

**Meeting:** International Public Sector Accounting  
Standards Board

**Meeting Location:** Virtual Meeting

**Meeting Date:** April 30, 2025

# Agenda Item 1

For:

☐ Approval

☒ Discussion

☐ Information

## NATURAL RESOURCES

<b>Project summary</b>	The objective of the Natural Resources project is to research and address issues relating to the potential recognition and measurement of tangible natural resources.	
<b>Project staff lead</b>	<ul style="list-style-type: none"> <li>Edwin Ng, Principal</li> </ul>	
<b>Task force members</b>	<ul style="list-style-type: none"> <li>To Be Determined</li> </ul>	
<b>Meeting objectives</b>	<b>Topic</b>	<b>Agenda Item</b>
<b>Project management</b>	<a href="#">[Draft] Final Standard Dashboard</a>	<a href="#">1.1.1</a>
	<a href="#">Decisions up to Previous Meeting</a>	<a href="#">1.1.2</a>
	<a href="#">Instructions up to Previous Meeting</a>	<a href="#">1.1.3</a>
	<a href="#">Natural Resources: Project Roadmap</a>	<a href="#">1.1.4</a>
<b>Decisions required at this meeting</b>	<a href="#">Preliminary Review of Responses to [draft] IPSAS [X] (ED 92). <i>Tangible Natural Resources</i></a>	<a href="#">1.2.1</a>
	<a href="#">Summary of Responses for Specific Matters for Comment 1: Scope</a>	<a href="#">1.2.2</a>
	<a href="#">Summary of Responses for Specific Matters for Comment 2: Definitions</a>	<a href="#">1.2.3</a>
	<a href="#">Summary of Responses for Specific Matters for Comment 3: Depreciation</a>	<a href="#">1.2.4</a>
	<a href="#">Summary of Responses for Specific Matters for Comment 4: Exemption from Certain Disclosures</a>	<a href="#">1.2.5</a>
	<a href="#">Summary of Responses for Specific Matters for Comment 5: Cross-References to IPSAS 45, Property, Plant, and Equipment</a>	<a href="#">1.2.6</a>
	<a href="#">Summary of Responses for Specific Matters for Comment 6: Transition</a>	<a href="#">1.2.7</a>

	<a href="#">Summary of Responses for Specific Matters for Comment 7: Amendments to the Description of 'Heritage Asset' in IPSAS 45, Property, Plant, and Equipment</a>	<a href="#">1.2.8</a>
	<a href="#">Summary of Responses for Specific Matters for Comment 8: Sufficiency of Proposed Implementation Guidance and Illustrative Examples</a>	<a href="#">1.2.9</a>
	<a href="#">Responses to ED 92 – Key Themes and Next Steps</a>	<a href="#">1.2.10</a>
<b>Other supporting items</b>	<a href="#">ED 92: Analysis of Respondents by Region, Function and Language, List of Respondents, and Summary of Responses to SMCs</a>	<a href="#">1.3.1</a>
	<a href="#">Responses to [draft] IPSAS [X] (ED 92), <i>Tangible Natural Resources</i></a>	<a href="#">Posted Separately</a>

**NATURAL RESOURCES:  
FINAL IPSAS STANDARD DASHBOARD**

Topic	April 2025	June 2025	Sept 2025	Dec 2025
<b>Overall Project Management</b>				
Project planning				
Review of responses and identification of key themes and other issues				
Review of the [draft] final IPSAS				
Approval of the final IPSAS				
<b>Tangible Natural Resources – Key Issues</b>				
Objective & Scope				
Definitions				
Recognition & Measurement				
Presentation & Disclosure				
Implementation Guidance				
Illustrative Examples				

<b>Legend</b>	
✓	Task Completed
	Planned IPSASB Discussion
	Page-by-page Review

**DECISIONS UP TO PREVIOUS MEETING**

Meeting	Decision	BC Reference
September 2024	1. All decisions made up to September 2024 were reflected in [draft] IPSAS [X] (ED 92), <i>Tangible Natural Resources</i> .	1. N/A.

**INSTRUCTIONS UP TO PREVIOUS MEETING**

Meeting	Instruction	Actioned
September 2024	1. All instructions up to September 2024 have been addressed prior to the issuance of [draft] IPSAS [X] (ED 92), <i>Tangible Natural Resources</i> .	1. N/A.

