

Exposure Draft [XX]

[MM YYYY]

Comments due: [MM DD, YYYY]

IPSAS®

Proposed International Public Sector Accounting Standard®

*Linkages Between IPSAS
Standards and the GFSM 2014
(Amendments to IPSAS 22)*

IPSASB

International Public
Sector Accounting
Standards Board®

This document was developed and approved by the International Public Sector Accounting Standards Board® (IPSASB®).

The objective of the IPSASB is to serve the public interest by setting high-quality public sector accounting and sustainability reporting standards and by facilitating the adoption and implementation of these, thereby enhancing the quality and consistency of practice throughout the world and strengthening the transparency and accountability of public sector finances and sustainable development.

In meeting this objective, the IPSASB sets International Public Sector Accounting Standards™ (IPSAS®), IPSASB Sustainability Reporting Standards™ (IPSASB SRS™) and Recommended Practice Guidelines™ (RPG™) for use by public sector entities, including national, regional, and local governments, and related governmental agencies.

IPSAS Accounting Standards relate to the general purpose financial statements (financial statements) and are authoritative. IPSASB SRS Standards relate to sustainability disclosures and are authoritative. RPG Guidelines are pronouncements that provide guidance on good practice in preparing general purpose financial reports (GPFRs) that are not financial statements. Unlike IPSAS Accounting Standards and IPSASB SRS Standards, RPG Guidelines do not establish requirements. IPSASB SRS Standards and RPG Guidelines do not provide guidance on the level of assurance (if any) to which information should be subjected.

The structures and processes that support the operations of the IPSASB are facilitated by the International Federation of Accountants® (IFAC®).

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REQUEST FOR INFORMATION

This Exposure Draft (ED), *Linkages Between IPSAS Standards and the GFSM 2014* (Amendments to IPSAS 22), was developed and approved by the International Public Sector Accounting Standards Board® (IPSASB®).

The proposals in this ED may be modified in light of comments received before being issued in final form. **Comments are requested by [MM DD, YYYY].**

Respondents are asked to submit their comments electronically through the IPSASB website, using the “**Submit a Comment**” link. Please submit comments in both a PDF and Word file. Comments must be received in English to be considered. Also, please note that first-time users must register to use this feature. All comments will be considered a matter of public record and will ultimately be posted on the website.

This publication may be downloaded from the IPSASB website: www.ipsasb.org. The approved text is published in the English language.

Objectives of the ED

The objective of this ED is to propose additional non-authoritative guidance for IPSAS 22, *Disclosure of Financial Information About the General Government Sector* to facilitate the use of IPSAS Standards-based accounting data for statistical compilation purposes.

Guide for Respondents

The IPSASB would welcome comments on all the matters discussed in this ED. Comments are most helpful if they indicate the specific paragraph or group of paragraphs or Specific Matters for Comment to which they relate, contain a clear rationale and, where applicable, provide a suggestion for alternative wording.

The Specific Matters for Comment requested for the ED are provided below.

Specific Matters for Comment

[to be added at the December 2025 meeting]

**EXPOSURE DRAFT [XX], LINKAGES BETWEEN IPSAS STANDARDS AND THE GFSM 2014
(AMENDMENTS TO IPSAS 22)**

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DRAFT

Introduction

1. This ED [XX], *Linkages Between IPSAS Standards and the GFSM 2014* (Amendments to IPSAS 22) continues the IPSASB's close collaboration with the statistical community, and build on the [Consultation Paper, IPSASs and Government Finance Statistics Reporting Guidelines](#), issued in October 2012.
2. The ED is intended to support the reduction of unnecessary differences between IPSAS Standards and Government Finance Statistics (GFS)¹ reporting guidelines. It proposes additional non-authoritative guidance for IPSAS 22, *Disclosure of Financial Information About the General Government Sector* on the IPSAS Standards-compliant recognition and measurement requirements and accounting policy options that already allow IPSAS Standards-based accounting data to be useful for statistical reporting purposes, and the additional data requirements where differences currently exist.

Non-authoritative guidance

3. The proposed additional non-authoritative guidance proposed in ED [XX] has been developed for the following groups of IPSAS Standards, which are the same as those used in IPSAS 33, *First-time Adoption of Accrual Basis International Public Sector Accounting Standards*, issued in 2025:

Groups	IPSAS Standards
A: Financial Statements	<ul style="list-style-type: none"> • IPSAS 1, <i>Presentation of Financial Statements</i> • IPSAS 2, <i>Cash Flow Statements</i> • IPSAS 22, <i>Disclosure of Financial Information about the General Government Sector</i> • IPSAS 24, <i>Presentation of Budget Information in Financial Statements</i>
B: General Principles	<ul style="list-style-type: none"> • IPSAS 3, <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> • IPSAS 4, <i>The Effects of Changes in Foreign Exchange Rates</i> • IPSAS 10, <i>Financial Reporting in Hyperinflationary Economies</i> • IPSAS 14, <i>Events after the Reporting Date</i> • IPSAS 33, <i>First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSAS)</i> • IPSAS 46, <i>Measurement</i>
C: Accounting Boundaries	<ul style="list-style-type: none"> • IPSAS 34, <i>Separate Financial Statements</i> • IPSAS 35, <i>Consolidated Financial Statements</i> • IPSAS 36, <i>Investments in Associates and Joint Ventures</i> • IPSAS 37, <i>Joint Arrangements</i> • IPSAS 38, <i>Disclosure of Interests in Other Entities</i> • IPSAS 40, <i>Public Sector Combinations</i>
D: Non-financial Assets	<ul style="list-style-type: none"> • IPSAS 5, <i>Borrowing Costs</i> • IPSAS 12, <i>Inventories</i> • IPSAS 16, <i>Investment Property</i> • IPSAS 21, <i>Impairment of Non-Cash-Generating Assets</i> • IPSAS 26, <i>Impairment of Cash-Generating Assets</i> • IPSAS 27, <i>Agriculture</i> • IPSAS 31, <i>Intangible Assets</i> • IPSAS 43, <i>Leases</i> • IPSAS 44, <i>Non-Current Assets Held for Sale and Discontinued Operations</i> • IPSAS 45, <i>Property, Plant, and Equipment</i> • IPSAS 50, <i>Exploration for and Evaluation of Mineral Resources</i> • IPSAS [X], <i>Tangible Natural Resources Held for Conservation</i>

¹ For the purpose of this ED, the term 'Government Finance Statistics' and its acronym 'GFS' is used with the meaning of 'Government Finance Statistics Manual 2014 (GFSM 2014)'.

Groups	IPSAS Standards
E: Financial Assets and Liabilities	<ul style="list-style-type: none"> • IPSAS 28, <i>Financial Instruments: Presentation</i> • IPSAS 29, <i>Financial Instruments: Recognition and Measurement</i> • IPSAS 30, <i>Financial Instruments: Disclosures</i> • IPSAS 41, <i>Financial Instruments</i>
F: Revenue and Transfer Expenses	<ul style="list-style-type: none"> • IPSAS 47, <i>Revenue</i> • IPSAS 48, <i>Transfer Expenses</i>
G: Other Expenses and Non-financial Liabilities	<ul style="list-style-type: none"> • IPSAS 19, <i>Provisions, Contingent Liabilities, and Contingent Assets</i> • IPSAS 32, <i>Service Concession Arrangements: Grantor</i> • IPSAS 39, <i>Employee Benefits</i> • IPSAS 42, <i>Social Benefits</i> • IPSAS 49, <i>Retirement Benefit Plans</i>
H: Disclosures and Other Standards	<ul style="list-style-type: none"> • IPSAS 18, <i>Segment Reporting</i> • IPSAS 20, <i>Related Party Disclosures</i>

4. The proposed non-authoritative guidance is presented in a Question-and Answer format. It provides additional high-level information on the areas where the recognition and measurement requirements for each IPSAS Standard are aligned with those in GFSM 2014, and the additional information required where this is not the case, or where presentation requirements are not aligned.
5. ED [XX] does not propose adding non-authoritative guidance to IPSAS 22 on the following IPSAS Standards because there is no corresponding guidance in GFSM 2014:
- (a) IPSAS 10, *Financial Reporting in Hyperinflationary Economies*;
 - (b) IPSAS 20, *Related Party Disclosures*;
 - (c) IPSAS 24, *Presentation of Budget Information in Financial Statements*;
 - (d) IPSAS 33, *First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSAS)*; and
 - (e) IPSAS 38, *Disclosure of Interests in Other Entities*.

