

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

**Meeting Date:** March 10–13, 2026

## Agenda Item 5

### IMPROVEMENTS TO IPSAS ACCOUNTING STANDARDS AND IPSAS 40, *PUBLIC SECTOR COMBINATIONS*

<b>Project summary</b>	The objective of the project is to propose minor improvements to IPSAS Accounting Standards to address issues raised by stakeholders and to align, where appropriate, with amendments made to International Financial Reporting Standards.	
<b>Meeting objective</b>	To approve [draft] Exposure Draft [XX], <i>Improvements to IPSAS Accounting Standards – Volume 10</i> and [draft] Exposure Draft [YY], <i>Narrow Scope Amendments to IPSAS 40</i> .	
<b>Project staff leads</b>	<ul style="list-style-type: none"> <li>Edwin Ng, Principal</li> <li>Emma Tran, Manager</li> </ul>	
<b>Task Force members</b>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	
	<b>Topic</b>	<b>Agenda Item</b>
<b>Essential Documents</b> (Required Reading)	<a href="#">Approval of [draft] Exposure Draft [XX], <i>Improvements to IPSAS Accounting Standards – Volume 10</i></a>	<a href="#">5.A.1</a>
	<a href="#">Approval of [draft] Exposure Draft [YY], <i>Narrow Scope Amendments to IPSAS 40</i></a>	<a href="#">5.A.2</a>
<b>Supporting Documents</b> (Posted separately on the meeting webpage)	<a href="#">Improvements to IPSAS Accounting Standards: Project Management Dashboard</a>	<a href="#">5.B.1</a>
	<a href="#">[draft] Exposure Draft [XX], <i>Improvements to IPSAS Accounting Standards – Volume 10</i></a>	<a href="#">5.B.2</a>
	<a href="#">[draft] Exposure Draft [YY], <i>Narrow Scope Amendments to IPSAS 40</i></a>	<a href="#">5.B.3</a>
<b>Background Information</b> (Available on the project webpage)	<a href="#">Decisions and Instructions from previous IPSASB Meetings</a>	

Prepared by: Edwin Ng and Emma Tran (February 2026)

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## Approval of [draft] Exposure Draft [XX], *Improvements to IPSAS Accounting Standards – Volume 10*

### Question

1. Does the IPSASB agree to approve [draft] Exposure Draft (ED) [XX], *Improvements to IPSAS Accounting Standards – Volume 10*, with a 60-day exposure period?

### Recommendation

2. Staff recommend the IPSASB:
  - (a) Approve [draft] ED [XX]; and
  - (b) Expose [draft] ED [XX] for a 60-day consultation period.

### Context

3. As part of the *Improvements to IPSAS Accounting Standards – Volume 10* project, the IPSASB considered potential amendments to IPSAS Standards to align with amendments to IFRS Accounting Standards arising from the *Improvements to IFRS Accounting Standards* projects and *Narrow Scope Amendments* projects of the International Accounting Standards Board (IASB), that had not been considered by the last *Improvements to IPSAS Accounting Standards* project or other IPSASB projects. The IPSASB also considered potential public sector-specific improvements; however, none were identified.
4. These proposed amendments were discussed and approved by the IPSASB in March 2025 ([Agenda Item 6](#)), June 2025 ([Agenda Item 9](#)), and December 2025 ([Agenda Item 10](#)). Accordingly, the amendments are not subject to further deliberation at this meeting.
5. In Q1 2026, Staff drafted ED [XX] to consolidate all the approved amendments into a single exposure draft for the IPSASB's approval. See [Agenda Item 5.B.2](#) posted separately on the meeting website.

### Analysis

#### *Structure and Content of [draft] ED [XX]*

6. The structure and content of [draft] ED [XX] have been developed in accordance with previous editions of *Improvements to IPSAS Accounting Standards* and consistent with the IPSASB's decisions in previous meetings.
7. The only substantive change was the addition of Specific Matter to Comment 1 to the Request for Comments section and Part 1 of the ED:

#### **Specific Matter for Comment 1: Prevalence of Proposed Amendments for Supplier Finance Arrangements:**

This Exposure Draft proposes additional disclosures for supplier finance arrangements, which are characterized by one or more finance providers offering to pay amounts an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, suppliers are paid.