**NATURAL RESOURCES:  
PROJECT ROADMAP**

<b>Meeting</b>	<b>Completed Actions or Discussions / Planned Actions or Discussions:</b>
April 2025	1. Preliminary analysis of responses
June 2025	1. Review responses 2. Discuss issues 3. Develop IPSAS Standard
September 2025	1. Review responses 2. Discuss issues 3. Review IPSAS Standard
December 2025	1. Approve IPSAS Standard

## **Preliminary Review of Responses to [Draft] IPSAS [X] (ED 92), *Tangible Natural Resources***

### **Purpose**

1. To provide the IPSASB with a summary of the process used by staff to analyze the responses received to [draft] IPSAS [X] (ED 92), *Tangible Natural Resources*.

### **Background**

2. On October 25, 2024, the IPSASB issued ED 92. The objective of the ED was to propose guidance on the recognition, measurement, and presentation of tangible natural resources in the general purpose financial statements. The ED's comment period closed on February 28, 2025.
3. To obtain direct feedback on, and to encourage constituents to respond to ED 92, the IPSASB staff held a number of roundtables and outreach events throughout Q4 of 2024 and Q1 of 2025. The feedback received through the roundtable and outreach, together with the comment letters, have been fully reviewed and form the basis for the following analysis.
4. This paper provides the IPSASB with a summary of the process followed by staff to analyze the feedback.

### **Staff Process**

5. To support the analysis of responses and identify cross-cutting issues, staff reviewed and analyzed each comment letter in NVivo, a data analysis software program.<sup>1</sup> Each comment was considered on its own merit, not only in the context of the Specific Matter for Comment (SMC) in which it was presented.
6. As part of the process, staff identified issues noted in each comment letter related to each SMC, and coded portions of each response to the relevant SMC. Where comments reflected recurring issues, they were also coded to thematic categories for further analysis. This approach is consistent with the Board discussions in March 2025 on the approach to managing consultation responses to the IPSASB SRS ED 1 (see [Agenda Item 13.2.3](#)).
7. During the roundtables and outreach events, the IPSASB staff also directly engaged participants via Slido, an online polling platform. Roundtable participants were invited to provide live feedback on questions largely aligned with the SMCs, and this input provided additional context to the written consultation responses.
8. Staff applied the following logic in classifying the responses into the following four categories:
  - (a) **Agree**—The response clearly states that it agrees with ED 92 proposals, either by not making any further suggestions to enhance ED 92 proposals or by providing additional reasons to support ED 92 proposals. This category also includes responses that agree with the proposals and include minor editorial changes;
  - (b) **Partially agree**—The response states that it agrees with the ED 92 proposals and provides suggestions to enhance those proposals without modifying the ED 92 proposed principles. The

---

<sup>1</sup> Detailed NVivo reports are available at a Board member's request.

## Agenda Item 1.2.1

suggestions can include clarifications, drafting changes, adding more guidance to support the proposed principles, or removing guidance where the respondent is of the view that is not necessary in the context of the proposed principles;

- (c) **Disagree**—The response states that it disagrees with ED 92 proposals. In cases where the response suggests enhancements to ED 92 proposals, those suggestions are considered together with the suggestions made by the responses that partially agree with ED 92 proposals. This category also includes responses that state agreement with the proposals but are followed by substantive suggested changes to the proposed principles; and
  - (d) **No comment**—The response did not contain any commentary specific to the SMC.
9. The second step of the review is to identify the main themes and issues from the responses, which will then be used to develop staff's recommendations on how the IPSASB should address the respondents' comments.
10. The detailed response information for ED 92 is provided in [Agenda Item 1.3.1](#), including:
- (a) Appendix A: Analysis of Respondents by Region, Function and Language;
  - (b) Appendix B: List of Respondents; and
  - (c) Appendix C: Summary of Responses to SMCs.
11. A compilation of the response letters received can be found in Agenda Item 1.3.2 (posted separately [here](#)).

### *Summary of Responses and Next Steps*

12. Staff summarized the responses to each Specific Matters for Comment (SMC) in [Agenda Items 1.2.2 to 1.2.9](#). In addition to the matters summarized by staff, IPSASB members are asked whether there are any other issues raised by respondents that should be discussed by the IPSASB. This does not preclude a member of the IPSASB from raising a matter for discussion at a later time.
13. In [Agenda Item 1.2.10](#), staff identified the key themes from the comment letters to be addressed in finalizing the guidance on tangible natural resources. Paper 1.2.10 also includes staff's proposal to address cross-cutting issues in June 2025 and all other issues in September 2025.
14. As part of the IPSASB Due Process, staff will also consult with the Consultative Advisory Group (CAG) in June 2025 to obtain their advice and input for the project.

