

IPSASB

International Public
Sector Accounting
Standards Board®

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AGENDA ITEM 9

IMPLEMENTATION INITIATIVES

IPSASB Meeting – June 9–11

IPSASB Staff

Washington, D.C., USA

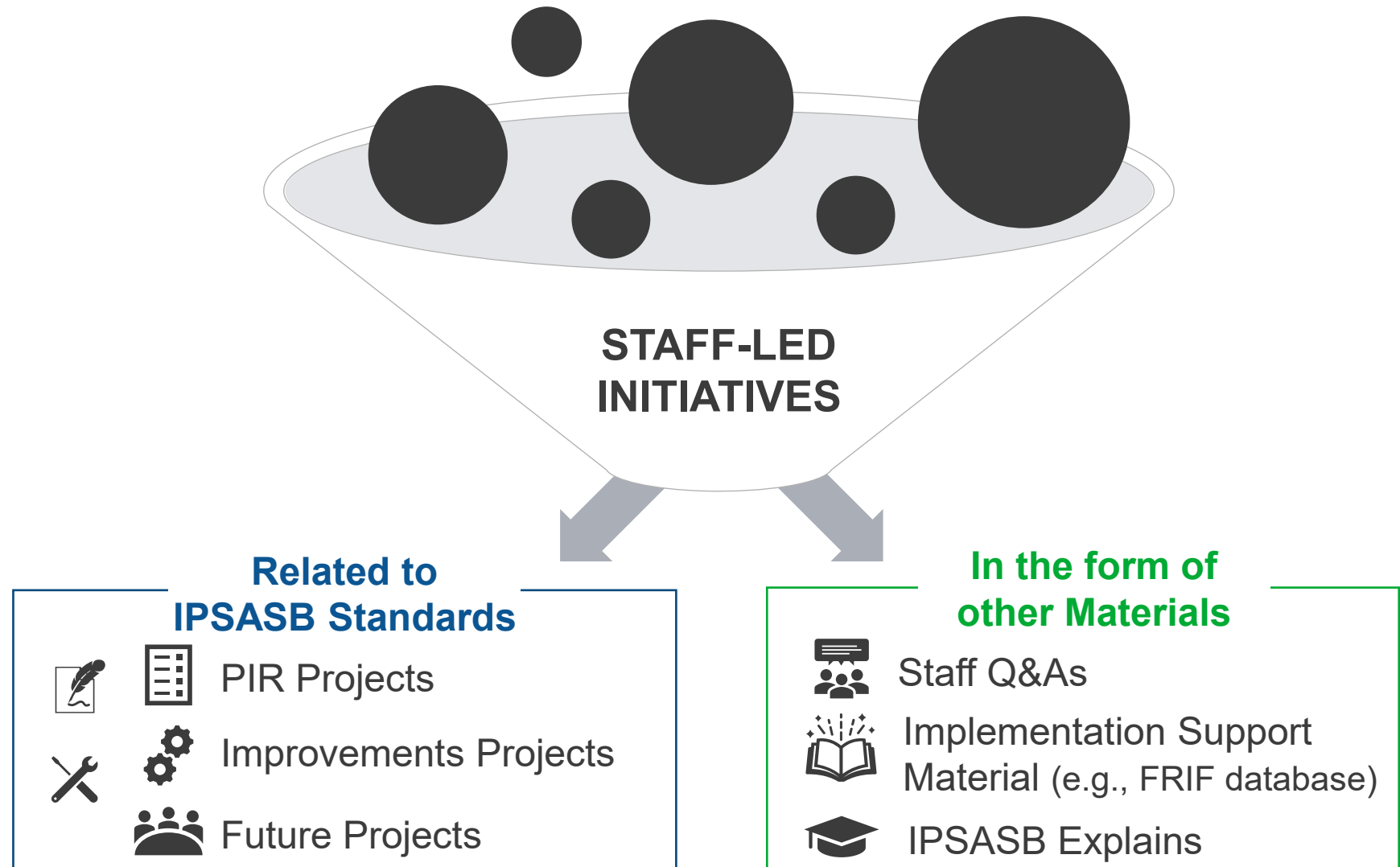


Implementation Initiatives – Overview

Inputs
to identify issues

Processes
to understand

Outputs
to address



Analysis

- Key points from analysis
- Lead in to staff recommendation
- Bullet form, minimum 18pt font

Decision Required

- Not verbatim from paper
- Bullet form

Recommendation

- Key points
- Not verbatim from paper
- Bullet form

Reporting: IPSASB Application Group

Analysis

- Staff received seven queries in Q2 2026
 - Staff met with the IAG to discuss six queries in May 2026
 - One query to be discussed in Q3 pending clarification of fact pattern
- Staff also analyzed six final IFRIC agenda decisions
 - Five of the decisions related to IFRS 18 and the Presentation of Financial Statements Team is aware of these decisions
 - One decision related to IFRS 16 *Leases* and will be discussed with the IAG in Q3 2026

