

The background of the slide is a composite image. On the right side, there is a clear view of the United States Capitol dome against a blue sky with some light clouds. On the left and bottom, there are branches of trees with green leaves and clusters of small white flowers, possibly cherry blossoms, which are slightly out of focus.

IPSASB

International Public
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AGENDA ITEM 12

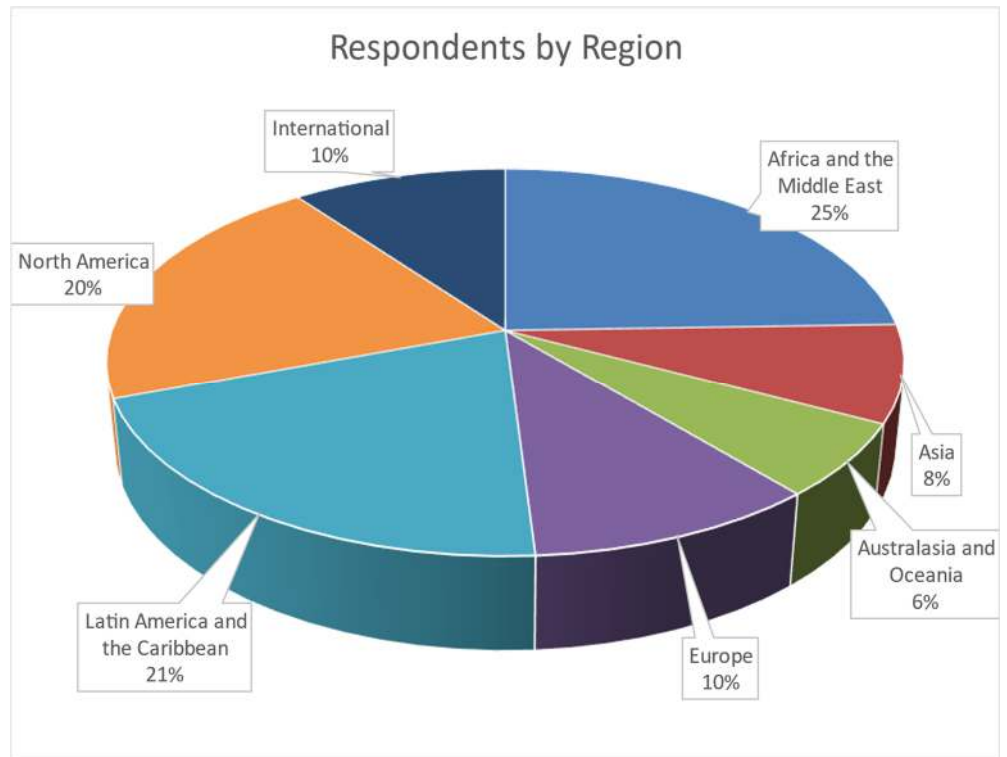
NATURAL RESOURCES

Edwin Ng, Principal

IPSASB Meeting – March 2023

Preliminary Review of Responses to the CP

- Overall, respondents commended the IPSASB for taking on the Natural Resources project
- 49 responses were received
- Received comments from wide range of constituents, including:
 - Climate research organizations;
 - Environmental action groups; and
 - First Nation and indigenous organizations



Responses to the CP – Summary of Key Themes

General Description

- Requirement to be “in its natural state” – difficult to implement
- “Human intervention” – not always clear in practice

Recognition in the GPFS

- Subsoil resources – “highly unlikely”
- Water and living resources – expected to be rare

Reporting in the GPFRs

- May want to focus on reporting in the GPFRs due to limited recognition expected in the GPFS

IFRS 6 and IFRIC 20

- General support to develop guidance through an alignment project based on IFRS 6 and IFRIC 20

General Description of Natural Resources

Recommendation

- Staff view:
 - Need delineation between natural and other resources
 - Potential approaches:



- Staff recommend:
 - Work with the Task Force to reconsider how to implement the delineation
 - Report to the IPSASB in June 2023

Does the IPSASB agree with this recommendation?

Costs of Exploration, Evaluation, and Extraction

Recommendation

- General support for development of guidance through an alignment project based on IFRS 6 and IFRIC 20
 - Previously concluded no public sector specific reasons to depart or modify IFRS guidance
- Staff recommend:
 - Alignment of guidance from IFRS 6 and IFRIC 20
 - Separate IPSAS within the Natural Resources project
 - Continue to monitor developments at the IASB

Does the IPSASB agree with this recommendation?

Plan to Address Concerns on Recognition

Recommendation

- Project objective: Develop guidance on recognition, measurement, presentation and disclosure of tangible natural resources
- Staff recommend:
 - Work with the Task Force to begin development of an ED
 - Work with the Task Force to develop a revised project timeline
 - Consult with the CAG for advice on preliminary findings in June 2023
 - Report to the IPSASB in June 2023

Does the IPSASB agree with this recommendation?



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