

[draft] Exposure Draft – Amendments to IPSAS 33

This Agenda Item updates IPSAS 33 to reflect the instructions given by the IPSASB. With the exception of some deletions of duplicative material, the text has not been materially changed from what is in IPSAS 33, although some suggested clarifications have been incorporated — as shown in mark-up.

Notes	Core Text	Reference
	Objective	
	<p>1. The objective of this Standard is to ensure that an entity's first IPSAS financial statements contain high quality information that:</p> <ul style="list-style-type: none"> (a) Is transparent for accountability and decision making purposes; (b) Provides a suitable starting point for accounting in accordance with International Public Sector Accounting Standards (IPSAS); and (c) Where the benefits are expected to exceed the costs. 	IFRS 1.1, adapted
	Scope	
	<p>2. An entity, as a first-time adopter, shall apply this <u>IPSAS Standard from the date on which a first-time adopter it adopts accrual basis IPSAS when it and</u> prepares and presents its annual first financial statements <u>on after</u> the adoption of, and during the transition to, accrual basis IPSASs.</p>	IPSAS 33.2, amended for current style guide, and IPSAS 33.4 (part).
	<p>3. This Standard does not apply when, for example, a first-time adopter:</p> <ul style="list-style-type: none"> (a) Stops presenting financial statements in accordance with prescribed requirements, having previously presented them as well as another set of financial statements that contained an explicit and unreserved statement of compliance with accrual basis IPSASs; (b) Presented financial statements in the previous reporting period in accordance with prescribed requirements and those financial statements contained an explicit and unreserved statement of compliance with accrual basis IPSASs; or (c) Presented financial statements in the previous reporting period that contained an explicit and unreserved statement of compliance with accrual basis IPSASs, even if the auditors modified their audit report on those financial statements. 	IPSAS 33.3. (See also IFRS 1.4.)
	<p>4. This IPSAS Standard does not apply to changes in accounting policies made by an entity that already applies IPSASs. Such changes are the subject of:</p>	IPSAS 33.6

Notes	Core Text	Reference
	<p>(a) Requirements on changes in accounting policies in IPSAS 3, <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>; and</p> <p>(b) Specific transitional requirements in other IPSASs. The transitional provisions in other IPSASs apply only to changes in accounting policies made by an entity that already applies accrual basis IPSASs; they do not apply to a first-time adopter's transition to IPSASs, except as specified in this IPSAS Standard.</p>	IPSAS 33.7, and IPSAS 33.8 were deleted April 2016.
	<p>5. This Standard permits a first-time adopter to apply transitional exemptions and provisions that may impact fair presentation (see paragraph AG3) for a three-year transition period. Where these transitional exemptions and provisions are applied, a first-time adopter is required to disclose information about the transitional exemptions and provisions adopted, and progress towards fair presentation and compliance with accrual basis IPSAS (see paragraph 22).</p>	IPSAS 33.4 (in part), amended.
	<p>6. An entity's transitional IPSAS financial statements are the annual financial statements in which an entity transitions to accrual basis IPSASs and adopts certain exemptions in this IPSAS Standard that affect the fair presentation of the financial statements and its ability to assert compliance with accrual basis IPSASs. If a first-time adopter adopts the exemptions in this IPSAS Standard that affect fair presentation and compliance with accrual basis IPSASs (see paragraphs 36AG3-62), it The first-time adopter will not be able to make an explicit and unreserved statement of compliance with other accrual basis IPSASs until the exemptions that provided the relief in this IPSAS Standard have expired and/or when the relevant items are recognized, measured and/or the relevant information has been presented and/or disclosed in accordance with the applicable IPSASs (whichever is earlier). Financial statements shall not be described as complying with IPSASs unless they comply with all the requirements of all the applicable IPSASs.</p>	IPSAS 33.13 amended
	<p>7. At the end of the transitional period a first-time adopter must comply with the recognition, measurement, presentation and disclosure requirements in the other accrual basis IPSAS in order to assert compliance with accrual basis IPSASs as required in IPSAS 1, <i>Presentation of Financial Statements</i>. Until such time, financial statements shall not be described as complying with IPSAS unless they comply with all the requirements of all the applicable IPSAS.</p>	IPSAS 33.5, amended for current style guide.
	Definitions	

Notes	Core Text	Reference
	<p>8. The following terms are used in this Standard with the meanings specified:</p> <p>Date of adoption of IPSASs is the date an entity adopts accrual basis IPSASs for the first time, and is the start of the reporting period in which the first-time adopter adopts accrual basis IPSASs and for which the entity presents its first transitional IPSAS financial statements <u>or, where the transitional exemptions are not used,</u> its first IPSAS financial statements.</p> <p>Deemed cost is an amount used as a surrogate for acquisition cost or depreciated cost at a given date <u>transaction price at the measurement date</u>.</p> <p>First IPSAS financial statements are the first <u>annual</u> financial statements <u>that fairly present transactions and balances for the reporting period</u> in which an entity complies compliance with the accrual basis IPSASs, and <u>for which an entity</u> can make an explicit and unreserved statement of compliance with those IPSASs, because it adopted one or more of the transitional exemptions in this IPSAS that do not affect the fair presentation of the financial statements and its ability to assert compliance with accrual basis IPSASs.</p> <p>First-time adopter is an entity that adopts accrual basis IPSASs for the first time and presents its first transitional IPSAS financial statements or its first IPSAS financial statements.</p> <p>Opening statement of financial position is a first-time adopter's statement of financial position at the date of adoption of IPSASs.</p> <p>Period of transition Transitional period is the period during which a first-time adopter applies one or more of the exemptions in this <u>IPSAS Standard</u> before it complies with the accrual basis IPSASs <u>in full</u>, and before it is able to make an explicit and unreserved statement of such compliance with IPSASs.</p> <p>Previous basis of accounting is the basis of accounting that a first-time adopter used immediately before adopting accrual basis IPSASs.</p> <p>Transitional IPSAS financial statements are the financial statements prepared in accordance with this <u>IPSAS Standard</u> where a first-time adopter cannot make an explicit and unreserved statement of compliance with other IPSASs because it adopted one or more of the transitional exemptions in this <u>IPSAS Standard</u> that affect the fair</p>	<p>IPSAS 33.9</p> <p>Amended to provide more clarity on what is meant by 'date of adoption'.</p> <p>To align with IPSAS 46.</p> <p>Amended for clarity. See also AG2.</p>

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	<p>presentation of the financial statements and its ability to assert compliance with accrual basis IPSASs.</p> <p>Terms defined in other IPSASs are used in this Standard with the same meaning as in those Standards and are reproduced in the <i>Glossary of Defined Terms</i> published separately.</p>	
	Recognition and Measurement	
	<p>Opening Statement of Financial Position on Adoption of IPSASs</p> <p>9. A first-time adopter shall prepare and present an opening statement of financial position at the date of adoption of IPSASs. This is the starting point for its accounting in accordance with accrual basis IPSASs.</p>	IPSAS 33.15
	<p>Accounting Policies</p> <p>10. On the date of adoption of accrual basis IPSASs, a first-time adopter shall apply the requirements of the IPSASs retrospectively except if required, or otherwise permitted, in this <u>IPSAS Standard</u>.</p>	IPSAS 33.16
	<p>11. A first-time adopter shall apply the versions of accrual basis IPSASs effective at the date of adoption of IPSASs. A first-time adopter may apply a new IPSAS that is not yet mandatory if that IPSAS permits early application. Any new IPSASs that become effective during the period of transition shall be applied by the first-time adopter from the date it becomes effective.</p>	IPSAS 33.19
	<p>12. A first-time adopter shall use the same accounting policies in its opening statement of financial position and throughout all periods presented, except as specified in paragraphs 36–134<u>AG9–AG106</u>. The accounting policies shall comply with each IPSAS effective at the date of adoption of IPSASs, except as specified in paragraphs 36–134.</p>	<p>IPSAS 33.17</p> <p>Deleted (duplication of material in paragraph 10).</p>
	<p>13. A first-time adopter that takes advantage of the exemptions in paragraphs 36–134<u>AG9 - AG106</u> will be required to amend its accounting policies after the exemptions that provided the relief have expired and/or when the relevant items are recognized, measured and/or the relevant information is presented and/or disclosed in the financial statements in accordance with the applicable IPSASs (whichever is earlier).</p>	IPSAS 33.18
	Exceptions to the Retrospective Application of IPSASs	
	<p>14. This <u>IFRS Standard</u> prohibits retrospective application of some aspects of other IFRSs<u>IPSAS</u>. These exceptions are set out in paragraphs 15–18 and Appendix B.</p>	IFRS 1.13, adapted. See

Notes	Core Text	Reference
		also part of IPSAS 33.24
	Estimates 15. A first-time adopter's estimates in accordance with IPSASs at the date of transition to <u>adoption of</u> IPSASs shall be consistent with estimates made for the same date in accordance with the previous basis of accounting (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.	IPSAS 33.23
	16. A first-time adopter may receive information after the date of adoption of IPSASs about estimates that it had made under its previous basis of accounting. In accordance with paragraph 14, a first-time adopter shall treat the receipt of that information in the same way as non-adjusting events after the reporting period date in accordance with IPSAS 14, <i>Events after the Reporting <u>Period Date</u></i> .	IPSAS 33.24
	17. A first-time adopter may need to make estimates in accordance with IPSASs at the date of adoption of IPSASs or during the period of transition that were not required at that date under the previous basis of accounting. To achieve consistency with IPSAS 14, those estimates in accordance with IPSASs shall reflect conditions that existed at the date of adoption of IPSASs or at the a date during the period of transition. In particular, estimates determined at the date of adoption of IPSASs or during the period of transition of market prices, interest rates or foreign exchange rates shall reflect market conditions at that date. For non-financial assets, such as property, plant and equipment, estimates about the asset's useful life, residual value or condition reflect management's expectations and judgment at the date of adoption of IPSASs or the a date during the period of transition.	IPSAS 33.25
	18. Paragraphs 2315–25-17 apply to the opening statement of financial position. They also apply to a comparative period where a first-time adopter <u>entity</u> elects to present comparative information in accordance with paragraph 78AG10 , in which case the references to the date of adoption of IPSASs are replaced by references to the end of that comparative period.	IPSAS 33.26
	Presentation and Disclosure	
	19. This IFRS Standard does not provide exemptions from the presentation and disclosure requirements in other IFRSs <u>IPSAS except where permitted (see paragraph 20)</u> .	IFRS 1.20 IPSAS 33.140 (adapted).

