

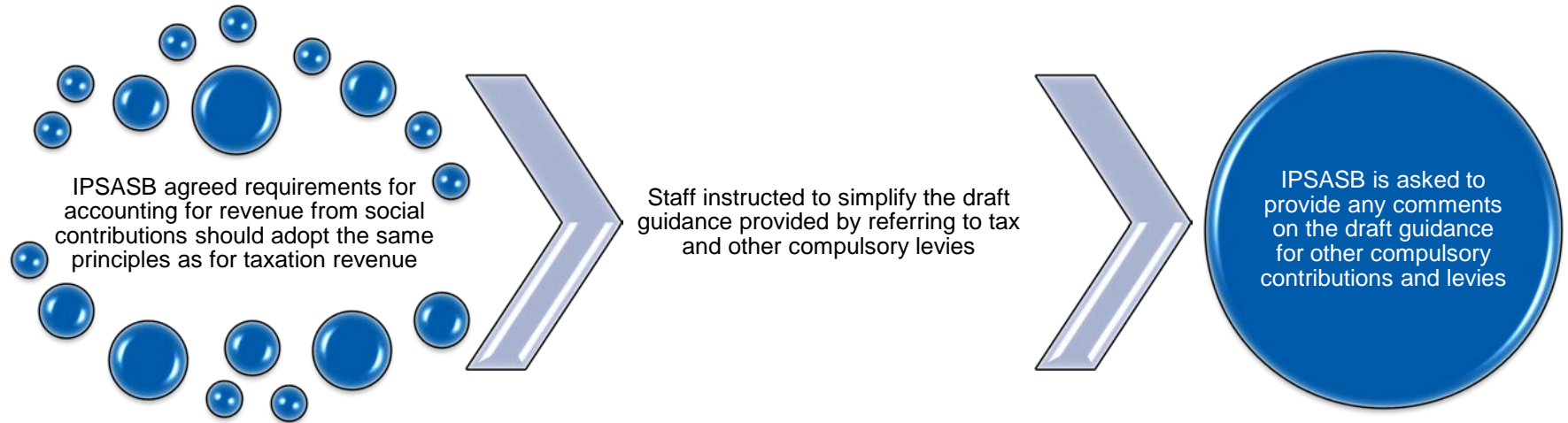
## Item 9: Revenue – Update of IPSAS 23

Paul Mason, Principal

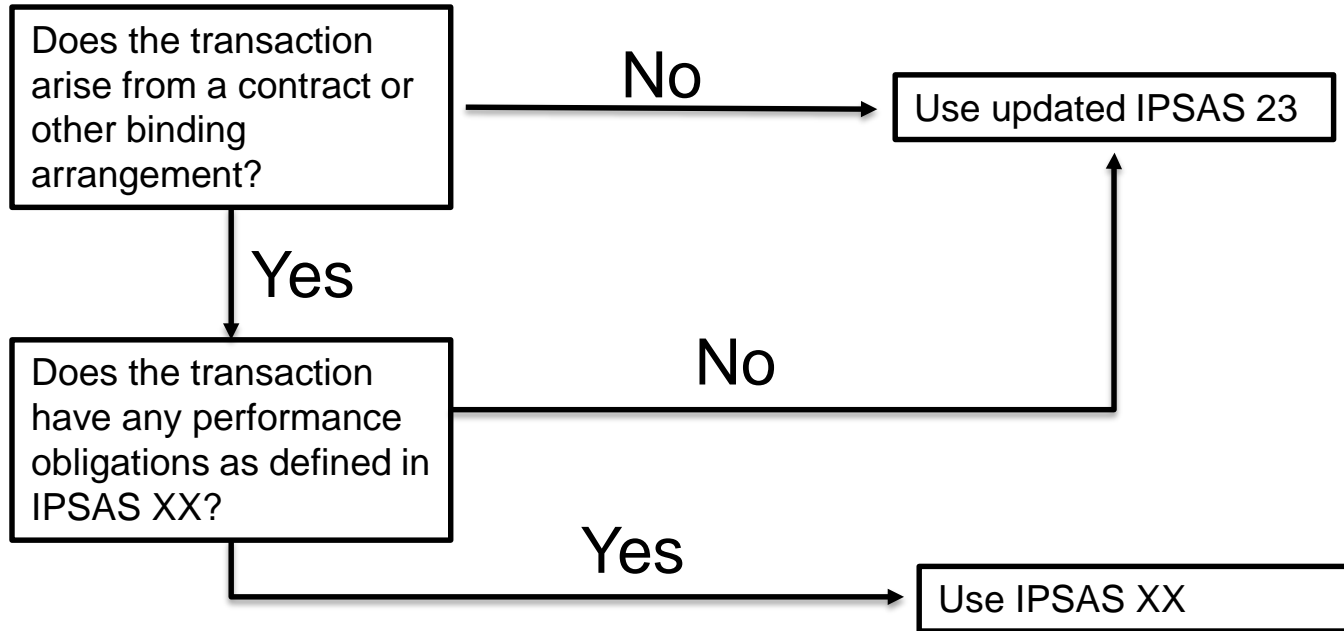
Joanna Spencer, Manager, Standards  
Development and Technical Projects