### **Decision Required**

15. No decisions required. For information purposes only.



## **Summary of Responses for Specific Matters for Comment 1: Scope**

### **Question**

1. Does the IPSASB agree that the issues raised by respondents to Specific Matter for Comment (SMC) 1 in ED 92 have been appropriately captured by the staff summary?

### **Background**

2. SMC 1 asked for comments regarding the proposed scope of ED 92 and whether respondents are aware of any items that could fall within the scope of the ED other than tangible natural resources held for conservation.
3. ED 92 also included an alternative view which proposed that the scope of the ED should only include tangible natural resources held for conservation.

### **Feedback on the IPSASB's Scoping Approach**

4. Respondents who agreed with the proposed scope did so for the reasons stated in the exposure draft. There were no additional themes identified supporting the scope.
5. The respondents who disagreed with the proposed scope of ED 92 were generally of two views:
  - (a) View 1 – Concerns were raised with the proposed residual scoping approach and there was agreement with the alternative view that the ED should only focus on tangible natural resources held for conservation; and
  - (b) View 2 – Respondents challenged whether it was appropriate to propose accounting guidance on tangible natural resources without first amending the principles on recognition and measurement in The Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities (the Conceptual Framework). These respondents noted that without changing the requirements for control, past event and reliable measurement, the recognition of tangible natural resources would be exceptionally rare. As a result, respondents asserted that entities may need to incur significant implementation costs, only to confirm that there would be little, if any, changes to the resulting information in the general purpose financial statements.
6. Although view 2 was an identified theme, since the inception of the natural resources project, the IPSASB agreed that the intent of the project was to apply the Conceptual Framework in its current form and *not* to redeliberate or amend the framework's asset recognition principles. As a result, staff concluded that any changes to the proposed guidance on tangible natural resources should focus on the alternative scoping approach in paragraph 5(a). To address the issues noted in paragraph 5(b), staff propose to consider potential approaches to better clarify the intent of the standard, such as more robust explanations in the basis for conclusions and supplementary educational materials outside the standard to ensure that this point is clearly communicated.

### **Other In-Scope Items**

7. Regarding potential in-scope items other than tangible natural resources held for conservation, some respondents suggested items such as the electromagnetic spectrum, air rights, or naturally occurring land features that can be used for carbon absorption or the generation of geothermal energy. However, these suggestions are already addressed in existing IPSAS Standards, such as IPSAS 31, *Intangible Assets*, or IPSAS 45, *Property, Plant, and Equipment*. Therefore, other than conservation

## Agenda Item 1.2.2

or items that are already addressed by existing IPSAS Standards, respondents did not identify any other potential uses for tangible natural resources which are expected to be within the scope of ED 92.

### *Quantitative Overview of Responses*

8. The following table summarizes the numerical statistics for the responses regarding SMC 1. Please see Appendix C of Agenda Item 1.3.1 for the full information on respondents by region, function, and language.

SMC	Agree		Partially agree		Disagree		No comment	
	#	%	#	%	#	%	#	%
1	9	19%	8	16%	29	59%	3	6%

### *Feedback from Roundtables and Outreach Events*

9. In addition to the feedback received from comment letters, staff also asked participants at the roundtables whether they agree that the guidance for natural resources should be in a standalone standard and whether they agree with the development of guidance on tangible natural resources held for conservation.
10. A significant percentage of participants agreed that the guidance on natural resources should be in a standalone standard and that guidance on natural resources held for conservation would provide useful information. Similar to the views noted in paragraph 5(b), those who disagreed questioned whether natural resources could be recognized as assets within the current Conceptual Framework or noted concerns regarding implementation costs, especially the costs to be incurred to reliably measure these resources.
11. A third polling question asked participants if they anticipate any tangible natural resources, other than those held for conservation, to be within the scope of ED 92. Like the comment letters as noted in paragraph 7, some participants suggested items that are already within the scope of an existing IPSAS Standard.
12. The following table summarizes the responses received from participants at the roundtables and outreach events. It is important to note that the total number of responses varies by question. Differences in response rates may reflect various factors, including technical issues, time constraints, or limited relevance. In many cases, participants were given a high-level presentation and may not have read the full ED before providing feedback.