Notes	Core Text	Reference
	<p>Exemptions from Disclosure Requirements in IPSASs During the Period of Transition</p> <p>20. To the extent that a first-time adopter takes advantage of the exemption that provides a three year transitional relief period to not recognize and/or measure items (see paragraph AG2), it is not required to apply any associated presentation and/or disclosure requirements related to such items as required in IPSAS 1, IPSAS 18, <i>Segment Reporting</i>, and/or the applicable IPSASs until such time as the exemptions that provided the relief have expired and/or when the relevant items have been recognized and/or measured in accordance with the applicable IPSASs (whichever is earlier).</p>	IPSAS 33.151
	<p>21. Notwithstanding the transitional provision in paragraph 45-20, a first-time adopter is encouraged to disclose the information required by IPSAS 1, IPSAS 18 and/or the applicable IPSAS as soon as possible.</p>	IPSAS 33.152
	<p>Explanation of Transition to IPSAS</p> <p>22. A first-time adopter shall disclose:</p> <ul style="list-style-type: none"> (a) The date of adoption of IPSASs; and (b) Information and explanations about how the transition from the previous basis of accounting to IPSASs affected its reported financial position, and, where appropriate, its reported financial performance and cash flows. 	IPSAS 33.141
	<p>Reconciliations</p> <p>23. <u>A first-time adopter that has applied a cash basis of accounting in its previous financial statements is not required to present the reconciliations required in paragraph -24.</u></p>	IPSAS 33.142 – final sentence moved here for clarity.
	<p>24. A first-time adopter shall present in the notes to its first transitional IPSAS financial statements or its first IPSAS financial statements:</p> <ul style="list-style-type: none"> (a) A reconciliation of its balance of net assets/equity reported in accordance with its previous basis of accounting to its opening balance of net assets/equity at the date of adoption of IPSASs; and (b) A reconciliation of its accumulated surplus or deficit in accordance with its previous basis of accounting to its accumulated surplus or deficit at the date of adoption of IPSASs. 	IPSAS 33.142
	<p>25. The reconciliation presented in accordance with paragraph 142-24 shall provide sufficient detail, both quantitative and qualitative, to enable users to understand the material</p>	IPSAS 33.143

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Notes	Core Text	Reference
	adjustments to the opening statement of financial position and, where applicable, the restated comparative statement of financial performance presented in accordance with accrual basis IPSAS. Where narrative explanations are included in other public documents issued in conjunction with the financial statements, a cross reference to those documents shall be included in the notes.	
	26. If an entity becomes aware of errors made under its previous basis of accounting, the reconciliations required by paragraph 142-24 shall distinguish the correction of those errors from changes in accounting policies.	
	27. If an entity did not present financial statements for previous periods, its transitional IPSAS financial statements or its first IPSAS financial statements shall disclose that fact.	IPSAS 33.145
	28. Where a first-time adopter takes advantage of the exemptions in paragraph 36AG2-43 which allow a three yearthree-year transitional relief period to not recognize and/or measure items, it shall present as part of the notes, a reconciliation of items that have been recognized and/or measured during the reporting period when these items were not included in the previous reported financial statements. The reconciliation shall be presented in each period when new items are recognized and/or measured in accordance with this IPSASStandard .	IPSAS 33.146
	29. The reconciliation presented in accordance with paragraph 146_-28 shall provides sufficient detail to enable users to understand which items have been recognized and/or measured during the reporting period where the first-time adopter adopts-applies one or more of the exemptions that provide a three yearthree-year transitional relief period to not recognize and/or measure an item. The reconciliation shall explains the adjustments to the previously reported statement of financial position and, where applicable, the previously reported statement of financial performance in each period when new items are recognized and/or measured in accordance with this IPSASStandard .	IPSAS 33.147, amended to reflect the language in IPSAS 33.25 above.
	Transitional Provisions in other IPSAS	IPSAS 33.153 heading amended for clarity.
	30. Where a first-time adopter has adopted the existing transitional provisions in other accrual basis IPSASs, it shall continue to apply those transitional provisions until they expire and/or the relevant items are recognized and/or measured in accordance with the applicable IPSAS (whichever is earlier). If the first-time adopter elects to adopt the transitional exemptions in this IPSASStandard , the relief	IPSAS 33.153

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	transitional period applied in adopting accrual basis IPSASs, may not be longer than the relief-transitional period provided in this IPSAS Standard.	
	Effective Date	
	31. A first-time adopter shall apply this Standard if its first IPSAS financial statements <u>or its first transitional financial statements</u> are for a period beginning on or after January 1, 2017 <u>202x</u> . Earlier application is permitted.	IPSAS 33.154
	Withdrawal of IPSAS 33 (issued 2015)	
	32. This IFRS-Standard supersedes IFRS-IPSAS 334 (issued in 2003-2015 and as subsequently amended at May 2008).	IFRS 1.40, adapted.

Notes	Application Guidance	Reference
	Objective	
	AG1. The objective of this Standard is to provide guidance to a first-time adopter of accrual-basis IPSAS, irrespective of the basis of accounting the adopter has used prior to the date of adoption.	IPSAS 33.1, modified.
	Scope	
	AG2. This Standard permits a first-time adopter to apply transitional exemptions and provisions (refer to paragraph AG4 and AG5) for a three-year period after the date of adoption of accrual basis IPSAS. The objective of those exemptions that affect fair presentation and compliance with accrual basis IPSAS is to allow a first-time adopter a three-year period to develop reliable models and/or other procedures for recognizing and/or measuring its assets and/or liabilities, revenues and/or expenses in accordance with accrual basis IPSAS. This Standard does not apply to the period prior to the date of adoption of accrual basis IPSAS, or the period following the end of the three-year transitional period.	From IPSAS 33.3 and IPSAS 33.10, IPSAS 33.33 modified.
	AG3. In developing reliable models and/or other procedures, a first-time adopter shall apply the guidance in IPSAS 46, <i>Measurement</i> when measuring assets and/or liabilities.	IPSAS 33.41A
	<p>Exemptions that Affect Fair Presentation and Compliance with Accrual Basis IPSAS during the <u>Period of Transition Period</u></p> <p>AG4. A first-time adopter may adopt the exemptions in the following paragraphs:</p> <ul style="list-style-type: none"> (a) General Principles (refer AG17); (b) Accounting Boundaries (refer AG30–AG37); (c) Non-Financial Assets (refer AG44); (d) Financial Assets and Liabilities (refer AG57–AG59); (e) Revenue and Transfers (refer AG78–AG80); and (g) Expenses and Non-Financial Liabilities (refer AG82–AG84). <p>The fair<u>Fair</u> presentation and compliance with accrual basis IPSAS will be affected where the first-time adopter applies any or all of the above exemptions and provisions during the period of transition, and in the judgment of the first-time adopter, the recognition and/or measurement of the item, transaction or event that are exempted is significant in relation to the financial statements as a whole.</p>	<p>IPSAS 33.33 sub-title</p> <p>IPSAS 33.BC20</p>

	<p>Exemptions that Do Not Affect Fair Presentation and Compliance with Accrual Basis IPSAS during the Period of Transition</p> <p>AG5. A first-time adopter may adopt the exemptions in the following paragraphs, without affecting fair-presentation or compliance with accrual basis IPSAS:</p> <ul style="list-style-type: none"> (a) Financial Statements (refer AG10–AG16); (b) General Principles (refer AG18–AG28); (c) Accounting Boundaries (refer AG38–AG40); (d) Non-Financial Assets (refer AG45–AG55); (e) Financial Assets and Liabilities (refer AG60–AG76); (f) Expenses and Non-Financial Liabilities (refer AG85–AG98); and (g) Disclosures and Other Standards (refer AG105–AG106). <p>The fair-Fair presentation and compliance with accrual basis IPSAS will not be affected where the first-time adopter applies any or all of the above exemptions and provisions during the period of transition, and in the judgment of the first-time adopter, the recognition and/or measurement of the item, transaction or event that are exempted is not significant in relation to the financial statements as a whole.</p>	<p>IPSAS 33.63 sub-title amended for consistency with sub-title of IPSAS 33.33</p> <p>IPSAS 33.BC20</p>
	<p>Definitions</p>	
	<p>AG6. The date of adoption of IPSASs is the date that an entity adopts accrual basis IPSASs for the first time. It is the start of the reporting period in which the first-time adopter adopts accrual basis IPSASs and for which it presents its first transitional IPSAS financial statements or, where the transition exemptions are not used, its first IPSAS financial statements. If a first-time adopter takes advantage of the exemptions in this IPSASs that affect fair presentation and compliance with accrual basis IPSASs (see paragraphs 36–62) in producing its first transitional IPSAS financial statements,</p>	<p>IPSAS 33.10, adapted.</p> <p>IPSAS 33.11 omitted.</p>
	<p>AG7. The previous basis of accounting is the basis of accounting that a first-time adopter used immediately before adopting accrual basis IPSASs. This Prescribed bases might be a cash basis of accounting, an accrual basis of accounting, a modified version of either a cash basis or an accrual basis of accounting, or another prescribed basis.</p>	<p>IPSAS 33.12</p>

	<p>AG7. An entity's transitional IPSAS financial statements are those financial statements, where the entity transitions from another accounting basis such as when it:</p> <ul style="list-style-type: none"> (a) Prepared its most recent previous financial statements in accordance with the IPSAS, <i>Financial Reporting Under the Cash Basis of Accounting</i>; (b) Presented its most recent previous financial statements: <ul style="list-style-type: none"> (i) In accordance with prescribed requirements that are not consistent with IPSASs in all respects; (ii) In conformity with IPSASs in all respects, except that the financial statements did not contain an explicit and unreserved statement that they complied with IPSASs; (iii) Containing an explicit statement of compliance with some, but not all, IPSASs, including the adoption of the exemptions provided in this IPSAS that affect fair presentation and compliance with accrual basis IPSASs (see paragraphs 36–62/AG118–AG122); (iv) In accordance with prescribed requirements inconsistent with IPSASs, using some individual IPSASs to account for items for which prescribed requirements did not exist; or (v) In accordance with prescribed requirements, with a reconciliation of some amounts to the amounts determined in accordance with IPSASs; I Prepared financial statements in accordance with IPSASs for internal use only, without making them available to external users; (d) Prepared a reporting package in accordance with IPSASs for consolidation purposes without preparing a complete set of financial statements as defined in IPSAS 1; or I Did not present financial statements for previous periods. 	IPSAS 33.14 deleted
	<p>AG8. Except as described in paragraphs AG9–AG106, a first-time adopter shall, in its opening statement of financial position:</p> <ul style="list-style-type: none"> (a) Recognize all assets and liabilities whose recognition is required by IPSAS; (b) Not recognize items as assets or liabilities if IPSAS do not permit such recognition; 	IPSAS 33.20