IPSASB Meeting  
September 18–21, 2018  
Toronto, Canada

## Other Compulsory Contributions and Levies (Agenda Item 9.2.4)



## Flowchart – which standard to use?



# Anticipated Changes to IPSAS 23

- Changes anticipated by staff – dependent on Board decisions

Section	Keep/Update/In Question/Delete	Notes
Objective	✓ +	
Scope	✓ +	• Update for change in scope
Definitions	✓ +	
Non-exchange expenses	✓ +	• Change to address transactions with no performance obligations
Revenue	✓	

# Anticipated Changes to IPSAS 23

Section	Keep/Update/In Question/Delete	Notes
Stipulations	?	<ul style="list-style-type: none"> <li>Depend on decision re time requirements</li> </ul>
Conditions on transferred assets	✖	<ul style="list-style-type: none"> <li>Will no long apply – In PSPOA</li> </ul>
Restrictions on transferred Assets	?	<ul style="list-style-type: none"> <li>Depend on decision re time requirements</li> </ul>
Substance over Form	✖	<ul style="list-style-type: none"> <li>Addresses conditions vs restrictions</li> </ul>
Taxes	✓ +	
Analysis of the initial inflow of resources from Non-exchange transactions	✓ +	

# Anticipated Changes to IPSAS 23

Section	Keep/Update/In Question/Delete	Notes
Flowchart	✓ +	
Recognition of assets	✓	
Control of assets	✓	
Past event	✓	
Probable inflow of resources	✓	
Contingent Assets	✓	
Contributions from Owners	✓ +	

# Anticipated Changes to IPSAS 23

Section	Keep/Update/In Question/Delete	Notes
Exchange & Non-exchange components of a transaction	✓ +	<ul style="list-style-type: none"><li>Update to address performance obligations (with and without)</li></ul>
Measurement of Assets on Initial Recognition	✓ +	
Recognition of Revenue from Non-Exchange Transactions	✓ +	<ul style="list-style-type: none"><li>Removal of reference to liability is dependent on Board decision on time requirements</li></ul>

# Anticipated Changes to IPSAS 23

Section	Keep/Update/In Question/Delete	Notes
Measurement of Revenue from Non-Exchange Transactions	✓ +	<ul style="list-style-type: none"> <li>Removal of reference to liability dependent on Board decision on time requirements</li> </ul>
Present Obligations Recognized as Liabilities	?	<ul style="list-style-type: none"> <li>Depends on decision re time requirements</li> </ul>
Present Obligation	?	<ul style="list-style-type: none"> <li>Depends on decision re time requirements</li> </ul>
Conditions on a Transferred Asset	✗	<ul style="list-style-type: none"> <li>What were conditions would now be classified as performance obligations</li> </ul>



# Anticipated Changes to IPSAS 23

Section	Keep/Update/In Question/Delete	Notes
Measurement of Liabilities on Initial Recognition	?	<ul style="list-style-type: none"> <li>Depend on decision re time requirements</li> </ul>
Taxes	✓ +	
The Taxable Event	✓ +	
Advance Receipts of Taxes	✓ +	
Measurement of Assets Arising from Taxation Transactions	✓ +	

# Anticipated Changes to IPSAS 23

Section	Keep/Update/In Question/Delete	Notes
Expenses Paid Through the Tax System and Tax Expenditure	✓	
Transfers	✓ +	
Measurement of Transferred Assets	✓ +	
Debt Forgiveness and Assumptions of Liabilities	✓	
Fines	✓	<ul style="list-style-type: none"> <li>Consider adding licences</li> </ul>

# Anticipated Changes to IPSAS 23

Section	Keep/Update/In Question/Delete	Notes
Bequests	✓	
Gifts & Donations, including Goods in-kind	✓	
Services in-kind	✓ +	• Update in progress
Pledges	✓	
Advance Receipts of Transfers	✓	
Concessionary Loans	✓	

# Anticipated Changes to IPSAS 23

Section	Keep/Update/In Question/Delete	Notes
Disclosures	✓ +	
Transitional Provisions	✓ +	
Effective Date	✓ +	
Implementation Guidance	✓ +	

## Services in-kind (Agenda Item 9.2.3)

No clear steer from responses to CP, *Accounting for Revenue and Non-Exchange Expenses*

June 2018 meeting – Board decided not to change existing requirement

Strengthen the encouragement for entities to either recognize and/or disclose receipt of volunteer services

Does the IPSASB agree with the changes proposed by staff to the IPSAS 23 text for services in-kind?

## Anticipated Changes to IPSAS 23

New topics to be included in updated IPSAS 23

- Capital Grants
- Licences (could also be PSPOA)
- Subsequent measurement of receivables

# Dealing with Time Requirements - recap

SMC 3 options for updating IPSAS 23 for transactions with time requirements

Option	% in favor (March)		Notes
(b) Require enhanced display/disclosure	13%		
(c) Classify as a condition	5%		If classified as a 'condition' would possibly be accounted for under PSPOA
(d) Classify transfers with time requirements as other obligations	13%		
(e) Recognize transfers with time requirements in net assets/equity and recycle through the statement of financial performance	24%		
Alternative Option - (Presentation and OCI)	5%		
Response not clear	18%		

## Dealing with Time Requirements - recap

- Staff view
  - Classify as a condition may result in being classified as a performance obligation - could stretch IFRS 15 too far
  - No appetite to introduce OCI into IPSAS
  - Prepare paper to consider:
    - Enhanced display/disclosure
    - Other obligations
    - Recognize in net assets/equity and recycle





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