Amendments to IPSAS 22, *Disclosure of Financial Information about the General Government Sector*

Paragraphs BC18–BC27 and IG1–IG183 are added. New text is underlined.

Basis for Conclusions

This Basis for Conclusions accompanies, but is not part of, IPSAS 22.

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Revision of IPSAS 22 as a result of *Linkages Between IPSAS Standards and the GFSM 2014*

Introduction

BC18. In March 2025, the IPSASB approved a project brief to develop non-authoritative guidance to help maximize the extent to which public sector entities can draw on IPSAS Standards-based accounting data in preparing the statistical information that is used for macroeconomic management purposes. The project brief stated that new guidance would be added to IPSAS 22, *Disclosure of Financial Information about the General Government Sector*. It would take the form of additional non-authoritative guidance on the IPSAS Standards-compliant recognition and measurement requirements and accounting policy options that already allow IPSAS Standards-based information to be useful for statistical reporting purposes. Where there are difference, it would provide summary of these, together with the additional information requirements. In addition, non-authoritative *Comparison with GFS* tables would also be added to IPSAS Standards that were issued before IPSAS 42.

Development of Exposure Draft [XX], *Linkages Between IPSAS Standards and the GFSM 2014*

BC19. The IPSASB developed IPSAS 22 to support governments' GFS reporting. To better achieve this goal, the IPSASB decided that the proposed non-authoritative guidance to IPSAS 22 should follow a Question & Answer (Q&A) format that should focus on:

- (a) Where recognition and measurement requirements in IPSAS Standards are aligned with Government Finance Statistics Manual 2014 (GFSM 2014); and
- (b) Providing additional guidance where recognition and measurement requirements between IPSAS Standards and GFSM 2014 differ and so require additional data to be collected for GFSM 2014 purposes.

BC20. The IPSASB also decided that the proposed guidance in IPSAS 22 should be kept at high-level main principles for each IPSAS Standard to better guide users of the main issues that they need to consider when using IPSAS Standards-based financial information in the compilation of GFSM 2014 reports.

BC21. The IPSASB also decided to propose the non-authoritative guidance to IPSAS 22 in groups of IPSAS Standards in order to be consistent with the groupings in IPSAS 33, *First-time Adoption of Accrual Basis International Public Sector Accounting Standards*, issued in October 2025.

BC22. The IPSASB noted that GFSM 2014 does not provide guidance on several topics addressed in IPSAS Standards. For this reason, the IPSASB decided not to propose non-authoritative guidance to IPSAS 22 and *Comparison with GFS* tables to IPSAS 10, *Financial Reporting in Hyperinflationary Economies*, IPSAS 20, *Related Party Disclosures*, IPSAS 24, *Presentation of Budget Information in Financial Statements*, IPSAS 33, *First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSAS)*, and IPSAS 38, *Disclosure of Interests in Other Entities*.

Implementation Guidance

This guidance accompanies, but is not part of, IPSAS 22.

Part 1 – Illustrative Financial Statement Structure

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Part 2 – Alignment Between IPSAS Standards and GFSM 2014

Introduction

- IG1. Paragraph 23 of IPSAS 22 requires the disclosure of financial information about the GGS in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements of the government, except the requirements of IPSAS 35, *Consolidated Financial Statements* in respect of entities in the PFC and PNFC sectors².
- IG2. The objective of Part 2 of this Implementation Guidance is to highlight the accounting policy options available for recognition and measurement in IPSAS Accounting Standards, where entities may choose accounting policies that will provide information that can be used to provide data for the compilation of statistics in accordance with the Government Finance Statistics Manual 2014 (GFSM 2014). The selection of a GFSM-aligned accounting policy option should take into consideration the needs of the various primary user groups of the general purpose financial reports of the public sector entity.
- IG3. Part 2 is structured in accordance with the following groups of IPSAS Standards:
- (a) Group A: Financial Statements (refer paragraphs IG4–IG12);
 - (b) Group B: General Principles (refer paragraphs IGXX–IGXX);
 - (c) Group C: Accounting Boundaries (refer paragraphs IGXX–IGXX);
 - (d) Group D: Non-financial Assets (refer paragraphs IGXX–IGXX);
 - (e) Group E: Financial Assets and Liabilities (refer paragraphs IGXX–IGXX);
 - (f) Group F: Revenue and Transfer Expenses (refer paragraphs IGXX–IGXX);
 - (g) Group G: Other Expenses and Non-financial Liabilities (refer paragraphs IGXX–IGXX); and
 - (h) Group H: Disclosures and Other Standards (refer paragraphs IGXX–IGXX).

Group A: Financial Statements

- IG4. Under the IPSAS Standards, the main financial statements comprise the Statement of Financial Position, Statement of Financial Performance, Statement of Changes in Net Assets/Equity, and the Cash Flow Statement. GFSM 2014 requires a Statement of Operations, a Balance Sheet, a Statement of Other Economic Flows, and a Statement of Sources and Uses of Cash. While there are consequential differences in presentation and where transactions and balances are presented in the financial statements, whether IPSAS Standards data can be used directly largely depends on whether the recognition and measurement requirements in other IPSAS are aligned with GFSM 2014 requirements or not, rather than where it is presented.

² The following term is defined in IPSAS 22: General Government Sector (GGS) comprises all organizational entities of the general government as defined in statistical bases of financial reporting. This information has been included to ensure understanding of the proposed changes to IPSAS 22. The terms Public Financial Corporations (PFC) and Public Non-Financial Corporations (PNFC) are defined in GFSM 2014 as corporations that are principally engaged in providing financial services, including insurance and pension fund services, to other institutional units, and corporations whose principal activity is the production of market goods or nonfinancial services, respectively.

IG5. The following IPSAS Standards are relevant:

- (a) *IPSAS 1, Presentation of Financial Statements;*
- (b) *IPSAS 2, Cash Flow Statements;*
- (c) *IPSAS 22, Disclosure of Financial Information about the General Government Sector; and*
- (d) *IPSAS 24, Presentation of Budget Information in Financial Statements.*

There is no Implementation Guidance for IPSAS 24 because there is no corresponding guidance in GFSM 2014.

A.1 IPSAS 1, Presentation of Financial Statements

Which presentation requirements in IPSAS 1 are aligned with GFSM 2014?

IG6. Both IPSAS 1 and GFSM 2014 require the presentation of assets, liabilities, revenue and expense in the financial statements, if they meet the recognition and measurement requirements in the respective IPSAS Standards and GFSM 2014.

Where does GFSM 2014 have more detailed presentation requirements than IPSAS 1?

IG7. There are more detailed presentation requirements in GFSM 2014 in the areas listed below, but IPSAS Standards-based data can still be used for compilation purposes if it is disaggregated as follows:

- (a) *Non-financial assets – split between valuables and non-produced assets;*
- (b) *Financial assets and liabilities – split between domestic and external;*
- (c) *Transactions in nonfinancial assets, such as fixed assets, inventories, valuables and non-produced assets;*
- (d) *Transactions in financial assets and liabilities – split between domestic and external;*
- (e) *Change in net worth due to other economic flows; and*
- (f) *Time series of data.*

A.2 IPSAS 2, Cash Flow Statements

Which presentation requirements in IPSAS 2 are aligned with GFSM 2014?

IG8. Both IPSAS 2 and GFSM 2014 require the presentation of cash flows in the financial statements, if they meet the recognition and measurement requirements in the respective IPSAS Standards and the GFSM 2014.

Where does GFSM 2014 have more detailed presentation requirements than IPSAS 2?

IG9. There are more detailed presentation requirements in GFSM 2014 in the areas listed below, but IPSAS Standards-based data can still be used for compilation purposes if it is disaggregated as follows:

- (g) *Net cash outflow from investment in nonfinancial assets, such as inventories, valuables, and non-produced assets; and*
- (h) *Cash flows from transactions in financial assets and liabilities – split between domestic and external.*

A.3 IPSAS 22, Disclosure of Financial Information about the General Government Sector

Which presentation requirements in IPSAS 22 are aligned with GFSM 2014?

IG10. IPSAS 22 uses the same definitions of subsectors of the public sector as in GFSM 2014.

Where will recognition and measurement differences between IPSAS 22 and GFSM 2014 requires additional data to be collected for GFSM 2014 purposes?

IG11. In the jurisdictions where the Federal or Central Governments do not control all the entities in the statistical Central Government and Local Government sub-sectors. For example, where there are legally separate states, then it will not be possible to prepare an IPSAS 22-based report for General Government. In such cases, accounting data from different sources will need to be obtained for GFSM 2014 purposes.

