



Agenda Item 2: First-time Adoption of Accrual Basis IPSASs

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IPSASB Meeting

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First Time Adoption of Accrual Basis IPSASs

- Objective of agenda item to:
 - Consider and discuss matters for consideration
 - Consider and if appropriate, approve Exposure Draft on *First-Time Adoption of Accrual Basis IPSASs*
 - Note summary of transitional exemptions



First-Time Adoption of Accrual Basis IPSASs

Matters for
consideration

Matters for consideration

- Specific matter 1 – Interaction between asset Standards and IPSAS 5
 - Allowed alternative (capitalization) selected in accounting for borrowing costs → retrospective on first-time adoption
 - Three year transitional relief for recognition of assets
- Members view on:
 - Accounting for borrowing costs (allowed alternative) → retrospective or prospective if three year relief period is adopted?
 - Proposed wording

Matters for consideration

- Specific matter 2 – Deemed cost for internally generated intangible assets
 - Exclusion to determine deemed cost for internally generated intangible asset
 - Because difficult to retrospectively assess probability of FEB or SP
 - Absence of reliable information and active market on date of adoption
- Members view on other measurement alternatives:
 - Specifically state that deemed cost should not be determined or
 - Should first-time adopter make own assessment?

Matters for consideration

- Specific matter 3 – Presenting Segment Report
 - 3 year relief to present Segment report
 - Classified as category 1 (December 2012)
- Members view on:
 - Will this impact on ability to assert compliance and assess fair presentation?

Matters for consideration

- Specific matter 4 – Deemed cost for financial instruments
 - 3 year relief for recognition and/or measurement of financial instruments
- Members view on:
 - Should deemed cost be allowed when cost information is not available on date of adoption?



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**Proposed Exposure
Draft**

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Summary of
transitional
exemptions