

IMPROVEMENTS TO IPSAS ACCOUNTING STANDARDS: PROJECT MANAGEMENT DASHBOARD

Topic	Past Meetings	September 2026	December 2026	March 2027
Finalization of Exposure Draft 95, <i>Improvements to IPSAS Accounting Standards – Volume 10</i>	✓			
Finalization of Exposure Draft 96, <i>Definition of an Operation and Recognition of Acquired Liabilities and Contingent Liabilities</i> (Amendments to IPSAS 40)	✓			
Amendments Relating to Translation to a Hyperinflationary Presentation Currency	✓			
Finalization of <i>Improvements to IPSAS Accounting Standards – Volume 10</i>				
Finalization of <i>Definition of an Operation and Recognition of Acquired Liabilities and Contingent Liabilities</i> (Amendments to IPSAS 40)				
Amendments Relating to Disclosures about Uncertainties in the Financial Statements				
Finalization of <i>Improvements to IPSAS Accounting Standards – Volume 11</i>				

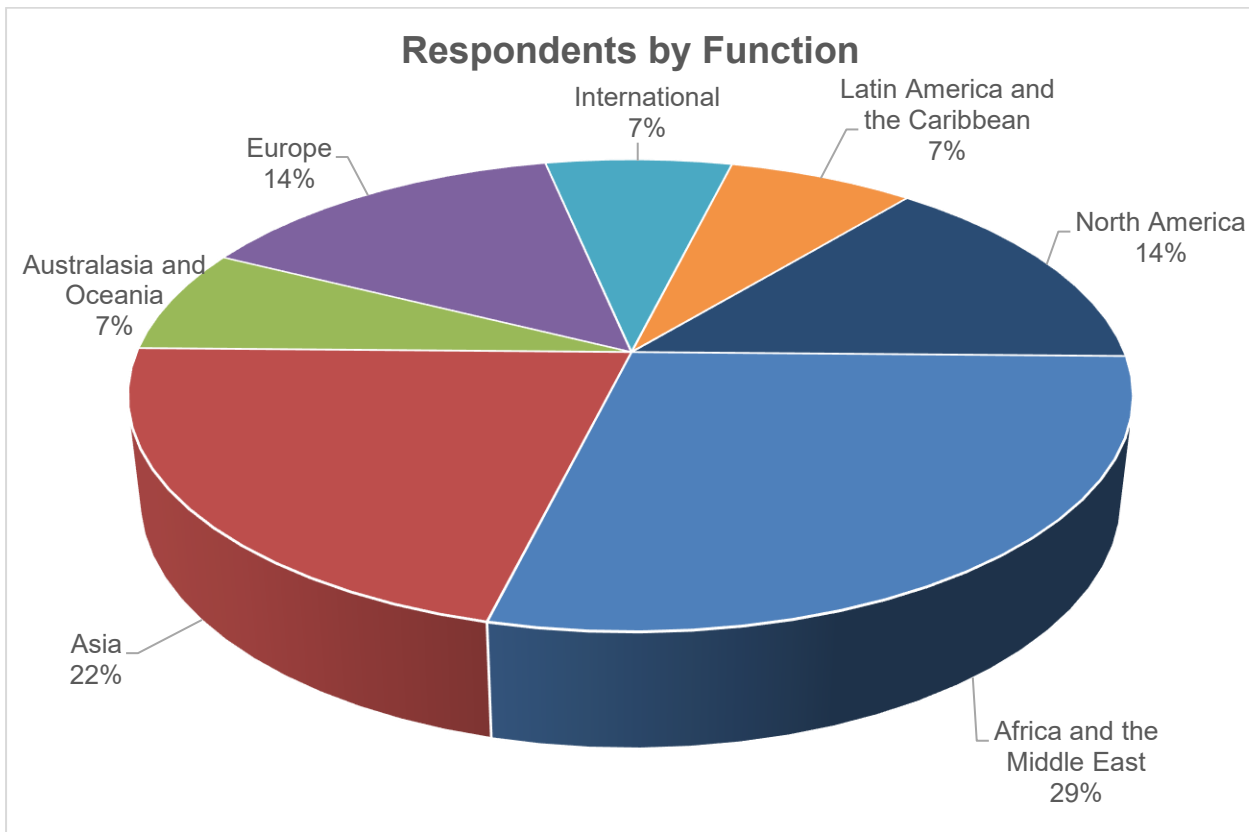
Legend	
✓	Task Completed
	Planned IPSASB Discussion
	Page-by-page Review

Supporting Document 1 – Analysis of Respondents by Region, Function, and Language, and List of Respondents to ED 95

