Approved Minutes of the Meeting of the
INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS BOARD
Held on December 4–7, 2018 in Kuala Lumpur, Malaysia

1. Attendance, Opening Remarks, and Approval of Minutes

Attendance

<table>
<thead>
<tr>
<th>Voting Members</th>
<th>Technical Advisors</th>
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<tbody>
<tr>
<td>Present:</td>
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<tr>
<td>Ian Carruthers (Chair)</td>
<td>Clark Anstis (Mr. Blake)</td>
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<td>Mike Blake (Deputy Chair)</td>
<td>Claudia Beier (Mr. Wermuth)</td>
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<td>Stuart Barr</td>
<td>Takeo Fukiya (Mr. Jung)</td>
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<td>Todd Beardsworth</td>
<td>Baudouin Griton (Mr. Camoin)</td>
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<td>Lindy Bodewig</td>
<td>Anthony Heffernan (Mr. Beardsworth)</td>
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<tr>
<td>Michel Camoin</td>
<td>Williard Kalulu (Ms. Kiure-Mssusa)</td>
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<td>Francesco Capalbo</td>
<td>Leona Melamed (Mr. Monette)</td>
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<td>Sebastian Heintges</td>
<td>Ayres Moura (Mr. Nascimento)</td>
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<td>Do-Jin Jung</td>
<td>Renée Pichard (Mr. Barr)</td>
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<td>Neema Kiure-Mssusa</td>
<td>Jakob Prammer (Mr. Schatz)</td>
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<td>Aracelly Méndez</td>
<td>Tsholofelo Tshoke (Ms. Bodewig)</td>
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<td>Rod Monette</td>
<td>Gillian Waldbauer (Mr. Heintges)</td>
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<td>Leonardo Nascimento</td>
<td>David Watkins (Mr. Carruthers)</td>
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<td>Chris Nyong</td>
<td>Haifeng Yang (Ms. Zhang)</td>
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<td>Bernhard Schatz</td>
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<td>Marc Wermuth</td>
<td>Technical Advisor Apologies:</td>
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<td>Juan Zhang</td>
<td>Samuel Agebevem (Mr. Nyong)</td>
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<td>Member Apologies:</td>
<td>Juan Moreno Real (Ms. Méndez)</td>
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<tr>
<td>Robert Dacey</td>
<td>Giovanni Parente (Mr. Capalbo)</td>
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Non-Voting Observers

Present:
- Assietou Diouf (African Union)
- Bruno Gomes\(^1\) (European Commission)
- Jerry Gutu\(^2\) (United Nations)
- Chai Kim (ADB) (Tuesday)
- Thomas Müller-Marqués Berger (CAG Chair) (Tuesday – Thursday)
- John Verrinder (Eurostat)

Apologies:
- Dinara Alieva (UNDP)
- Sagé de Clerck (IMF)
- Guohua Huang (IMF)
- Martin Koehler (European Commission)
- Tak Ochi (IASB)
- Delphine Moretti (OECD)
- Chandramouli Ramanathan (UN)
- Fily Sissoko (World Bank Group)
- Darshak Shah (UNDP)

IPSASB/IFAC Staff

Present:
- Amon Dhliwayo, IPSASB
- João Fonseca, IPSASB
- Gwenda Jensen, IPSASB
- Paul Mason, IPSASB
- Ross Smith, IPSASB
- Joanna Spencer, IPSASB
- John Stanford, IPSASB
- Dave Warren, IPSASB

\(^1\) Bruno Gomes attended the meeting in place of Martin Koehler
\(^2\) Jerry Gutu attended the meeting in place of Chandramouli Ramanathan
1.1. The Chair introduced Dr. Nurmazilah Dato’ Mahzan, the Chief Executive Officer of the Malaysian Institute of Accountants (MIA), the host for the IPSASB meeting, who welcomed the IPSASB to Kuala Lumpur.

1.2. The Chair further welcomed members, technical advisors and observers to the fourth and final meeting of the year. The Chair noted that apologies had been received from Robert Dacey, whose term as a member expires at the end of December 2018. The Chair also noted that this was the last meeting of Sebastian Heintges and Juan Zhang.

