

REQUEST FOR COMMENTS

This Exposure Draft (ED), *Linkages Between IPSAS Standards and the Government Finance Statistics Manual 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.

IPSASB’s Project on Strengthening Linkages Between IPSAS Standards and the Government Finance Statistics Manual

Alignment between IPSAS Standards and the Government Finance Statistics Manual 2014 (GFSM 2014) is of critical importance for a strong public financial management (PFM) at all levels of the public sector. Significant benefits in terms of accountability and decision-making can be gained from using a single integrated financial information system to generate both IPSAS Standards-based financial statements and GFSM 2014 reports.

Assured-Audited IPSAS Standards-based accounting data can be used directly for both IPSAS 22-based reporting and GFSM 2014 compilation reporting purposes where the recognition and measurement requirements are aligned between the frameworks, which strengthens the quality of the statistical data used for macroeconomic management. Where there are recognition and/or measurement differences, these can be managed through the collection of additional data.

The GFSM 2014 update process and the ongoing IPSAS Standards development program provide opportunities for increased alignment between the frameworks, ~~improved data quality, and therefore stronger PFM~~. In this context, in March 2025 the IPSASB approved the Project Brief, Strengthening Linkages Between IPSAS Standards and the GFSM.

This project aligns with the IPSASB’s Strategy and Work Program (2024–2028), which emphasizes reducing unnecessary differences between IPSAS Standards and Government Finance Statistics to enhance the usefulness of IPSAS Standards-based accounting data for macro-fiscal management and decision-making. By strengthening linkages between IPSAS Standards and GFSM 2014, the initiative advances the IPSASB’s strategic focus on collaboration with international statistical organizations, improving data consistency, and supporting jurisdictions in maximizing the value of IPSAS Standards-based accounting data for both financial and statistical reporting.

The objective of the Project is to strengthen the linkages between IPSAS Standards and the GFSM to help public sector entities maximize the extent to which they can draw on IPSAS Standards-based accounting data in preparing both IPSAS 22-based reporting and the statistical information that is used by decision-makers and for accountability purposes. Producing aligned financial reporting and statistical information to the extent possible benefits preparers and users of both sets of information by reducing its costs of compilation reporting and enhancing its quality through the use of data subject to independent ~~assurance~~ auditing.

The Project will lead to the issuance of additional non-authoritative guidance¹ to IPSAS 22, *Disclosure of Financial Information About the General Government Sector* on the IPSAS Standards-compliant recognition and measurement

¹ IPSAS Standards include both authoritative and non-authoritative guidance. The authoritative guidance includes core text and application guidance. The non-authoritative guidance includes Illustrative Examples, Implementation Guidance, and Basis for Conclusions. Non-authoritative guidance accompanies but is not part of IPSAS Standards.

requirements and accounting policy options that allow IPSAS Standards-based accounting data to be useful for statistical-GFSM 2014 reporting purposes, as well as 'Comparison with GFSM 2014' tables to be added to all IPSAS Standards ~~that were issued before IPSAS 42~~. The project also aims to identify opportunities to increase alignment between IPSAS Standards and the GFSM as a result of the GFSM 2014 update process and the IPSAS Standards forward work program.

Objectives of the ED

The objectives of this ED are to propose additional non-authoritative guidance for IPSAS 22, *Disclosure of Financial Information About the General Government Sector* to facilitate both the preparation of these disclosures, where a reporting entity elects to do this, and for the use of IPSAS Standards-based accounting data for ~~statistical-GFSM 2014 compilation~~reporting 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 1:

The IPSASB decided to propose non-authoritative guidance to strengthen the linkages between IPSAS Standards-based accounting data and GFSM 2014 reporting in IPSAS 22 (see paragraphs IPSAS 22.BC18–BC24? Do you agree with the proposed non-authoritative amendments to IPSAS 22? If not, please explain your reasons.

Specific Matter for Comment 2:

The IPSASB decided to propose the non-authoritative guidance on measurement at the measurement basis level (see paragraph IPSAS 22.BC30? Do you agree with the proposed non-authoritative amendments to IPSAS 22? If not, please explain your reasons.

Introduction

1. This ED 94, *Linkages Between IPSAS Standards and the Government Finance Statistics Manual 2014* (Amendments to IPSAS 22) continues the IPSASB's close collaboration with the statistical community, and builds on the [Consultation Paper, IPSASs and Government Finance Statistics Reporting Guidelines](#), issued in October 2012.
2. The ED is intended to support the presentation of information about the general government sector (GGS) where governments elect to include this in their consolidated financial statements, as well as its use for statistical reporting purposes. It ~~does this by proposing~~ proposes additional non-authoritative guidance for IPSAS 22, *Disclosure of Financial Information About the General Government Sector*. The proposed guidance explains ~~on~~ the IPSAS Standards-compliant recognition and measurement requirements, and the accounting policy options that already allow IPSAS Standards-based accounting data to be used for both ~~these~~ purposes. It also identifies ~~and~~ the additional data requirements where recognition and/or measurement differences currently exist between IPSAS Standards and the GFSM 2014.