Appendix A - Analysis of Respondents by Region, Function and Language

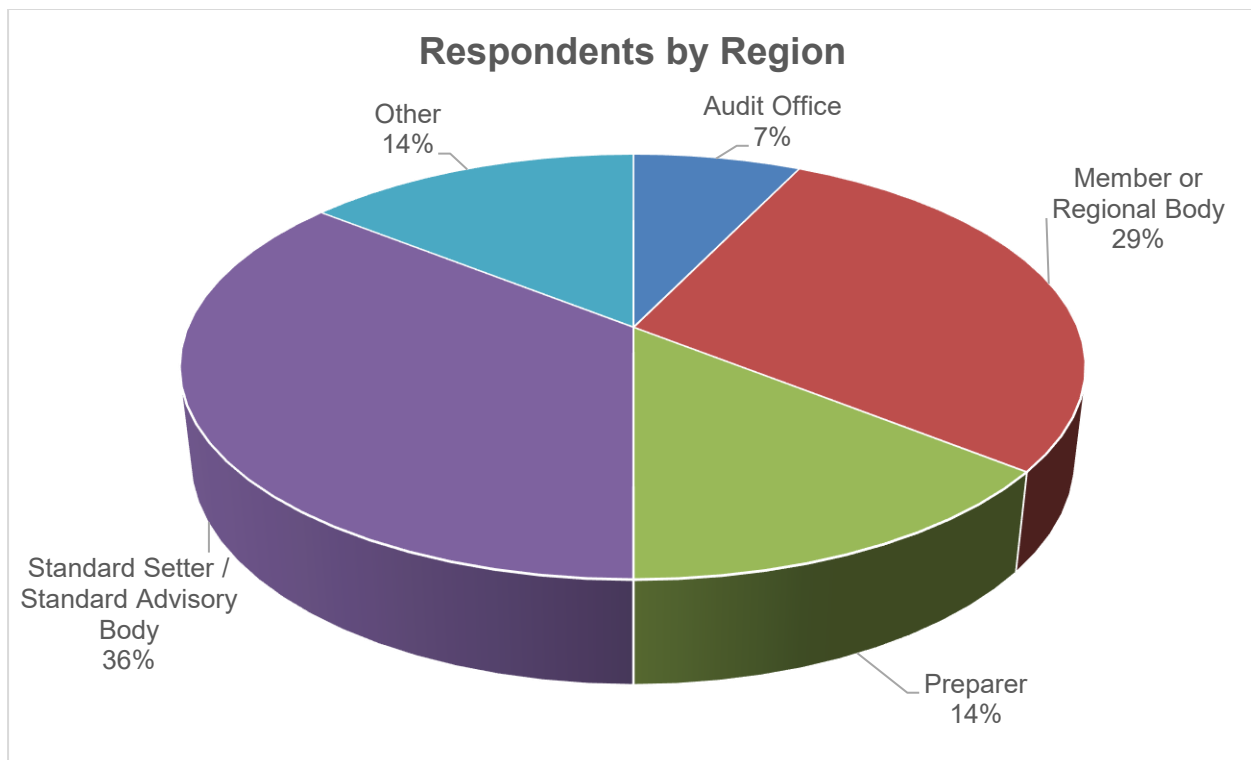
Regional Breakdown

Region	Comment Letters	Total Respondents
Africa and the Middle East	R01, R07, R10, R11	4
Asia	R03, R04, R05	3
Australasia and Oceania	R09	1
Europe	R02, R13	2
International	R06	1
Latin America and the Caribbean	R12	1
North America	R08, R14	2
Total		14



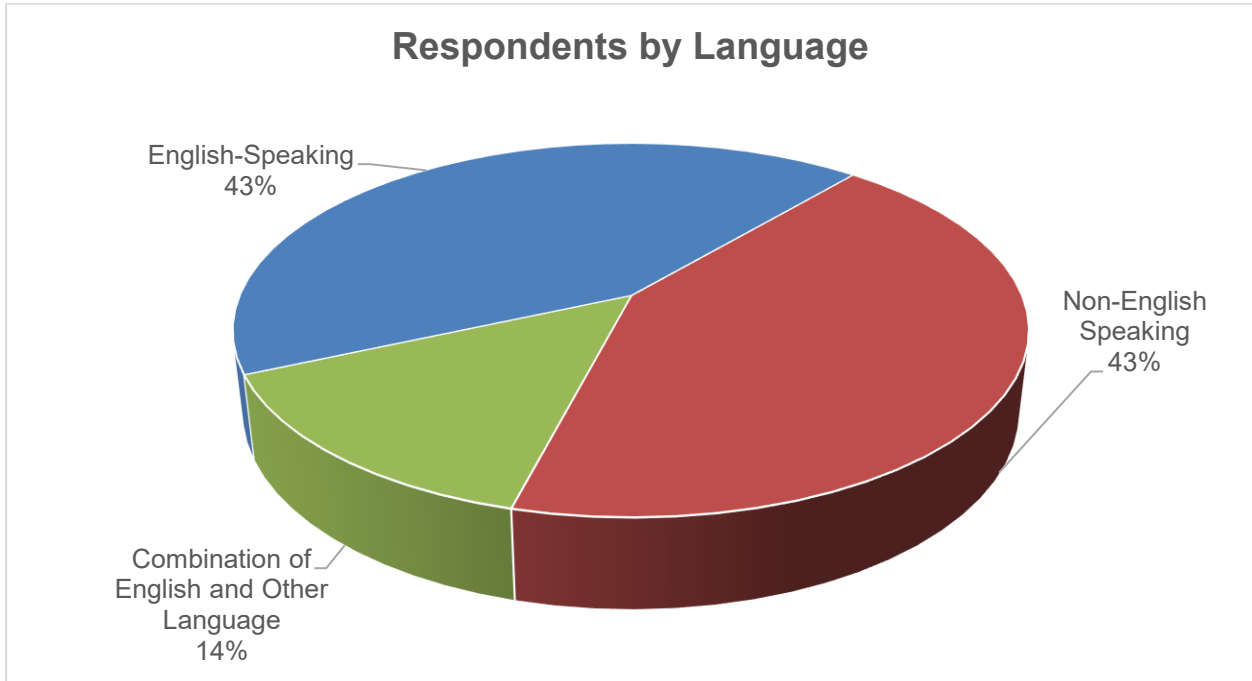
Functional Breakdown

Function	Comment Letters	Total Respondents
Audit Office	R08	1
Member or Regional Body	R04, R05, R09, R12	4
Preparer	R06, R07	2
Standard Setter / Standard Advisory Body	R02, R03, R10, R11, R14	5
Other	R01, R13	2
Total		14



Linguistic Breakdown

Function	Comment Letters	Total Respondents
English-Speaking	R01, R06, R09, R10, R11, R13	6
Non-English Speaking	R02, R03, R04, R05, R07, R12	6
Combination of English and Other Language	R08, R14	2
Total		14



Appendix B – List of Respondents

Comment Letter	Respondent	Country	Function
R01	Bryton Malandule	Zimbabwe	Other
R02	Swiss Public Sector Financial Reporting Advisory Committee (SRS-CSPCP)	Switzerland	Standard Setter / Standard Advisory Body
R03	The Institute of Chartered Accountants of Nepal	Nepal	Standard Setter / Standard Advisory Body
R04	Malaysian Institute of Accounting (MIA)	Malaysia	Member or Regional Body
R05	Japanese Institute of Certified Public Accountants (JICPA)	Japan	Member or Regional Body
R06	North Atlantic Treaty Organization (NATO)	International	Preparer
R07	Ministry of Finance (KSA)	Kingdom of Saudi Arabia	Preparer
R08	Office of the Auditor General of Canada	Canada	Audit Office
R09	CPA Australia	Australia	Member or Regional Body
R10	Accounting Standards Board	South Africa	Standard Setter / Standard Advisory Body
R11	Public Sector Accounting Standards Board (PSASB)	Kenya	Standard Setter / Standard Advisory Body
R12	Conselho Federal de Contabilidade	Brazil	Member or Regional Body
R13	Kalar Consulting Ltd	United Kingdom	Other
R14	Public Sector Accounting Board	Canada	Standard Setter / Standard Advisory Body

Supporting Document 2 – Detailed Analysis of Responses to ED 95

Specific Matter for Comment 1 – Prevalence of Proposed Amendments for Supplier Finance Arrangements

1. ED 95 included one Specific Matter for Comment (SMC):

Specific Matter for Comment 1 – Prevalence of Proposed Amendments for Supplier Finance Arrangements

Part 1 of 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?