In your experience, are supplier finance arrangements sufficiently prevalent in your jurisdiction to warrant the proposed disclosure?

# Agenda Item 5.A.1

IPSASB Meeting (March 2026)

8. To effectively use the meeting's plenary time, members are asked to send editorial comments to Staff offline.

## *Consultation Period*

9. The normal consultation period for Improvements EDs is 60 days<sup>1</sup>. Staff expect to publish [draft] ED [XX] in April 2026, with a consultation period ending in June 2026. This timeline would allow Staff to present an analysis of responses to [draft] ED [XX] at the September 2026 meeting.

## **Decision Required**

10. Does the IPSASB agree with the Staff [recommendation](#)?

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<sup>1</sup> The IPSASB's [Due Process and Working Procedures](#) states that Improvement's exposure drafts generally have a 60-day exposure period as a result of the consequential nature of the changes.

### Approval of [draft] Exposure Draft [YY], *Narrow Scope Amendments to IPSAS 40*

#### Question

1. Does the IPSASB agree to approve [draft] Exposure Draft (ED) [YY], *Narrow Scope Amendments to IPSAS 40*, with a 60-day exposure period?

#### Recommendation

2. Staff recommend the IPSASB:
  - (a) Approve [draft] ED [YY]; and
  - (b) Expose [draft] ED [YY] for a 60-day consultation period.

#### Context

3. The IPSASB considered potential amendments to IPSAS 40, *Public Sector Combinations* to align where appropriate with amendments to IFRS 3 *Business Combinations* arising from *Definition of a Business* (Amendments to IFRS 3) and *Reference to the Conceptual Framework* (Amendments to IFRS 3) issued by the International Accounting Standards Board (IASB) in 2018 and 2020.
4. These proposed amendments were discussed by the IPSASB at the June 2025 meeting ([Agenda Item 9](#)). At this meeting, the IPSASB decided that these amendments would be issued as narrow scope amendments separately from ED [XX], *Improvements to IPSAS Accounting Standards – Volume 10* due to their complexity, as they involve changes to areas requiring significant judgment and could significantly change the accounting in IPSAS 40. The IPSASB then approved these amendments in December 2025 ([Agenda Item 10](#)). Accordingly, the amendments are not subject to further deliberation at this meeting.
5. In Q1 2026, Staff drafted ED [YY] to consolidate all approved amendments into a single exposure draft for the IPSASB's approval. See [Agenda Item 5.B.3](#) posted separately on the meeting website.

#### Analysis

##### *Structure and Content of [draft] ED [YY]*

6. The structure and content of [draft] ED [YY] have been developed in accordance with the IPSASB's decisions in previous meetings. In December 2025, the IPSASB agreed with the proposed amendments to:
  - (a) Narrow the guidance on the definition of 'operation' in public sector combinations and introduce an optional concentration test to simplify the assessment of whether an acquired set of activities and assets is an operation; and
  - (b) Clarify the guidance on the recognition of provisions and contingent liabilities assumed as part of a public sector combination.
7. The only substantive change to the December 2025 version of the proposed amendments was the deletion of Example G – Acquisition of Brands in the Illustrative Examples, based on member comments that the acquisition of brands is exceptionally rare in the public sector. To effectively use the meeting's plenary time, members are asked to send editorial comments to Staff offline.

*Consultation Period*

8. The ordinary exposure period is 120 days as stated in the [IPSASB's Due Process and Working Procedures](#). However, due to the limited scope of this ED, Staff recommend the exposure period of 60 days. Staff expect to publish [draft] ED [YY] in May 2026, with a consultation period ending in June 2026. This timeline would allow Staff to present an analysis of responses to [draft] ED [YY] at the September 2026 meeting.

**Decision Required**

Does the IPSASB agree with the Staff [recommendation](#)?