	<p>(c) Reclassify items that it recognized in accordance with the previous basis of accounting as one type of asset, liability or component of net assets/equity, but are a different type of asset, liability or component of net assets/equity in accordance with IPSAS; and</p> <p>(d) Apply IPSAS in measuring all recognized assets and liabilities.</p>	
	Financial Statements	
	<p>AG9. <u>The following IPSAS Standards are relevant:</u></p> <p><u>(a) IPSAS 1, Presentation of Financial Statements;</u></p> <p><u>(b) IPSAS 2, Cash Flow Statements;</u></p> <p><u>(c) IPSAS 22, Disclosure of Financial Information about the General Government Sector; and</u></p> <p><u>(d) IPSAS 24, Presentation of Budget Information in Financial Statements.</u></p> <p><u>The following paragraphs provide more detail on any exemptions that apply to these Standards.</u></p>	
	<p>IPSAS 1</p> <p>AG9. Except as described in paragraphs 36AG8–134AG117, a first-time adopter shall, in its opening statement of financial position:</p> <p>(a) Recognize all assets and liabilities whose recognition is required by IPSASs;</p> <p>(b) Not recognize items as assets or liabilities if IPSASs do not permit such recognition;</p> <p>– Reclassify items that it recognized in accordance with the previous basis of accounting as one type of asset, liability or component of net assets/equity, but are a different type of asset, liability or component of net assets/equity in accordance with IPSASs; and</p> <p>(d) Apply IPSASs in measuring all recognized assets and liabilities.</p>	IPSAS 33.20
	<p>Exemptions that Do Not Affect Fair Presentation and Compliance with Accrual Basis IPSAS during the <u>Period of Transition Period</u></p> <p><u>IPSAS 1</u></p> <p>Comparative Information</p> <p>AG10. A first-time adopter is encouraged, but not required, to present comparative information in its first transitional IPSAS financial statements or its first IPSAS financial statements presented in accordance with this <u>IPSAS Standard</u>. When a first-time adopter presents comparative information, it shall be presented in</p>	IPSAS 33.77

	accordance with the requirements of IPSAS 1 <u>and, where appropriate, with the requirements of paragraph 24 of this Standard.</u>	
	<p>AG11. Where a first time adopter elects to present comparative information, the first transitional IPSAS financial statements or the first IPSAS financial statements presented in accordance with this IPSAS Standard shall include:</p> <ul style="list-style-type: none"> (a) One statement of financial position with comparative information for the preceding period, and an opening statement of financial position as at the beginning of the reporting period prior to the date of adoption of accrual basis IPSAS; (b) One statement of financial performance with comparative information for the preceding period; └ One statement of changes in net assets/equity with comparative information for the preceding period; (d) One cash flow statement with comparative information for the preceding period; └ A comparison of budget and actual amounts for the current year as a separate additional financial statement or as a budget column in the financial statements if the first time adopter makes its approved budget publicly available; and (f) Related notes including comparative information, and the disclosure of narrative information about material adjustments as required by paragraph 14224. 	IPSAS 33.78 omitted.
	<p>AG11. Where a first-time adopter elects to not present comparative information, its first transitional IPSAS financial statements following the adoption of accrual basis IPSASs or its first IPSAS financial statements presented in accordance with this <u>IPSASsStandard</u> shall include:</p> <ul style="list-style-type: none"> (a) One statement of financial position, and an opening statement of financial position at the date of adoption of accrual basis IPSAS; (b) One statement of financial performance; (c) One statement of changes in net assets/equity; (d) One cash flow statement; (e) A comparison of budget and actual amounts for the current year as a separate additional financial statement or as a budget column in the financial statements if the first-time adopter makes its approved budget publicly available; and 	IPSAS 33.79

	(f) Related notes and the disclosure of narrative information about material adjustments as required by paragraph 14 <u>224</u> .	
	AG12. Where a first-time adopter takes advantage of the exemptions in paragraphs 362–62 which allow a three year <u>three-year</u> transitional relief period to not recognize and/or measure an item, comparative information for the year following the date of adoption of IPSAS s shall be adjusted only when information is available about the items following their recognition and/or measurement during the relief <u>transitional</u> period.	IPSAS 33.80
	Non-IPSAS Comparative Information AG13. A first-time adopter may present comparative information in accordance with its previous basis of accounting. In any financial statements containing comparative information in accordance with the previous basis of accounting, the first-time adopter, but shall label the that information prepared using the previous basis of accounting information as not being prepared in accordance with IPSAS s , and disclose the nature of the main adjustments that would be required to comply with IPSAS s .	IPSAS 33.82
	AG13. Where a first-time adopter presents non-IPSAS comparative information in its first IPSAS or first transitional IPSAS financial statements following its adoption of accrual basis IPSASs, the transitional exemptions and provisions provided in this Standard shall not be applied to the non-IPSAS comparative information presented in the first IPSAS financial statements or first transitional IPSAS financial statements.	IPSAS 33.83
	Non-IPSAS Historical Summaries AG14. A first-time adopter may elect to present historical summaries of selected data for periods before the first period for which it presents financial statements in accordance with IPSAS s . This <u>IPSAS Standard</u> does not require such summaries to comply with the recognition and measurement requirements of IPSAS s . In any financial statements containing historical summaries in accordance with the previous basis of accounting, the first-time adopter shall label the previous basis of accounting information prominently as not being prepared in accordance with IPSAS s , and disclose the nature of the main adjustments that would be required to comply with IPSAS s . The first-time adopter need not quantify those adjustments.	IPSAS 33.84
	<u>Accounting General</u> Principles	

	<p>AG15. <u>The following IPSAS Standards are relevant:</u></p> <p><u>(a) IPSAS 3, Accounting Policies, Changes in Accounting Estimates, and Errors;</u></p> <p><u>(b) IPSAS 4, Effects of Changes in Foreign Exchange Rates;</u></p> <p><u>(c) IPSAS 10, Reporting in Hyperinflationary Economies;</u></p> <p><u>(d) IPSAS 14, Events after the Reporting Date; and</u></p> <p><u>(e) IPSAS 46, Measurement.</u></p> <p><u>The following paragraphs provide more detail on any exemptions that apply to these standards.</u></p>	
	<p>IPSAS 3</p> <p>AG16. The accounting policies that a first-time adopter uses in financial statements may differ from those that it used at the end of its comparative period under its previous basis of accounting. The resulting adjustments arise from transactions, other events or conditions before the date of adoption of IPSASs. Therefore, a first-time adopter shall recognize those adjustments to the opening balance of accumulated surplus or deficit in the period in which the items are recognized and/or measured (or, if appropriate, another category of net assets/equity). The first-time adopter shall recognize these adjustments in the earliest period presented.</p>	IPSAS 33.21
	<p>AG19. The transitional exemptions and provisions in other IPSAS apply to changes in accounting policies made by an entity that already applies accrual basis IPSASs. The transitional exemptions and provisions in this IPSAS apply to a first-time adopter that prepares and presents its annual financial statements on the adoption of, and during the transition to accrual basis IPSASs.</p>	IPSAS 33.22
	<p>Exemptions that Affect Fair Presentation and Compliance with Accrual Basis IPSAS during the <u>Period of Transition Period</u></p> <p>AG17. A first-time adopter shall only change its accounting policies during the period of three-year transition <u>period</u> to better conform to the accounting policies in accrual basis IPSASs, and may retain its existing accounting policies until the exemptions that provided the relief have expired or when the relevant items are recognized and/or measured in the financial statements in accordance with the applicable IPSASs (whichever is earlier). A first-time adopter may change its accounting policy in respect of the recognition and/or measurement of assets and/or liabilities on a class-by-class or</p>	IPSAS 33.40

	category-by-category basis where the use of classes or categories is permitted in the applicable IPSAS.	
	AG21. The transitional exemptions in paragraphs 36 AGxx and 38 AGyy are intended to allow a first-time adopter a period to develop reliable models for recognizing and/or measuring its assets and/or liabilities during the period of transition.	IPSAS 33.39 (in part).
	<p>Exemptions that Do Not Affect Fair Presentation and Compliance with Accrual Basis IPSAS during the <u>Period of Transition Period</u></p> <p>IPSAS 4</p> <p>AG18. On the date of adoption of IPSASs <u>IPSAS</u>, a first-time adopter need not comply with the requirements for cumulative translation differences that exist at that date. If a first-time adopter uses this exemption:</p> <p>(a) The cumulative translation differences for all foreign operations are deemed to be zero at the date of adoption of IPSASs; and</p> <p>(b) The gain or loss on a subsequent disposal of any foreign operation shall exclude translation differences that arose before the date of adoption of IPSASs and shall include later translation differences.</p>	IPSAS 33.85
	AG19. A first-time adopter need not apply Appendix A of IPSAS 4 to assets, expenses and revenue in the scope of that Appendix And were initially recognized before the date of adoption of IPSASs .	IPSAS 33.85A
IPSAS 33.129 is currently omitted.	AG20. Instead of applying paragraph 85AG19 , a controlled entity that uses the exemption in paragraph 129(a) Agxx may elect, in its financial statements, to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the controlling entity's consolidated financial statements, based on the controlling entity's date of adoption of IPSASs , if no adjustments were made for consolidation procedures and for the effects of the public sector combination in which the controlling entity acquired the controlled entity. A similar election is available to an associate or joint venture that uses the exemption in paragraph 129(a) Agxx.	IPSAS 33.85B
	AG21. A first-time adopter shall apply the requirement to treat any goodwill (see IPSAS 40) arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation, as assets and liabilities of the foreign operation, prospectively on the date of adoption of IPSASs .	IPSAS 33.86

	<p>AG22. In applying the transitional exemption in paragraph 85AG19, a first-time adopter shall not restate prior years for the acquisition of a foreign operation acquired prior to the date of adoption of IPSASs, and accordingly shall, where appropriate, treat goodwill and fair value adjustments arising on acquisition as assets and liabilities of the entity rather than as assets and liabilities of the foreign operation. Therefore, those goodwill and fair value adjustments either are already expressed in the entity's functional currency or are non-monetary foreign currency items, which are reported using the exchange rate at the date of the acquisition.</p>	IPSAS 33.87
	<p>IPSAS 10</p> <p><i>Severe Hyperinflation</i></p> <p>AG27. If a first-time adopter has a functional currency that was, or is, the currency of a hyperinflationary economy, it shall determine whether it was subject to severe hyperinflation before the date of adoption of IPSASs.</p>	IPSAS 33.91-93 omitted, because not exemptions, but requirements.
	<p>AG28. The currency of a hyperinflationary economy is subject to severe hyperinflation if it has both of the following characteristics:</p> <p class="list-item-l1">(a) A reliable general price index is not available to all entities with transactions and balances in the currency; and</p> <p class="list-item-l1">(b) Exchangeability between the currency and a relatively stable foreign currency does not exist.</p>	IPSAS 33.92
	<p>AG29. The functional currency of a first-time adopter ceases to be subject to severe hyperinflation on the functional currency normalization date. That is the date when the functional currency no longer has either, or both, of the characteristics in paragraph 92 AG28 or when there is a change in the first-time adopter's functional currency to a currency that is not subject to severe hyperinflation.</p>	IPSAS 33.93
	<p>AG23. When a first-time adopter's date of adoption of IPSASs is on, or after, the functional currency normalization date, the first-time adopter may elect to measure all assets and liabilities held before the functional currency normalization date at fair-current value on the date of adoption to IPSASs. The first-time adopter may use that fair-valuecurrent value as the deemed cost of those assets and liabilities in the opening statement of financial position.</p>	IPSAS 33.94

	<p>IPSAS 46</p> <p>Use of a Current Value as Deemed Cost</p> <p>AG24. If a first-time adopter uses fair value, or the alternative in paragraphs 64, 67 or 70, a current value measurement basis as deemed cost for inventory, investment property, property, plant and equipment, intangible assets, right-of-use assets, financial instruments, or service concession assets, its financial statements shall disclose:</p> <ul style="list-style-type: none"> (a) The aggregate of those fair-current values or other measurement alternatives that were considered in determining deemed cost; (b) The aggregate adjustment to the carrying amounts recognized under the previous basis of accounting; and (c) Whether the deemed cost was determined on the date of adoption of IPSASs or during the period of transition. 	IPSAS 33.148
	<p>Use of Deemed Cost for Investments in Subsidiaries, Joint Ventures and Associates</p> <p>AG25. If a first-time adopter uses fair value as deemed cost in its opening statement of financial position for an investment in a controlled entity, joint venture or associate in its separate financial statements, its separate financial statements shall disclose:</p> <ul style="list-style-type: none"> (a) The aggregate deemed cost of those investments for which deemed cost is fair value; and (b) The aggregate adjustment to the carrying amounts reported under the previous basis of accounting. 	IPSAS 33.149
	<p>AG26. The disclosure requirements required in paragraphs 148-AG24 and 149-AG25 shall be disclosed in each period when new items are recognized and/or measured until the exemptions that provided the relief have expired and/or when the relevant assets are recognized and/or measured in accordance with the applicable IPSASs (whichever is earlier).</p>	IPSAS 33.150
	<p>Use of Deemed Cost to Measure Assets Acquired Through a Non-Exchange Transaction</p> <p>AG27. A first-time adopter may elect to measure an asset acquired through a non-exchange transaction at its fair current value, or for property, plant, and equipment at its current operational value or fair value, when reliable cost information about the asset is not available, and use that fair-current value as its deemed cost.</p>	IPSAS 33.71, amended.