2. Staff applied the following logic in classifying the responses into the following four categories:
- (a) Agree—The response clearly states that it agrees with the proposed amendments, either by not making any further suggestions to enhance the proposals or by providing additional reasons to support the proposals. This category also includes responses that agree with the proposals and include minor editorial changes.
 - (b) Partially agree—The response states that it agrees with the proposed amendments and provides suggestions to enhance those proposals without modifying the proposed principles. Suggestions can include clarifications, drafting changes, adding more guidance to support the proposed principles, or removing guidance where the respondent is of the view that is not necessary in the context of the proposed principles.
 - (c) Disagree—The response states that it disagrees with the proposed amendments. This category also includes responses that state agreement with the proposals or do not explicitly state disagreement but are followed by substantive suggested changes to the proposed principles; and
 - (d) No comment—The response does not contain any commentary specific to any part of ED 95.
3. The following table summarizes the numerical statistics for the responses to SMC 1:

SMC 1			
Agree	Partially Agree	Disagree	No Comment
4	4	1	5

4. The following table summarizes comments from respondents who partially agreed or disagreed with SMC 1 and Staff's recommendations. Suggestions that are only editorial in nature are incorporated by Staff where appropriate and are not included in the table below.

#	Respondents' Comments	Staff's Recommendation
1	Respondent stated that supplier finance arrangements exist within their jurisdiction but raised concerns that the proposed disclosure	Not to change the proposed amendments. The proposals do not require disclosure of identifiable information of the counterparty nor

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IPSASB Meeting (September 2026)

#	Respondents' Comments	Staff's Recommendation
	requirements could expose sensitive matters, especially military requisitions. The respondent recommended permitting entities to limit disclosures that could compromise confidentiality or national security. (R04)	the goods or services provided. Therefore, entities can meet the disclosure requirements without revealing sensitive information.
2	Respondent disagreed with the proposal and stated that supplier finance arrangements are not prevalent in their jurisdiction because its institutional framework emphasizes fiscal discipline and spending transparency and contracts involving financial schemes are not used. (R05)	Not to change the proposed amendments. Other respondents who agreed with the proposal also noted that supplier finance arrangements are not prevalent in their jurisdictions but nevertheless considered the requirements useful and applicable should such arrangements arise. Therefore, Staff consider that the respondent's concern reflects jurisdiction-specific circumstances and does not identify a technical issue with the proposal.
3	Respondent requested guidance clarifying that "...centralized treasury payment systems, Treasury Single Account mechanisms, shared service payment arrangements, ordinary procurement payables, delayed budget releases, procurement cards, government guarantees, and letters of credit do not, in themselves, constitute supplier finance arrangements merely because a central body processes the payment." (R07)	Not to change the proposed amendments Paragraph 55G of IPSAS 2 requires the involvement of a finance provider and payment terms that provide suppliers with earlier payment or the entity with extended payment. It therefore excludes centralized payment processing without financing and changed payment terms and explicitly excludes arrangements that are solely credit enhancements or instruments used to pay suppliers directly.
4	Respondent recommended that the Basis for Conclusions acknowledge that arrangements that are not labeled supplier finance but have equivalent effects on liabilities and cash flows. The respondent also suggested to clarify in the Basis for Conclusions or Application Guidance that the proposed requirements "...may require specific adaptations in jurisdictions with strong integration between public accounting, budgetary execution, and treasury management." (R12)	Not to change the proposed amendments. Paragraph 55G of IPSAS 2 defines supplier finance arrangements by their substance, irrespective of form or label. Jurisdiction-specific circumstances do exist, however, they should not be addressed by international standards.
5	Respondent recommended clarifying the appropriate level of detail to be disclosed. The respondent also requested examples for central purchasing bodies, shared-service centers, and government-wide platforms. (R13)	Not to change the proposed amendments. The proposed disclosure requirements sufficiently meet the disclosure objective in paragraph 55F of IPSAS 2 while still allowing entities to apply their judgement to determine

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IPSASB Meeting (September 2026)

#	Respondents' Comments	Staff's Recommendation
		how they aggregate or disaggregate information in financial statements to avoid omitting or obscuring material information. The proposed guidance is principle-based and provides a sufficient basis for assessing the suggested structures. Therefore, additional examples are not considered necessary.

Remainder of ED 95

5. Regarding Parts 2–9 of ED 95, of the 14 respondents:
 - (a) Three respondents agreed without further recommendations;
 - (b) Six respondents generally agreed with further recommendations;
 - (c) Two respondents only addressed Part 2(b), *Amendments to IPSAS 41, Financial Instruments*, and disagreed with it; and
 - (d) Three respondents did not comment.
6. The following table summarizes the comments from the 6 respondents that generally agreed with Parts 2–9 of ED 95 but made further recommendations. Suggestions that are only editorial in nature are incorporated by Staff where appropriate and are not included in the table below.

#	Respondents' Comments	Staff's Recommendation
1	Respondent requested public-sector examples and additional guidance on concessional sovereign borrowing, below-market terms, on-lending, guarantees, and capacity-constrained recognition and measurement. (R03)	Not to change the proposed amendments. These matters are outside the scope of ED 95. Staff will refer these suggestions to IPSASB's other implementation support initiatives for consideration.
2	Respondent suggested clarification that "...derecognition is inappropriate where the entity, treasury, or central bank retains a practical ability to withdraw, stop, recall, or cancel the payment instruction before final settlement..." in Part 2(b) of ED 95. For Part 3 of ED 95, the respondent suggested adding examples to distinguish contracts entered into for own-use electricity needs from those for trading, market-making, or policy-intervention purposes. The respondent also suggested clarification of the interaction with onerous contract assessments under IPSAS 19. (R07)	Not to change the proposed amendments. Part 2(b)—The proposed guidance explicitly requires the entity to have no practical ability to withdraw, stop or cancel the payment instruction. Part 3—The proposed guidance applies to all contracts referencing nature-dependent electricity, irrespective of how they are entered into. Proposed paragraph 37B(b)(ii) of IPSAS 30 requires disclosure of how an entity assesses whether a contract might become onerous under IPSAS 19. However, guidance on such assessment is included in IPSAS 19, and is outside of the scope of ED 95.

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IPSASB Meeting (September 2026)

#	Respondents' Comments	Staff's Recommendation
3	Respondent generally supported the proposals in ED 95. However, the respondent noted that "...concerns raised by respondents regarding the IFRS Interpretations Committee's <i>Tentative Agenda Decision and comment letters: Cash Received via Electronic Transfer as Settlement for a Financial Asset</i> (IFRS 9) in 2021 do not appear to have been fully addressed in the IASB's Project <i>Amendments to the Classification and Measurement of Financial Instruments</i> ". Therefore, the respondent considered it "...appropriate to draw this matter to the IPSASB's attention for further consideration." (R09)	Not to change the proposed amendments. Staff noted that the concerns raised mainly relate to disruption to long-standing practices, unintended consequences for other fact patterns, and implementation costs. The IASB acknowledged that the narrow-scope amendments to IFRS 9 would not resolve all these concerns but concluded that their targeted scope would improve the consistent application of the derecognition requirements, address operational concerns and limit the risk of unintended consequences ¹ . Staff identified no public sector-specific reasons for the IPSASB to depart from the IASB's approach. Accordingly, Staff recommend the IPSASB proceed with the proposed amendments to IPSAS 41 as proposed in ED 95.
4	Respondent requested additional implementation guidance on: Part 3—Applying own-use assessment and 12-month look-back period to public sector electricity generators and off-takers. Part 4—Assessing administratively set exchange rates where multiple rates exist for different purposes. Part 9—Hedge-accounting transition for first-time adopters. (R11)	Not to change the proposed amendments. Parts 3 and 4 of ED 95 already provide principles and application guidance addressing the identified assessments. The request for Part 9 is outside the scope of ED 95. Staff will refer these suggestions to IPSASB's other implementation support initiatives for consideration.
5	Respondent recommended acknowledging that "...implementation may require specific care in jurisdictions with strong integration between accounting, budget, and treasury." The respondent also requested supplementary material for jurisdictions whose national accounting frameworks significantly differ from IFRS-aligned standards. (R12)	Not to change the proposed amendments, Jurisdiction-specific circumstances do exist, however, they should not be addressed by international standards.
6	Respondent requested public sector-specific examples for:	Not to change the proposed amendments. Contingent features—IPSAS 41 already provides the principles for assessing contingent