Slido Question	Agree		Disagree	
	#	%	#	%
Do you agree that the guidance for natural resources should be located in a standalone standard?	118	97%	4	3%
Do you agree that providing guidance on tangible natural resources held for conservation would provide useful information?	107	90%	12	10%
Besides natural resources held for conservation, what other items would you anticipate being within the scope of the ED?	Some participants suggested items such as green infrastructure or intangible assets which are outside the scope of ED 92.			

## Other Observations

13. Specifically for SMC 1, staff considered whether there was any discernible correlation between the functions of the respondents and how they responded:

Functional Category	Agree		Partially agree		Disagree		No comment	
	#	%	#	%	#	%	#	%
Accountancy Firm	2	4%	-	-	1	2%	1	2%
Audit Office	-	-	-	-	2	4%	-	-
Member or Regional Body	5	11%	1	2%	5	11%	-	-
Preparer	2	4%	3	6%	7	14%	-	-
Standard Setter	-	-	4	8%	4	8%	-	-
Other	-	-	-	-	10	20%	2	4%
Total	9	19%	8	16%	29	59%	3	6%

14. Based on the above table, staff noted the following observations:
- (a) There was an even split between agree/partially agree responses and disagree responses amongst accountancy firms, member or regional bodies, preparers, or standard setters;
  - (b) The letters received from Audit Offices uniformly disagreed with the proposed scope. These respondents raised concerns over the development of accounting standards for tangible natural resources without first amending the Conceptual Framework and highlighted the resulting accounting and auditing challenges regarding recognition, measurement, and the auditability of the completeness of tangible natural resources; and
  - (c) All respondents in the Other functional category uniformly disagreed with the proposed scope. The Other functional category encompasses individuals, which includes academia, non-accounting professional services firms, investor groups, and other special interest groups, such as Indigenous groups. Like the Audit Offices, many of these respondents challenged the development of accounting guidance on tangible natural resources without first amending the Conceptual Framework, which highlights the need for more robust explanations of the natural resources project objectives and the IPSASB's development approach.

## Feedback Required

15. Do IPSASB members note significant issues raised by respondents that should be captured, in addition to those summarized by staff?

## Summary of Responses for Specific Matters for Comment 2: Definitions

### Question

1. Does the IPSASB agree that the issues raised by respondents to Specific Matter for Comment (SMC) 2 in ED 92 have been appropriately captured by the staff summary?

### Background

2. SMC 2 asked respondents if they agreed with the proposed definitions of natural resources and tangible natural resources.

### Feedback on Definitions

3. Respondents who agreed with the proposed definitions of natural resources and tangible natural resources did so for the reasons stated in the ED.
4. Respondents who partially agreed suggested clarifications on the following topics:
  - (a) Clarification of the delineation between “naturally occurring” and “actively managed” resources, and clarification on whether and/or how an actively managed resource can become a naturally occurring resource that falls within the scope of the ED; and
  - (b) Clarification of what is considered “conservation” and how conserving an asset can lead to service potential as defined in the Conceptual Framework.
5. Respondents who disagreed with the proposed definitions in ED 92 noted that to be consistent with the alternative view in SMC 1, the definitions in the ED should be amended accordingly to focus on conservation.

### Quantitative Overview of Responses

6. The following table summarizes the numerical statistics for the responses regarding SMC 2. Please see Appendix C of Agenda Item 1.3.1 for the full information on respondents by region, function, and language.

SMC	Agree		Partially agree		Disagree		No comment	
	#	%	#	%	#	%	#	%
2	18	37%	10	20%	17	35%	4	8%

### Feedback Required

7. Do IPSASB members note significant issues raised by respondents that should be captured, in addition to those summarized by staff?

## Summary of Responses for Specific Matters for Comment 3: Depreciation

### Question

1. Does the IPSASB agree that the issues raised by respondents to Specific Matter for Comment (SMC) 3 in ED 92 have been appropriately captured by the staff summary?

### Background

2. ED 92 included a rebuttable presumption that the tangible natural resources recognized in the scope of the proposed guidance generally have indefinite useful lives on the basis that they are not used or consumed and are therefore not depreciated. SMC 3 asked respondents if they agree with the proposed rebuttable presumption.

