Agenda Item 8.B.1

MEASUREMENT – APPLICATION PHASE: COV IN IPSAS 31 – NARROW SCOPE AMENDMENTS: DASHBOARD

Topic	Past Meetings	March 2026	June 2026	Sep 2026
Overall Project Management	✓			
Plan and Approach	✓			
Review and Approve the Final Pronouncement				🗎
Scope of Project (Development of ED)				
Applicability of Current Operational Value in IPSAS 31	✓			
Analyze and Address Responses to IPSAS ED 90 on IPSAS 31				
Part 1: Applicability of Current Operational Value in IPSAS (SMC 1 – IPSAS 31)				

Legend	
✓	Task Completed
	Planned IPSASB Discussion
🗎	Page-by-page Review

Supporting Document 1 – Commonly Recognized Intangible Assets

1. To identify commonly recognized intangible assets in the public sector, staff reviewed the financial statements of 13 jurisdictions. Staff obtained the financial statements from the 2025 Accountability Index for the following jurisdictions: Australia, Brazil, Canada, Chile, France, Ireland, Japan, New Zealand, the United Kingdom, the United States, South Africa, Spain, and Switzerland. The jurisdictions selected aim to be representative of respondents to ED 90, *Amendments to IPSAS as a Result of the Application of IPSAS 46, Measurement,* and the IPSASB.

2. Out of the thirteen jurisdictions' financial statements, only seven[1] include a note disclosure on the type of intangible assets, the majority of which are noted to be carried at cost, when disclosed. The intangible assets recognized by these jurisdictions are:

(a)	Brands;	(b)	Copyrights;
(c)	Development costs (military);	(d)	Intellectual property;
(e)	Licenses*;	(f)	Patents*;
(g)	Radio Spectrum;	(h)	Rights*;
(i)	Servitudes;	(j)	Software (acquired and internally generated)*;
(k)	Trademarks*;	(l)	Telephone subscription rights; and
(m)	Water entitlements.		

   The asterisk (*) reflects intangible assets held by more than one jurisdiction. The FS does not provide further disaggregation of the types of licenses, patents, rights, or software recognized by the jurisdictions.

3. The table below reflects the jurisdictions for which staff review financial statements to determine the commonly recognized intangible assets in the public sector. The reporting year end is noted for transparency purposes. In reviewing the financial statements, staff considered whether:

   (a) Note 1: The Statement of Financial Performance separately presents Intangible Assets.

   (b) Note 2: There is a note disclosure on intangible assets listing the type of intangible assets held by the entity.

   (c) Note 3: The entity discloses whether the intangible assets are carried at cost or current values[2].

[1] Australia, Brazil, Chile, France, Ireland, Japan, the United Kingdom, and South Africa.

[2] Staff obtained confirmation from relevant parties in Brazil and Switzerland on whether these are carried at cost or fair value.

#	Jurisdiction	Year End	Note 1[3]	Note 2[4]	Note 3
1	Australia	June 30, 2024	Yes	• Internally developed software for internal use • Water entitlements • Intangible assets acquired by public corporations	Cost
2	Brazil	December 31, 2022	Yes	• Trademarks, Rights, and Patents • Software • Right to Use Real Estate (Lease)	Cost
3	Canada	March 31, 2023	No	N/A	N/A
4	Chile	December 31, 2023	Yes	• Patents, brands • Computer software • Other intellectual property	N/A
5	France	December 31, 2023	Yes	• Development cost (military) • Radio Spectrum • Internally developed software • Licenses, rights, patents, trademarks, software, etc.	N/A
6	Ireland	December 31, 2023	Yes	• Acquired or developed software	Cost
7	Japan	March 31, 2023	Yes	• Software, • Telephone subscription rights, and • Patent rights, among others	N/A
8	New Zealand	June 30, 2025	Yes	• N/A	N/A

[3] Paragraph 88 of IPSAS 1 requires that an entity present a line item for intangible assets. There is no requirement to present acquired intangible assets separately from internally generated intangible assets. Staff rely on note disclosures for information on the types of intangible assets.

[4] Staff translated the type of intangible assets for the following jurisdictions—Brazil, Chile, France, Japan, and Spain— into English using translation software.

#	Jurisdiction	Year End	Note 1[3]	Note 2[4]	Note 3
9	South Africa	March 31, 2024	Yes	• Computer software • Patents, • Licences, • Copyright, brand names, trademarks • Internally Generated Software • Servitudes	Cost
10	Spain	December 31, 2023	Yes	• N/A	N/A
11	Switzerland	December 31, 2024	Yes	• N/A	Cost
12	The United Kingdom	March 31, 2023	Yes	• Military equipment • Development expenditure • Software • Licenses and others	Fair Value[5]
13	The United States	September 30, 2024	No	• N/A	N/A

[5] The FS disclosures state that 'Subsequent to initial recognition, intangible assets are recognised at fair value. As no active market exists for the department's intangible assets, fair value is assessed as replacement cost less any accumulated amortisation and impairment losses. Intangible assets in service are revalued at each reporting date using the Producer Price Index (PPI) produced by the Office for National Statistics (ONS).' However, this is no longer the case as per changes set out in the 2025-2026 FreM, see page 82 - link. Staff understand the decision considered:

(a) Lack of observable market inputs to value them at existing use value as required by the UK Financial Reporting Manual (FreM); and

(b) When these have relatively short useful economic lives, holding them at current value is often less relevant to users of the accounts.

Supporting Document 2 – Discussions with IASB

1. The proposal to introduce COV to IPSAS 31, *Intangible Assets,* raised questions as it relates to the existing current value measurement guidance. Specifically, the subsequent measurement guidance in the current value model requires that fair value be measured by reference to an active market. Since IPSAS 31 is aligned with guidance in IAS 38 *Intangible Assets,* the IPSASB instructed staff to discuss with IASB staff whether there were details available on why the restriction exists in IAS 38 and why it was retained when IFRS 13 *Fair Value Measurement* was issued.

2. Staff met with IASB's staff leading the project on IAS 38 to discuss the active market restriction at subsequent measurement in IAS 38 and background on why it was retained when IFRS 13 was issued, who noted that:

   (a) IAS 38 is an outdated standard, and unfortunately, IASB staff could not provide additional information beyond what is found in IAS 38. For example, paragraph 78 of IAS 38 notes that the price paid for one asset may not provide sufficient evidence of the FV of another. Therefore, consistent with previous discussions with the IPSASB during the development of ED 90 and in December 2025, there are concerns about the reliability of an specialized asset value for which transaction prices are infrequent and of limited volume.

   (b) The scope of the IFRS 13 project did not include evaluating whether existing measurement requirements in IFRS Accounting Standards, such as IAS 38, should be changed. The retention of the active market at subsequent measurement should not be necessarily interpreted as a sign that the cost approach lacks reliability in measuring the fair value of intangible assets – as it was not evaluated by the IASB. For example, when considering that the initial measurement of an intangible asset acquired in a business combination, the use of fair value is required. Such fair value is not required to be measured by reference to an active market; rather, an entity applies the measurement guidance in IFRS 13.