Supporting Document 1: Summary of Query Not Analyzed in Detail by the IPSASB Application Group

Issue 1: Interaction Between IPSAS 44 and IPSAS 48

Summary of the Submission

1. A constituent provided the following summary of facts:

   (a) A national government is in the process of transferring an infrastructure asset to a regional government which is not part of the consolidated reporting entity;

   (b) The transfer is not subject to a binding arrangement;

   (c) The timing of the transfer will depend on the completion of the construction of a separate infrastructure asset. This separate asset is expected to be completed in a few years' time; and

   (d) Prior to the transfer, the existing infrastructure asset continues to be accounted for as a non-current asset held for use. During this period, the national government incurs expenditures for repairs, maintenance and upgrades to the asset.

2. The submission asked the IAG the following specific questions:

   (a) Is the transfer of the infrastructure asset excluded from the scope of IPSAS 44 as the asset is not recovered through sale?

   (b) Is the upcoming transfer recognized in accordance with IPSAS 48 (i.e., at the carrying amount of the infrastructure asset at the time of transfer/upon loss of control) regardless of the fact that the transfer is between two public sector entities? Would this conclusion change if the transfer was between public sector entities that are part of the same consolidated group?

   (c) Notwithstanding the transferor's knowledge that the infrastructure asset will be transferred in the near future, should the construction expenditures be subject to the recognition criteria of the relevant non-current asset IPSAS Standard rather than IPSAS 48? That is, should the expenditures be assessed for asset recognition if they result in future economic benefits or service potential that will flow to the entity?

Staff Assessment

3. Staff responded to the constituent and noted the following:

   (a) The transfer of assets is indeed excluded from the scope of IPSAS 44 as it is not held for sale. This issue was discussed with the IAG and presented to the IPSASB at the June 2026 meeting;

   (b) There is no exception for the application of IPSAS 48 for the transfer of assets between two public sector entities that are not part of the same consolidated group. However, the transfer of assets between entities within the same consolidated group could be viewed as a contribution from one controlled entity to the controlling entity in the group, followed by an immediate distribution to the other controlled entity. In such cases, the scope exception in paragraph 4(b) of IPSAS 48 is applicable and the transaction would not be within the scope of IPSAS 48; and

(c) Prior to the transfer, the infrastructure asset would remain within the scope of the relevant IPSAS on non-current assets. As a result, any subsequent expenditures incurred would be assessed for asset recognition in accordance with the recognition criteria in the relevant IPSAS Standard are met. (e.g., paragraphs 9 and AG12-AG16 of IPSAS 45.)

4. As the above questions were directly addressed by guidance in IPSAS 44, 45, and 48, staff confirmed with the IAG that a detailed analysis by the group was not required and responded to the constituent with the guidance noted in paragraph 3 above.

Issue 2: Directly Attributable Costs of an Intangible Asset

Summary of the Submission

1. A public sector entity is procuring a computer software system from an unrelated external party. The system is built to the entity's technical specifications, and a portion of the procurement costs include the costs of user acceptance testing (UAT) to verify that the system is serving the specific needs and processes of the entity, as well as the costs to compile the operating manual for the software system.

2. The submission noted that examples of directly attributable costs in paragraphs 35(b) and 36(c) of IPSAS 31, *Intangible Assets*, include professional fees arising directly from bringing the asset to its working condition and costs of testing whether the asset is functioning properly. In the submission's view, the UAT costs are consistent with these examples.

3. The submission asked the IAG if the UAT costs and costs to compile the operating manual are directly attributable costs that are included in the cost of the recognized intangible asset.

Staff Assessment

4. As noted by the submission, UAT costs are considered directly attributable per paragraph 35 of IPSAS 31. Paragraph 32 of IPSAS 31 states that directly attributable costs paid to acquire an intangible asset typically reflect expectations that the asset will embody probable economic benefits or service potential that will flow to the entity. In addition, paragraph 33 states that the cost of a separately acquired intangible asset can usually be measured reliably. Therefore, IPSAS 31 provides guidance on whether UAT costs paid to third parties are directly attributable costs that can be recognized as an intangible asset.

5. Staff also noted that an operating manual for software is typically considered an asset, as it is expected to provide future economic benefits or service potential during the useful life of the software system. Paragraphs 32 and 33 of IPSAS 31 would also apply to these costs when they are paid to an external party, and therefore, there is guidance in the standard which addresses whether these costs would meet the asset recognition criteria.

6. Based on the above, staff noted that IPSAS 31 provides guidance on costs paid to external parties for UAT and compilation of an operating manual. As a result, staff confirmed with the IAG that a detailed analysis by the group was not required and responded to the constituent with the guidance noted in paragraphs 5-6 above.

Supporting Document 2: Summary of IFRIC Activities Not Analyzed in Detail by the IPSASB Application Group

Agenda Decision: Reassessment of Control (IFRS 10 *Consolidated Financial Statements*)

Summary of the Submission and the IFRIC's Analysis

1. An entity concluded that it controls an investee, as it was involved in establishing the investee's purpose and design. Subsequently, the investee's governing document was amended in a way that changed the investee's relevant activities as well as the rights of the entity and other investors.

2. The IFRIC was asked whether such an amendment to the investee's governing document would require the entity to assess whether it retains control of the investee.

3. The IFRIC noted that in the fact pattern provided, the entity would need to reassess whether it retains controls of the investee in accordance with paragraph 8 of IFRS 10. Furthermore, the IFRIC did not find evidence that there was diversity in whether such a reassessment is required. Based on these findings, the IFRIC decided that a standard-setting project is not required.

Staff Assessment

4. IPSAS 35, *Consolidated Financial Statements*, is aligned with IFRS 10, and paragraph 21 of IPSAS 35 has the same requirement to reassess control upon changes in relevant facts and circumstances. As a result, the IFRIC's decision that no standard-setting work is required also applies to IPSAS 35.

5. Staff confirmed with the IAG that a detailed analysis by the group is not required and that no action is required by the IPSASB.

Supporting Document 3: Summary of Pending Action Items from Previous IPSASB Meetings

1. The following table outlines the action items from previous discussions with the IPSASB which have not yet been completed by staff. Items which have resulted in a formal addition to the IPSASB Work Program or an amendment to an IPSASB Staff Document (e.g. Staff Q&A) are not included in the list below.

Meeting	Action Items	Status
September 2026	1. Develop implementation support materials on the presentation and disclosure of non-contractual receivables, as well as the application of IPSAS 41, *Financial Instruments*, by analogy to tax receivables. 2. Research potential amendments to IPSAS 47, *Revenue*, to address the presentation and disclosures of non-contractual receivables and the application of IPSAS 41 by analogy to tax receivables.	1. Implementation support materials on IPSAS 47 are currently under development by staff. 2. To be considered as part of a future Improvements to IPSAS Accounting Standards project.
June 2026	1. Develop implementation support materials regarding the distinction between the use consistent accounting policies and the application of exemptions in IPSAS 33, *First-Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSAS)*.	1. To be developed by staff.
March 2026	1. Research reporting alternatives for the IPSASB to consider on the transfer of assets which are not an operation between entities under common control. 2. Connect with the IASB staff to understand the guidance and any ongoing work to develop guidance on the accounting for digital currencies from the holder's perspective.	1. To be developed by staff. 2. Staff have been monitoring developments at the IASB and communicating with the IASB staff on a quarterly basis. No updates to report.