### Feedback on Depreciation

3. Respondents agreed with the proposed rebuttable presumption for the reasons noted in the ED.
4. Respondents who partially agreed requested application guidance on what factors to consider when determining whether this presumption can be rebutted, as well as additional clarifications on how this rebuttable presumption interacts with the impairment requirements in IPSAS Standards.
5. Respondents who disagreed with the rebuttable presumption generally noted the ED should be aligned with IPSAS 31 and IPSAS 45, which requires an assessment of whether the asset has a finite or indefinite useful life without a rebuttable presumption. Some respondents also noted that a rebuttable presumption may give rise to the perception that such assets are rarely impaired.

### Quantitative Overview of Responses

6. The following table summarizes the numerical statistics for the responses regarding SMC 3. Please see Appendix C of Agenda Item 1.3.1 for the full information on respondents by region, function, and language.

SMC	Agree		Partially agree		Disagree		No comment	
	#	%	#	%	#	%	#	%
3	24	49%	7	14%	12	25%	6	12%

### Feedback Required

7. Do IPSASB members note significant issues raised by respondents that should be captured, in addition to those summarized by staff?

## Summary of Responses for Specific Matters for Comment 4: Exemption from Certain Disclosures

### Question

1. Does the IPSASB agree that the issues raised by respondents to Specific Matter for Comment (SMC) 4 in ED 92 have been appropriately captured by the staff summary?

### Background

2. ED 92 included an exemption from disclosing information which may lead to further degradation of tangible natural resources which are rare or endangered—for example, the disclosure of the location of endangered animals could lead to their further poaching. SMC 4 asked if respondents agreed with this disclosure exemption.

### Feedback on the Disclosure Exemption

3. Respondents who agreed with the disclosure exemption noted agreement for the reasoning presented in the ED.
4. Respondents who partially agreed noted that while they agree with the exemption in principle, they believe that the information in general purpose financial statements typically does include detail to cause further damage to a tangible natural resource. Therefore, these respondents requested additional clarification and examples of when this exemption may be applicable.
5. Respondents who disagreed with the exemption noted that the general qualitative disclosures of endangered tangible natural resources would lead to better management and are unlikely to lead to further degradation.
6. Regardless of whether respondents agreed, partially agreed, or disagreed, some noted a lack of clarity on the reasons for the exemption or whether the exemption meant that no information would be disclosed at all for the applicable resources. If the IPSASB decides to include the proposed exemption in the final IPSAS Standard, staff propose it will be useful to provide more detailed guidance in this area and better explain the reasons for the exemption in the basis for conclusions.

### Quantitative Overview of Responses

7. The following table summarizes the numerical statistics for the responses regarding SMC 4. Please see Appendix C of Agenda Item 1.3.1 for the full information on respondents by region, function, and language.

SMC	Agree		Partially agree		Disagree		No comment	
	#	%	#	%	#	%	#	%
4	33	68%	5	10%	5	10%	6	12%

### Feedback Required

8. Do IPSASB members note significant issues raised by respondents that should be captured, in addition to those summarized by staff?

## Summary of Responses for Specific Matters for Comment 5: Cross-References to IPSAS 45, *Property, Plant, and Equipment*

### Question

- Does the IPSASB agree that the issues raised by respondents to Specific Matter for Comment (SMC) 5 in ED 92 have been appropriately captured by the staff summary?

### Background

- ED 92 included cross-references to the guidance in IPSAS 45 on the determination of cost in an exchange transaction, as well as the disclosure requirements for current value. SMC 5 asked respondents if the cross-references are sufficiently clear, and if not, how the guidance should be incorporated into the final IPSAS.

### Feedback on the Cross-References to IPSAS 45

- Respondents who agreed with the proposed cross-references to IPSAS 45 noted consistent accounting guidance between IPSAS 45 and the ED.
- Respondents who partially agreed with the cross-references agreed with the intention to refer to consistent principles but noted that the differences in structure between ED 92 and IPSAS 45, as well as the emphasis on historical cost in IPSAS 45, may cause confusion when applying the measurement guidance.
- Respondents who disagreed noted that the cross-references call into question whether the guidance on tangible natural resources should be part of IPSAS 45. These respondents noted that to be consistent with the IPSASB's earlier decision to locate the guidance on tangible natural resources in a separate standard, the measurement and disclosure guidance should be fully duplicated in ED 92.
- Some respondents who disagreed with the cross-references also disagreed with the proposed scope of ED 92 (see [Agenda Item 1.2.2](#)). These respondents were of the view that the scope should be revised to only focus on tangible natural resources held for conservation, and that to be consistent with the narrower scope, the ED should have standalone guidance that is specific to conservation rather than referring to guidance from IPSAS 45.