Non-authoritative Guidance

3. The proposed non-authoritative implementation guidance to IPSAS 22 is presented in a Question-and-Answer format for each IPSAS Standard. ~~#The ED~~ provides additional high-level information for each IPSAS Standard on:
 - (a) The data recognition and measurement requirements that are aligned with those in GFSM 2014;
 - (b) Where GFSM 2014 has different data presentation requirements even though recognition and measurement requirements are aligned; and
 - (c) Where additional data needs to be collected for GFSM 2014 reporting purposes because of key recognition and measurement differences.
4. The additional non-authoritative guidance proposed in ED 94 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 October 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>

Groups	IPSAS Standards
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 51, <i>Tangible Natural Resources Held for Conservation</i>
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>

5. ED 94 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 Government Finance Statistics Manual 2014* (Amendments to IPSAS 22)

Introduction

- BC18.** IPSAS 22 is a non-mandatory standard for the reasons explained in BC5. Therefore, if an entity does not elect to apply the standard, this does not impact on its ability to assert compliance with IPSAS Standards. The objective of IPSAS 22 is to prescribe disclosure requirements for governments that elect to present information about the General Government Sector in their consolidated financial statements. This requires an understanding of where the IPSAS Standards requirements and the Government Finance Statistics Manual 2014 (GFSM 2014) data requirements are the same, and where additional data needs to be collected because of different methodologies. Understanding these similarities and differences is also necessary for audited IPSAS Standards-based accounting data to be utilized to improve the quality of the statistical information used for macroeconomic decision-making.
- BC19.** However, IPSAS 22 does not provide any implementation guidance to help those jurisdictions wanting to achieve these aims. Therefore, the proposed implementation guidance in Exposure Draft 94, *Linkages Between IPSAS Standards and the Government Finance Statistics 2014* by identifies the:
- (a) Identifying the existing accounting policy options under IPSAS Standards that can be selected in order to align with statistical reporting requirements Data recognition requirements in IPSAS Standards aligned with GFSM 2014;
 - (b) Identifying the recognition and measurement requirements under IPSAS Standards that provide accounting data that can already be used to compile statistics in accordance with Government Finance Statistics Manual 2014 (GFSM 2014) Different data presentation requirements between IPSAS Standards and GFSM 2014 even though the recognition and measurement requirements are aligned; and
 - (c) Mapping these accounting policy options and recognition and measurement requirements to the GFSM 2014, which provides the overarching requirements of international statistical guidance with a “comprehensive conceptual and reporting framework suitable for analyzing and evaluating fiscal policy, especially the performance of the general government sector and the broader public sector of any economy to be applied by governments” Additional data that needs to be collected for GFSM 2014 reporting because of key recognition and measurement difference.
- BC20.** Therefore, adding non-authoritative implementation guidance to IPSAS 22 assists jurisdictions seeking to maximize the use of IPSAS-based accounting data for GFSM 2014 reporting.

[Link to IPSASB's 2024-2028 Strategy and Work Program](#)

BC21. The IPSASB noted that the IPSASB's 2024-2028 Strategy and Work Program has the following Strategic Objective:

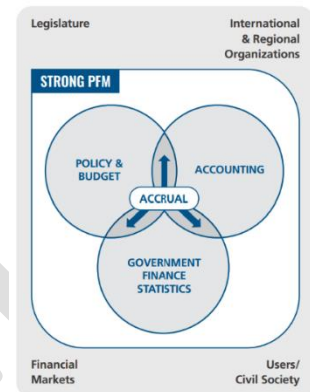
“Strengthening Public Financial Management (PFM) and sustainable development globally through increasing adoption and implementation of accrual IPSAS Standards and international public sector sustainability reporting standards.”

BC22. This Strategic Objective will be delivered through four key areas:



BC23. The IPSASB concluded that undertaking a project to address the guidance gap in IPSAS 22 as explained in paragraph BC19 is consistent with IPSASB's Strategic Objective because it will:

- Raise awareness of the options for maximizing the use of IPSAS Standards-based accounting data for preparing both financial statements and GFSM 2014 reporting; and
- Help deliver IPSASB's aim of advocating the benefits of financial reporting information.



