise additional foreign capital, its ability to service debt denominated in foreign currency and its ability to import goods and services invoiced in foreign currency. Disclosure of the terms and conditions of a balance of payments agreement provide details of the performance criteria the entity must meet to access or continue accessing balance of payments assistance. Examples of the terms and conditions are macroeconomic targets including budget deficit targets, establishment of a financial sector asset recovery or management agency or other broad economic recovery and management objectives.
- Information about noncompliance with any terms and conditions of the external assistance agreement together with the consequence of noncompliance will indicate whether external assistance may continue to be received and/or whether penalties may be imposed.

**Third Party Settlements and Receipt of Goods and Services In-Kind**

- BC10. Recipients of external assistance may receive the proceeds in cash as a lump sum or as tranches of the total agreed amount. In addition, particularly with project specific loans, the recipient may settle its obligations to suppliers of goods or services and ask the external assistance agency to reimburse it for the amounts paid, or the recipient may ask the external assistance agency to



## EXPOSURE DRAFT

## DISCLOSURE REQUIREMENT FOR RECIPIENTS OF EXTERNAL ASSISTANCE

settle its obligations directly with the third party. The goods or services utilized in accomplishing the project are determined or otherwise selected by the recipient, usually within procurement rules agreed to by the recipient and the external assistance agency. In these circumstances, the external assistance agency operates as a financier. The IPSASB is of the view that these payments to third parties are similar to central treasury account payments of funds designated for use by the recipient. As such, the proposed IPSAS requires that they are reported in a separate column on the face of the Statement of Receipts and Payments.

- BC11. In some cases, the external assistance agreement provides that the external assistance agency will provide specified goods or services to the recipient. The external assistance agency determines the specification of the goods or services, procures them, and then provides them to the recipients as goods or services in-kind. An important form of this type of assistance is food aid. The external assistance received is the goods or services offered. The external assistance agency does not provide cash to the recipient nor settle the recipient's obligations. In these cases, there is no cash transaction involving the recipient. Therefore, the receipt of goods or services in-kind is not reported on the face of the Statement of Receipts and Payments. However, the IPSASB is of the view that the receipt of goods or services may be an important source of external assistance, and this proposed Standard requires that the fair value of goods or services received in-kind be reported in the notes to the financial statements.

**Transition period**

- BC12. This proposed Standard applies only to entities reporting under the cash basis of accounting. However, it also requires note disclosure of such matters as opening and closing balances of undrawn external assistance. Best practices of program/project financial management include careful tracking of undrawn resources available to complete program/project objectives. However, opening and closing balances of undrawn external assistance may not be readily available in some recipient's records.
- BC13. Multilateral and bilateral agencies usually maintain detailed records of external assistance provided to each recipient under each external assistance agreement. In some cases, they maintain the information on computer data bases which are accessible by recipient country authorities. In most cases, they provide notification of the details of each transaction including the currency or currencies utilized.
- BC14. In some cases, this notification is sent only to the implementing agency and may not be sent to the Ministry of Finance or other agency responsible for the recipient's accounting. Usually external assistance agencies periodically confirm drawn and undrawn balances with the recipient. Therefore, although recipients may not initially have detailed information regarding

## EXPOSURE DRAFT

## DISCLOSURE REQUIREMENT FOR RECIPIENTS OF EXTERNAL ASSISTANCE

opening and closing balances, the amount should be readily available from external assistance agencies. Information about the currencies used in a transaction involving external assistance is usually included in the notification of the transaction and daily exchange rates between major currencies. Exchange rates for the domestic currency of the recipient country against major currencies are also readily available for accounting for transactions denominated in a foreign currency. As such, the IPSASB is of the view that a two year transitional period will provide recipients sufficient time to access the information necessary to comply with the requirements of the Standard. However, the IPSASB acknowledges that in some cases it may not be practicable to gather all the relevant data about transactions and balances of previous periods and does not require that comparatives be prepared for the first year of operation of this Standard.

**From:** Patrick Maranya [patrickm@saica.co.za]  
**Sent:** Wednesday, October 26, 2005 9:00 PM  
**To:** Paul Sutcliffe; Matthew Bohun  
**Subject:** Public Sector Accounting Seminar  
F.Y.I - An invitation that was sent out for the Public Sector Seminar.  
**From:** Nzali Jordan  
**Sent:** Tuesday, October 25, 2005 9:11 AM  
**To:** Patrick Maranya

**Subject: FW: Public Sector Accounting Seminar**  
**From: Nzali Jordan**

**PUBLIC SECTOR ACCOUNTING SEMINAR**  
**ACCRUAL ACCOUNTING – THE NEXT STEP**

Date: 28 November 2005  
Time: 8H30 – 13H00  
Venue: SA Reserve Bank Conference Centre - Pretoria

**Introduction**

The National Treasury – Office of Accountant-General, Accounting Standards Board (ASB) and the South African Institute of Chartered Accountants (SAICA) will be hosting a public sector seminar and invites you to attend.