### Quantitative Overview of Responses

- The following table summarizes the numerical statistics for the responses regarding SMC 5. Please see Appendix C of Agenda Item 1.3.1 for the full information on respondents by region, function, and language.

SMC	Agree		Partially agree		Disagree		No comment	
	#	%	#	%	#	%	#	%
5	23	47%	4	8%	13	27%	9	18%

### Feedback Required

- Do IPSASB members note significant issues raised by respondents that should be captured, in addition to those summarized by staff?

## Summary of Responses for Specific Matters for Comment 6: Transition

### Question

1. Does the IPSASB agree that the issues raised by respondents to Specific Matter for Comment (SMC) 6 in ED 92 have been appropriately captured by the staff summary?

### Background

2. ED 92 proposed to allow entities to apply the requirements using one of the following approaches:
  - (a) A modified retrospective approach, which allows for the recognition of tangible natural resources which meet the recognition criteria on the date of initial application at their then deemed cost; or
  - (b) A full retrospective basis in accordance with IPSAS 3, *Accounting Policies, Changes in Accounting Estimates and Errors*.

### Feedback on Transition

3. The respondents who agreed with the transition proposals agreed with the practicality of allowing a modified retrospective approach.
4. Respondents who partially agreed suggested to only allow use of the full retrospective approach when the information required to implement this approach is available or requested more examples to illustrate the differences between the two approaches.
5. Respondents who disagreed with the proposed transitional requirements cited the following reasons:
  - (a) Some noted that the full retrospective approach is not possible to implement and therefore disagreed on the basis that only the modified retrospective approach should be allowed;
  - (b) Some respondents noted that it may not be possible to measure the current value of a tangible natural resources, so both approaches are not possible to implement. These respondents suggested a fully prospective approach based on the accumulation of costs incurred to develop or enhance the asset starting from the implementation date of the standard; and
  - (c) One respondent disagreed with allowing a modified retrospective approach on the basis that only the full retrospective approach would provide complete information for risk management purposes.
6. Some respondents who did not express a view on transition had fundamental disagreements with the recognition and measurement requirements in the Conceptual Framework (see [Agenda Item 1.2.2](#)). These respondents noted that until the Conceptual Framework is updated, tangible natural resources should only be reported in the broader general purpose financial reports.



*Quantitative Overview of Responses*

7. The following table summarizes the numerical statistics for the responses regarding SMC 6. Please see Appendix C of Agenda Item 1.3.1 for the full information on respondents by region, function, and language.

SMC	Agree		Partially agree		Disagree		No comment	
	#	%	#	%	#	%	#	%
6	32	66%	1	2%	7	14%	9	18%

**Feedback Required**

8. Do IPSASB members note significant issues raised by respondents that should be captured, in addition to those summarized by staff?

## **Summary of Responses for Specific Matters for Comment 7: Amendments to the Description of ‘Heritage Asset’ in IPSAS 45, *Property, Plant, and Equipment***

### **Question**

1. Does the IPSASB agree that the issues raised by respondents to Specific Matter for Comment (SMC) 7 in ED 92 have been appropriately captured by the staff summary?

### **Background**

2. Due to the proposed scope of ED 92, there could be certain tangible natural resources which also meet the description of a heritage asset in IPSAS 45. ED 92 proposed to amend the description of heritage asset in IPSAS 45 to no longer refer to environmental or natural features.
3. SMC 7 asked respondents if they agree with the proposed amendment so that tangible natural resources which are also heritage assets would be accounted for within the scope of ED 92.

