

IFRIC ALIGNMENT – NARROW SCOPE AMENDMENTS

IPSASB Meeting – December 2023

Eileen Zhou, Principal

Toronto, Canada

Proposed Approach for the Narrow Scope Project

INTERPRETATIONS

- IFRIC 1
- IFRIC 5
- IFRIC 6
- IFRIC 7
- IFRIC 14
- IFRIC 21
- SIC 7

ANALYSIS

Use the *Improvements to IPSAS* analysis process to:

- Consider nature of the IFRIC/SIC
- Determine if the referenced guidance is aligned with IPSAS
- Assess whether the guidance is applicable to the public sector

GUIDANCE

- **Draft** proposed guidance (with revisions/modifications for public sector and IPSAS context)
- **Identify** which IPSAS it should be located in, as an Appendix
- **Propose** Basis for Conclusion

Analyzing IFRIC 7

Analysis

- IFRIC 7 (2005)
 - Provides guidance on how to apply IAS 29, *Financial Reporting in Hyperinflationary Economies* requirements when the entity first identifies existence of hyperinflation in the economy of its functional currency
 - Clarifies that the entity shall apply IAS 29 as if the economy has always been hyperinflationary
- Refenced guidance is aligned with IPSAS 10
- Guidance in Interpretation is applicable to the public sector

Recommendation

- Incorporate guidance based on IFRIC 7, as it is applicable for the public sector and would provide greater clarity on applying IPSAS 10
- Add guidance as an Appendix in IPSAS 10