Decision Required

- **Decide** whether standards setting projects are needed to address the queries received in the second quarter of 2026

Recommendation

- **Confirm** no standard setting projects are required
- See 9.A.3 – 9.A.8 for the analyses of individual queries

Classification of Mint Gold Certificates and Special Drawing Rights

Analysis

- Staff received a submission about the following
 - Classification of gold mint certificates from the perspective of the issuer
 - Certificates allow the holder to redeem 0.01g of physical gold
 - No term or restrictions on when gold can be redeemed
 - Accounting for Special Drawing Rights (SDR) issued by the IMF
- IAG noted
 - Mint Gold Certificates are not monetary gold, as the gold is not held as an element of the monetary authority's foreign exchange reserves
 - Certificates are a prepaid sale of gold inventory and obligation to deliver gold is a binding arrangement liability within IPSAS 47
 - SDR are addressed by IG B.1.2.2 and B.1.2.3 in IPSAS 41

Decision Required

- **Decide** whether a standards setting project is needed

Recommendation

- Queries are adequately addressed by existing guidance
- **No action needed**

Applicability of IPSAS 44

Analysis

- Submission asked if IPSAS 44 applies to assets held to be transferred or donated to unrelated third-parties
 - Disposal group refers to ‘disposed of, by sale or otherwise’
 - Different meaning of ‘disposal’ in other IPSAS Standards
- IAG noted
 - Basis for Conclusions in IPSAS 44 is clear—only applicable to sales
 - Assets or disposal groups to be transferred are out of scope
 - ‘Disposal’ in other IPSAS is in the context of derecognition of assets
 - Difference from IPSAS 44 is needed to capture derecognition due to a broad range of scenarios leading to the loss of rights to an asset’s future economic benefits or service potential

Decision Required

- **Decide** whether a standards setting project is needed

Recommendation

- Scope of IPSAS 44 is clear
- **No action needed**

Initial Application of IPSAS 45

Analysis

- Submission requested relief from retrospective application of IPSAS 45, which requires full retrospective application except for two transitional exceptions
 - Measurement of heritage assets
 - Differences in current value (e.g., moving from FV to COV)
- IAG noted retrospective application of IPSAS 45 is not expected to result in material adjustments except in the above areas
 - No need to provide additional relief
- Staff noted issue appears to be more of an implementation issue regarding documentation and demonstrating that no adjustments are required—suggest discussion at the FRIF

Decision Required

- **Decide** whether a standards setting project is needed

Recommendation

- **No action needed**
- Staff recommend raising the issue at the FRIF

Initial Measurement of Property Expropriated with Variable Consideration

Analysis

- Submission inquired about the initial measurement of an asset acquired in an expropriation involving variable consideration
- IFRIC analyzed a similar issue in 2016 and noted diversity in practice
 - Could not come to consensus on timing of recognition, how to measure liability, or how to account for subsequent payments
 - Referred issue to IASB
 - IASB considered a project but ultimately decided to not prioritize the issue based on constituent feedback
- IAG noted that the large accounting networks provide guidance on potential accounting policies to be developed and applied depending on specific facts and circumstances

Decision Required

- **Decide** whether a standards setting project is needed

Recommendation

- IAG noted this is not a public sector-specific issue
- **No action needed**
- Staff to monitor the IASB's work plan for developments

Import Duties and Non-Refundable Purchase Taxes

Analysis

- A public sector entity pays non-refundable duties and taxes to the government treasury upon the acquisition of an asset (PP&E, investment property or intangible asset)
 - Duties and taxes could be payable even if asset was acquired in a non-exchange transaction
- Do duties and taxes need to be recognized in separate financial statements as they will be eliminated on consolidation?
 - No exemption in IPSAS 34 or 35—reporting of transactions is needed to reflect economic position and performance of individual entities
- Should such duties and taxes be included in deemed cost?
 - These duties and taxes are transaction costs in IPSAS 46
 - Excluded from fair value and included in current operational value

Decision Required

- **Decide** whether a standards setting project is needed

Recommendation

- Queries are adequately addressed by existing guidance
- **No action needed**

Consistency of Accounting Policies and Transitional Exemptions in IPSAS 33

Analysis

- Submission noted that transitional exemptions in IPSAS 33 were applied only when relevant to specific individual entities
 - Does inconsistent application of exemptions conflict with the requirement for uniform accounting policies in IPSAS 35 and 36?
- IAG noted that IPSAS 33 is clear that consistency with accounting policies is not required
 - Transition exemptions and provisions in IPSAS 33 are only available to first-time adopters (IPSAS 33, paragraphs 5-7)
 - IPSAS 33, paragraph 16 reinforces that transitional exemptions and provisions are not the same as changes in accounting policies once an entity applies accrual basis IPSAS Standards
- However, as IPSAS 33 is often the first standard to be analyzed by first-time adopters, the IAG recommend that the IPSASB consider the development of educational materials