### **Feedback on the Amendment of ‘Heritage Asset’ in IPSAS 45**

4. Respondents who agreed with the proposed amendment agreed with the intention to provide clarity on how to account for heritage assets which could also meet the definition of tangible natural resources.
5. Respondents who partially agreed requested additional application guidance and examples on how to distinguish between heritage assets and tangible natural resources held for conservation.
6. Respondents who disagreed with the amendment noted the following:
  - (a) If a tangible natural resource is a heritage asset that is within the scope of IPSAS 45, the item would be held for use in the production or supply of goods or services, for rental to others, or for administrative purposes. Similar to other naturally occurring items which are held for production or the provision of services, such an asset would be scoped out of ED 92, so there would be no need to also scope them out of IPSAS 45;
  - (b) Some respondents were of the view that tangible natural resources had a higher threshold for recognition due to the explicit inclusion of control in ED 92. These respondents were concerned that a heritage asset may need to be derecognized if they are removed from the scope of IPSAS 45. Staff noted that this was not the intention, as the asset recognition principles in both ED 92 and IPSAS 45 were based on the Conceptual Framework but applied in different contexts. Similar to comments regarding the Conceptual Framework in SMC 1, staff plan to address these comments with a more robust explanation of the underlying principles in the basis for conclusions in the final IPSAS.

*Quantitative Overview of Responses*

7. The following table summarizes the numerical statistics for the responses regarding SMC 7. Please see Appendix C of Agenda Item 1.3.1 for the full information on respondents by region, function, and language.

SMC	Agree		Partially agree		Disagree		No comment	
	#	%	#	%	#	%	#	%
7	31	63%	3	6%	8	16%	7	14%

**Feedback Required**

8. Do IPSASB members note significant issues raised by respondents that should be captured, in addition to those summarized by staff?

## **Summary of Responses for Specific Matters for Comment 8: Sufficiency of Proposed Implementation Guidance and Illustrative Examples**

### **Question**

1. Does the IPSASB agree that the issues raised by respondents to Specific Matter for Comment (SMC) 8 in ED 92 have been appropriately captured by the staff summary?

### **Background**

2. ED 92 included a number of implementation guidance and illustrative examples on topics that are potentially complex and difficult to apply in practice, are areas of concern for constituents, or where the IPSASB agreed that non-authoritative guidance could be useful.
3. SMC 8 asked respondents to comment on whether the proposed implementation guidance and illustrative examples are sufficient, and if not, what other topics would be useful.

### **Feedback on the Sufficiency of Proposed Implementation Guidance and Illustrative Examples**

4. Respondents that agreed with the proposed implementation guidance and illustrative examples did not suggest any additional non-authoritative guidance.
5. Respondents who partially agreed requested additional guidance on the following areas:
  - (a) The proposed definitions and what is considered 'naturally occurring' (see [Agenda Item 1.2.3](#));
  - (b) Measurement, particularly on the determination of current value;
  - (c) Determination of the unit of account, as the level of granularity may significantly impact the recognition and measurement of a resource;
  - (d) The rebuttable presumption on depreciation (see [Agenda Item 1.2.4](#));
  - (e) Impairment, particularly any interactions with the rebuttable presumption on depreciation and measurement, and
  - (f) More robust explanations of why subsoil resources and water are unlikely to be recognized. (This is consistent with the comments regarding the Conceptual Framework as noted in [Agenda Item 1.2.2](#).)
6. Some respondents who partially agreed also noted that the non-authoritative guidance is sufficient for now, but the IPSASB should periodically revisit and update the guidance for any developments in measurement techniques or scientific advancements in the future.
7. Respondents who disagreed generally requested additional guidance on the same topics as those noted in paragraph 5. However, these respondents also expressed the view that that without the additional non-authoritative guidance, the proposed principles in ED 92 will be difficult to implement.

*Quantitative Overview of Responses*

8. The following table summarizes the numerical statistics for the responses regarding SMC 8. Please see Appendix C of Agenda Item 1.3.1 for the full information on respondents by region, function, and language.

SMC	Agree		Partially agree		Disagree		No comment	
	#	%	#	%	#	%	#	%
8	4	8%	15	31%	19	39%	11	22%

**Feedback Required**

9. Do IPSASB members note significant issues raised by respondents that should be captured, in addition to those summarized by staff?

## Responses to ED 92 – Key Themes and Next Steps

### Question

1. Does the IPSASB agree with the key themes identified by staff in the ED 92 responses and staff's proposed plan to move forward with the Natural Resources project?

### Recommendations

2. Staff recommend:
  - (a) Addressing the cross-cutting themes of scope, definitions, and clarifications of project objectives and the IPSASB's Conceptual Framework in June 2025; and
  - (b) Addressing the other issues as noted in paragraphs 9-11 in September 2025.

