IPSASB International Public Sector Accounting Standards Board®

AGENDA ITEM 8

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



IPSASB Meeting – March 2026

Agustina Llambi, Principal

Toronto, Canada

Project History – IPSAS 31 Narrow Scope Project

2021 Mid-Period Consultation
November 2021

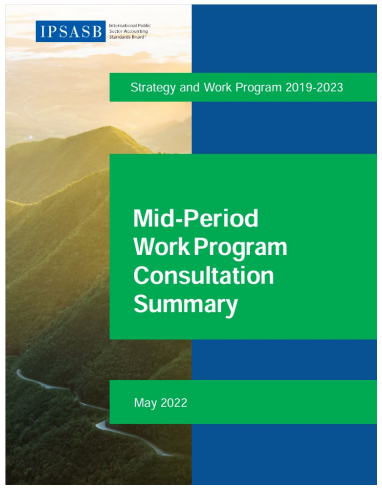


Minor Project on IPSAS 31 (page 28 of 2021 WPC):

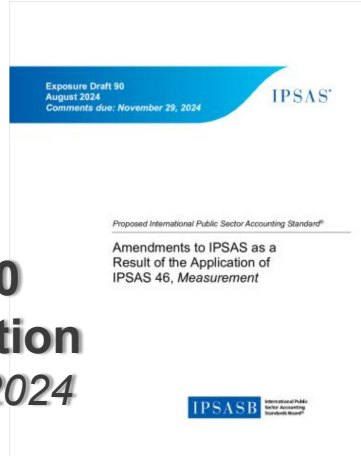
- Measurement principles developed as part of ED 77, *Measurement*
- Heritage principles developed as part of ED 78, *Property, Plant, and Equipment; and*
- Changes to principles resulting from the ongoing natural resources project.

IPSASB approved the addition of this narrow scope project to the IPSASB's Work Program

2021 Mid-Period Summary
May 2022



ED 90 publication
August 2024



Proposal:

- ***Initial Measurement:*** Add COV for intangible assets acquired in a non-exchange transaction; and
- ***Subsequent Measurement:*** Add COV to the current value model (assets held for operational capacity).

Comment Period (26)

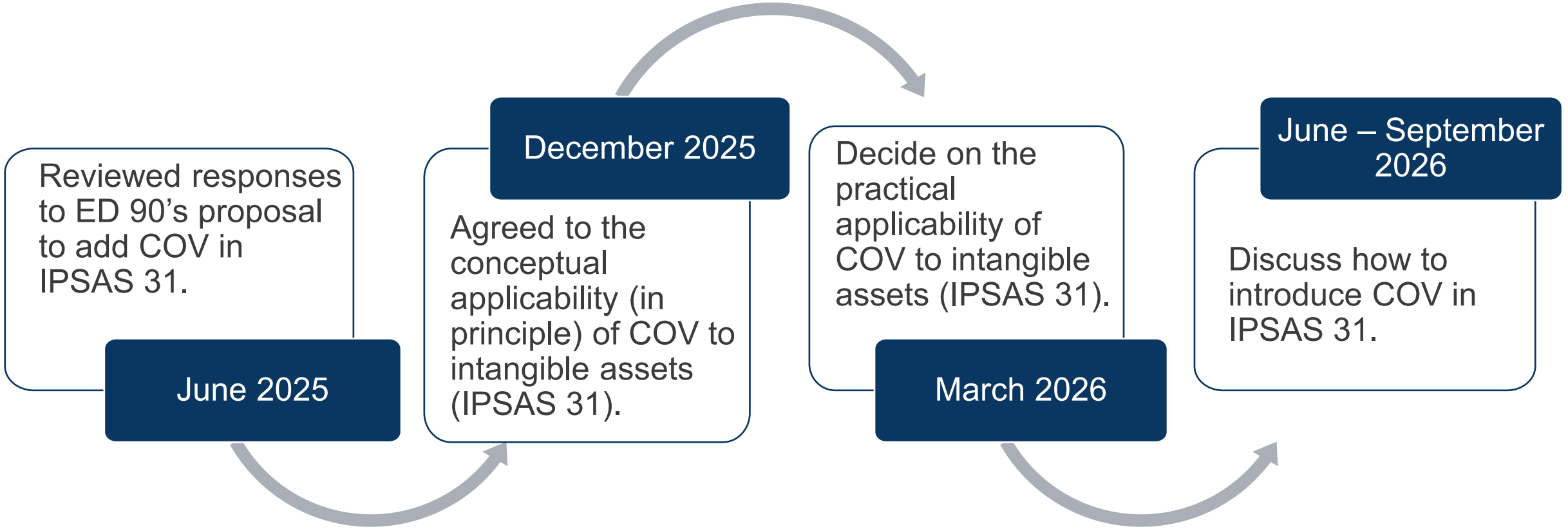
Responses to ED 90
June 2025 to Now

Agenda Paper Discussions:

- June 2025 – Agenda Item 3.2.1
- December 2025 – Agenda Item 9
- March 2026 – Agenda Item 8.A

IPSASB

Project Overview



Practical Applicability of COV to Intangible Assets

Analysis

- In analyzing the practical applicability of COV for intangible assets in the scope of IPSAS 31, staff:
  - Reviewed 13 jurisdiction whole of government financial statements, used in the 2025 Accountability Index, to identify common intangible assets recognized in the public sector;
  - Met with IASB staff to obtain additional background on the 'active market restriction' in IAS 38 *Intangible Assets*;
  - Reviewed international valuation guidance for the measurement of intangible assets (IVSC and RICS) and met with IVSC staff to discuss whether the cost approach is used for the measurement of intangible assets; and
  - Developed three intangible assets fact patterns and applied IPSAS 46 COV principles to their current value measurement.
- Staff notes that the faithful representation of a measurement basis is dependent on the use of a measurement technique that is appropriate in the circumstances and for which sufficient data are available.

Recommendation

- **Agree** that COV can be practically applied to the measurement of intangible assets in the scope of IPSAS 31.

Decision Required

The IPSASB is required to decide whether COV can be practically applied to the measurement of intangible assets.

Additional Guidance for the Practical Application of COV in IPSAS 31

Analysis

- In analyzing whether additional guidance is needed in IPSAS 31 to consistently apply COV when measuring intangible assets, staff considered:
  - Feedback received in ED 90 on potential practical challenges;
  - The role and authority of IPSAS 46; and
  - The level of guidance included in other IPSAS Standards that require or permit COV as a measurement basis.
- Staff notes that the addition of non-authoritative guidance in IPSAS 31 on the application of COV to intangible assets is:
  - Consistent with the approach in relevant IPSAS; and
  - Expected to address ED 90's respondents' feedback on practical challenges.

Recommendation

- **Agree** to develop non-authoritative guidance on the application of COV to intangible assets in IPSAS 31.

Decision Required

The IPSASB is required to decide whether non-authoritative guidance on the application of COV should be developed in IPSAS 31.



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