Where does GFSM 2014 have more detailed presentation requirements than IPSAS 22?

IG12. There are more detailed presentation requirements in GFSM 2014 in the areas listed below, but IPSAS Standards-based data can still be used for compilation purposes if it is disaggregated as follows:

- (a) Non-financial assets - split between valuables and non-produced assets;
- (b) Financial assets and liabilities - split between domestic and external;
- (c) Transactions in nonfinancial assets, such as fixed assets, inventories, valuables and non-produced assets; and
- (d) Transactions in financial assets and liabilities - split between domestic and external;
- (e) Change in net worth due to other economic flows; and
- (f) Time series of data.

Group B: General Principles

IG13. Despite the different overall reporting objectives of IPSAS Standards and GFSM 2014, there are many commonalities in the data required to meet these. Most of their recognition and measurement requirements on accounting policies, changes in accounting estimates, errors, the effects of changes in foreign exchange rates, events after the reporting date, and on measurement are aligned. While there are some differences and where transactions and balances are presented in the financial statements, IPSAS Standards-based accounting data should in most cases be aligned with GFSM 2014 requirements.

IG14. The following IPSAS Standards are relevant:

- (a) IPSAS 3, *Accounting Policies, Changes in Accounting Estimates and Errors*;
- (b) IPSAS 4, *The Effects of Changes in Foreign Exchange Rates*;
- (c) IPSAS 10, *Financial Reporting in Hyperinflationary Economies*;
- (d) IPSAS 14, *Events after the Reporting Date*;
- (e) IPSAS 33, *First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSAS)*; and
- (f) IPSAS 46, *Measurement*.

There is no Implementation Guidance for IPSAS 10 and IPSAS 33 because there is no corresponding guidance in GFSM 2014.

B.1 IPSAS 3, *Accounting Policies, Changes in Accounting Estimates and Errors*

Which recognition and measurement requirements in IPSAS 3 are aligned with GFSM 2014?

IG15. Both IPSAS 3 and GFSM 2014 require the correction of errors and changes in accounting policies to be applied retrospectively.

IG16. Additionally, while under IPSAS 3 the cumulative effect of the error on prior periods is made as a single adjustment in the prior period, whereas under the GFSM 2014, the time series is adjusted back to when the error was made. If calculated so that the same total adjustment can be made for both purposes, then the accounting data and disclosures in IPSAS 3 may be used for GFSM 2014 purposes.

Where will recognition and measurement differences between IPSAS 3 and GFSM 2014 require additional data to be collected for GFSM 2014 purposes?

IG17. There will be no need to collect additional data for GFSM 2014 purposes if IPSAS 3 requirements have been applied.

B.2 IPSAS 4, The Effects of Changes in Foreign Exchange Rates

Which recognition and measurement requirements in IPSAS 4 are aligned with GFSM 2014?

IG18. Both IPSAS 4 and GFSM 2014 require, a foreign currency transaction to be measured on initial recognition in the functional currency of the entity by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

IG19. At subsequent reporting dates, both IPSAS 4 and GFSM 2014 also require:

- (a) Foreign currency monetary items to be translated using the spot exchange rate at the end of the reporting period; and
- (b) Non-monetary items that are measured at fair value in a foreign currency to be translated using the exchange rates at the date when the fair value was measured.

Where do GFSM 2014 presentation requirements differ from IPSAS 4 even though recognition and measurement requirements are aligned?

IG20. There will be a need to identify the gains or losses in foreign exchange rates for GFSM 2014 purposes because they are presented within other economic flows, and in IPSAS 4 they are presented in surplus or deficit or net assets/equity, as appropriate.

Where will recognition and measurement differences between IPSAS 4 and GFSM 2014 require additional data to be collected for GFSM 2014 purposes?

IG21. There is no need to collect additional data for GFSM 2014 purposes if IPSAS 4 requirements have been applied.

B.3 IPSAS 14, Events after the Reporting Date

Which recognition and measurement requirements in IPSAS 14 are aligned with GFSM 2014?

IG22. IPSAS 14 provides useful information for GFSM 2014 compilation purposes.

IG23. Neither IPSAS 14 nor GFSM 2014 require the recognition and measurement of declared dividends or similar distributions after the reporting date and before the date when the financial statements are authorized for issue as a liability at the reporting date.

Where do GFSM 2014 presentation requirements differ from IPSAS 14 even though recognition and measurement requirements are aligned?

IG24. There will be a need to identify the adjustment of the financial statements related to settlement of court cases after the reporting date and before the date when the financial statements are authorized for issue made in accordance with IPSAS 14 because GFSM 2014 requires the recognition of court cases when a court renders judgment.

Where will recognition and measurement differences between IPSAS 14 and GFSM 2014 require additional data to be collected for GFSM 2014 purposes?

IG25. There is no need to collect additional data for GFSM 2014 purposes if IPSAS 14 requirements have been applied.

B.4 IPSAS 46, Measurement

Which measurement requirements in IPSAS 46 are aligned with GFSM 2014?

IG26. IPSAS 46 defines measurement bases that fairly reflect the cost of services, operational capacity and financial capacity of an entity, as well as measurement techniques that enable those measurement bases to be applied through individual IPSAS Standards to achieve the objectives of financial reporting.

IG27. When applying the requirements in individual IPSAS Standards, entities can choose to apply the measurement bases and measurement techniques that are aligned with GFSM 2014.

IG28. IPSAS 46 requires an item to be initially measured at its transaction prices. GFSM 2014 requires all flows to be measured at market prices, which is aligned with IPSAS 46 transaction prices.

IG29. IPSAS 46 allows the use of Fair Value basis under the Current Value Model for subsequent measurement, which is aligned with the Market Value measurement basis in GFSM 2014 if the Market Approach is used as the measurement technique.

Where will measurement differences between IPSAS 46 and GFSM 2014 require additional data to be collected for GFSM 2014 purposes?

IG30. There will be a need to collect additional data for GFSM purposes if the entity elects to use the historical cost model for subsequent measurement.

Where does GFSM 2014 have more detailed presentation requirements than IPSAS 46 even though the measurement requirements are aligned?

IG31. There will be a need to identify the transactions costs related to assets and liabilities for GFSM 2014 purposes because IPSAS 46 requires transactions costs to be added in the initial measurement of assets and to be subtracted in the initial measurement of liabilities, while GFSM 2014 requires all costs of ownership transfer to be excluded from the initial measurement of assets and liabilities, except for nonfinancial assets (excluding land), which includes any costs of ownership transfer. GFSM 2014 requires costs of ownership transfer to be presented separately from the transaction in the financial asset and liability, under appropriate categories of revenue and expense. GFSM 2014 also requires that costs of ownership transfer for land to be included and presented in the value of land improvements.

Group C: Accounting Boundaries

IG32. Both IPSAS Standards and GFSM 2014 require consolidation where an entity is controlled, although there are some differences in the criteria for this and the associated presentation requirements. The entity-level accounting data required by the IPSAS Standards for separate financial statements, investments in associates and joint ventures, joint arrangements, and public sector combinations can mainly be used to support statistical compilation, even where there are differences in presentation requirements and where transactions and balances are presented in the financial statements.

IG33. The following IPSAS Standards are relevant:

- (a) IPSAS 34, *Separate Financial Statements*;
- (b) IPSAS 35, *Consolidated Financial Statements*;
- (c) IPSAS 36, *Investments in Associates and Joint Ventures*;

- (d) IPSAS 37, *Joint Arrangements*;
- (e) IPSAS 38, *Disclosure of Interests in Other Entities*; and
- (f) IPSAS 40, *Public Sector Combinations*.

There is no Implementation Guidance for IPSAS 38 because there is no corresponding guidance in GFSM 2014.

C.1 IPSAS 34, *Separate Financial Statements*

Can GFSM 2014 use data from separate financial statements prepared in accordance with IPSAS 34?

- IG34. Yes. GFSM 2014 can use data from separate financial statements of entities that present consolidated financial statements because GFSM 2014 uses unconsolidated data in the compilation of GFSM reports before applying the consolidated procedures.

Where does GFSM 2014 have more detailed presentation requirements than IPSAS 34?

- IG35. There are more detailed presentation requirements in GFSM 2014 related to financial information by counterparty, but IPSAS Standards-based data can still be used for GFSM 2014 purposes if it is disaggregated to provide this information.

C.2 IPSAS 35, *Consolidation of Financial Statements*

Which recognition and measurement requirements in IPSAS 14 are aligned with GFSM 2014?