¹ IFRS 9, *Financial Instruments*, paragraph BC3.42.

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IPSASB Meeting (September 2026)

#	Respondents' Comments	Staff's Recommendation
	Contingent features—Assessing contingent features linked to policy outcomes, service delivery targets, or sustainability indicators under Part 2(b). Derecognition of financial liabilities settled through payment systems—Applying the derecognition requirements to national treasury platforms, third-party payment service providers, and intergovernmental clearing mechanisms. Contracts referencing nature-dependent electricity—Applying proposed requirements in Part 3 of ED 95 to policy-driven arrangements, long-term renewable energy arrangements, virtual power purchase agreements, and arrangements entered into on behalf of multiple controlled entities or agencies. (R13)	features, including those linked to policy outcomes, service delivery targets, or sustainability indicators. Derecognition of financial liabilities settled through payment systems—Part 2(b) requirements focus on whether a liability is settled through an electronic payment system and whether the payment instruction meets the specified criteria, rather than on the type of platform or service provider. Contracts referencing nature-dependent electricity—The proposed guidance applies based on the contractual terms and economic substance of the arrangement, rather than how it was entered into. The guidance also adequately provides the principles that can apply to the requested fact patterns.

7. The following table summarizes the comments made by 2 respondents that disagreed with the amendments in Part 2(b) of ED 95:

#	Respondents' Comments	Staff's Recommendation
1	Respondent disagreed with amendments to IPSAS 41 in Part 2 (b) on the derecognition of financial liabilities settled through electronic payment systems. The respondent considered that the optional early-derecognition treatment could reduce comparability between entities. The respondent also noted that entities in their jurisdiction currently derecognize cash and the related liability when a cheque is issued, regardless of when the cheque is settled by the bank. The proposed amendments clarify that the early-derecognition option applies only to qualifying electronic payment systems and not to cheque payments. Consequently, affected entities would need to change established accounting practices and systems, which could be costly and time-consuming. (R08)	Not to change the proposed amendments due to the following reasons: • An entity that electing the early-derecognition option would be required to apply it consistently to all settlements made through the same electronic payment system and disclose the election as an accounting policy. • Financial liabilities settled through different payment methods would have different derecognition dates, which reflect differences in settlement characteristics, not inconsistent application of the requirements, provided that transactions with the same characteristics are accounted for consistently. • The amendments only apply to financial liabilities settled through electronic payment systems and therefore would not require changes to accounting for other payment formats, such as cheques.
2	Respondent disagreed with amendments to IPSAS 41 in Part 2 (b) on the derecognition of financial liabilities settled through electronic	

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IPSASB Meeting (September 2026)

#	Respondents' Comments	Staff's Recommendation
	payment systems. The respondent noted that in their jurisdiction, recipients may select the payment method for income tax refunds and certain social benefit payments, potentially resulting in different derecognition dates for otherwise similar liabilities. The respondent also stated that the use of manual cheques is widespread within their jurisdiction and that "The historical practice for derecognizing financial liabilities (and the related cash payments not made through electronic payment systems) at the point of cheque issuance is well established within [the respondent's jurisdiction]." As a result, implementing the proposed amendments would require costly changes to accounting processes and IT systems. (R14)	• The long-standing practice for derecognizing financial liabilities at the point of cheque issuance in the respondent's jurisdiction does not seem to be compliant with the requirements in IPSAS 41. • Therefore, in our view, this is not a reason for the IPSASB to depart from IFRS Accounting Standards.

Supporting Document 3 – Detailed Due Process for Approval of [draft] *IPSAS Accounting Standards – Volume 10*

8. The IPSASB has followed due process throughout this project. Thus, the details of the final steps in the due process are noted below.
9. The IPSASB released [Exposure Draft \(ED\) 95, *Improvements to IPSAS Accounting Standards – Volume 10*](#) in April 2026. The IPSASB received 14 comment letters to ED 95. During Q3 2026:
 - (a) Staff reviewed and analyzed the 14 comment letters received;
 - (b) Staff have made several editorial amendments to the text related to:
 - (i) Adding the expected publication date and proposed effective date (see paragraph 4(f)); and
 - (ii) Removing the references to [draft] in the final pronouncement; and
 - (c) The IPSASB discussed and addressed the issues raised by ED 95 respondents.
10. When Staff are satisfied that a proposed new final international pronouncement (i.e., the Final Pronouncement) is ready for approval, IPSASB's [Due Process and Working Procedures](#) sets out the necessary steps to facilitate its approval:
 - (a) Staff present the revised content of the exposed international standard to the IPSASB;

[Agenda Item 7.A.3](#) includes all changes from ED 95 as presented to the IPSASB during the March 2026 meeting (see [Agenda Item 5.B.2](#)). These changes are editorial in nature. There were no substantial changes to the guidance that would warrant re-exposure (see paragraph (e)).
 - (b) The IPSASB Program and Technical Director advises the IPSASB on whether due process has been followed effectively;

The IPSASB Program and Technical Director asserts that due process has been followed effectively in developing [draft] *IPSAS Accounting Standards – Volume 10*, noting that:

 - ED 95 was issued for consultation;
 - Responses to the ED were received and made publicly available on the [IPSASB website](#);
 - The IPSASB has deliberated significant matters raised in the comment letters at its September 2026 meeting, and decisions taken will be minuted;
 - The IPSASB will be asked to consider whether there are any issues raised by respondents, in addition to those summarized by staff, that it considers should be discussed by the IPSASB and agree there are none.
 - (c) **The IPSASB confirms whether or not it is satisfied the due process has been followed effectively;**

The IPSASB Chair asks the IPSASB for confirmation on due process.
 - (d) **The IPSASB votes on the approval of [draft] *Improvements to IPSAS Accounting Standards – Volume 10* in accordance with its [terms of reference](#);**

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IPSASB Meeting (September 2026)

Staff recommend the approval of [draft] *Improvements to IPSAS Accounting Standards – Volume 10*.

