IPSAS Board meeting

10 March 2026

European Public Sector Accounting Standards (EPSAS) update

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European Commission - EUROSTAT

eurostat

EPSAS approach

A voluntary and progressive approach:

- **Phase 1 (*ongoing*): Increase fiscal transparency in the Member States in the short to medium term by promoting accruals accounting and, in parallel, develop the EPSAS framework (covering governance, accounting principles and standards).**
- **Phase 2 (*future, no specific timetable yet*): Address comparability within and between Member States by implementing EPSAS.**

SWD Progress report 2019 => link

SWD Progress report 2024 => link

Commission report on public accounting in the EU 2025 => link

Accompanied by SWD => link

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Expert Group meetings on EPSAS in 2025

- Expert Group meeting 11 February 2025 virtual
  - **Report on accounting maturities and implementation costs**
  - **Results of information collection with IPSAS suitability questionnaire**
- Expert Group meeting 4-5 November 2025 in Rome
  - **Commission report on public accounting in the EU**
  - **Presentation of financial statements in the EU context**
  - **Accounting treatment of military equipment and defence-related expenditure in the EU context**

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Accounting treatment of military equipment and defence-related expenditure in the EU context

- Goal is to provide a robust basis to enhance the consistency and credibility of financial information on military expenditure/assets
- Comprehensive analysis of the accounting treatment of military assets and defence-related expenditure under international and national frameworks
- Links between financial and statistical reporting: Excessive Deficit Procedure (EDP) and NATO defence monitoring
- DG ECFIN presentation: treatment of defence spending in the EU fiscal framework by focusing on the national escape clause
- Accounting reform in Greece: high military expenditure; classification of military assets and inventories; current/future treatment of military items; registries of assets and inventories; presentational sensitivity

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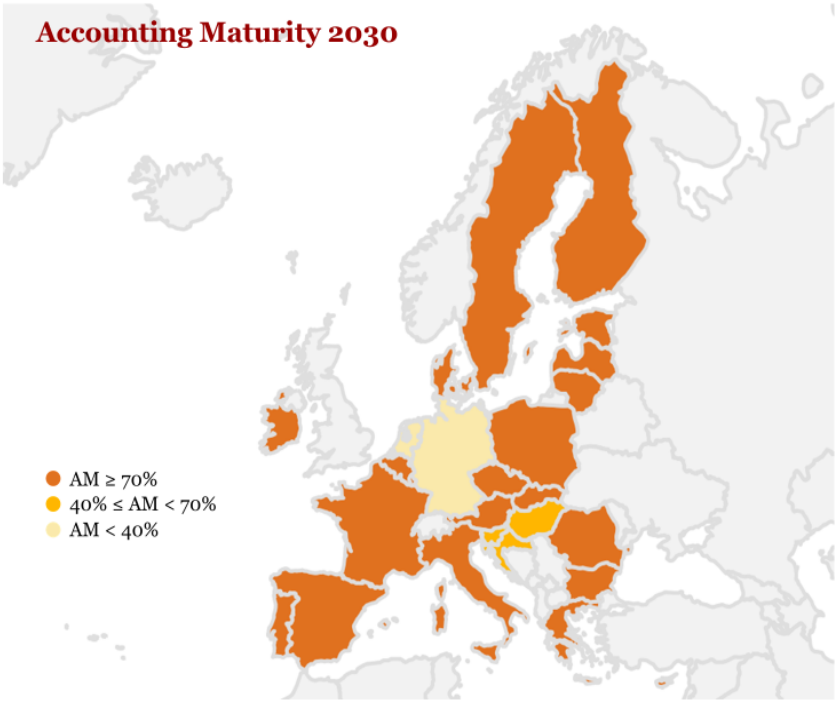
Report on public accounting in the EU

- Amendment to Budgetary Frameworks Directive in 2024:
  - **European Commission to report, by end-2025 and every five years thereafter, on the state of play of public accounting by the general government in the Union, taking into account the progress made since its 2013 assessment of the suitability of the International Public Sector Accounting Standards for the Member States.**
- Commission report published in December 2025 (link), accompanied by Staff Working Document (SWD) (link)