1.3. The minutes of the September 2018 meeting were approved, subject to the insertion of a new paragraph 5.5 in the section on Social Benefits (Agenda Item 5):

“In acknowledging that there had been significant support for the Alternative View (AV), the IPSASB considered whether to include recognition requirements reflecting the AV in draft IPSAS 42. The IPSASB concluded that this would not satisfy the qualitative characteristic of consistency and decided not to incorporate the accounting treatment set out in the AV in IPSAS 42.”

1.4. John Verrinder, the Eurostat Observer, provided an update on developments in the European Public Sector Accounting Standards (EPSAS) project. The main points were:

- The EPSAS Cell on Principles related to EPSAS Standards met on October 5th to discuss approaches to other comprehensive income and other comprehensive position statements, including their advantages and drawbacks. Follow-up work is continuing.
- The most recent meeting of the EPSAS Working Group took place on November 19th and 20th. As well as following-up on the issue of other comprehensive income and other comprehensive position statements, some further impact-related studies were presented, as were the three remaining issues papers on control, consolidation and service concessions. 20 EPSAS Issues papers are available
- The next meeting of the Working Group is expected to take place in May 2019.

1.5. Some important organizational changes relating to the EPSAS project were announced at the Working Group meeting. Up to now EPSAS work has been carried out through Task Force which are temporary in nature. Reflecting progress on the EPSAS project and the project’s maturity, EPSAS work will be integrated within Eurostat’s Accounts Methodology Unit, to bring together public sector accounting standards and guidance on national accounts. EPSAS work will be embedded as a self-standing team in this Unit and thus in the regular ongoing work of Eurostat, enhancing synergies. Alexandre Makaronidis who has led the work on EPSAS will retire on January 1st 2019.

1.6. The Chair thanked John for the update. He recorded his thanks to Alexandre Makaronidis for his role in fostering a positive relationship between the EPSAS project and IPSASB.

1.7. The IPSASB noted the IASB Work Plan. In this context the Chair said that the next IASB-IPSASB Liaison meeting is scheduled for March 2019. It will be important to discuss with the IASB the IPSASB’s progress on the Leases project, as advised by a number of CAG members at the previous day’s meeting. The IASB has a research project on Extractive Industries, and is gathering evidence to help decide whether to start an active project to develop proposals to replace IFRS 6, Exploration for and Evaluation of Mineral Resources. It will be important to consider how IPSASB staff might work with the IASB as the IPSASB starts work on Natural Resources in 2019-20, as well as considering potential approaches to coordination between the two Boards’ considerations of issues raised.
1.8. The IPSASB noted the IFRS Dashboard and the GFS Tracking Table. The Chair commented on the prevalence of amber coding in the Dashboard. This was primarily due to a number of consequential amendments from IFRS 15, *Revenue from Contracts with Customers*, and IFRS 16, *Leases*, not yet having been incorporated into IPSASB’s literature. The Chair felt that the current format of the Dashboard therefore exaggerates the scale of differences with IFRS. He would discuss this with staff during his visit to the Toronto office in January 2019.

2. **Report on Activities/Communication Activities (Agenda Item 2)**

2.1. The Chair noted that:

- There had been an IPSASB Showcase session at the World Congress of Accountants, focusing on Theme E of the Strategy and Work Plan’s underpinning themes (“Advocating the benefits of accrual in strengthening PFM”). The Technical Director agreed to circulate the presentations.
- There will be an outreach event in Washington at the International Monetary Fund on Monday, March 11th, before the IPSASB meeting.
- The IFAC website is in the process of being remodeled. He has requested that IPSASB material is more easily accessible, in particular resources addressing the same issue.

2.2. Nor Yati Ahmad, from the Accountant General’s Department of Malaysia, gave a presentation to the IPSASB on the challenges Malaysia faces in adopting IPSAS. The main points were:

- The scale of the changes. Many public entities outside the central government sector are already implementing accrual accounting, but need to migrate to IPSAS. For central government, the newly established State Accounting Entity will facilitate the migration from cash-based to accrual-based accounting in areas such as provisions, assets, financial instruments and other balances.
- Issues around fair value, particularly in relation to infrastructure assets and including questions about the purpose of choosing fair value when the government will not be selling the assets, and the need for a relationship with the valuation department.
- Identification of the ownership of public land – between federal, state and local levels – and the buildings on that land.
- The treatment of government guarantees. Some complex business models result in a guarantee to one entity being split into guarantees to several entities.
- Grants and transfers.
- The treatment of trust funds and how fund accounting might be incorporated into the accounting framework.