- (e) **The IPSASB considers whether there has been a substantial change to the exposed document such that a vote on re-exposure is necessary;**

The IPSASB Program and Technical Director, in consultation with the Chair of the IPSASB, advises the IPSASB that no substantial changes have been made to ED 95 that would necessitate a vote on re-exposure. Changes to ED 95 are only editorial in nature.

- (f) **The IPSASB sets the effective date of the application of [draft] *IPSAS Accounting Standards – Volume 10*;**

The IPSASB will need to consider the effective date of the [draft] *Improvements to IPSAS Accounting Standards – Volume 10*. Paragraph A44 of the IPSASB's [Due Process and Working Procedures](#) requires the IPSASB to consider the reasonable expected minimum period for effective implementation, including the need for translation into national languages.

Staff notes that the IPSASB's usual practice with respect to Improvements is to set an effective date of January 1 in the year following publication, subject to any additional implementation period required for specific improvements. [draft] *Improvements to IPSAS Accounting Standards – Volume 10* is expected to be published in October 2026. If the IPSASB were to follow its usual practice, this would result in an effective date of January 1, 2027. However, Staff recommend an effective date of January 1, 2028, because:

- [draft] Final Pronouncement, *Improvements to IPSAS Accounting Standards – Volume 10* includes a high volume of amendments to multiple IPSAS Standards to align with amendments to IFRS Accounting Standards arising from several IASB's publications;
- The proposed effective date gives additional time for the IPSASB's constituents to prepare the implementation of the new requirements; and
- The proposed effective date is consistent with the IASB's publications, which had effective dates of January 1 of the second year following issuance².

- (g) **The IPSASB issues Basis for Conclusions with respect to comments received on an exposure draft.**

Staff highlight that [draft] *Improvements to IPSAS Accounting Standards – Volume 10* includes Basis for Conclusions (see [Agenda Item 7.A.3](#)).

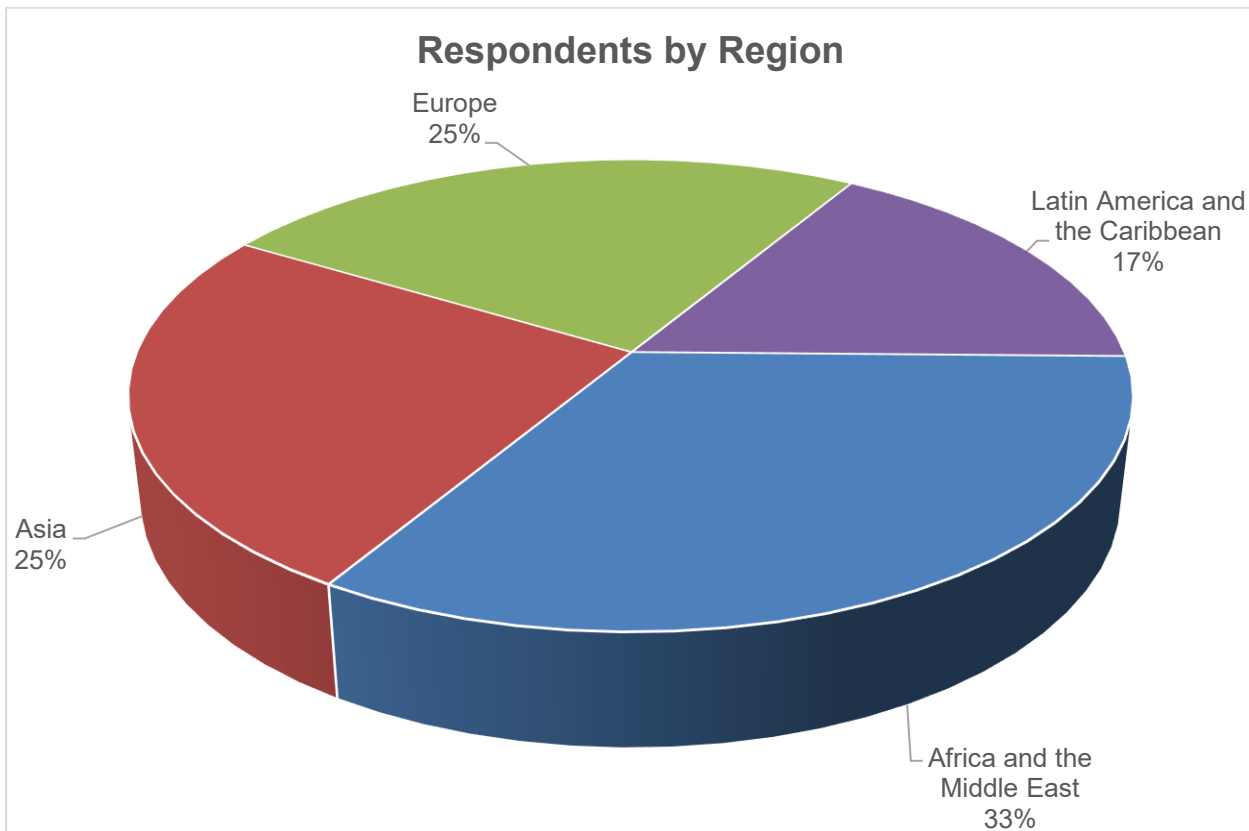
² *Annual Improvements to IFRS Accounting Standards—Volume 11* was published in July 2024 and had an effective date of January 1, 2026. *Amendments to the Classification and Measurement of Financial Instruments* (Amendments to IFRS 9 and IFRS 7) was issued in May 2024 and had an effective date of January 1, 2026. *Contracts Referencing Nature-Dependent Electricity* (Amendments to IFRS 9 and IFRS 7) was issued in December 2024 and had an effective date of January 1, 2026. *Lack of Exchangeability* (Amendments to IAS 21 and IFRS 1) was issued in August 2023 and had an effective date of January 1, 2025. *Supplier Finance Arrangements* (Amendments to IAS 7 and IFRS 7) was issued in May 2023 and had an effective date of January 1, 2024, which was sooner than the other publications due to the disclosure-only nature of the amendments.