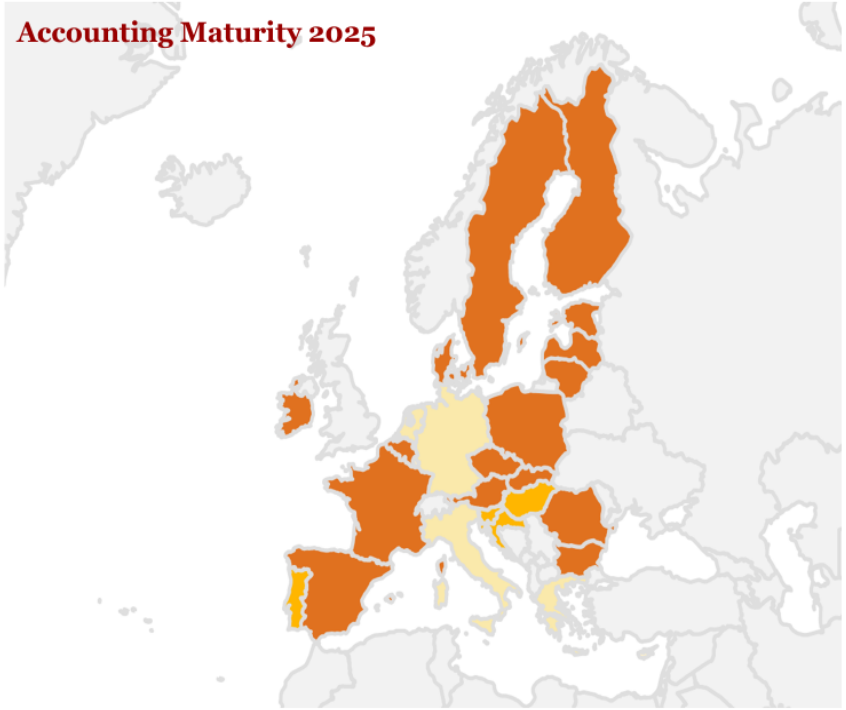
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Accounting maturity 2025 and 2030 (forecast)

AM update - Central governments



The average accounting maturity (unweighted) is expected to further increase to 77% in 2030



The average accounting maturity (unweighted) has increased from 64% in 2020 to 66% in 2025

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Chapter 4. Suitability of IPSAS for the Member States and their potential use for EPSAS (I)

- The chapter assesses the suitability of IPSAS as a common public accounting framework in the EU and their potential use for developing EPSAS
- The chapter includes 3 parts: (1) Evolution of IPSAS since 2013, (2) Screening of IPSAS standards on their suitability for developing EPSAS (screening is partly covered in Chaper 2), (3) Survey results on suitability of IPSAS for Member States and their potential use for developing EPSAS
- SWD goes more in detail on application of IPSAS by EU Member States by accounting areas

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Chapter 4. Suitability of IPSAS for the Member States and their potential use for EPSAS (II)

Suitability of IPSAS for Member States and their potential use for developing EPSAS

	Yes	Partly	No
IPSAS are a suitable reporting framework for Member States	46%	42%	12%
IPSAS governance makes it suitable for Member States	27%	58%	15%
IPSAS are a suitable reference framework for developing EPSAS	66%	19%	15%

Source: 2024 survey on the suitability of IPSAS

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Chapter 5. Way forward for public accounting in the EU

The EPSAS initiative will focus on encouraging and supporting national public accounting modernisation efforts:

1) **Developing common solutions, promoting best practices and sharing experiences in EU**
2) **Future EU financial and technical support to accounting reforms will be decided on under the next EU budget**
3) **Systematic communication with key stakeholders**
4) **Following the EPSAS draft conceptual framework on a voluntary basis**
5) **Next report on public accounting in the EU in 2030**

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EPSAS initiative from 2026

- From 2026 onwards, EPSAS initiative will follow the voluntary activities listed in Chapter 5 of the Commission report
- A key priority is that the planned accounting maturities 2030 will be achieved
- One EPSAS Expert Group meeting per year

Consultations with EPSAS Expert Group in 2026

- Consultation on the way forward of the EPSAS initiative
  - **EPSAS Expert Group invited to share reflections to help shape the work programme for the EPSAS initiative until 2030**
- Consultation on alignment of national public accounting standards with IPSAS and on the management of options under IPSAS
  - **In co-operation with the Ministry of Finance of Latvia**

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Consultation on alignment of national public accounting standards with IPSAS and on the management of options under IPSAS

1) Version of IPSAS is used as a reference for national standards
2) Keeping of track of alignment of national standards with IPSAS
3) Use of IT tools to track the changes
4) Informing users of FSs on deviations of national standards from IPSAS
5) Whether national public accounting regulations prescribe specific options
6) Criteria/process followed to select the prescribed options
7) Alignment of accounting policies of the controlling and controlled entities in the consolidation process

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Communication

European Commission – Eurostat – EPSAS:

https://ec.europa.eu/eurostat/web/epsas/

CIRCABC depository:

https://circabc.europa.eu/w/browse/18db61bc-6649-44b3-af14-17fcd1c1216c

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Thank you



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