2.3. The Chair thanked Nor for this update and noted the practical implementation issues that had arisen in Malaysia.

3. **Governance (Agenda Item 3)**

3.1. The IPSASB CAG Chair provided an overview of the December 3, 2018 CAG meeting which included:

- A presentation on the accrual accounting implementation project based on Malaysian Public Sector Accounting Standards (national standards developed from IPSAS) in Malaysia by
Nor Yati Ahmad, Deputy Director - Policy and Standards Unit, Accrual Accounting Implementation team of the Accountant General’s Department.

- A presentation on the IPSAS implementation project in Portugal by CAG member Luis Viana, Technical Manager of the Public Financial Management Reform Unit of Portugal.
- Technical discussions related to ongoing IPSASB projects: Leases, Revenue and Non-exchange Expenses.

The IPSASB Deputy Director provided an update on other recent governance items, including the October 17, 2018 video conference with the Public Interest Committee (PIC) on the Strategy and Work Plan 2019–2023.

4. Technical Director’s Report on Work Plan (Agenda Item 4)

Introduction of Work Plan Review on Day One

4.1. The Technical Director noted that the IPSASB had carried out an intensive review of the Work Plan in December 2017 and it had been decided that such a review would take place annually at the last meeting of the year.

4.2. The Technical Director introduced the current Work Plan, noting that the main review would take place on Day Four in the light of meeting developments. He summarized the changes that had been agreed at the September 2018 meeting:

- Exposure Drafts (EDs) from the three streams of the Revenue project should be issued for consultation at the same time to allow respondents to understand the linkages between, and overall impact of, the proposed changes. Approval of these EDs is projected for September 2019.
- Approval of the combined Consultation Paper and Exposure Draft (ED), Measurement, had been put back until March 2019, with consequential amendments to the timetable for further development and finalization of the project.
- An Improvements ED would be developed and approved on an annual basis, subject to the volume of issues identified justifying an annual consultation.

Review of Work Plan on Day Four

4.3. The Technical Director noted the assumptions underpinning the Work Plan that:

- With the exception of the proposals on lessor accounting and concessionary leases in ED 64, Leases, IPSASB preliminary views in Consultation Papers and proposals in ED are generally supported by respondents;
- There is a full staff complement and consultancy support for the remaining duration of the period covered by the work plan.

4.4. He then summarized the position on each of the projects in the Work Plan. The Technical Director noted that draft IPSAS 42, Social Benefits, the Strategy and Work Plan 2019–2023, and ED 67, Collective and Individual Services and Emergency Relief, had been approved at this meeting and that this would be reflected in the next version of the work plan.

4.5. The IPSASB instructed staff to:

- Amend the work plan to reflect that the Heritage project would be brought onto the agenda for the March 2019 meeting (it is still intended that the Infrastructure project will be brought onto the agenda in June 2019); and
5. Social Benefits (*Agenda Item 5*)

5.1. Staff presented a draft IPSAS 42, *Social Benefits*, and an Issues Paper setting out the issues the IPSASB still needed to consider.