- IG36. Both IPSAS 35 and GFSM 2014 require consolidation of controlled entities.

Which recognition and measurement requirements in IPSAS 35 are not aligned with GFSM 2014?

- IG37. GFSM 2014 requires consolidation for the sub-sectors of the public sector. IPSAS 35 does not require such consolidation where there is no control.
- IG38. IPSAS 35 includes conditions for consolidation that are not present in GFSM 2014.
- IG39. IPSAS 35 does not require an investment entity to consolidate its controlled entities, while GFSM 2014 does not have such consolidation exclusion.

Can GFSM 2014 use data from consolidated financial statements prepared in accordance with IPSAS 35 accounting data?

- IG40. IPSAS 35 requires an assessment on whether entities are controlled or not. that may be used for GFSM 2014 purposes. If an entity-by-entity exercise is carried out to review whether the conclusion that an entity is controlled and should be consolidated under IPSAS 35 coincides with the sector classification decision under GFSM 2014, then the entity-level data may be used for statistical compilation purposes.

Where does GFSM 2014 have more detailed presentation requirements than IPSAS 35?

- IG41. GFSM 2014 requires entity-level data for the compilation of GFSM 2014 reports before applying consolidation procedures. Where this source accounting data can be made available at an entity level and sub-consolidations can be carried out on a sub-sector basis then it can be used for statistical compilation purposes.
- IG42. There are more detailed presentation requirements in GFSM 2014 related to financial information by counterparty, non-resident units, and whether controlled entities are general government units or public corporations, but IPSAS Standards-based data can still be used for GFSM 2014 purposes if it is disaggregated to provide this information.

C.3 IPSAS 36, Investments in Associates and Joint Ventures

Which recognition and measurement requirements in IPSAS 36 are aligned with GFSM 2014?

IG43. Both IPSAS 36 and GFSM 2014 require the recognition and measurement of investments in associates and joint ventures.

Which presentation requirements in IPSAS 36 are not aligned with GFSM 2014?

IG44. IPSAS 36 requires the application of the equity method to recognize and measure investments in associates and joint ventures. GFSM 2014 requires equity to be measured at current market prices if there are observable market prices. If there are no observable market prices, it is used information from the stock market on a similar listed share or recent transaction price, net asset value, present value/price to earnings ratios, book values reported by enterprises with macro-level adjustments by the statistics compilers, own funds at book value, and apportioning global value. IPSAS Standards accounting data can be used as source data for GFSM 2014 purposes taking into consideration the GFSM 2014 hierarchy of data usage for statistical compilations

Where will recognition and measurement differences between IPSAS 36 and GFSM 2014 require additional data to be collected for GFSM 2014 purposes?

IG45. As a result of the different recognition and measurement requirements for joint ventures, where IPSAS 36 applies the equity method and GFSM 2014 measures at market value, additional data will need to be collected for GFSM 2014 purposes if own funds at book value is not used.

Where does GFSM 2014 have more detailed presentation requirements than IPSAS 36?

IG46. There are more detailed presentation requirements in GFSM 2014 related to the presentation of changes in the measurement of investments in associates and joint ventures as other economic flows, but IPSAS Standards-based data can still be used for GFSM 2014 purposes if it is disaggregated to provide this information.

C.4 IPSAS 37, Joint Arrangements

Which recognition and measurement requirements in IPSAS 37 are aligned with GFSM 2014?

IG47. IPSAS 37 requires that a joint operator to account for joint operations in accordance with the applicable IPSAS and joint ventures as cost, fair value, or using the equity method. However, GFSM 2014 requires that for joint operations the recording should reflect the proper economic ownership of assets, and the sharing of revenue should be recorded in accordance with their economic nature.

Where will recognition and measurement differences between IPSAS 37 and GFSM 2014 require additional data to be collected for GFSM 2014 purposes?

IG48. As a result of the different recognition and measurement requirements for joint operations and joint ventures, where IPSAS 37 applies the cost, fair value, and the equity method and GFSM 2014 measures at market value, additional data will need to be collected for GFSM 2014 purposes if a measurement basis other than fair value is applied.

Where does GFSM 2014 have more detailed presentation requirements than IPSAS 37?

IG49. There are more detailed presentation requirements in GFSM 2014 related to the presentation of changes in the measurement of joint arrangements as other economic flows, but IPSAS Standards-based data can still be used for GFSM 2014 purposes if it is disaggregated to provide this information.

C.5 IPSAS 40, Public Sector Combinations

Which recognition and measurement requirements in IPSAS 40 are aligned with GFSM 2014?

- IG50. Both IPSAS 40 and GFSM 2014 require the recognition and measurements of public sector combinations.
- IG51. Both IPSAS 40 and GFSM 2014 require the recognition and measurement of amalgamations at the carrying amounts of the identifiable assets, liabilities and any non-controlling interests in the financial statements of the combining operations.
- IG52. Both IPSAS 40 and GFSM 2014 require the recognition and measurement of acquisitions, separately from any goodwill recognized, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquired operation at their acquisition-date fair values.
- IG53. Both IPSAS 40 and GFSM 2014 require the recognition and measurement of goodwill as the difference between the consideration paid and the net of the acquisition-date of the identifiable assets acquired and the liabilities assumed.

Where will recognition and measurement differences between IPSAS 40 and GFSM 2014 require additional data to be collected for GFSM 2014 purposes?

- IG54. There will be no need to collect additional data for GFSM 2014 purposes if IPSAS 40 requirements have been applied.

Where does GFSM 2014 have more detailed presentation requirements than IPSAS 37?

- IG55. There will be a need to classify public sector combinations for GFSM 2014 purposes into transactions and reclassifications of entities related to acquisitions and amalgamations, respectively, but IPSAS Standards-based data can still be used for GFSM 2014 purposes if it is disaggregated to provide this information.
- IG56. There are more detailed presentation requirements in GFSM 2014 related to acquisitions and changes in the structure of entities (merger of two entities or split of one entity), but IPSAS Standards-based data can still be used for GFSM 2014 purposes if it is disaggregated to provide this information.

Group D: Non-financial Assets

- IG57. Both IPSAS Standards and GFSM 2014 have requirements for recognition and measurement of non-financial assets, which generally allow them to be measured at market values, although there are some detailed differences in recognition, measurement, and presentation. The accounting data required by the IPSAS Standards for non-financial assets can therefore mainly be used to support statistical compilation.
- IG58. The following IPSAS Standards are relevant:
- (a) IPSAS 5, *Borrowing Costs*;
 - (b) IPSAS 12, *Inventories*;
 - (c) IPSAS 16, *Investment Property*;
 - (d) IPSAS 21, *Impairment of Non-Cash-Generating Assets*;
 - (e) IPSAS 26, *Impairment of Cash-Generating Assets*;
 - (f) IPSAS 27, *Agriculture*;
 - (g) IPSAS 31, *Intangible Assets*;
 - (h) IPSAS 43, *Leases*;
 - (i) IPSAS 44, *Non-Current Assets Held for Sale and Discontinued Operations*;

- (j) IPSAS 45, *Property, Plant, and Equipment*;
- (k) IPSAS 50, *Exploration for and Evaluation of Mineral Resources*; and
- (l) IPSAS [X], *Tangible Natural Resources Held for Conservation*.

D.1 IPSAS 5, *Borrowing Costs*

Which recognition and measurement requirements in IPSAS 5 are aligned with GFSM 2014?

- IG59. Both IPSAS 5 and GFSM 2014 require the recognition and measurement of borrowing costs.
- IG60. IPSAS 5 includes an accounting policy option that allows borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset to be expensed (benchmark treatment). In GFSM 2014, all borrowing costs are expensed.

Where will recognition and measurement differences between IPSAS 5 and GFSM 2014 require additional data to be collected for GFSM 2014 purposes?

- IG61. If public sector entities choose the benchmark treatment available in IPSAS 5, there will be no need to collect additional data for GFSM 2014 purposes. However, if public sector entities do not choose the benchmark treatment available in IPSAS 5, there will be a need for the accounting data to disaggregate the capitalized borrowing costs so that they can be expensed for statistical compilation purposes.

D.2 IPSAS 12, *Inventories*

Which recognition and measurement requirements in IPSAS 12 are aligned with GFSM 2014?

- IG62. Both IPSAS 12 and GFSM 2014 require the recognition and measurement of inventories.

Where will recognition and measurement differences between IPSAS 12 and GFSM 2014 require additional data to be collected for GFSM 2014 purposes?

