



**IPSASB**

International Public  
Sector Accounting  
Standards Board®

AGENDA ITEM 9

# IMPROVEMENTS TO IPSAS ACCOUNTING STANDARDS

IPSASB Meeting – June 2025

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## Improvements to IPSAS Standards – Q2 Overview

### Summary of Activities

- Addressed instructions from March 2025
  - Updated draft amendments for comments from March 2025 meeting
  - Added SMC on whether supplier finance arrangements are used or could be used in the public sector in the respondent's jurisdiction
  - To be presented to the IPSASB as one exposure draft in September
- June 2025 – Analysis amendments relating to consolidation and public sector combinations
  - Amendments to consolidation and cash flow statements – Agenda Item 9.2.2
  - Amendments to public sector combinations – Agenda Item 9.2.3

## Amendments to IFRS 10 and IAS 7

### Analysis

- Proposed amendments:
  - IPSAS 35 – Amend application guidance to remove definitive language on the determination of de facto agents
  - IPSAS 2 – Amend reference to ‘cost method’ to ‘at cost’ be consistent with wording in the consolidation suite of IPSAS Standards

### Recommendation

- Amend IPSAS 2 and IPSAS 35 as shown in Agenda Item 9.3.1

## Amendments to IFRS 3

### Analysis

- IASB amended IFRS 3 to:
  - Narrow the definition of a ‘business’
  - Amend the accounting for assumed provisions and contingent liabilities to be in line with IAS 37
- Above amendments would significantly impact the accounting for acquisitions if incorporated into IPSAS 40
  - More appropriate as a separate narrow scope amendment ED
- More detailed analysis needed to determine if there are:
  - Public sector specific reasons to not implement changes
  - Unintended consequences to other aspects of IPSAS 40

### Recommendation

- Perform an in-depth analysis as proposed
- Present findings and amendments as a separate narrow scope amendment ED in September 2025