### Background

3. Staff reviewed and summarized the response letters to ED 92 as noted in [Agenda Items 1.2.2 to 1.2.9](#). Based on the responses, staff identified a number of key themes and issues which will need to be addressed in the final IPSAS Standard on Tangible Natural Resources.
4. This paper sets out the key themes and issues identified, as well as the staff's proposed timeline to address these issues.

### Analysis

5. Staff identified the themes and issues from [Agenda Items 1.2.2 to 1.2.9](#) and classified them as cross-cutting themes and issues, as well as other specific issues. Due to the pervasive nature of the cross-cutting themes and issues, staff recommend addressing these items before moving on to the specific issues raised in the comment letters.

#### *Cross-Cutting Themes and Issues*

*(Note: The question mark (?) signifies issues as presented in the responses that need evaluation at a future IPSASB meeting to determine whether the issue has merit.)*

6. **Scope?** – A recurring theme across most SMCs, but particularly based on the responses for SMC 1, were concerns regarding the proposed scope of ED 92. As noted in Agenda Item 1.2.2, respondents who disagreed with the proposed scope either agreed with the alternative view to focus on tangible natural resources held for conservation or wanted to fundamentally change the asset recognition principles in the Conceptual Framework. Since the scope of an IPSAS Standard underpins the remaining principles in the guidance, staff identified scope as a cross-cutting issue which should be prioritized in the finalization of the final standard.
7. **Definitions?** – As noted in [Agenda Item 1.2.3](#), the responses to SMC 2 indicated concerns over the definitions of natural resources and tangible natural resources. Respondents noted difficulties in determining what is considered 'naturally occurring' and whether certain assets can become 'naturally occurring' based on changes in facts and circumstances. Other respondents noted agreement with the alternative view that the definitions should be revised to focus on items held for conservation and a lack of clarity on what is considered 'conservation.'
8. **Clarification of Project Objectives and the IPSASB's Conceptual Framework?** – Many respondents were of the view that the IPSASB should revise the Conceptual Framework to facilitate

the recognition of items such as subsoil resources and water. As noted in [Agenda Item 1.2.2](#), these comments will need to be addressed through more robust explanations in the basis for conclusions regarding the project objectives and the role of the framework in setting the boundaries for guidance on financial reporting.

*Specific Issues*

*(Note: The question mark (?) signifies issues as presented in the responses that need evaluation at a future IPSASB meeting to determine whether the issue has merit.)*

9. **Amendments to Heritage Assets?** – Regardless of whether the scope of the final IPSAS Standard changes, respondents noted that heritage assets which are also tangible natural resources would be outside the scope of ED 92 as they are within the scope of IPSAS 45 based on their use. As a result, there is an inconsistency between the scoping requirements of ED 92 and the proposal to remove these assets from the scope of IPSAS 45. This issue will need to be addressed once the IPSASB decides on the scope and definitions of the final standard.
10. **Additional Implementation Guidance and Illustrative Examples?** – Based on the responses to SMCs 6 and 8, respondents requested additional non-authoritative guidance on a variety of topics.
11. **Other Issues?** – Staff noted that the responses raising issues in connection with the rebuttable presumption on depreciation, the disclosure exemption for rare or endangered resources, the cross-references to IPSAS 45, and transition were generally also asking for additional clarification or drafting comments.

*Next Steps*

12. Due to the cross-cutting nature of the themes noted in paragraphs 6-8, staff will analyze these issues in detail and present recommendations for the IPSASB at the June 2025 meeting.
13. For the other issues noted in paragraphs 9-11 were not pervasive and will depend on decisions regarding scope and definitions. As a result, staff plan to analyze these issues and present recommendations or revised drafting to the IPSASB at the September 2025 meeting.
14. As part of the IPSASB's Due Process, staff will also consult with the Consultative Advisory Group (CAG) in June 2025 to obtain their advice and input for the project.

**Decision Required**

15. Does the IPSASB agree with staff's [recommendations](#)?

**Supporting Documentation – ED 92: Analysis of Respondents by Region, Function and Language, List of Respondents, and Summary of Responses to SMCs**

The analysis of the response letters to [draft] IPSAS [X] (ED 92), *Tangible Natural Resources*, are posted separately for easier readability.