	<p>Use of Deemed Cost after Severe Hyperinflation</p> <p>A28. If an entity<u>entity-first-time adopter</u> elects to measure assets and liabilities at fair<u>a current</u> value and to use that fair<u>current</u> value as the deemed cost in its opening IFRS-IPSAS statement<u>Statement</u> of financial<u>Financial</u> position<u>Position</u> because of severe hyperinflation (see paragraphs 26<u>AG23</u>), the entity's first-time adopter's first IFRS-IPSAS financial statements shall disclose an explanation of how, and why, the entity had, and then ceased to have, a functional currency that has both of these characteristics:</p> <ul style="list-style-type: none"> (a) A reliable general price index is not available to all entities with transactions and balances in the currency. (b) Exchangeability between the currency and a relatively stable foreign currency does not exist. 	IFRS 1.31C, adapted.
	Accounting Boundaries	
	<p>AG29. <u>The following IPSAS are relevant:</u></p> <ul style="list-style-type: none"> <u>(a) IPSAS 34, <i>Separate Financial Statements</i>;</u> <u>(b) IPSAS 35, <i>Consolidated Financial Statements</i>;</u> <u>(c) IPSAS 36, <i>Investments in Associates and Joint Ventures</i>;</u> <u>(d) IPSAS 37, <i>Joint Arrangements</i>;</u> <u>(e) IPSAS 38, <i>Disclosure of Interests in Other Entities</i>; and</u> <u>(f) IPSAS 40, <i>Public Sector Combinations</i>.</u> <p><u>The following paragraphs provide more detail on any exemptions that apply to these standards.</u></p>	
	<p>Exemptions that Affect Fair Presentation and Compliance with Accrual Basis IPSAS during the Period of Transition Period</p> <p>IPSAS 34</p> <p>AG30. Where a first-time adopter has not recognized its interests in controlled entities, associates or joint ventures under its previous basis of accounting, <u>it may take advantage of the three-year transitional period (see paragraph AG2) and may it is not required</u> to recognize and/or measure its interests in other entities as a controlled entity, associate or joint venture <u>for reporting periods beginning on a date within three years following the date of adoption of accrual basis IPSAS.</u></p>	IPSAS 33.53
Unnecessary	<p>AG38. Subject to paragraph 53AG37, a first-time adopter is not required to change its accounting policy in respect of the recognition and/or measurement of its interests in controlled</p>	IPSAS 33.54

	entities, associates or joint ventures for reporting periods beginning on a date within three years following the date of adoption of IPSASs. The transitional exemption in paragraph 53 AG37 is intended to allow a first-time adopter a period to identify and appropriately classify its interests in other entities as either controlled entities, associates or joint ventures during the period of transition. The first-time adopter may apply accounting policies for the recognition and/or measurement of its interests in controlled entities, associates or joint ventures that do not comply with the provisions of other IPSASs.	
Not an exemption	<p>IPSAS 35</p> <p>AG39. Subject to paragraph 53AG37, a first-time adopter shall present consolidated financial statements following the adoption of accrual basis IPSASs. A first-time adopter presenting consolidated financial statements is, however, not required to eliminate all balances, transactions, revenue and expenses between entities within the economic entity for reporting periods beginning on a date within three years following the date of adoption of IPSASs.</p>	IPSAS 33.55
	<p>AG31. On adoption of IPSASs, an entity first-time adopter may have controlled entities with a significant number of transactions between controlled entities. Accordingly, it may be difficult to identify some transactions and balances that need to be eliminated for the purpose of preparing the consolidated financial statements of the economic entity. For this reason, paragraph 55 AG39 provides relief for a period of up to three years to fully A first-time adopter may take advantage of the three-year transitional period and may fully eliminate balances, transactions, revenue and expenses between entities within the economic-controlling entity from any date within the transitional period.</p>	IPSAS 33.56
Unnecessary	<p>AG41. Notwithstanding the transitional exemption in paragraph 55AG39, a first-time adopter is encouraged to eliminate those balances, transactions, revenue and expenses that are known on the date of adoption of IPSASs to comply in full with the provisions of IPSAS 35 as soon as possible.</p>	IPSAS 33.57
	<p>AG32. Where a first-time adopter has taken advantage of the transitional exemption in paragraph 53AG31, it shall not present financial statements as consolidated financial statements until:</p> <ul style="list-style-type: none"> (a) The exemptions that provided the relief have expired; and (b) Its interests in other entities have been appropriately recognized and/or measured as controlled entities, associates or joint ventures; or 	IPSAS 33.58

	(c) Inter-entity balances, transactions, revenue and expenses between entities within the economic entity are eliminated (whichever is earlier).	
	<p>IPSAS 36</p> <p>AG33. When a first-time adopter applies the equity method on adoption of IPSAS 36, the investor <u>may take advantage of the three-year transitional</u> period and eliminate its share in the surplus and deficit resulting from upstream and downstream transactions between the investor and its associate or joint venture from any date within that <u>transitional period for reporting periods beginning on a date within three years following the date of adoption of IPSASs.</u></p>	IPSAS 33.59
<u>Not required</u>	<p>AG44.—On adoption of IPSASs, a first-time adopter may be an investor in one or more associates or joint ventures with a significant number of upstream and downstream transactions between the investor and the investee. Accordingly, it may be difficult to identify some upstream and/or downstream transactions in which the investor's share in the associate's or joint venture's surplus or deficit needs to be eliminated in applying the equity method. For this reason, paragraph 59 AG43 provides the investor relief with a period of up to three years to fully eliminate its share in the associate's or joint venture's surplus or deficit resulting from upstream and/or downstream transactions.</p>	IPSAS 33.60
<u>Unnecessary</u>	<p>AG45.—Notwithstanding the transitional exemption in paragraph 59 AG43, a first-time adopter is encouraged to eliminate its share in the associate's and joint venture's surplus and deficit resulting from upstream and downstream transactions that are known on the date of adoption of IPSASs, to comply in full with the provisions of IPSAS 36 as soon as possible.</p>	IPSAS 33.61
	<p>AG34. Where a first-time adopter has taken advantage of the transitional exemption in paragraph 53 <u>AG31</u>, it shall not present financial statements in which investments in associates or joint ventures are accounted for using the equity method until:</p> <ul style="list-style-type: none"> (a) The exemptions that provided the relief have expired; and (b) The interest in other entities have been appropriately recognized and/or measured as an associate or joint venture; or (c) Its share in the associate's surplus and deficit resulting from upstream and downstream transactions between the investor and the investee are eliminated (whichever is earlier). 	IPSAS 33.62

	<p>IPSAS 40</p> <p>AG35. Where a first-time adopter applies the exemption which allows a three-year transitional period to not recognize and/or measure assets and/or liabilities, the first-time adopter may be a party to a public sector combination during that three-year transitional period. The first-time adopter is not required to recognize and/or measure the assets and/or liabilities associated with the public sector combination, until the exemption that provided the relief has expired and/or when the relevant assets and/or liabilities are recognized and/or measured in accordance with the applicable IPSAS (whichever is earlier).</p>	IPSAS 33.62A
	<p>AG36. Where a first-time adopter applies the exemption in paragraph AG34⁵ it shall not recognize goodwill in respect of an acquisition. The first-time adopter shall recognize the difference between (a) and (b) below in net assets/equity:</p> <p>(a) The aggregate of:</p> <ul style="list-style-type: none"> (i) Any consideration transferred; (ii) Any non-controlling interests in an acquired operation; and (iii) Any previously held equity interests in an acquired operation. <p>(b) The net amounts of any identifiable assets acquired and the liabilities assumed.</p>	IPSAS 33.62B
	<p>AG37. IPSAS 40 is applied prospectively. Consequently, a first-time adopter does not adjust any amounts of goodwill recognized as a result of a public sector combination that occurred prior to the application of IPSAS 40.</p>	IPSAS 33.62C
	<p>Exemptions that Do Not Affect Fair Presentation and Compliance with Accrual Basis IPSAS during the <u>Period of Transition Period</u></p> <p>IPSAS 37</p> <p>AG38. Where a first-time adopter accounted for its investment in a joint venture under its previous basis of accounting basis using proportionate consolidation, the investment in the joint venture shall be measured on the date of adoption as the aggregate of the carrying amount of the assets and liabilities that the entity previously proportionately consolidated, including any purchased goodwill arising from acquisition transactions (see IPSAS 40).</p>	IPSAS 33.132
	<p>AG39. The opening balance of the investment determined in accordance with paragraph 432 AG38 is regarded as the</p>	IPSAS 33.133

	deemed cost of the investment at initial recognition. A first-time adopter shall test the investment for impairment as at the date of adoption, regardless of whether there is any indication that the investment may be impaired. Any impairment loss shall be adjusted to the accumulated surplus or deficit at the date of adoption.	
	AG40. If aggregating all previously proportionately consolidated assets and liabilities results in negative net assets, the first-time adopter shall assess whether it has legal or constructive obligations in relation to the negative net assets and, if so, the first-time adopter shall recognize a corresponding liability. If the first-time adopter concludes that it does not have legal or constructive obligations in relation to the negative net assets, it shall not recognize the corresponding liability, but it shall adjust accumulated surplus or deficit at the date of adoption. The first-time adopter shall disclose this fact, along with its cumulative unrecognized share of losses of its joint ventures as at the date of adoption of accrual basis IPSASs.	IPSAS 33.134
	Non-Financial Assets	
	AG41. <u>The following IPSAS are relevant:</u> <u>(a) IPSAS 5, Borrowing Costs;</u> <u>(b) IPSAS 12, Inventories;</u> <u>(c) IPSAS 16, Investment Property;</u> <u>(d) IPSAS 21, Impairment of Non-Cash-Generating Assets;</u> <u>(e) IPSAS 26, Impairment of Cash-Generating Assets;</u> <u>(f) IPSAS 27, Agriculture;</u> <u>(g) IPSAS 31, Intangible Assets;</u> <u>(h) IPSAS 44, Assets Held for Sale and Discontinued Operations; and</u> <u>(i) IPSAS 45, Property, Plant, and Equipment.</u> <u>The following paragraphs provide more detail on any exemptions that apply to these standards.</u>	
	<u>Exemptions that Affect Fair Presentation and Compliance with Accrual Basis IPSAS during the Transition Period</u> <u>Recognition and/or Measurement of Non-Financial Assets</u> AG42. Where a first-time adopter has recognized the non-financial assets and/or liabilities included in paragraph 36 under its previous basis of accounting, it <u>may take advantage of the three-year transitional period and may change is not required to change</u> its accounting	IPSAS 33.38