- IG63. IPSAS 12 requires inventories to be measured at the lower of cost and net realizable value for inventories held for sale, and at the lower of cost and current operational value for inventories held for distribution or consumption in a nonexchange transaction. GFSM 2014 requires inventories to be valued at current market prices on the balance sheet date.
- IG64. There will be no need to collect the current market prices if the market approach under current operational value is used.

Where does GFSM 2014 have different presentation requirements to IPSAS 12?

- IG65. IPSAS 12 classifies as inventory ('agricultural produce') animals and plants for one-time use after they are harvested/slaughtered, which until then are classified as assets under IPSAS 27. GFSM 2014 classifies animals and plants for one-time use always as inventories, except for non-cultivated biological resources over which ownership rights cannot be enforced.
- IG66. IPSAS 12 requires any write-down of inventories and all losses of inventories to be presented as an expense. The amount of any reversal of any write-down of inventories is to be presented as a reduction in the amount of inventories presented as an expense in the period in which the reversal occurs. In GFSM 2014, any change in the value of inventories between the time of acquisition and withdrawal are presented as other economic flows.

D.3 IPSAS 16, *Investment Property*

Which recognition and measurement requirements in IPSAS 16 are aligned with GFSM 2014?

- IG67. Both IPSAS 16 and GFSM 2014 require the recognition and measurement of investment properties.

- IG68. IPSAS 16 requires initial measurement at transaction price, which will be market value at that point in time and includes an accounting policy option that allows fair value for subsequent measurement. In GFSM 2014, assets are initially and subsequently measured at market value.
- IG69. Both IPSAS 16 and GFSM 2014 require capitalization of costs of transfer directly attributable to the asset.
- IG70. IPSAS 16 has an accounting policy option to subsequently measure investment property at either the current value model or the historical cost model. Public sector entities can choose the current value measurement option available in IPSAS 16 in order to align with GFSM 2014.

Where will recognition and measurement differences between IPSAS 16 and GFSM 2014 require additional data to be collected for GFSM 2014 purposes?

- IG71. If public sector entities choose the current value measurement option available in IPSAS 16, there will be no need to collect additional data for GFSM 2014 purposes.

Where does GFSM 2014 have different presentation requirements to IPSAS 16 even though recognition and measurement requirements are aligned?

- IG72. There are different presentation requirements in GFSM 2014 related to changes in the fair value of investment property because they are presented as other economic flows, and in IPSAS 16 they are presented in surplus or deficit.
- IG73. IPSAS 1 presents investment property as a separate line item in the statement of financial position. GFSM 2014 requires the presentation of investment property within fixed assets in the balance sheet.

D.4 IPSAS 21, Impairment of Non-Cash-Generating Assets

Which recognition and measurement requirements in IPSAS 21 are aligned with GFSM 2014?

- IG74. Both IPSAS 21 and GFSM 2014 require the recognition and measurement of impairment losses in non-cash-generating assets.

Where will recognition and measurement differences between IPSAS 21 and GFSM 2014 require additional data to be collected for GFSM 2014 purposes?

- IG75. There is no need to collect additional data for GFSM 2014 purposes.

Where does GFSM 2014 have different presentation requirements to IPSAS 21 even though recognition and measurement requirements are aligned?

- IG76. There are different presentation requirements in GFSM 2014 related to impairment losses because they are presented as other economic flows, and in IPSAS 21 they are presented in surplus or deficit, unless the asset is carried at revalued amount in accordance with another Standard.

D.5 IPSAS 26, Impairment of Cash-Generating Assets

Which recognition and measurement requirements in IPSAS 26 are aligned with GFSM 2014?

- IG77. Both IPSAS 26 and GFSM 2014 require the recognition and measurement of impairment losses in cash-generating assets.

Where will recognition and measurement differences between IPSAS 21 and GFSM 2014 require additional data to be collected for GFSM 2014 purposes?

- IG78. There is no need to collect additional data for GFSM 2014 purposes.

Where does GFSM 2014 have different presentation requirements to IPSAS 26 even though recognition and measurement requirements are aligned?

IG79. There are different presentation requirements in GFSM 2014 related to impairment losses because they are presented as other economic flows, and in IPSAS 26 they are presented in surplus or deficit, unless the asset is carried at revalued amount in accordance with another Standard.

D.6 IPSAS 27, Agriculture

Which recognition and measurement requirements in IPSAS 27 are aligned with GFSM 2014?

IG80. Both IPSAS 27 and GFSM 2014 require the recognition and measurement of biological assets.

IG81. IPSAS 27 requires initial measurement at transaction price and includes an accounting policy option that allows fair value for subsequent measurement. In GFSM 2014, assets are initially and subsequently measured at market values.

Where will recognition and measurement differences between IPSAS 27 and GFSM 2014 require additional data to be collected for GFSM 2014 purposes?

IG82. There is no need to collect additional data for GFSM 2014 purposes if IPSAS 27 requirements have been applied.

Where does GFSM 2014 have different presentation requirements to IPSAS 27 even though recognition and measurement requirements are aligned?

IG83. There are different presentation requirements in GFSM 2014 related to biological assets for one-time use because they are presented as inventories, and in IPSAS 27 they are presented as property, plant, and equipment in accordance with IPSAS 45.

IG84. There are also different presentation requirements in GFSM 2014 related to gains or losses of a biological asset or agricultural produce at fair value less costs to sell because they are presented as other economic flows, and in IPSAS 27 they are presented in surplus or deficit.

D.7 IPSAS 31, Intangible Assets

Which recognition and measurement requirements in IPSAS 31 are aligned with GFSM 2014?

IG85. Both IPSAS 31 and GFSM 2014 require the recognition and measurement of intangible assets, including research and development.

IG86. IPSAS 31 allows fair value measurement at initial and subsequent measurement. In GFSM 2014, assets should be measured at market values.

IG87. Where IPSAS 31 requires capitalization of development costs, so does GFSM 2014.

Where will recognition and measurement differences between IPSAS 31 and GFSM 2014 require additional data to be collected for GFSM 2014 purposes?

IG88. There is no need to collect additional data for GFSM 2014 purposes, including for research and development as it is already available in the accounting data if IPSAS 31 requirements have been applied.

Where does GFSM 2014 have different presentation requirements to IPSAS 31 even though recognition and measurement requirements are aligned?

IG89. There are different presentation requirements in GFSM 2014 related to research and development expenditure because they are presented together as intangible assets, and in IPSAS 31 research is presented as expense and development is presented as an intangible asset.

- IG90. There are also different presentation requirements in GFSM 2014 related to changes in market value because they are presented as other economic flows, and in IPSAS 31 the increases in the carrying amount of intangible assets in either net assets/equity or surplus or deficit, as appropriate.
- IG91. IPSAS 31 requires that if an intangible asset's carrying amount is decreased as a result of a revaluation, the decrease shall be recognized in surplus or deficit. However, the decrease shall be recognized directly in net assets/equity to the extent of any credit balance in the revaluation surplus in respect of that asset.
- IG92. GFSM 2014 requires that the increases or decreases of intangible non-produced assets and intellectual property products' carrying amounts to be recognized as other economic flows.

D.8. IPSAS 43, Leases

Which recognition and measurement requirements in IPSAS 43 are aligned with GFSM 2014?

- IG93. Both IPSAS 43 and GFSM 2014 require the recognition and measurement of leases.
- IG94. Both IPSAS 43 and in GFSM 2014 require the application of the risks and rewards model for lessor accounting.
- IG95. Under IPSAS 43, lessors classify leases as finance lease or operating lease. Under GFSM 2014, leases are classified as financial leases, operating leases, or resource leases.

Which recognition and measurement requirements in IPSAS 43 are not aligned with GFSM 2014?

- IG96. Under IPSAS 43, lessees do not classify leases as finance lease or operating lease. Under GFSM 2014, leases are classified as financial lease, operating lease, or resource lease.
- IG97. Under IPSAS 43, lessees apply a right-of-use model, and lessors apply a risks and rewards model for lessors, while GFSM 2014 requires a risks and rewards model for both lessees and lessors (symmetric risks and rewards model).
- IG98. IPSAS 43 provides an optional recognition exemption for lessees on short-term leases and leases for which the underlying asset is of low value. GFSM 2014 does not provide such recognition exemption.
- IG99. IPSAS 43 includes specific recognition and measurement requirements on concessionary leases for lessees, whereas GFSM 2014 does not.