The Chairman, 2 members and 1 technical advisor of the International Public Sector Accounting Standards Board (IPSASB) shall share their experiences on accrual accounting in the public sector. IPSASB develops the accounting standards that are applicable to public sector entities. The Standards of Generally Recognised Accounting Standards (GRAP) being developed by the ASB for application by public sector in South Africa are based on International Public Sectors Accounting Standards (IPSASs) issued by IPSASB.

**Objective of the seminar**

The objective of the seminar is to:

- Provide participants with an update on the progress made in South Africa relating to the move to accrual basis of accounting
- Share practical experiences of implementing accrual accounting by countries that have already applied accrual basis
- Obtain an update on the projects of International Public Sector Accounting Standards Board (IPSASB), the Board that develops the accrual based accounting standards at international level

**Who should attend**

- Accounting officers and Chief Financial Officers
- Accountants in the Public Sector
- Practicing Accountants and Auditors, especially those involved in Public sector engagements.

**Seminar Programme**

<b>SESSION - 1</b>		
<b>Time</b>	<b>Topic</b>	<b>Speaker</b>
08H00 – 08H30	Registration	
08H30 – 10H00	<p>Welcome and Financial reporting in South Africa</p> <p>Accrual Accounting – next step by South Africa Government</p> <p>IPSASB update</p>	<p>Jabu Moleketi - Deputy Minister of Finance</p> <p>Freeman Nomvalo - Accountant General</p> <p>Philippe Adhémar - Chairman IPSASB</p>
10H00 – 10H30	Tea Break	Tea Break
<b>SESSION - 2</b>		
10H30 – 11H30	<p>Does cash basis of accounting provide public with complete information</p> <p>Challenges of auditing cash basis of accounting in an environment where legislation require accrual basis</p>	<p>To be confirmed</p> <p>Imran Vanker (Office of Auditor-General)</p>
<b>SESSION – 3</b>		
11H30 – 13H00	Practical experience of implementing accrual accounting	<p><b>UK</b> - Mike Hathorn (Deputy Chairman IPSASB)</p> <p><b>Canada</b> - Richard Neville and Ron Salole (Member and Technical Advisor IPSASB)</p>

### **Seminar Investment**

All participants

R 450 (Including 14% VAT)

### **Enrolment**

To enrol for this presentation please visit Public Sector Accounting Seminar  
Alternatively, please supply the following details by email to [workshops@saica.co.za](mailto:workshops@saica.co.za) or fax 011 621 6809/ 011 622 3321:

- Delegate's title, initials, first name, surname, Passport No, Identity No or SAICA membership/trainee number.
- Name of organisation to be invoiced, telephone no, fax no, e-mail address, postal address and VAT Reg. No.
- Please note that telephonic reservations and enrolments are not accepted.

### **Terms and conditions**

- Only written notice of cancellation will be considered, at no time are telephonic cancellations sufficient.
- Seminar fees will be refunded, less a 15% administration charge, if cancellations are received eight or more working days prior to commencement of the seminar.
- No refunds will be made for cancellations received within seven working days of the seminar or for non-attendance.
- Delegates booking and not attending will be liable for the full fee.
- Substitutions within the same payment category may be made for each seminar.
- Substitutions / transfers may not be made between different seminar venues and between different seminars.
- Your booking will only be confirmed once payment is received by SAICA.
- [Should you not receive a tax invoice timeously, please contact the Seminars & Events Unit on telephone 011 621 6600 or e-mail \[workshops@saica.co.za\]\(mailto:workshops@saica.co.za\)](#)
- Payment should preferably reach SAICA two weeks prior to the seminar date, in order for it to be processed timeously. Alternatively, payment may be handed to the SAICA representative on the day of the seminar.
- Delegates will not be allowed to enter the seminar unless payment has been received.

### **Contact details:**

To contact the SAICA Workshops Unit, telephone 011 621 6600, fax 011 621 6809 / 011 622 3321 or  
[email workshops@saica.co.za](mailto:workshops@saica.co.za)

### **Other training courses:**

For more information about other training courses please visit Training Courses