Supporting Document 4 – Analysis of Respondents by Region, Function, and Language, and List of Respondents to ED 96

Appendix A - Analysis of Respondents by Region, Function and Language

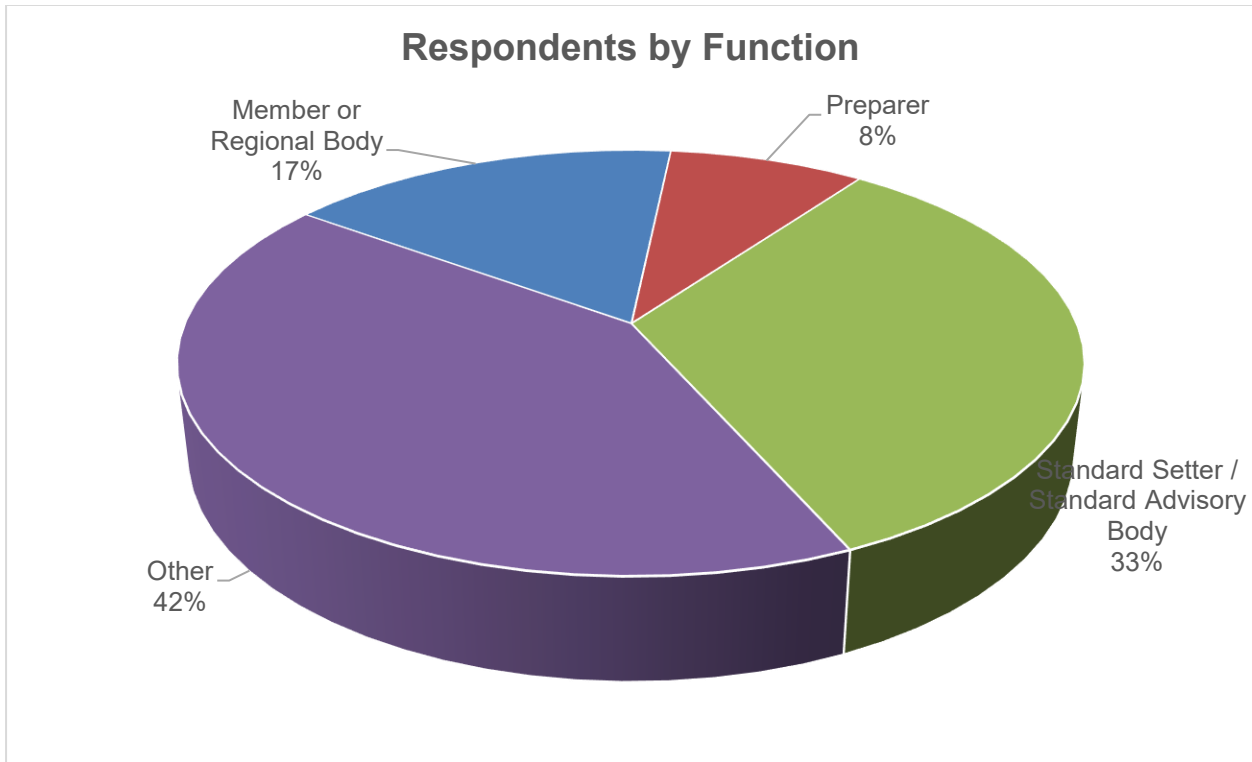
Regional Breakdown

Region	Comment Letters	Total Respondents
Africa and the Middle East	R01, R07, R08, R11	4
Asia	R03, R05, R06	3
Europe	R04, R10, R12	3
Latin America and the Caribbean	R02, R09	2
Total		12



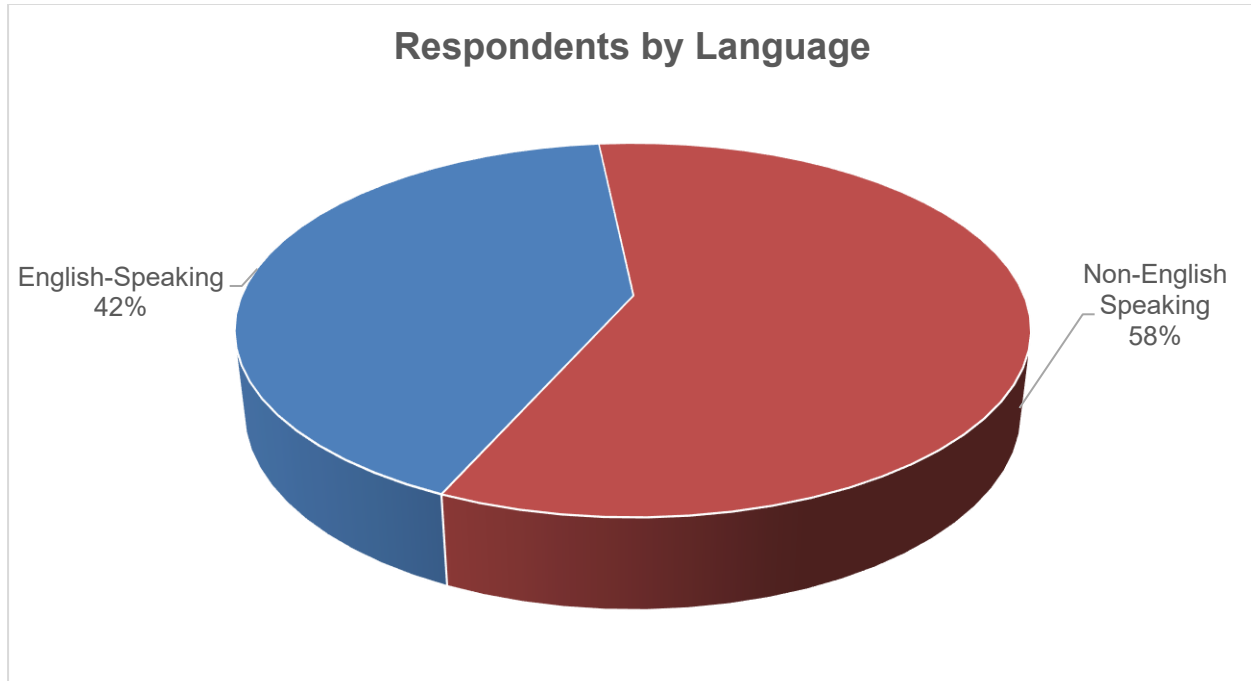
Functional Breakdown

Function	Comment Letters	Total Respondents
Member or Regional Body	R06, R09	2
Preparer	R07	1
Standard Setter / Standard Advisory Body	R04, R05, R08, R11	4
Other	R01, R02, R03, R10, R12	5
Total		12



Linguistic Breakdown

Function	Comment Letters	Total Respondents
English-Speaking	R01, R08, R10, R11, R12	5
Non-English Speaking	R02, R03, R04, R05, R06, R07, R09	7
Total		12



Appendix B – List of Respondents

Comment Letter	Respondent	Country	Function
R01	Bryton Malandule	Zimbabwe	Other
R02	Henry Benavidez	Ecuador	Other
R03	Muhammad Sarfraz Arshad	Pakistan	Other
R04	Swiss Public Sector Financial Reporting Advisory Committee (SRS-CSPCP)	Switzerland	Standard Setter / Standard Advisory Body
R05	The Institute of Chartered Accountants of Nepal	Nepal	Standard Setter / Standard Advisory Body
R06	Malaysian Institute of Accounting (MIA)	Malaysia	Member or Regional Body
R07	Ministry of Finance	Kingdom of Saudi Arabia	Preparer
R08	Public Sector Accounting Standards Board (PSASB)	Kenya	Standard Setter / Standard Advisory Body
R09	Conselho Federal de Contabilidade (CFC)	Brazil	Member or Regional Body
R10	Kalar Consulting Ltd.	United Kingdom	Other
R11	Accounting Standards Board	South Africa	Standard Setter / Standard Advisory Body
R12	Opus Lamna Consultation Ltd	United Kingdom	Other