	policy(ies) in respect of the measurement of these assets and/or liabilities from any date within the transitional period for reporting periods beginning on a date within three years following the date of adoption of IPSASs.	
	AG43. Where a first-time adopter has not recognized non-financial assets and/or liabilities under its previous basis of accounting, it may take advantage of the three-year transitional period and may it is not required to recognize and/or measure them following assets and/or liabilities for reporting periods beginning on a date from any date within the transitional period within three years following the date of adoption of IPSASs.	IPSAS 33.36
	<p><u>Exemptions that Affect Fair Presentation and Compliance with Accrual Basis IPSAS during the Period of Transition Period</u></p> <p>IPSAS 5</p> <p>AG44. Where a first-time adopter applies the exemption in paragraph 36 which allows a three year transitional relief period to not recognize and/or measure assets, and elects to account for borrowing costs in terms of the allowed alternative treatment (IPSAS 5.17-29), it is not required to capitalize any borrowing costs on qualifying assets for which the commencement date for capitalization is prior to the date of adoption of accrual basis IPSASs, until the exemption that provided the relief has expired and/or when the relevant assets are RECoGNized <u>recognized</u> and/or measured in accordance <u>accordance with</u> the applicable IPSASs (whichever is earlier).</p>	IPSAS 33.44, amended.
	<p><u>Exemptions that Do Not Affect Fair Presentation and Compliance with Accrual Basis IPSAS during the Period of Transition Period</u></p> <p>IPSAS 5</p> <p>AG45. A first-time adopter is encouraged, but not required, to apply the requirements of IPSAS 5 retrospectively where it adopts or changes its accounting policy to the benchmark treatment (IPSAS 5.14–15).</p>	IPSAS 33.88
	AG46. Where a first-time adopter adopts or changes its accounting policy to the benchmark treatment, it is allowed to designate any date before the date of adoption of IPSASs and apply IPSAS 5 prospectively on or after that designated date.	IPSAS 33.89
	AG47. Where a first-time adopter changes its accounting policy to the allowed alternative treatment, any borrowing costs incurred both before and after date of adoption of IPSASs on qualifying assets for which the	IPSAS 33.90

	commencement date for the capitalization is prior to the date of adoption of IPSASs, shall be recognized retrospectively in accordance with the allowed alternative treatment.	
	<p>IPSAS 21 and IPSAS 26</p> <p>AG48. A first-time adopter shall apply the requirements in IPSAS 21 and IPSAS 26 prospectively from the date of adoption of IPSASs, except in relation to those assets where a first-time adopter takes advantage of the exemption in paragraph 36 which allows a three year <u>three-year</u> transitional relief period to not recognize and/or measure assets. When a first-time adopter takes advantage of the exemption, that provides a three year transitional relief period in IPSAS 16, 17, 27, 31 and 32, it applies IPSAS 21 and IPSAS 26 prospectively when the exemption that provided the relief has expired, and/or the relevant assets are recognized and/or measured in accordance with the applicable IPSASs (whichever is earlier).</p>	<p>IPSAS 33.98</p> <p>IPSAS 33.100 omitted.</p>
	<p>AG49. On the date that the transitional exemption that provided the relief has expired, and/or when the relevant assets are recognized and/or measured in the financial statements (whichever is earlier), a first-time adopter shall assess whether there is any indication that the non-cash-generating assets recognized and/or measured are impaired. Any impairment loss shall be recognized in opening accumulated surplus or deficit on the date of adoption of IPSASs, or in opening accumulated surplus or deficit in the reporting period in which the transitional exemption expires, and/or the relevant assets are recognized and/or measured (whichever is earlier).</p>	IPSAS 33.99
Amalgamated with the section on IPSAS 21 – the text is identical other than as shown in mark-up in AG48 and AG49.	<p>IPSAS 26</p> <p>AG62. A first-time adopter shall apply the requirements in IPSAS 26 prospectively from the date of adoption of IPSASs, except in relation to those assets where a first-time adopter takes advantage of the exemption in paragraph 36 which allows a three year <u>three-year</u> transitional relief period to not recognize and/or measure assets. When a first-time adopter takes advantage of the exemption, that provides a three year <u>transitional relief period in IPSASs 16, 17, 27, 31 and 32, it applies IPSAS 26 prospectively when the exemption that provided the relief has expired, and/or the relevant assets are recognized and/or measured in accordance with the applicable IPSASs (whichever is earlier).</u></p>	<p>IPSAS 33.108</p> <p>IPSAS 33.110 omitted.</p>
	AG63. On the date that the transitional exemption that provided the relief has expired, and/or when the relevant assets are recognized and/or measured in the financial	IPSAS 33.109

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	statements (whichever is earlier), a first-time adopter shall assess whether there is any indication that the cash-generating assets recognized and/or measured are impaired. Any impairment loss shall be recognized in opening accumulated surplus or deficit on the date of adoption of IPSASs, or in opening accumulated surplus or deficit in the reporting period in which the transitional exemption expires, and/or the relevant assets are recognized and/or measured (whichever is earlier).	
	IPSAS 31 AG50. A first-time adopter shall recognize and/or measure an internally generated intangible asset if it meets the definition of an intangible asset and the recognition criteria in IPSAS 31, even if the first-time adopter has, under its previous basis of accounting, expensed such costs. <u>Internally generated intangible assets shall not be measured at deemed cost. A deemed cost may not be determined for internally generated intangible assets.</u>	IPSAS 33.125 IPSAS 33.126 omitted.
	IPSAS 45 AG51. A first-time adopter may elect to measure property, plant, and equipment, at deemed cost, being current operational value or fair value, in accordance with IPSAS 46, when reliable cost information about the assets and liabilities is not available, in which case the first-time adopter provides the disclosures required by paragraph AG24 of this Standard.	IPSAS 33.IG54 amended. IPSAS 33.64 to 70 altered as it relates to PPE.
	AG52. If a first-time adopter's depreciation methods and rates in accordance with its previous basis of accounting are acceptable in accordance with IPSASs, it accounts for any change in estimated useful life or depreciation pattern prospectively from when it makes that change in estimate (paragraphs <u>22-17 and 26 of IPSAS 33</u> this Standard and paragraph <u>76-57 of IPSAS 47</u> 45). However, in some cases, a first-time adopter's depreciation methods and rates in accordance with its previous basis of accounting may differ from those that would be acceptable in accordance with IPSASs (for example, if they do not reflect a reasonable estimate of the asset's useful life). If those differences have a material effect on the financial statements, the entity adjusts accumulated depreciation in its opening statement of financial position retrospectively so that it complies with IPSASs.	IPSAS 33.IG53
Unnecessary	AG52. A first-time adopter may elect to use one of the following amounts: a current value as the deemed cost of property, plant and equipment; at the date of adoption of	IPSAS 33.IG54 amended.

	<p>IPSAS, in which case the first-time adopter provides the disclosures required by paragraph AG31 of this Standard.</p> <p>(a) Fair value at the date of adoption of IPSASs (paragraph 67 of IPSAS 33), in which case the first-time adopter provides the disclosures required by paragraph 148 of IPSAS 33; or</p> <p>(b) A revaluation in accordance with its previous basis of accounting that meets the criteria in paragraph 67 of IPSAS 33.</p>	
	<p>AG53. Subsequent depreciation is based on that deemed cost and starts from the date for which the first-time adopter determined the deemed cost, or where the first-time adopter takes advantage of the exemption that provides a three year transitional relief period to not recognize certain assets, when the exemptions providing the relief have expired, or the asset has been recognized in accordance with IPSAS 47-45 (whichever is earlier).</p>	IPSAS 33.IG55
	<p>AG54. If a first-time adopter chooses as its accounting policy the revaluation-current value model in IPSAS 47-45 for some or all classes of property, plant and equipment, it presents the cumulative revaluation surplus as a separate component of net assets/equity. The revaluation surplus at the date of adoption of IPSASs is based on a comparison of the carrying amount of the asset at that date with its cost or deemed cost. If the deemed cost is the fair value at the date of adoption of IPSASs or where the first-time adopter takes advantage of the exemption that provides a three year transitional relief period to not recognize and/or measure certain assets, when the exemptions providing the relief have expired, or the asset has been recognized and/or measured in accordance with IPSAS 47-45 (whichever is earlier), the first-time adopter provides the disclosures required by paragraph 148-AG25 of IPSAS 33this Standard.</p>	IPSAS 33.IG56
	<p>AG55. If revaluations in accordance with the first-time adopter's previous basis of accounting did not satisfy the criteria in paragraphs 67 or 69AG17 of IPSAS 33this Standard, the first-time adopter measures the revalued assets in its opening statement of financial position on one of the following bases:</p> <p>(a) Cost (or deemed cost) less any accumulated depreciation and any accumulated impairment losses under the cost model in IPSAS 47-45;</p> <p>(b) Deemed cost, being the fair-current value or an alternative when market-based evidence of fair value is not available, at the date of adoption of IPSASs, or where a first-time adopter takes advantage of the exemption that provides a three year transitional relief period to not recognize and/or measure certain</p>	IPSAS 33.IG57

	<p>assets, the date at which the asset is recognized and/or measured during the period of transition, or when the transitional exemptions expire (whichever is earlier); or</p> <p>(c) A revalued amount, if the entity adopts the revaluation-current value model in IPSAS 17-45 as its accounting policy in accordance with IPSASs for all items of property, plant and equipment in the same class.</p>	
Not an exemption	<p>AG70. IPSAS 17-45 requires each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item to be depreciated separately. However, IPSAS 17-45 does not prescribe the unit of measurement for recognition of an asset, i.e. what constitutes an item of property, plant and equipment. Thus, judgment is required in applying the recognition criteria to an entity's specific circumstances (paragraphs 1IPSAS 45.8 and 59IPSAS 45.72).</p>	IPSAS 33.IG58
	Financial Assets and Liabilities	
	<p>AG56. _-The following IPSAS are relevant:</p> <p>(a) IPSAS 28, <i>Financial Instruments: Presentation</i>;</p> <p>(b) IPSAS 30, <i>Financial Instruments: Disclosures</i>; and</p> <p>(c) IPSAS 41, <i>Financial Instruments</i>.</p> <p>The following paragraphs provide more detail on certain of the exemptions that apply to these standards.</p>	
	<p>Exemptions that Affect Fair Presentation and Compliance with Accrual Basis IPSAS during the Period of Transition <u>Period</u></p> <p>AG57. Where a first-time adopter has recognized the financial assets and/or financial liabilities included in paragraph 36 under its previous basis of accounting, it is not required to change its accounting policy(ies) in respect of the measurement of these assets and/or liabilities for reporting periods beginning on a date within three years following the date of adoption of IPSASs.</p>	IPSAS 33.38
	<p>AG58. Where a first-time adopter has not recognized financial assets and/or financial liabilities under its previous basis of accounting, it is not required to recognize and/or measure the following assets and/or liabilities for reporting periods beginning on a date within three years following the date of adoption of IPSASs.</p>	IPSAS 33.36
	<p>AG59. To the extent that a first-time adopter applies the exemptions in paragraphs 36 and 38 which allows a three-three-year transitional relief period to not recognize and/or measure financial assets, it is not required to recognize and/or measure any related revenue in terms</p>	IPSAS 33.41

