



Agenda Item 2A: Conceptual Framework: Preface to Conceptual Framework

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IPSASB Meeting

Brussels, Belgium
September 15-18, 2014

Objective and Materials (Paragraph 1)

- **Objective**
 - **Approve** Preface for incorporation in Conceptual Framework
- **Materials Presented**

Agenda Item 2A.1A

Draft Preface marked-up to show changes from June 2014 version

Agenda Item 2A.B

Draft Preface clean

Background (Paragraph 2)

- June 2014 Meeting: Review of revised version of Preliminary Board View
- July 2014: Circulated for views out-of session.
- Version includes further amendments as a result of comments received from Members, Observers and Senior Adviser
 - Changes marked-up from July 8th version

Key Issues (Paragraph 4)

1. Use of term compulsory” rather than ”involuntary” in the section: *The Volume and Significance of Non-Exchange Transactions including Compulsory Transfers*
2. Absence of discussion on public sector specific liabilities
3. References to consideration of GFS reporting guidelines in section: *Relationship to Statistical Reporting*.

Key Issue 1: Compulsory or Voluntary (Paragraphs 5-6)

- Direction in June: Replace “involuntary” with “compulsory”
- Words similar if not same meaning
- Numerous uses of “involuntary” in Chapter 2 core text and Basis for Conclusions

Staff View: Revert to “involuntary”

*Matter for Consideration: **Approve** the use of the term “involuntary” rather than “compulsory” in the title and section, The Volume and Significance of Non-Exchange Transactions including Compulsory Transfers*

Key Issue 2: Absence of discussion on public sector specific liabilities (Paragraphs 7-10)

- Member noted that Preface has section *The Nature and Purpose of Assets in the Public Sector*, but does not discuss public sector specific liabilities

Staff View

1. Accept lack of symmetry
2. Reservations about new material & unaware of constituent reservations
3. Some public sector specific liabilities limited to small number of entities
4. If change modify section title and insert two paragraphs (possible draft wording in paragraph 10)

Matter for Consideration: Should new material on liabilities be inserted?

Key Issue 3: References to consideration of GFS reporting guidelines in section: “Relationship to Statistical Reporting” (Paragraphs 11-12)

- Section on “Relationship to Statistical Reporting” has been amended to reflect proposals from Eurostat and IMF Observers
- Paragraph 22: Links to Statistical Reporting and reference to Policy Paper, *Process for Considering GFS Reporting Guidelines during Development of IPSASs*

Staff View: (i) Case for including similar paragraph on relationship with IASB and Framework and IPSASB’s IFRS alignment process but (ii) Questions whether appropriate for Framework as about operating processes and proposes deletion

Matter for Consideration: Should paragraph 22 be deleted?

Further Revisions To Note for Page-by Page Review: Paragraph 13

- **Paragraph 4:** Restructuring addition of a to confirm and make explicit the objectives of GPFRs.
- **Paragraph 5:** Delete reference to “contributions” in the third sentence because of different usage in the third sentence than in the fourth sentence;
- **Paragraph 6:** Refinements to the text to indicate that “the source of funding of international organizations will generally be taxation”;
- **Paragraphs 7 and 8:** Minor editorials and clarification of the role of the approved budget
- **Paragraphs 9-11:** Minor drafting changes;
- **Paragraphs 12-14:** Drafting changes intended to enhance the explanation of (i) long-term programs, and (ii) the nature and longevity of nation states; and
- **Paragraph 16:** Addition of cross-reference to Chapter 5
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Approval

Matter for Consideration: Do Members approve Preface for incorporation in Conceptual Framework?



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