Where will recognition and measurement differences between IPSAS 43 and GFSM 2014 require additional data to be collected for GFSM 2014 purposes?

- IG100. For lessors, there is no need to collect additional data for GFSM 2014 purposes if IPSAS 43 requirements have been applied. For lessees, there will be a need to collect additional data related to the underlying asset because GFSM 2014 recognizes and measures the underlying asset (leased asset), not the right-of-use asset, including for short-term leases and leases for which the underlying asset is of low value.

Where does GFSM 2014 have different presentation requirements to IPSAS 43?

- IG101. There are different presentation requirements in GFSM 2014 related to lessee accounting because it is required to present the underlying asset and the lease liability for all leases, and in IPSAS 43 it is required to present the right-of-use asset and the lease liability, except for short-term leases and leases for which the underlying asset is of low value if the lessee elects to present the leases payments as an expense.

D.9 IPSAS 44, Assets Held for Sale and Discontinued Operations

Which recognition and measurement requirements in IPSAS 44 are aligned with GFSM 2014?

- IG102. Both IPSAS 44 and GFSM 2014 require the recognition and measurement of non-current assets held for sale and discontinued operations.

Where will recognition and measurement differences between IPSAS 44 and GFSM 2014 require additional data to be collected for GFSM 2014 purposes?

- IG103. IPSAS 44 requires the measurement of non-current assets (or disposal group) classified as held for sale or held for distribution to owners at the lower of its carrying amount and fair value less costs to sell or less costs to distribute, respectively. GFSM 2014 uses market value as the general valuation approach for all assets.
- IG104. There is no need to collect additional data for GFSM 2014 purposes, as market approach can be used as a technique for estimating fair value under IPSAS 44, and entities will not need to deduct the costs to sell from the fair value measurement of the assets held for sale and discontinued operations for GFSM 2014 purposes.

Where does GFSM 2014 have different presentation requirements to IPSAS 1³?

- IG105. IPSAS 1 requires the presentation of non-current assets held for sale and discontinued operations as a separate line item in the statement of financial position. GFSM 2014 does not have this type of classification and requires the inclusion of non-current assets held for sale within fixed assets in the balance sheet.

D.10 IPSAS 45, Property, Plant, and Equipment

Which recognition and measurement requirements in IPSAS 45 are aligned with GFSM 2014?

- IG106. Both IPSAS 45 and GFSM 2014 require the recognition and measurement of property, plant, and equipment.
- IG107. IPSAS 45 requires initial measurement at transaction price and includes an accounting policy option that allows current value model for subsequent measurement. In GFSM 2014, assets are initially and subsequently measured at market value.
- IG108. Both IPSAS 45 and GFS require capitalization of costs of transfer directly attributable to the asset.

Where will recognition and measurement differences between IPSAS 45 and GFSM 2014 require additional data to be collected for GFSM 2014 purposes?

- IG109. There is no need to collect additional data for GFSM 2014 purposes if IPSAS 45 requirements have been applied.

Where does GFSM 2014 have different presentation requirements to IPSAS 45 even though recognition and measurement requirements are aligned?

- IG110. There are more different requirements in GFSM 2014 related to changes in the carrying amounts of property, plant, and equipment because they are presented as other economic flows, and in IPSAS 45 they are presented in net assets/equity or surplus or deficit, as appropriate.
- IG111. IPSAS 1 presents property, plant, and equipment as a separate line item in the statement of financial position. GFSM 2014 requires the presentation of investment property within fixed assets in the balance sheet.

D.11 IPSAS 50, Exploration for and Evaluation of Mineral Resources

Which recognition and measurement requirements in IPSAS 50 are aligned with GFSM 2014?

- IG112. Both IPSAS 50 and GFSM 2014 require the recognition and measurement of expenditure related to exploration for and evaluation of mineral resources.
- IG113. IPSAS 50 includes an accounting policy option to capitalize expenditure related to exploration for and evaluation of mineral resources. When an entity elects to capitalize expenditure related to exploration for and evaluation of mineral resources, both IPSAS 50 and GFSM 2014 require an entity to account for the expenditure as exploration and evaluation assets.

³ The presentation requirements for assets held for sale and discontinued operations are in IPSAS 1, *Presentation of Financial Statements*.

IG114. IPSAS 50 requires initial measurement at cost and includes an accounting policy option that allows fair value for subsequent measurement. In GFSM 2014, assets are initially and subsequently measured at market value.

Where will recognition and measurement differences between IPSAS 50 and GFSM 2014 require additional data to be collected for GFSM 2014 purposes?

IG115. There is no need to collect additional data for GFSM 2014 purposes if IPSAS 50 requirements have been applied.

Where does GFSM 2014 have different presentation requirements than IPSAS 50 even though recognition and measurement requirements are aligned?

IG116. There are different presentation requirements in GFSM 2014 related to classification of exploration and evaluation assets as a type of intellectual property products, and IPSAS 50 requires the classification of exploration and evaluation assets as either tangible or intangible assets.

IG117. There are also different presentation requirements in GFSM 2014 related to the inclusion of a return to fixed capital on initial measurement, and IPSAS 50 does not include such item. Therefore, GFSM 2014 needs to calculate the return to fixed capital to add to the IPSAS Standards-based accounting data.

D.12 IPSAS [X], Tangible Natural Resources Held for Conservation

Which recognition and measurement requirements in IPSAS [X] are aligned with GFSM 2014?

IG118. Both IPSAS [X] and GFSM 2014 require the recognition and measurement of tangible natural resources held for conservation.

IG119. IPSAS [X] requires initial measurement at deemed cost or cost depending on whether recognition resulted from a transaction in an orderly market and includes an accounting policy option that allows fair value for subsequent measurement. In GFSM 2014, assets are initially and subsequently measured at market value.

Where will recognition and measurement differences between IPSAS [X] and GFSM 2014 require additional data to be collected for GFSM 2014 purposes?

IG120. There is no need to collect additional data for GFSM 2014 purposes if IPSAS [X] requirements have been applied.

Where does GFSM 2014 have different presentation requirements than IPSAS [X] even though recognition and measurement requirements are aligned?

IG121. There are different presentation requirements in GFSM 2014 in the areas listed below, but IPSAS Standards-based data can still be used for compilation purposes if it is disaggregated as follows:

- (a) Types of natural resources – broader type of natural resources;
- (b) Fixed Assets – inclusion of tangible natural resources held for conservation within fixed assets in the balance sheet; and
- (c) Change in the carrying amount as other economic flows.

Group E: Financial Assets and Liabilities

IG122. Both IPSAS Standards and GFSM 2014 have requirements on recognition and measurement of financial assets and financial liabilities, although there are some detailed differences in recognition, measurement, and presentation. The accounting data required by the IPSAS Standards for financial assets and financial liabilities can therefore mainly be used to support statistical compilation.

IG123. The following IPSAS Standards are relevant:

- (a) IPSAS 28, *Financial Instruments: Presentation*;
- (b) IPSAS 29, *Financial Instruments: Recognition and Measurement*;
- (c) IPSAS 30, *Financial Instruments: Disclosures*; and
- (d) IPSAS 41, *Financial Instruments*.

E.1 IPSAS 28, *Financial Instruments: Presentation*

Which presentation requirements in IPSAS 28 are aligned with GFSM 2014?

IG124. Both IPSAS 28 and GFSM 2014 require the presentation of financial instruments.

Where does GFSM 2014 have different presentation requirements than IPSAS 28?

IG125. There are different presentation requirements in GFSM 2014 related to:

- (a) Shares/contributed capital because they are presented as equity within liabilities as opposed to being presented separately as required in IPSAS 28;
- (b) Dividends paid because they are to be expensed instead of being presented by the entity directly in net/assets equity as required in IPSAS 28; and
- (c) Related costs of an equity transaction (other than when related to acquisition of a business) because they are presented as expenses where IPSAS 28 requires to be accounted for as a direct deduction from equity.
- (d) Distinction between Domestic and foreign presentation of financial instruments that is not present in IPSAS 28.

E.2 IPSAS 29, *Financial Instruments: Recognition and Measurement*

Which recognition and measurement requirements in IPSAS 29 are aligned with GFSM 2014?

IG126. Both IPSAS 29 and GFSM 2014 require the recognition and measurement of hedging.

Where will recognition and measurement differences between IPSAS 29 and GFSM 2014 require additional data to be collected for GFSM 2014 purposes?

IG127. There is no need to collect additional data for GFSM 2014 purposes if IPSAS 29 requirements have been applied.