Decision Required

- **Decide** whether a standards setting project is needed

Recommendation

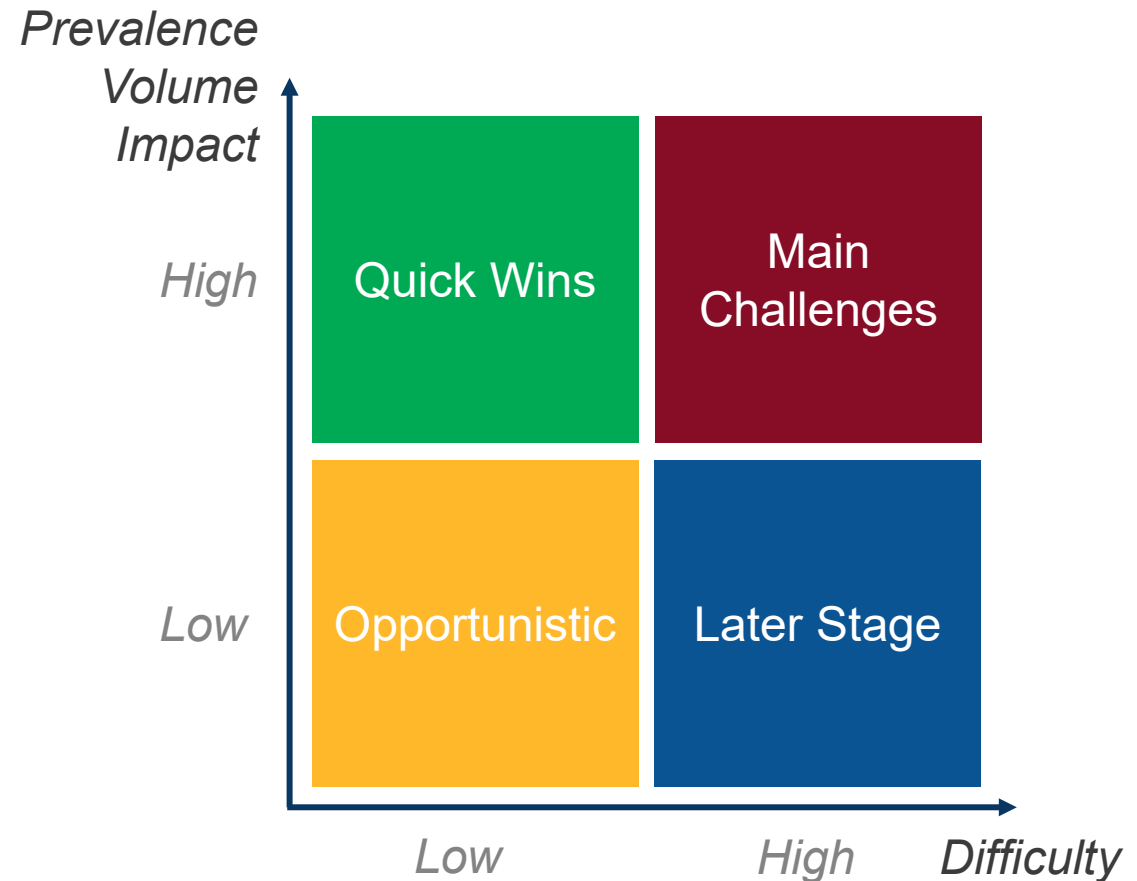
- Existing guidance is clear
- **No standards-setting project needed**
- Consider **educational materials**

Financial Reporting Implementation Forum

Q2 2026 Overview

Analysis

- Inaugural FRIF meeting took place on May 12 and May 13
- Implementation leaders presented challenges related to:
 - Interpretation and application of accounting policies
 - Consolidation and the application of the definition of control
 - Reporting of administered items
- Staff developed an approach to categorize issues, as illustrated on the right



Financial Reporting Implementation Forum

Q2 2026 Overview

Analysis

- Participants completed a survey on implementation challenges
 - Consolidation and the assessment of control were the most frequently identified challenges
- If the IPSASB agrees to prioritize a PIR project on IPSAS 35, *Consolidated Financial Statements* (Agenda Item 6), application of control will be discussed at Q3 FRIF meeting

Decision Required

- **Decide** whether the concept of control should be discussed at the Q3 FRIF meeting

Recommendation

- **Focus** the upcoming FRIF discussions on control and consolidation

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