	of IPSAS 9, Revenue from Exchange Transactions, or other receivables settled in cash or another financial asset in terms of IPSAS 23, Revenue from Non-Exchange Transactions (Taxes and Transfers) IPSAS 47, <u>Revenue</u> .	
	<p>Exemptions that Do Not Affect Fair Presentation and Compliance with Accrual Basis IPSAS during the <u>Period of Transition</u></p> <p>IPSAS 28</p> <p>AG60. On the date of adoption of IPSASs, a first-time adopter shall evaluate the terms of the financial instrument to determine whether it contains both a liability component and a net asset/equity component. If the liability component is no longer outstanding on the date of adoption of IPSASs, the first-time adopter need not separate the compound financial instrument into a liability component and a net asset/equity component.</p>	IPSAS 33.111 IPSAS 33.112 omitted.
	<p>IPSAS 30</p> <p>AG61. Where the first-time adopter elects to present comparative information in accordance with paragraphs 78<u>AG10–AG11 of this Standard</u>, it is not required to present information about the nature and extent of risks arising from financial instruments for the comparative period in its first transitional IPSAS financial statements or its first IPSAS financial statements.</p>	IPSAS 33.123
	AG62. A first-time adopter shall apply the requirements in IPSAS 30 prospectively from the date of adoption of IPSAS s , or when the exemptions that provided the relief have expired, and/or when the relevant financial instrument is recognized and/or measured in accordance with IPSAS 41 (whichever is earlier).	IPSAS 33.124
Not an exemption	<p>IPSAS 41</p> <p>Designation of Financial Instruments on the Date of Adoption of IPSAS or During the Period of Transition</p> <p>AG78. A first time adopter may designate a financial asset or financial liability as a financial asset or financial liability at fair value through surplus or deficit that meet the criteria for designation in IPSAS 41, in accordance with paragraph 113A.</p> <p>AG79. A first time adopter shall disclose the fair value of financial assets and financial liabilities designated into each category at the date of designation, their classification and carrying amount.</p>	IPSAS 33.113-114A was omitted because IPSAS 41 provides for the accounting policy choice. It is not an exemption. (IPSAS 33.114 was deleted January 2020.)
Not an exemption	AG79. IPSAS 41 permits a financial asset or financial liability to be designated on initial recognition (provided it meets certain criteria) as a financial asset or financial liability as at fair value through surplus or deficit. Despite this requirement, an	IPSAS 33.113A

	exception applies when a first-time adopter is permitted to designate, at the date of adoption of IPSASs, any financial asset or financial liability as at fair value through surplus or deficit provided the asset meets the criteria in paragraph 44 of IPSAS 41 or liability meets the criteria in paragraph 46 of IPSAS 41 at that date.	
Not an exemption	AG80. An entity may designate an investment in an equity instrument as at fair value through net assets/equity in accordance with paragraph 106 of IPSAS 41 on the basis of the facts and circumstances that exist at the date of adoption of IPSASs.	IPSAS 33.114A
	<p><i>Derecognition of Financial Assets and Financial Liabilities</i></p> <p>AG63. Except as permitted by paragraph 446 <u>AG64</u>, a first-time adopter shall apply the derecognition requirements in IPSAS 41 prospectively for transactions occurring on or after the date of adoption of IPSASs, or where a first-time adopter takes advantage of the exemptions not to recognize financial instruments, the date on which the exemptions that provided the relief have expired and/or the financial instruments are recognized (whichever is earlier). For example, if a first-time adopter derecognized non-derivative financial assets or non-derivative financial liabilities in accordance with its previous basis of accounting as a result of a transaction that occurred before the date of adoption of IPSASs, it shall not recognize those assets and liabilities in accordance with IPSAS 41, unless they qualify for recognition as a result of a later transaction or event.</p>	IPSAS 33.115
	AG64. Notwithstanding the provision in paragraph 445 <u>AG63</u> , a first-time adopter may apply the derecognition requirements in IPSAS 41 retrospectively from a date of the first-time adopter choosing, provided that the information needed to apply IPSAS 41 to financial assets and financial liabilities derecognized as a result of past transactions was obtained at the time of initially accounting for these transactions.	IPSAS 33.116
Not an exemption	<p><i>Hedge Accounting</i></p> <p>AG83. As required by IPSAS 41, a first-time adopter shall at the date of adoption of IPSASs, or where a first-time adopter takes advantage of the exemption that provides a three-year transitional relief period to not recognize and/or measure financial instruments, the date when the exemption that provided the relief has expired and/or the relevant financial instruments are recognized and/or measured in accordance with the applicable IPSASs (whichever is earlier):</p> <p>(a) Measure all derivatives at fair value; and</p>	IPSAS 33.117

	(b) Eliminate all deferred losses and gains arising on derivatives that were reported in accordance with its previous basis of accounting as if they were assets or liabilities.	
	<p>AG65- A first-time adopter shall not reflect in its opening statement of financial position a hedging relationship of a type that does not qualify for hedge accounting in accordance with IPSAS 41 (for example, many hedging relationships where the hedging instrument is a stand-alone written option; or where the hedged item is a net position in a cash flow hedge for another risk than foreign currency risk). However, if a first-time adopter designated a net position as a hedged item in accordance with its previous basis of accounting, it may designate as a hedged item in accordance with IPSASs an individual item within that net position, or a net position if that meets the requirements in paragraph 146 of IPSAS 41, provided that it does so no later than the date of adoption of IPSASs or where it takes advantage of the exemption that provides a three-year transitional relief period to not recognize and/or measure financial instruments, the date when the exemption that provided the relief has expired, and/or the relevant financial instruments are recognized and/or measured in accordance with the applicable IPSASs (whichever is earlier).</p>	IPSAS 33.118
	<p>AG66. If, before the date of adoption of IPSASs, or where a first-time adopter takes advantage of the <u>three-year exemption that provides a three-year</u> transitional relief period to not recognize and/or measure financial instruments the date on which the exemption that provided the relief has expired, and/or the relevant financial instruments are recognized and/or measured in accordance with the applicable IPSASs (whichever is earlier), a first-time adopter had designated a transaction as a hedge but the hedge does not meet the conditions for hedge accounting in IPSAS 41, the first-time adopter shall apply paragraphs 135 and 136 of IPSAS 41 to discontinue hedge accounting. Transactions entered into before the date of adoption of IPSASs, or where a first-time adopter takes advantage of the exemption that provides a three-year transitional relief period to not recognize and/or measure financial instruments, the date when the transitional exemption expires and/or the relevant financial instruments are recognized and/or measured in accordance with IPSAS 41 (whichever is earlier), shall not be retrospectively designated as hedges.</p>	IPSAS 33.119
	Classification and Measurement of Financial Instruments	

	AG67. An entity shall assess whether a financial asset meets the conditions in paragraph 40 or the conditions in paragraph 41 of IPSAS 41 on the basis of the facts and circumstances that exist at the date of adoption of IPSAS s .	IPSAS 33.119A
	AG68. If it is impracticable to assess a modified time value of money element in accordance with paragraphs AG68–AG70 of IPSAS 41 on the basis of the facts and circumstances that exist at the date of transition to IPSAS s , an entity shall assess the contractual cash flow characteristics of that financial asset on the basis of the facts and circumstances that existed at the date of adoption of IPSAS s without taking into account the requirements related to the modification of the time value of money element in paragraphs AG68–AG70 of IPSAS 41. (In this case, the entity shall also apply paragraph 49J of IPSAS 30 but references to ‘paragraph 161 of IPSAS 41’ shall be read to mean this paragraph and references to ‘initial recognition of the financial asset’ shall be read to mean ‘at the date of adoption of IPSAS s ’.)	IPSAS 33.119B
	AG69. If it is impracticable to assess whether the fair value of a prepayment feature is insignificant in accordance with paragraph AG74(c) of IPSAS 41 on the basis of the facts and circumstances that exist at the date of adoption of IPSAS s , an entity shall assess the contractual cash flow characteristics of that financial asset on the basis of the facts and circumstances that existed at the date of adoption of IPSAS s without taking into account the exception for prepayment features in paragraph AG74 of IPSAS 41. (In this case, the entity shall also apply paragraph 49K of IPSAS 30 but references to ‘paragraph 162 of IPSAS 41’ shall be read to mean this paragraph and references to ‘initial recognition of the financial asset’ shall be read to mean ‘at the date of adoption of IPSAS s ’.)	IPSAS 33.119C
	AG70. If it is impracticable (as defined in IPSAS 3) for an entity to apply retrospectively the effective interest method in IPSAS 41, the fair value of the financial asset or the financial liability at the date of adoption of IPSAS s shall be the new gross carrying amount of that financial asset or the new amortized cost of that financial liability at the date of adoption of IPSAS s .	IPSAS 33.119D
	<i>Impairment of Financial Assets</i> AG71. A first-time adopter shall apply the impairment requirements prospectively from the date of adoption of IPSAS s , except in relation to those financial assets where it takes advantage of the exemptions in	IPSAS 33.120

	<p>paragraphs 36, 38 and 42 which allow a three-year^{three-year} transitional relief period to not recognize and/or measure financial instruments. When a first-time adopter adopts the three-year^{three-year} transitional relief period provided, it applies the impairment provisions when exemption that provided the relief has expired, and/or the relevant financial instruments are recognized and/or measured in accordance with IPSAS 41 (whichever is earlier).</p>	
	<p>AG72. A first-time adopter shall on the date of adoption of IPSAS^s, or when the exemptions that provided the relief have expired, and/or when the relevant financial instruments are recognized and/or measured and relevant information has been presented and/or disclosed in the financial statements in accordance with the applicable IPSAS (whichever is earlier), assess at that date whether there is any indication that the financial instrument recognized and/or measured in the statement of financial position, is impaired. Any impairment loss incurred shall be recognized in opening accumulated surplus or deficit in the period in which the financial instrument is recognized and/or measured.</p>	IPSAS 33.121
	<p>AG73. A first-time adopter shall apply the impairment requirements prospectively. This means that on the date of adoption of IPSAS 41, when the exemptions that provided the relief have expired, and/ or when the relevant financial instruments are recognized and/or measured, a first-time adopter shall be required to assess whether there is an indication that the financial instrument is impaired. Any impairment loss shall be recognized in opening accumulated surplus or deficit on the date of adoption of IPSAS^s, or in the opening accumulated surplus or deficit of the reporting period in which the exemptions that provided the relief have expired, and/or the relevant financial instruments are recognized and/or measured (whichever is earlier).</p>	IPSAS 33.122
	<p>AG74. At the date of adoption of IPSAS 41, when the exemptions that provided the relief have expired, and/ or when the relevant financial instruments are recognized and/or measured, a first-time adopter shall use reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized (or for loan commitments and financial guarantee contracts the date that the entity became a party to the irrevocable commitment in accordance with paragraph 78 of IPSAS 41) and compare that to the credit risk at the date of adoption of IPSAS^s (also see paragraphs AG350–AG351 of IPSAS 41).</p>	IPSAS 33.122A

	<p>AG75. When determining whether there has been a significant increase in credit risk since initial recognition, an entity may apply:</p> <p>(a) The requirements in paragraph 82 and AG179–AG182 of IPSAS 41; and</p> <p>(b) The rebuttable presumption in paragraph 83 of IPSAS 41 for contractual payments that are more than 30 days past due if an entity will apply the impairment requirements by identifying significant increases in credit risk since initial recognition for those financial instruments on the basis of past due information.</p>	IPSAS 33.122B
	<p>AG76. If, at the date of adoption of IPSASs, determining whether there has been a significant increase in credit risk since the initial recognition of a financial instrument would require undue cost or effort, an entity shall recognize a loss allowance at an amount equal to lifetime expected credit losses at each reporting date until that financial instrument is derecognized (unless that financial instrument is low credit risk at a reporting date, in which case paragraph 122BAG75(a) applies).</p>	IPSAS 33.122C (There is no IPSAS 33.122D.)
Not an exemption	<p><u>Embedded Derivatives</u></p> <p>AG96. A first-time adopter shall assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative on the basis of the conditions that existed at the later of the date it first became a party to the contract and the date a reassessment is required by paragraph AG109 of IPSAS 41.</p>	IPSAS 33.122E
	<p><u>Revenue and Transfers</u></p>	
	<p>AG77. <u>The following IPSAS are relevant:</u></p> <p><u>(a) IPSAS 47, Revenue; and</u></p> <p><u>(b) IPSAS 48, Transfer Expenses.</u></p> <p><u>The following paragraphs provide more detail on any exemptions that apply to these standards.</u></p>	
	<p>Exemptions that Affect Fair Presentation and Compliance with Accrual Basis IPSAS during the <u>Period of Transition Period</u></p> <p>IPSAS 47</p> <p>AG78. A first-time adopter <u>may take advantage of the three-year transitional period and may is not required to</u> change its accounting policy in respect of the recognition and measurement of revenue <u>from any date within the transitional period for reporting periods beginning on a date within three years following the date of the adoption</u></p>	IPSAS 33.42 as amended by IPSAS 47