Where does GFSM 2014 have different presentation requirements than IPSAS 29 even though recognition and measurement requirements are aligned?

- IG128. There are different presentation requirements in GFSM 2014 related to the changes in the measurement of the hedging instrument and the offsetting effects as other economic flows, and in IPSAS 29 they are presented in surplus or deficit or net assets/equity, as appropriate, but IPSAS Standards-based data can still be used for compilation purposes.
- IG129. IPSAS 29 classifies hedging relationships into three types: fair value hedge, cash flow edge, and hedge of a net investment in a foreign operation as defined in IPSAS 4. GFSM 2014 does not have classification of hedging relationships, so the accounting data is more detailed than is required for statistical compilation purposes.

E.3 IPSAS 30, *Financial Instruments: Disclosures*

Which disclosures requirements in IPSAS 30 are aligned with GFSM 2014?

IG130. Both IPSAS 30 and GFSM 2014 require the disclosure of financial instruments.

Where will disclosures differences between IPSAS 30 and GFSM 2014 require additional data to be collected for GFSM 2014 purposes?

IG131. IPSAS 30 requires a broader range of disclosures on financial instruments compared with GFSM 2014 that only requires disclosures on gross debt, net debt, and concessionary loans and arrears. IPSAS 30 disclosures can benefit GFSM 2014 compilation.

E.4 IPSAS 41, Financial Instruments

Which recognition and measurement requirements in IPSAS 41 are aligned with GFSM 2014?

IG132. Both IPSAS 41 and GFSM 2014 require the recognition and measurement of financial instruments, including public sector specific financial instruments.

IG133. IPSAS 41 requires a financial asset to be measured at fair value where the cash flows are not solely payments of principal and interest (as is the case with equity instruments). GFSM 2014 adopts a "current market price" (fair value) hierarchy across all assets, except for loans and receivables (nominal value).

Where will recognition and measurement requirements in IPSAS 41 are not aligned with GFSM 2014 require additional data to be collected for GFSM 2014 purposes?

IG134. There will be a need to collect additional data on the contractual terms of concessionary loans because IPSAS 41 requires the measurement of concessionary loans at fair value and GFSM 2014 requires the measurement of concessionary loans at nominal value.

Where does GFSM 2014 have different presentation requirements than IPSAS 41 even though the recognition and measurement requirements are aligned?

IG135. There are different presentation requirements in GFSM 2014 in the areas listed below, but IPSAS Standards-based data can still be used for compilation purposes, as follows:

- (a) IPSAS 41 requires the presentation of changes in the value of financial assets where the cash flows are not solely payments of principal and interest (as is the case with equity instruments) in surplus or deficit. GFSM 2014 requires the presentation of changes in the value of financial assets and financial liabilities as other economic flow.
- (b) IPSAS 41 requires the presentation of an equity instrument arising from non-exchange transaction into two components (exchange and non-exchange) and present the non-exchange component in surplus or deficit. GFSM 2014 requires the presentation of non-exchange component as capital transfer.
- (c) IPSAS 41 requires the presentation of financial guarantees issued through a non-exchange transaction as an expense in the issuer's statement of financial performance. GFSM 2014 requires the presentation of non-exchange component as capital transfer.
- (d) IPSAS 41 requires the recognition of the concession component in a concessionary loan for both the lender and the borrower. In GFSM 2014, the concession component in a concessionary loan is not recognized, but only disclosed as a memorandum item.
- (e) IPSAS 41 requires that transaction costs are included in the measurement of the financial instrument, whereas in GFSM 2014 they are expensed.
- (f) IPSAS 41 requires the presentation of the offsetting effects on surplus or deficit in the fair values of the hedging instrument and the hedged item. GFSM 2014 requires the presentation of the offsetting effects as other economic flows.
- (g) IPSAS 41 requires the presentation of the gains or losses from remeasuring the hedging instrument in either surplus or deficit or net assets/equity depending on the type of hedging relationship and other

criteria. GFSM 2014 requires the presentation of the gains or losses from remeasuring the hedging instrument as other economic flows.

- IG136. IPSAS 41 classifies hedging relationships into three types: fair value hedge, cash flow edge, and hedge of a net investment in a foreign operation as defined in IPSAS 4. GFSM 2014 does not have classification of hedging relationships, so the accounting data is more detailed than is required for statistical compilation purposes.
- IG137. Inversely, GFSM 2014 identifies four types of securitizations while IPSAS 41 does not make such distinction. Therefore, the accounting data need to be disaggregated to provide the GFSM 2014 classification.
- IG138. IPSAS 41 requires a financial liability to be subsequently measured at amortized cost, except for specific financial liabilities. GFSM 2014 requires the measurement of financial liabilities at market values, except for loans which are measured at nominal value. Therefore, there will be a need to collect additional data for financial liabilities that require market value for GFSM 2014 purposes.
- IG139. IPSAS 41 requires the expected credit model for impairment assessment of financial assets that is not present in GFSM 2014.

Group F: Revenue and Transfer Expenses

- IG140. Both IPSAS Standards and GFSM 2014 have recognition and measurement requirements for revenue and transfer expenses. Revenue recognition in IPSAS 47 is based on the concept of control, whereas GFSM 2014 applies the risks and rewards approach. These are different ways for looking at the same concept. So, although there are some detailed differences in recognition, measurement, and presentation, the accounting data required by the IPSAS Standards for revenue and transfer expenses can therefore mainly be used to support statistical compilation.
- IG141. The following IPSAS Standards are relevant:
- (a) IPSAS 47, *Revenue*; and
 - (b) IPSAS 48, *Transfer Expenses*.

F.1 IPSAS 47, *Revenue*

Which recognition and measurement requirements in IPSAS 47 are aligned with GFSM 2014?

- IG142. Both IPSAS 47 and GFSM 2014 require the recognition and measurement of revenue.
- IG143. IPSAS 5 includes an accounting policy option that allows services in-kind to be recognized as revenue. In GFSM 2014, all services in-kind are recognized as revenue.

Where will recognition and measurement differences between IPSAS 47 and GFSM 2014 require additional data to be collected for GFSM 2014 purposes?

- IG144. Recognition and measurement requirements in IPSAS 47 are based on whether the transaction is part of a binding arrangement or not. In GFSM 2014, the requirements are based on economic nature of the types of transactions. For those arrangements that the revenue recognition is at a point in time under IPSAS 47, there will be no need to collect additional data for GFSM 2014 purposes if IPSAS 47 requirements have been applied.
- IG145. However, for those arrangements that the revenue recognition is over time under IPSAS 47, there will be a need to make its separate identification for GFSM 2014 purposes.
- IG146. If public sector entities choose the option in IPSAS 47 to recognize services in-kind, there will be no need to collect additional data for GFSM 2014 purposes. However, if public sector entities do not choose to recognize services in-kind, there will be a need to collect additional data for statistical compilation purposes.

IG147. The disclosures in IPSAS 47 can be used for statistical compilation purposes.

Where does GFSM 2014 have different presentation requirements to IPSAS 47?

IG148. There are different presentation requirements in GFSM 2014 related to binding arrangements when either party has performed because in GFSM 2014 it is presented as other accounts receivable/payable in the balance sheet, and IPSAS 47 requires its presentation in the statement of financial position as binding arrangement asset or as binding arrangement liability.

F.2 IPSAS 48, Transfer Expenses

Which recognition and measurement requirements in IPSAS 48 are aligned with GFSM 2014?

IG149. Both IPSAS 48 and GFSM 2014 require the recognition and measurement of transfer expenses.

Where will recognition and measurement differences between IPSAS 48 and GFSM 2014 require additional data to be collected for GFSM 2014 purposes?

IG150. Recognition and measurement requirements in IPSAS 48 are based on whether the transaction is part of a binding arrangement or not. In GFSM 2014, the requirements are based on, among other considerations, the assessment of whether the transfer is compulsory or voluntary. For those arrangements that the expense recognition is at a point in time under IPSAS 48, there will be no need to collect additional data for GFSM 2014 purposes if IPSAS 48 requirements have been applied.

IG151. However, for those arrangements that the expense recognition is over time under IPSAS 48, there will be a need to make its separate identification for GFSM 2014 purposes.

IG152. The disclosures in IPSAS 48 can be used for GFSM 2014 compilation purposes.

Where does GFSM 2014 have different presentation requirements than IPSAS 48?

IG153. There are different presentation requirements in GFSM 2014 related to grants because GFSM 2014 distinguishes them as either current or capital grants, regardless of whether the grant arises from a binding arrangement, and IPSAS 48 distinguishes them between transfer expenses arising from transactions with binding arrangements (including capital transfers) and transfer expenses from transactions without binding arrangements.

