

NATURAL RESOURCES

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IPSASB CAG Meeting – June 2023

Definition of Natural Resources

Background – What was Said in the Consultation Paper

- “Natural resource” is generally described as an item which:
 - Is a resource as described in the IPSASB’s Conceptual Framework
 - Is naturally occurring
 - Is in its natural state
- In its natural state = not subject to human intervention

Concerns Raised by Respondents

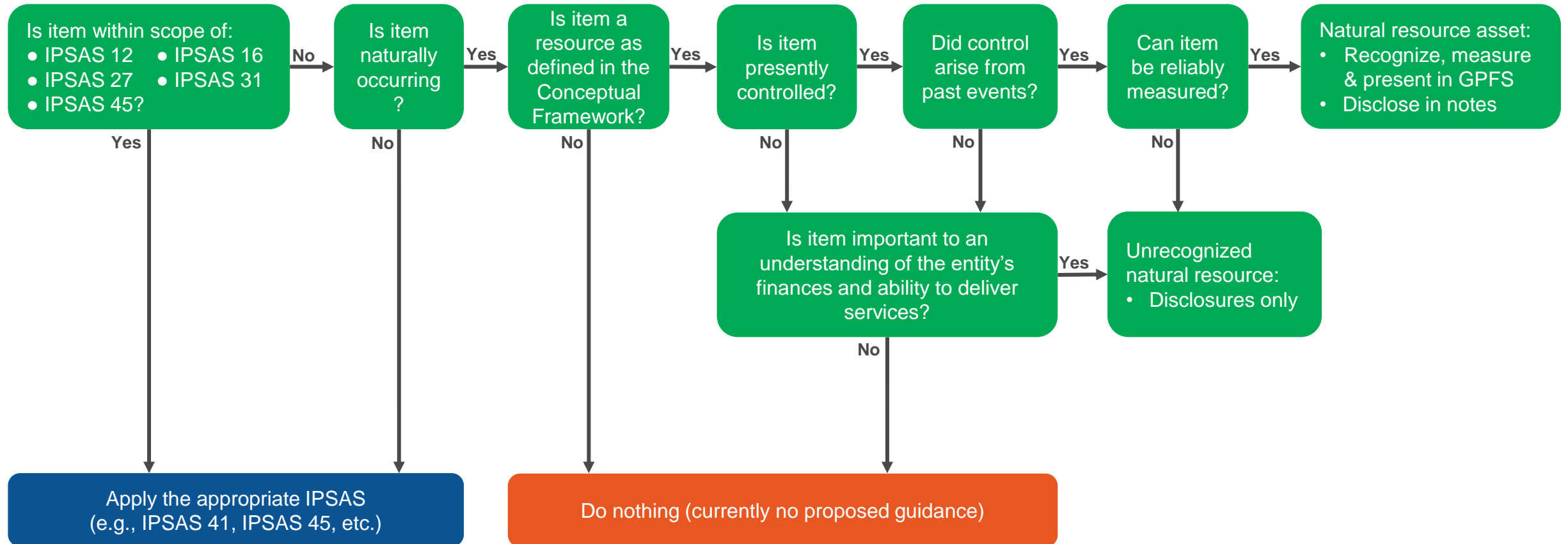
- Requirement to be in its natural state will be difficult to implement
- Reliance on “human intervention” will lead to unintended consequences
- Broad description could lead to lack of clarity for the objective and scope of the project

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Recommendation at the June 2023 IPSASB Meeting

- Staff recommend:
 - Clarifying the scope of the ED to exclude items within the scope of:
 - IPSAS 12, *Inventories*
 - IPSAS 16, *Investment Property*
 - IPSAS 27, *Agriculture*
 - IPSAS 31, *Intangible Assets*
 - IPSAS 45, *Property, Plant, and Equipment*
 - Defining natural resources
 - “Naturally occurring”
 - “Is a resource as defined in this [draft] Standard”
 - Explaining the term “resource” as defined in the Conceptual Framework

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Questions for CAG Members

- Do CAG members have advice on how the IPSASB should move forward on this issue?
- Do CAG members foresee any specific challenges with the proposed approach?



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