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	of IPSAS. A first-time adopter may change its accounting policy in respect of revenue on a class-by-class basis.	
Not an exemption	AG99. The transitional provision in paragraph 42AG98 is intended to allow a first-time adopter a period to develop reliable models for recognizing and measuring revenue in accordance with IPSAS 47 during the period of transition. The first-time adopter may apply accounting policies for the recognition and/or measurement of revenue that do not comply with the provisions of IPSAS 47. The transitional provision in paragraph 42AG98 allows a first-time adopter to apply IPSAS 47 incrementally to different classes of revenue. For example, a first-time adopter may be able to recognize and measure property taxes and some other classes of revenue from transactions without binding arrangements in accordance with IPSAS 47 from the date of adoption of IPSAS, but may require three years to fully develop a reliable model for reorganizing recognizing and measuring revenue from income tax and revenue from transactions with binding arrangements.	IPSAS 33.43 as amended by IPSAS 47 (with a correction)
	IPSAS 48 AG79. To the extent that a first-time adopter applies the exemptions in paragraphs 36 and 38 which allow a three-year transitional relief period to not recognize and/or measure financial liabilities, it is not required to recognize and/or measure and related expenses in terms of IPSAS 48, <i>Transfer Expenses</i> .	IPSAS 33.41A as inserted by IPSAS 48
	AG80. A first-time adopter may take advantage of the three-year transitional period and is not required to change its accounting policy in respect of the recognition and measurement of transfer expenses for reporting periods from any date within the transitional period beginning on a date within three years following the date of the adoption of IPSASs. A first-time adopter may change its accounting policy in respect of transfer expenses on a class-by-class basis.	IPSAS 33.43A as inserted by IPSAS 48
Unnecessary	AG102. The transitional provision in paragraph 43AAG101 is intended to allow a first-time adopter a period to develop reliable models for recognizing and measuring transfer expenses in accordance with IPSAS 48, <i>Transfer Expenses</i>, during the period of transition. The first-time adopter may apply accounting policies for the recognition and/or measurement of transfer expenses that do not comply with the provisions of IPSAS 48. The transitional provision in paragraph 43AAG101 allows a first-time adopter to apply IPSAS 48 incrementally to different classes of transfer expenses. For example, a first-time adopter may be able to recognize and measure transfer expenses without binding arrangements in accordance with IPSAS 48 from the date of adoption of IPSASs, but may require three years to fully develop a reliable model for	IPSAS 33.43B as inserted by IPSAS 48

	recognizing and measuring revenue from income tax and transfer expenses with binding arrangements.	
	Expenses and Non-Financial Liabilities	
	<p>AG81. <u>The following IPSAS are relevant:</u></p> <p>(a) <u>IPSAS 19, <i>Provisions, Contingent Liabilities, and Contingent Assets</i>;</u></p> <p>(b) <u>IPSAS 32, <i>Service Concession Arrangements: Grantor</i>;</u></p> <p>(c) <u>IPSAS 39, <i>Employee Benefits</i>;</u></p> <p>(d) <u>IPSAS 42, <i>Social Benefits</i>; and</u></p> <p>(e) <u>IPSAS 43, <i>Leases</i>.</u></p> <p><u>The following paragraphs provide more detail on any exemptions that apply to these standards.</u></p>	
	<p>Exemptions that Affect Fair Presentation and Compliance with Accrual Basis IPSAS during the <u>Period of Transition Period</u></p> <p>IPSAS 19</p> <p>AG82. Where a first-time adopter takes advantage of the exemption in paragraph 36 which allows a three-year transitional relief period to not recognize and/or measure property, plant and equipment, it is not required to recognize and/or measure the liability relating to the initial estimate of costs of dismantling and removing the item and restoring the site on which it is located until the exemption for IPSAS 45-47 has expired, and/or the relevant asset is recognized and/or measured in accordance with IPSAS 45-47 (whichever is earlier). <u>The liability shall be measured as at the date of adoption of IPSAS, or where a first-time adopter has taken advantage of the three-year transitional period for the recognition and/or measurement of an asset, the date on which the exemption that provides the relief has expired and/or the asset has been recognized and/or measured in accordance with the applicable IPSAS.</u></p>	IPSAS 33.48
	<p>AG105. This IPSAS allows a first-time adopter a period of up to three years from the date of adoption of IPSASs to not recognize and/or measure property, plant and equipment. IPSAS 45-47 requires an entity to include as part of the cost of an item of property, plant and equipment, the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Where a first-time adopter takes advantage of the exemption that allows a three-year transitional relief period for the recognition and/or measurement of property, plant and equipment, a first-time adopter is not required to apply the requirements related to the</p>	IPSAS 33.49

	initial estimate of costs of dismantling and removing the item and restoring the site on which it is located until the exemption that provided the relief has expired, and/or when the relevant asset is recognized and/or measured in accordance with IPSAS 45-17 (whichever is earlier). The liability shall be measured as at the date of adoption of IPSASs, or where a first-time adopter has taken advantage of the exemption that allows a three-year transitional relief period for the recognition and/or measurement of an asset, the date on which the exemption that provides the relief has expired and/or the asset has been recognized and/or measured in accordance with the applicable IPSASs.	
	AG83. Where a first-time adopter takes advantage of the exemption in paragraph 48 AG812 , it shall recognize and/or measure the obligation and any related asset at the same time.	IPSAS 33.50
	AG84. — Where a first-time adopter takes advantage of the exemption in paragraph 36 which allows a three-year transitional a relief period to not recognize assets and/or liabilities , it is not required to apply the requirements related to leases until the exemption that provided the relief has expired, and/or when the relevant assets are recognized in accordance with the applicable IPSASs (whichever is earlier).	IPSAS 33.46 and part of IPSAS 33.47
	<p>Exemptions that Do Not Affect Fair Presentation and Compliance with Accrual Basis IPSAS during the Period of Transition</p> <p>IPSAS 32</p> <p><i>Initial Measurement of Related Liability</i></p> <p>AG85. Where a first-time adopter elects to measure service concession assets using deemed cost, the related liabilities shall be measured as follows:</p> <ul style="list-style-type: none"> (a) For the liability under the financial liability model, the remaining contractual cash flows specified in the binding arrangement and the rate prescribed in IPSAS 32; or (b) For the liability under the grant of a right to the operator model, the fair value of the asset less any financial liabilities, adjusted to reflect the remaining period of the service concession arrangement. 	IPSAS 33.127
	AG86. A first-time adopter shall recognize and/or measure any difference between the value of the service concession asset and the financial liability under the financial liability model in paragraph 427 AG85 in opening accumulated surplus or deficit in the period in which the items are recognized and/or measured.	IPSAS 33.128

	<p>IPSAS 39</p> <p>AG87. A first-time adopter shall recognize and/or measure all employee benefits on the date of adoption of IPSASs, except for defined benefit plans and other long-term employee benefits where it takes advantage of the exemption <u>which allows a three-year transitional period to not recognize assets and/or liabilities in paragraph 36AG3.</u></p>	IPSAS 33.101
	<p>Defined Benefit Plans and Other Long-Term Employee Benefits</p> <p>AG88. On the date of adoption of IPSASs, or where a first-time adopter takes advantage of the <u>three-yearthree-year</u> transitional exemption, the date on which the exemption expires, or when the relevant liabilities are recognized and/or measured in the financial statements (whichever is earlier), a first-time adopter shall determine its initial liability for defined benefit plans and other long-term employee benefits at that date as:</p> <p>(a) The present value of the obligation at the date of adoption of IPSASs, or where a first-time adopter takes advantage of the <u>three-yearthree-year</u> transitional <u>relief</u> period, the date on which the exemption expires, or when the relevant liabilities are recognized and/or measured in the financial statements (whichever is earlier), by using the Projected Unit Credit Method; and</p> <p>(b) Minus the fair value, at the date of adoption of IPSASs, or where a first-time adopter takes advantage of the <u>three-yearthree-year</u> transitional <u>relief</u> period, the date on which the exemption expires, or when the relevant liabilities are recognized and/or measured in the financial statements (whichever is earlier) of plan assets (if any) out of which the obligations are to be settled directly.</p>	IPSAS 33.102
	<p>AG89. If the initial liability in accordance with paragraph <u>402 AG88</u> is more or less than the liability that was recognized and/or measured at the end of the comparative period under the first-time adopter's previous basis of accounting, the first-time adopter shall recognize that increase/decrease in opening accumulated surplus or deficit in the period in which the items are recognized and/or measured.</p>	IPSAS 33.103
	<p>AG90. The effect of the change in the accounting policy to IPSAS 39 includes any remeasurements that arose, if any, in earlier periods. Under its previous basis of accounting, a first-time adopter may not have recognized and/or measured any liability, in which case the increase</p>	IPSAS 33.104

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	in the liability will represent the full amount of the liability minus the fair value, at the date of adoption of IPSASs or where a first-time adopter takes advantage of the three year transitional relief period, the date on which the exemption expires, or when the relevant liabilities are recognized and/or measured in the financial statements (whichever is earlier), of any plan assets in accordance with paragraph AG88 (b). This increased liability is recognized in opening accumulated surplus or deficit in the period in which the items are recognized and/or measured.	
	AG91. A first-time adopter shall recognize all cumulative remeasurements in opening accumulated surplus or deficit in the period in which the items are recognized and/or measured.	IPSAS 33.105 (IPSAS 33.106 and IPSAS 33.107 were deleted in July 2016.)
	IPSAS 42 AG92. On the date of adoption of IPSASs, or where a first-time adopter takes advantage of the three-year three-year transitional exemption, the date on which the exemption expires, or when the relevant liabilities are recognized and/or measured in the financial statements (whichever is earlier), a first-time adopter shall determine its initial liability for a social benefit scheme at that date in accordance with IPSAS 42.	IPSAS 33.1434A
	AG93. If the initial liability in accordance with paragraph 134A AG92 is more or less than the liability that was recognized and/or measured at the end of the comparative period under the first-time adopter's previous basis of accounting, the first-time adopter shall recognize that increase/decrease in opening accumulated surplus or deficit in the period in which the items are recognized and/or measured.	IPSAS 33.144B
	IPSAS 43 AG94. A first-time adopter that is a lessor shall on the date of adoption of IPSAS, classify all existing leases as operating or finance leases on the basis of circumstances existing at the inception of the lease, to the extent that these are known on the date of adoption of IPSASs. A first-time adopter may assess whether a contract existing at the date of adoption of IPSASs contains a lease by applying paragraphs 10–12 of IPSAS 43 to those contracts on the basis of facts and circumstances existing at that date.	IPSAS 33.95
	AG95. When a first-time adopter that is a lessee recognizes lease liabilities and right-of-use assets, it may apply the following approach to all of its leases (subject to the practical expedients described in paragraph 96C AG97):	IPSAS 33.96 was deleted January 2022.