Group G: Other Expenses and Non-financial Liabilities

IG154. Both IPSAS Standards and GFSM 2014 have requirements on provisions, contingent liabilities, contingent assets, service concession arrangements, employee benefits, social benefits, and retirement benefit plans, although there are some differences in recognition, measurement, and presentation. The accounting data required by the IPSAS Standards for these topics can mainly be used to support statistical compilation.

IG155. The following IPSAS Standards are relevant:

- (a) IPSAS 19, Provisions, Contingent Liabilities and Contingent Assets;
- (b) IPSAS 32, Service Concession Arrangements: Grantor;
- (c) IPSAS 39, Employee Benefits;
- (d) IPSAS 42, Social Benefits; and
- (e) IPSAS 49, Retirement Benefit Plans.

G.1 IPSAS 19, Provisions, Contingent Liabilities, and Contingent Assets

Which recognition and measurement requirements in IPSAS 19 are aligned with GFSM 2014?

- IG156. Both IPSAS 19 and GFSM 2014 require the recognition of provisions for standardized guarantees.
- IG157. Both IPSAS 19 and GFSM 2014 do not require the recognition of contingent liabilities and require their disclosure
- IG158. Both IPSAS 19 and GFSM 2014 do not require the recognition of provisions for collective and individual services prior to the delivery of those services to the beneficiaries.

Where will recognition and measurement differences between IPSAS 19 and GFSM 2014 require additional data to be collected for GFSM 2014 purposes?

- IG159. The need for collection of additional data for GFSM 2014 purposes will depend on the type of transaction.
- IG160. For provisions, there is no need to collect additional data for provisions because it is not used for GFSM 2014 purposes, except for standardized guarantees and for some implicit provisions for tax refunds.
- IG161. For contingent assets and contingent liabilities, there is no need to collect additional data if IPSAS 19 requirements have been applied because IPSAS 19-based financial information can be used as data source in the compilation of statistics in accordance with the GFSM 2014.

Where does GFSM 2014 have more detailed presentation requirements than IPSAS 19?

- IG162. There are more detailed presentation requirements in GFSM 2014 related to contingent liabilities because GFSM 2014 distinguishes between explicit contingent liabilities and implicit contingent liabilities, and IPSAS 19 does not make such distinction.

G.2 IPSAS 32, Service Concession Arrangements: Grantor

Which recognition and measurement requirements in IPSAS 32 are aligned with GFSM 2014?

- IG163. Both IPSAS 32 and GFSM 2014 require the recognition and measurement of service concession arrangements.

Where will recognition and measurement differences between IPSAS 32 and GFSM 2014 require additional data to be collected for GFSM 2014 purposes?

- IG164. IPSAS 32 follows a control-based approach to service concession asset recognition. GFSM 2014 follows a risks and rewards approach to service concession asset recognition. This may lead to different recognition results.
- IG165. IPSAS 32 includes two cumulative conditions that once met by the grantor requires the recognition of the service concession asset by the grantor. GFSM 2014 includes several risks associated with acquiring and operating the asset that need to be considered in assessing economic ownership of public-private partnerships-related assets.
- IG166. There is no need for collection of additional data for GFSM 2014 purposes if IPSAS 32 requirements have been applied with the same recognition results.

Where does GFSM 2014 have more detailed presentation requirements than IPSAS 32?

- IG167. GFSM 2014 identifies two models to public-private partnerships: government is the economic owner of the asset(s) during the contract period and private corporation is the economic owner of the asset(s) during the contract period, while IPSAS 32 identifies two models of service concession arrangements: financial liability model and grant of a right to the operator model.

G.3 IPSAS 39, Employee Benefits

Which recognition and measurement requirements in IPSAS 39 are aligned with GFSM 2014?

- IG168. Both IPSAS 39 and GFSM 2014 require the recognition and measurement of employee benefits.
- IG169. For defined contribution plans, the recognition and measurement requirements of IPSAS 39 and GFSM 2014 are aligned.
- IG170. For defined benefit plans, both IPSAS 39 and GFSM 2014 require the recognition of the net defined benefit liability.

Where will recognition and measurement differences between IPSAS 39 and GFSM 2014 require additional data to be collected for GFSM 2014 purposes?

- IG171. IPSAS 39 requires the recognition of future non-pensions employee benefits, while GFSM 2014 does not require the recognition of all such benefits. IPSAS 39 includes constructive obligations in the measurement of the defined benefit obligation, while GFSM 2014 does not. Therefore, there is no need for collection of additional data for GFSM 2014 purposes if IPSAS 39 requirements have been applied.

Where does GFSM 2014 have more detailed presentation requirements than IPSAS 39?

- IG172. There are more detailed presentation requirements in GFSM 2014 in the areas listed below, but IPSAS Standards-based data can still be used for compilation purposes as follows:
- (a) Changes in the value of the defined benefit obligation from actuarial and financial assumptions – presented as other economic flows.
 - (b) Short-term and long-term employee benefits distinction – no such distinction is made.
 - (c) Net interest approach – no such presentation is made but rather presents the proceeds of fund assets and interest on fund liabilities according to the economic nature of these revenues and expenses.

G.4 IPSAS 42, Social Benefits

Which recognition and measurement requirements in IPSAS 42 are aligned with GFSM 2014?

- IG173. Both IPSAS 42 and GFSM 2014 recognize social benefits that is earned (provided that eligibility criteria are met).

Where will recognition and measurement differences between IPSAS 42 and GFSM 2014 require additional data to be collected for GFSM 2014 purposes?

- IG174. There is no need to collect additional data for GFSM 2014 purposes if IPSAS 42 requirements have been applied, except for social benefits in-kind and the social benefits accounted for using the insurance approach because:
- (a) The definition of social benefits in GFSM 2014 includes social benefits provided in cash or in-kind (for example, health services), and IPSAS 42 limits its definition of social benefits to cash transfers (including cash equivalents); and
 - (b) IPSAS 42 permits relevant social benefits to be recognized and measured using the insurance approach, where the social benefit scheme is intended to be fully funded from contributions and there is evidence that the entity manages the scheme in the same way as an issuer of insurance contracts, including assessing the financial performance and financial position of the scheme on a regular basis, while GFSM 2014 does not include this option.

Where does GFSM 2014 have more detailed presentation requirements than IPSAS 39?

IG175. There are more detailed presentation requirements in GFSM 2014 related to the presentation of social benefits as social benefits can be provided in cash or in kind (for example, health services), while IPSAS 42 limits its definition of social benefits to cash transfers (including cash equivalents).

G.5 IPSAS 49, Retirement Benefit Plans

Which recognition and measurement requirements in IPSAS 49 are aligned with GFSM 2014?

IG176. Both IPSAS 49 and GFSM 2014 require the recognition of retirement benefit obligations by retirement benefit plans.

IG177. IPSAS 49 requires retirement benefits plan investments to be measured at fair value. In GFSM 2014, assets are generally measured at market values.

IG178. Both IPSAS 49 and GFSM 2014 require the measurement of the present value of the retirement benefits using an actuarial valuation.

Where will recognition and measurement differences between IPSAS 49 and GFSM 2014 require additional data to be collected for GFSM 2014 purposes?

IG179. There will be no need to collect additional data for GFSM 2014 purposes if IPSAS 49 requirements have been applied.

Group H: Disclosures and Other Standards

IG180. Both IPSAS Standards and GFSM 2014 have requirements on the classification of functions of Government, although there are some presentation differences. The accounting data required by the IPSAS Standards for this topic can mainly be used to support statistical compilation, even where there are differences in presentation requirements.

IG181. The following IPSAS Standards are relevant:

- (a) IPSAS 18, *Segment Reporting*; and
- (b) IPSAS 20, *Related Party Disclosures*.

No Implementation Guidance is proposed for IPSAS 20 because there is no corresponding guidance in GFSM 2014.

H.1 IPSAS 18, Segment Reporting

Which requirements in IPSAS 18 are aligned with GFSM 2014?

IG182. IPSAS 18 allows the aggregation and reporting at the whole-of-government level of major economic classifications of activities undertaken by general government in accordance with the Classification of Functions of Government (COFOG).

Where will differences between IPSAS 18 and GFSM 2014 require additional data to be collected for GFSM 2014 purposes?

IG183. There is no need to collect additional data for GFSM 2014 purposes if IPSAS 18 requirements have been applied.

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