Supporting Document 5 – Detailed Analysis of Responses to ED 96

1. The following table summarizes the numerical statistics for the responses to ED 96:

ED 96, Definition of an Operation and Recognition of Acquired Liabilities and Contingent Liabilities (Amendments to IPSAS 40)		
Agree	Partially Agree	Disagree
1	11	0

2. Table 1 and Table 2 summarize the suggestions made by the respondents who partially agreed with the proposed amendments in ED 96 and Staff's recommendations. Suggestions that are only editorial in nature are incorporated by Staff where appropriate and are not included in the tables below.

Table 1 – Respondents' Suggestions Accepted by Staff

#	Respondents' Comments	Staff's Recommendation
1	Respondent proposed changes to include a decision tree illustrating the application of the concentration test. (R06)	To change the proposed amendments. The flow chart proposed by R01 addresses R04's request. See Agenda Item 7.A.6 for mark-up changes.
2	Respondent proposed the following changes to align ED 96 more closely with the IFRS 3 amendments and to make it more relevant to the public sector: • Adding the IPSAS 19 definition of a contingent asset to paragraph 77A, consistent with IFRS 3; • Replacing "manufacturing equipment and automobiles" with "infrastructure and vehicles" in paragraph AG4B(f)(ii); and • Deleting "real estate" from the examples of inputs in paragraph AG9B. The respondent also suggested including a flow chart to assist entities in assessing whether a set of activities, and assets and/or liabilities, is an operation, including when an entity elects, or does not elect, to apply the optional concentration test. (R11)	To change the proposed amendments. Staff recommend incorporating the proposed changes and flow chart because they improve alignment with IFRS 3, make the examples more relevant to the public sector, and support consistent application. See Agenda Item 7.A.6 for mark-up changes.
3	Respondent proposed changes to clarify that the concentration test only applies to acquisitions (paragraphs AG4A–AG4B) and remove acquisition-specific wording from requirements that apply to both acquisitions and	To change the proposed amendments. Staff recommend incorporating the proposed changes to clarify the scope of the

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IPSASB Meeting (September 2026)

#	Respondents' Comments	Staff's Recommendation
	amalgamations (paragraphs AG5–AG9D). (R12)	amendments. Specifically, Staff made the following changes: • Adding “acquired in an acquisition” after “set of activities and assets” in paragraph AG4A to explicitly emphasize that this test only applies to acquisitions; • Replacing “current value” with “fair value” in paragraphs AG4A–AG4B; and • Removing all acquisition-specific wording from AG5–AGAG9D. See Agenda Item 7.A.6 for mark-up changes.

Table 2 – Respondents' Suggestions Not Accepted by Staff

#	Respondents' Comments	Staff's Recommendation
1	Respondent requested examples involving schools, clinics and government reorganizations, together with practical expedients and alternative measurement approaches for contingent liabilities in low-data environments. (R01)	Not to change the proposed amendments. The existing requirements provide an adequate basis for assessing these public sector arrangements. Paragraph 77 requires fair value to be measured reliably before a contingent liability is recognized. Permitting alternative measurement approaches where this condition is not met would contradict the recognition requirements and depart from IFRS 3 without a public sector-specific reason.
2	Respondent requested practical expedients for applying the concentration test to specialized public sector assets without active markets. Respondent also raised concerns about the existing requirements in paragraph 77 of IPSAS 40, which include acquisition-specific exception requiring recognition of a contingent liability that is a present obligation and whose fair value can be measured reliably, even when an outflow is not probable. Respondent requested more illustrative examples for public sector-specific fact patterns. (R02)	Not to change the proposed amendments. The concentration test is optional; an entity may perform the full operation assessment when the test cannot be applied appropriately. Changing existing requirements in paragraph 77 of IPSAS 40 is outside the scope of ED 96 and would require departure from IFRS 3 without a public sector-specific reason. Further, the principles in IPSAS 40 and applicable IPSAS Standards provide an adequate basis for the assessment of the suggested fact patterns.
3	Respondent recommended broadening the substantive-process guidance to include automated platforms and digital infrastructure, incorporating service potential into the	Not to change the proposed amendments. The amendments already explain that that its definition of output differs from RPG 3 because an operation may serve internal recipients. The

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IPSASB Meeting (September 2026)

#	Respondents' Comments	Staff's Recommendation
	concentration test, aligning the definition of outputs with RPG 3 and adding examples on government restructurings, regulatory functions, shared services and non-revenue-generating operations. (R03)	optional concentration test is limited to acquisitions and is based on fair value. Incorporating a separate qualitative assessment of service potential would be inconsistent with the test's purpose as a simplified screening tool. Entities may instead perform the full operation assessment where service potential is relevant. The existing principles for assessing substantive processes provide an adequate basis for determining whether automated platforms or digital infrastructure constitute substantive processes.
4	Respondent requested clarification on the recognition of acquired liabilities and contingent liabilities where the obligations arise from legislative or constitutional mandates rather than from a voluntary transaction, and "...how entities should account for assets and liabilities that arrive without documentation, and what disclosure is required for items that cannot be reliably measured at initial recognition." Respondent also proposed additional guidance for public sector-specific fact patterns (R05)	Not to change the proposed amendments. The recognition requirements apply irrespective of whether an obligation arises from legislation, a constitutional mandate, a contract or another source. The source of the obligation may inform whether a present obligation exists, but it does not modify the recognition criteria in IPSAS 40 and IPSAS 19. IPSAS 40 permits an entity to report provisional amounts for the items for which the accounting is incomplete and requires the entity to disclose relevant information (paragraphs 103 and 124(a) of IPSAS 40). Further, the principles in IPSAS 40 and applicable IPSAS Standards provide an adequate basis for the assessment of the suggested fact patterns.
5	Respondent requested clarification and public sector-specific examples on outputs, substantive processes, and the optional concentration test. The respondent also proposed including decision-support tools, such as flowcharts or decision trees, to illustrate the interaction between IPSAS 40, IPSAS 19, and the IPSASB Conceptual Framework. (R07)	Not to change the proposed amendments. The proposed requirements and public sector-adapted illustrative examples provide an adequate basis for applying the amendments. Staff will refer the suggested examples and implementation materials for consideration through the IPSASB's relevant implementation-support initiatives.
6	Respondent requested public sector-specific examples and implementation guidance on the transfer of government functions, public sector mergers, the determination of presentation obligations at acquisition date, and valuation where active markets are unavailable. The	Not to change the proposed amendments. The recognition requirements apply irrespective of whether an obligation arises from legislation. The principles in IPSAS 40 provide an adequate basis for the assessment of the suggested fact patterns. The requests for additional valuation