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	<p>(a) Measure a lease liability at the date of adoption of IPSASs. A lessee following this approach shall measure that lease liability at the present value of the remaining lease payments (see paragraph 96DAG98), discounted using the lessee's incremental borrowing rate (see paragraph 96DAG98) at the date of adoption of IPSASs.</p> <p>(b) Measure a right-of-use asset at the date of adoption of IPSASs. The lessee shall choose, on a lease-by-lease basis, to measure that right-of-use asset at either:</p> <p>(i) Its carrying amount as if IPSAS 43 had been applied since the commencement date of the lease (see paragraph 96DAG98), but discounted using the lessee's incremental borrowing rate at the date of adoption of IPSASs; or</p> <p>(ii) An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the statement of financial position immediately before the date of adoption of IPSASs;</p> <p>(c) Apply IPSAS 21 or IPSAS 26 to right-of-use assets at the date of adoption of IPSASs.</p>	IPSAS 33.96A
	<p>AG96. Notwithstanding the requirements in paragraph 96AAG95, a first-time adopter that is a lessee shall measure the right-of-use asset at fair value at the date of adoption of IPSASs for leases that meet the definition of investment property in IPSAS 16 and are measured using the fair-current value model in IPSAS 16 from the date of adoption of IPSASs.</p>	IPSAS 33.96B
	<p>AG97. A first-time adopter that is a lessee may do one or more of the following at the date of adoption of IPSASs, applied on a lease-by-lease basis:</p> <p>(a) Apply a single discount rate to a portfolio of leases with reasonably similar characteristics (for example, a similar remaining lease term for a similar class of underlying asset in a similar economic environment).</p> <p>(b) Elect not to apply the requirements in paragraph 96AAG95 to leases for which the lease term (see paragraph 96DAG98) ends within 12 months of the date of adoption of IPSASs. Instead, the entity shall account for (including disclosure of information about) these leases as if they were short-term leases accounted for in accordance with paragraph 7 of IPSAS 43.</p> <p>(c) Elect not to apply the requirements in paragraph 96AAG95 to leases for which the underlying asset is of</p>	IPSAS 33.96C

	<p>low value (as described in paragraphs AG4–AG9 of IPSAS 43). Instead, the entity shall account for (including disclosure of information about) these leases in accordance with paragraph 7 of IPSAS 43.</p> <p>(d) Exclude initial direct costs (see paragraph 96DAG98) from the measurement of the right-of-use asset at the date of adoption of IPSASs.</p> <p>(e) Use hindsight, such as in determining the lease term if the contract contains options to extend or terminate the lease.</p>	
	AG98. Lease payments, lessor, lessee, lessee's incremental borrowing rate, commencement date of the lease, initial direct costs and lease term are defined terms in IPSAS 43 and are used in this Standard with the same meaning.	IPSAS 33.96D
	Disclosure and Other Standards	
	AG99. A first-time adopter with financial statements that comply with the requirements of this IPSAS Standard while taking advantage of the transitional exemptions and provisions that affect fair presentation and its ability to assert compliance with accrual basis IPSAS s , shall make an explicit and unreserved statement of compliance with this IPSAS Standard in the notes to the financial statements. This statement shall be accompanied by a statement that the financial statements do not fully comply with accrual basis IPSAS s .	IPSAS 33.135
	<p>AG100. Where a first-time adopter takes advantage of the transitional exemptions in this IPSAS Standard, the first-time adopter shall disclose:</p> <p>(a) The extent to which it has taken advantage of the transitional exemptions that affect the fair presentation of the financial statements and its ability to assert compliance with accrual basis IPSASs; and/or</p> <p>(b) The extent to which it has taken advantage of the transitional exemptions that do not affect the fair presentation of the financial statements and its ability to assert compliance with accrual basis IPSASs.</p>	IPSAS 33.136
	AG101. To the extent that a first-time adopter has taken advantage of the transitional exemptions and provisions in this IPSAS Standard that affect fair presentation and compliance with accrual basis IPSAS s in relation to assets, liabilities, revenue and/or expenses, it shall disclose:	IPSAS 33.137

	<ul style="list-style-type: none"> (a) Progress made towards recognizing, measuring, presenting and/or disclosing assets, liabilities revenue and/or expenses in accordance with the requirements of the applicable IPSAS; (b) The assets, liabilities, revenue and/or expenses that have been recognized and measured under an accounting policy that is not consistent with the requirements of applicable IPSAS; (c) The assets, liabilities, revenue and/or expenses that have not been measured, presented and/or disclosed in the previous reporting period, but which are now recognized and/or measured, and/or presented and/or disclosed; (d) The nature and amount of any adjustments recognized during the reporting period; and (e) An indication of how and by when it intends to comply in full with the requirements of the applicable IPSAS. 	
	<p>AG102. Where a first-time adopter takes advantage of the transitional exemption to not eliminate some balances, transactions, revenue and expenses, and/or where it applies the three year transitional relief period for the recognition and/or measurement of its interest in controlled entities, associates or joint ventures in paragraph 55AG39, it shall disclose the nature of the balances, transactions, revenue and expenses and/or upstream or downstream transactions that have been eliminated during the reporting period.</p>	IPSAS 33.138
	<p>AG 103. Where a first-time adopter is not able to present consolidated financial statements because of the transitional exemptions and provisions adopted in paragraphs 58AG33 or 62AG35, it shall disclose:</p> <ul style="list-style-type: none"> (a) The reason why the financial statements, investments in associates or interests in joint ventures could not be presented as consolidated financial statements; and (b) An indication by when the first-time adopter will be able to present consolidated financial statements. 	IPSAS 33.139
No exemptions granted for IPSAS 49 so not required	<p>AG104. The following IPSAS are also relevant:</p> <ul style="list-style-type: none"> (a) IPSAS 18, Segment Reporting; and (b) IPSAS 20, Related Parties. <p>IPSAS 49, Retirement Benefit Plans</p> <p>The following paragraphs provide more detail on any exemptions that apply to these standards.</p>	

Needs clarity.	<p><u>Exemptions that Do Not Affect Fair Presentation and Compliance with Accrual Basis IPSAS during the Period of Transition Period</u></p> <p>IPSAS 18</p> <p>AG105. <u>Where Aa first-time adopter takes advantage of the three-year transitional period, it is not required</u>may elect to present segment information <u>from any date within the transitional period</u>for reporting periods beginning on a date within three three years following the date of adoption of IPSASs.</p>	IPSAS 33.97
	<p>IPSAS 20</p> <p>AG106. <u>Where Aa first-time adopter takes advantage of the three-year transitional period, it may elect is not required</u> to disclose related party relationships, related party transactions and information about key management personnel <u>from any date within the transitional period</u>for reporting periods beginning on a date within three three years following the date of adoption of IPSASs.</p>	IPSAS 33.51
Not an exemption	<p><u>AG130. Notwithstanding the transitional provision in paragraph 51AG120, a first-time adopter is encouraged to disclose information about related party relationships, related party transactions and information about key management personnel that is known at the date of adoption of IPSAS.</u></p>	IPSAS 33.52

Notes	Basis for Conclusions	Reference
	To be developed	
Notes	Implementation Guidance	Reference
	To be developed	
Notes	Illustrative Examples (if any)	Reference
	To be developed	

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Comparison of IPSAS 33 content with proposed restructuring and changes

IPSAS 33	IPSAS 33 revision
Paragraph	Paragraph
1	1, AG1
2	2
3	3
4	5 in part
5	7
6	4
7	Deleted April 2016
8	Deleted April 2016
9	8
10	AG2, AG5
11	Omitted
12	AG7
13	6
14	Omitted
15	9
16	10
17	12
18	13
19	11
20	AG8
21	AG16
22	Omitted
23	15
24	14 in part, 16
25	17
26	18
27	Omitted
28	Omitted
29	Omitted
30	Omitted
31	Omitted
32	Omitted
33	AG2
34	Omitted – see 27-32
35	
36	AG43; AG58
37	Omitted – covered by AG105
38	AG42, AG57
39	Omitted
40	AG17
41	AG59, AG79
41A per IPSAS 46	AG3
41A	AG79
42	AG78
43	Omitted
43A	AG80
43B	Omitted
44	AG44
45	AG44
46	AG84

IPSAS 33	IPSAS 33 revision
Paragraph	Paragraph
47	AG84 (part)
48	AG82
49	Omitted
50	AG83
51	AG106
52	Omitted
53	AG30
54	Omitted
55	Omitted
56	AG31
57	Omitted
58	AG32
59	AG33
60	Omitted
61	Omitted
62	AG34
63	Replaced by AGs relating to IPSAS 46, IPSAS 45, IPSAS 12, IPSAS 16
64	
65	
66	
67	
68	
69	
70	
64A	AG35
64B	AG36
64C	AG37
64A per IPSAS 46	AG35
71	AG27
72	Replaced by AGs relating to IPSAS 46, IPSAS 45, IPSAS 12, IPSAS 16
73	
74	
75	
76	AG10
77	
78	Omitted
79	AG11
80	AG12
81	Omitted- covered by AG13
82	Omitted
83	Omitted
84	AG14
85	AG17
85A	AG18
85B	AG19
86	AG21
87	AG22
88	AG45
89	AG46
90	AG47
91	Omitted
92	Omitted
93	Omitted

Agenda Item

11.3.1

IPSAS 33	IPSAS 33 revision
Paragraph	Paragraph
94	AG23
95	AG94
96	Deleted January 2022
96A	AG95
96B	AG96
96C	AG97
96D	AG98
96B per IPSAS 46	AG96
97	AG105
98	AG48
99	AG49
100	Omitted
101	AG87
102	AG88
103	AG89
104	AG90
105	AG91
106	Deleted January 2016
107	Deleted January 2016
108	AG48
109	AG49
110	Omitted
111	AG60
112	Omitted
113	Omitted
113A	Omitted
114	Omitted
114A	Omitted
115	AG63
116	AG64
117	Omitted
118	AG65
119	AG66
119A	AG67
119B	AG68
119C	AG69
119D	AG70
120	AG71
121	AG72
122	AG73
122A	AG74
122B	AG75
122C	AG76
122E	Omitted
123	AG61
124	AG62
125	AG50
126	Omitted
127	AG85
128	AG86
129	Currently omitted. Need further consideration.
130	
131	

IPSAS 33	IPSAS 33 revision
Paragraph	Paragraph
132	AG38
133	AG39
134	AG40
134A	AG92
134B	AG93
135	AG99
136	AG100
137	AG101
138	AG102
139	AG103
140	Omitted
141	22
142	23, 24
143	25
144	26
145	27
146	28
147	29
148	AG24
149	AG25
150	AG26
151	20
152	21
152A	Omitted (IPSAS 46 Phase 2)
152B	Omitted (IPSAS 46 Phase 2)
152C	Omitted (IPSAS 46 Phase 2)
152D	Omitted (IPSAS 46 Phase 2)
152E	Omitted (IPSAS 46 Phase 2)
152F	Omitted (IPSAS 46 Phase 2)
153	30
154	31
154A	31
154B	31
154C	31
154D	31
154E	31
154F	31
154G	31
154H	31
154I	31
154J	31
154K	31
154L	31
154M	31
154N	31
164O	31