Development of Exposure Draft 94, Linkages Between IPSAS Standards and the Government Finance Statistics Manual 2014 (Amendments to IPSAS 22)

BC24. In March 2025, the IPSASB therefore approved a project brief to develop **supplementary** non-authoritative guidance **for IPSAS 22** 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 implementation guidance on the IPSAS Standards-compliant recognition and measurement requirements and accounting policy options that already allow IPSAS Standards-based accounting data to be used for **statistical-GFSM 2014 reporting purposes**. Where there are differences, it would provide summary of these, together with the additional information requirements. In addition, non-authoritative *Comparison with GFSM 2014* tables would also be added to IPSAS Standards that were issued before IPSAS 42. The production of these new tables led to the revision of the *Comparison with GFS* tables in IPSAS 42-50.

BC25. The IPSASB also noted that GFSM 2014 does not provide guidance on several topics addressed in IPSAS Standards. For this reason, the IPSASB decided not to propose *Comparison with GFS* tables for 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.

Task Force

BC26. The IPSASB decided to utilize a Task Force to support the development of [draft] Exposure Draft 94 to a Task Force given the special expertise required. The Task Force was comprised of representatives of the International Monetary Fund, Eurostat, Swiss Federal Finance Administration and South Africa's National Treasury. The Task Force highlighted any significant points of substance for explicit review by IPSASB.

Type of Non-authoritative Implementation Guidance in IPSAS 22

BC27. To better ~~achieve this goal~~ support the accounting data identification described in paragraph BC19, the IPSASB decided that the proposed non-authoritative implementation guidance to IPSAS 22 should follow a Question & Answer (Q&A) format that should focus on:

- (a) Which data recognition and measurement requirements in IPSAS Standards are aligned with GFSM 2014;
- (b) Where GFSM 2014 has different data presentation requirements from IPSAS Standards even though the recognition and measurement requirements are aligned; and
- (c) Where additional data needs to be collected for GFSM 2014 ~~reporting purposes~~ because of key recognition and measurement differences.

BC28. The IPSASB also decided that the proposed guidance in IPSAS 22 should be focused on the ~~at main~~ 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 accounting data ~~in the compilation of~~ GFSM 2014 ~~reports~~ reporting. The statistical community, particularly national statistical offices, would likely benefit from development of bridging tables to ensure that where IPSAS Standards-based accounting data is already available that is fully utilized and drawn upon from the accounting system, ~~for statistical compilation~~ GFSM 2014 reporting.

BC29. The IPSASB also decided to propose the new non-authoritative guidance to IPSAS 22 in groups of IPSAS Standards focusing on a common topic 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.

BC30. The IPSASB considered whether to propose the non-authoritative guidance on measurement at measurement basis level or at measurement technique level in accordance with IPSAS 46, *Measurement*. The IPSASB decided to propose the non-authoritative guidance on measurement at measurement basis level because it provides flexibility to accountants and statisticians working together to choose the measurement technique that best fits the several measurement techniques in GFSM 2014 applied to each specific situation.

Jurisdictional Considerations

BC31. The IPSASB is aware that some jurisdictions have aligned elements of their public sector reporting with GFSM 2014, or with earlier GFS frameworks, due to program, or funding arrangements with international financial institutions and development partners. In these cases, Government Finance Statistics (GFS) reporting may precede, or operate alongside, the adoption of accrual-based IPSAS. The Board noted that the non-authoritative implementation guidance added to IPSAS 22 may assist such jurisdictions by clarifying the areas of alignment and difference between IPSAS and GFS requirements, thereby supporting the

transition toward IPSAS-compliant financial statements and promoting greater consistency across financial and statistical reporting frameworks.

Terminology and Materiality Considerations

BC32. The IPSASB noted that IPSAS Standards and GFSM 2014 sometimes use difference terms to describe the same underlying concept (for example, market value in IPSAS Standards and market price in GFSM 2014), and in other cases use the same term with different meanings. Preparers should consider whether terminology differences reflect substantive recognition or measurement differences, or merely different labelling of similar information. Where terminology varies but the underlying economic phenomenon is the same, preparers should ensure that IPSAS Standards-based accounting data is mapped appropriately for GFSM 2014 reporting.

BC33. While GFSM 2014 does not articulate a formal materiality concept in the same way as IPSAS Standards, it applies a pragmatic approach based on relevance, significance, and cost-benefit. Consistent with IPSAS Standards principles, preparers should materiality when considering additional information needs for statistical reporting, recognizing that minor differences may not require additional data collection or separate identification where they do not materially affect accountability, decision-making, and fiscal analysis.

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