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IPSASB Meeting (September 2026)

#	Respondents' Comments	Staff's Recommendation
	respondent also requested clarification on the accounting for inherited staff and operations driven by policy mandates. (R08)	approaches and examples on the determination of present obligations extend beyond the scope of ED 96.
7	Respondent was concerned that the proposed amendments could be interpreted as permitting recognition of items that do not meet the definition of a liability. The respondent proposed revising paragraph 77 of IPSAS 40 to require entities to recognize acquired contingent liabilities as provisions. (R09)	Not to change the proposed amendments. Existing requirements in paragraph 77 include an acquisition-specific exception requiring recognition of a contingent liability that is a present obligation and whose fair value can be measured reliably, even when an outflow is not probable. Proposed paragraphs 75B–75C clarify that this exception applies only to present obligations; possible obligations are not recognized. Recognizing a contingent liability as a provision would be inconsistent with IPSAS 19 when an outflow is not probable. Changing the existing requirements in paragraph 77 is outside the scope of ED 96 and would require departure from IFRS 3 without a public sector-specific reason.
8	Respondent broadly supported ED 96 but requested additional public sector-specific examples and implementation guidance. The respondent recommended clarifying how the definition of an operation, substantive processes and the optional concentration test apply to service-delivery and regulatory functions, statutory powers, non-market-based values, and dormant or incomplete functions. The respondent also requested guidance on applying IPSAS 40 and IPSAS 19 to obligations arising from legislation, policy commitments or administrative direction, together with practical transition materials such as decision trees, checklists and disclosure guidance. (R10)	Not to change the proposed amendments. The requests relate to specific public-sector fact patterns that can be assessed using the principles in IPSAS 40 and other applicable IPSAS Standards. The proposed illustrative examples for the optional concentration test have already been adapted to the public sector context. Staff will refer the suggested examples and implementation materials for consideration through the IPSASB's relevant implementation-support initiatives.

Supporting Document 6 – Detailed Due Process for Approval of [draft] *Definition of an Operation and Recognition of Acquired Liabilities and Contingent Liabilities* (Amendments to IPSAS 40)

1. The IPSASB has followed due process throughout this project. Thus, the details of the final steps in the due process are noted below.
2. The IPSASB released [Exposure Draft \(ED\) 95, *Improvements to IPSAS Accounting Standards – Volume 10*](#) in April 2026. The IPSASB received 12 comment letters to ED 96. During Q3 2026:
 - (a) Staff reviewed and analyzed the 12 comment letters received;
 - (b) Staff added the expected publication date and proposed effective date (see paragraph 4(f));
 - (c) Staff removed the references to [draft] in the final pronouncement; and
 - (d) The IPSASB discussed and addressed the issues raised by ED 96 respondents.
3. When Staff are satisfied that a proposed new final international pronouncement (i.e., the Final Pronouncement) is ready for approval, IPSASB's [Due Process and Working Procedures](#) sets out the necessary steps to facilitate its approval:
 - (a) Staff present the revised content of the exposed international standard to the IPSASB;

[Agenda Item 7.A.6](#) includes all changes to ED 96 as presented to the IPSASB during the March 2026 meeting (see [Agenda Item 5.B.3](#)). Changes to ED 96 reflect matters raised in the comment letters. These changes make the amendments clearer, easier to apply, and more consistent with the scope of IPSAS 40. No principles were altered and there were no substantial changes to the guidance that would warrant re-exposure (see paragraph (e)).
 - (b) The IPSASB Program and Technical Director advises the IPSASB on whether due process has been followed effectively;

The IPSASB Program and Technical Director asserts that due process has been followed effectively in developing [draft] *IPSAS Accounting Standards – Volume 10*, noting that:

 - ED 96 was issued for consultation;
 - Responses to the ED were received and made publicly available on the [IPSASB website](#);
 - The IPSASB has deliberated significant matters raised in the comment letters at its September 2026 meeting, and decisions taken will be minuted;
 - The IPSASB will be asked to consider whether there are any issues raised by respondents, in addition to those summarized by staff, that it considers should be discussed by the IPSASB and agree there are none.
 - (c) **The IPSASB confirms whether or not it is satisfied the due process has been followed effectively;**

The IPSASB Chair asks the IPSASB for confirmation on due process.
 - (d) **The IPSASB votes on the approval of [draft] *Definition of an Operation and Recognition of Acquired Liabilities and Contingent Liabilities* (Amendments to IPSAS 40) in accordance with its [terms of reference](#);**

Staff recommend the approval of [draft] *Definition of an Operation and Recognition of Acquired Liabilities and Contingent Liabilities* (Amendments to IPSAS 40).

- (e) **The IPSASB considers whether there has been a substantial change to the exposed document such that a vote on re-exposure is necessary;**

The IPSASB Program and Technical Director, in consultation with the Chair of the IPSASB, advises the IPSASB that no substantial changes have been made to ED 96 that would necessitate a vote on re-exposure. Changes to ED 96 reflect matters raised in the comment letters. No principles were altered.

- (f) **The IPSASB sets the effective date of the application of [draft] *IPSAS Accounting Standards – Volume 10*;**

The IPSASB will need to consider the effective date of the [draft] *Definition of an Operation and Recognition of Acquired Liabilities and Contingent Liabilities* (Amendments to IPSAS 40). Paragraph A44 of the IPSASB's [Due Process and Working Procedures](#) requires the IPSASB to consider the reasonable expected minimum period for effective implementation, including the need for translation into national languages.

[draft] *Definition of an Operation and Recognition of Acquired Liabilities and Contingent Liabilities* (Amendments to IPSAS 40) is expected to be published in October 2026. Staff recommend an effective date of January 1, 2028, because:

- Although ED 96 proposes amendments to only IPSAS 40, the proposed are expected to have a significant impact on the accounting of a business combination;
- The proposed effective date gives additional time for the IPSASB's constituents to prepare the implementation of the new requirements; and
- The proposed effective date is consistent with the IASB's publications, which had effective dates of January 1 of the second year following issuance³.

- (g) **The IPSASB issues Basis for Conclusions with respect to comments received on an exposure draft.**

Staff highlight that [draft] *Definition of an Operation and Recognition of Acquired Liabilities and Contingent Liabilities* (Amendments to IPSAS 40) includes Basis for Conclusions (see [Agenda Item 7.A.6](#)).

³ *Definition of a Business* (Amendments to IFRS 3) was published in October 2018 and had an effective date of January 1, 2020. *References to the Conceptual Framework* (Amendments to IFRS 3) was published in May 2020 and had an effective date of January 1, 2022.