*Outstanding Issues with draft IPSAS 42, Social Benefits (Agenda Item 5.2.1)*

**Instructions**

5.2. The IPSASB gave the following *instructions* to staff regarding the finalization of IPSAS 42:

- Incorporate revised wording for the General Approach measurement paragraphs. As part of these revisions, the IPSASB also agreed revised wording for paragraph 9, which deals with recognition;
- Do not reintroduce the reference to IPSAS 3, *Accounting Policies, Changes in Accounting Estimates and Errors*;
- Incorporate the cross-reference to the aggregation and materiality provisions in IPSAS 1, *Presentation of Financial Statements*;
- Incorporate the staff recommendation regarding the disclosure about a scheme meeting the criteria to apply the Insurance Approach;
- Incorporate the staff recommendation not to combine the disclosures about the nature of a social benefit scheme and the key external factors;
- Not to relocate the Application Guidance on cash transfers;
- Retain the guidance on cash equivalents;
- Retain the reference to materiality in paragraph 94 of IPSAS 1;
- Replace the term “social protection” in paragraph 113 of IPSAS 1 with the term “social benefits”, and ensure that this term is used consistently in IPSAS 1;
- Make consequential amendments to paragraphs 114 and 115 of IPSAS 1;
- The title of IPSAS 42 should remain “Social Benefits”;
- Delete paragraph 1 of draft IPSAS 42;
- Retain references to “social benefit schemes”;
- Do not add the words “or on behalf of” to the definition of social benefits.
- The discussion of the eligibility criteria being met should always refer to the next benefit payment;
- Retain the requirement that an entity not recognize an expense for a social benefit payment prior to all eligibility criteria being satisfied;
- Retain the requirement that the estimate of the liability takes into account the possible effect of subsequent events on the level of benefits to be provided, as part of the rewording of the measurement requirements;
- Include a reference to the relevant approach in the disclosure objectives;
- Relocate the encouragement to prepare financial sustainability reports;
- The drafting should generally refer to “contributions”, and only refer to “contributions and levies” where required by the context;
- Delete references to transactions that are similar to social benefits;
Retain the reference to collective and individual services and emergency relief, and to address the timing issue via the effective dates of IPSAS 42 and a final pronouncement based on ED 67;  
Do not relocate all the Application Guidance to the core text;  
Retain the guidance on distinguishing social risks from other risks;  
Clarify which standards an entity cannot use when applying the Insurance Approach;  
Include guidance that the administering body making contributions in respect of specific individuals (where they are unable to do so themselves) does not prohibit the use of the Insurance Approach;  
Disclosure of social contributions will be addressed in the Revenue project stream to update IPSAS 23 Revenue from Non-exchange Transactions (Taxes and Transfers). No changes are required in IPSAS 42;  
Retain the revised reference to social benefits in paragraph 1(a) of IPSAS 19, and address timing differences between IPSAS 42 and ED 67 via the effective dates;  
Update paragraph BC3 of IPSAS 19, Provisions, Contingent Liabilities and Contingent Assets, to use the wording originally included in IPSAS 19, and delete the last clause of paragraph BC5 of IPSAS 19;  
Include the additional scope exclusions in the Comparison with IAS 37, Provisions, Contingent Liabilities and Contingent Assets, in IPSAS 19;  
No changes to paragraph 16 of IPSAS 23 (regarding contingent liabilities) were required;  
Include an additional BC paragraph noting that the IPSASB discussed accommodating the Alternative View in IPSAS 42, but concluded this would not produce consistent accounting.  
Expand paragraph BC111, which discusses revenue, to explain the amendments made to IPSAS 23;  
The IPSASB did not identify any further changes to the BCs;  
Delete the reconciliations shown in Examples 8–10; and  
Retain the term “resources” in paragraph 7.

Approval of IPSAS 42, Social Benefits (Agenda Item 5.2.2)

Decisions

5.3. The Technical Director expressed a view that due process had been followed. The IPSASB agreed with this view. The IPSASB decided to:

- Approve IPSAS 42, Social Benefits (16 members voted in favor, one against and one absent); and
- Set an effective date for IPSAS 42 of January 1, 2022.

5.4. The Technical Director expressed a view that the changes between ED 63, Social Benefits, and IPSAS 42 were not significant and that re-exposure was not required. The IPSASB agreed with this view.

6. Collective and Individual Services and Emergency Relief (Agenda Item 6)

6.1. Staff presented a draft ED 67, Collective and Individual Services and Emergency Relief, and an Issues Paper setting out the issues the IPSASB still needed to consider.
Outstanding Issues with Exposure Draft 67 (Agenda Item 6.2.1)

Instructions

6.2. On Day One of the meeting, the IPSASB considered the draft ED 67 and the Issues Paper, and gave the following instructions to staff regarding the finalization of ED 67:

- Amend the definition of collective services to include “to address the needs of society.”
- Give greater prominence to emergency relief in paragraph AG7.
- Staff should work with a small group of members to improve the drafting of paragraphs AG10-AG16 dealing with the rationale why no provision is required. This wording was to be presented on the morning of Day Four.
- Include additional guidance that financial liabilities are accounted for in accordance with IPSAS 41.
- Include a cross-reference to IPSAS 3 where there is no specific IPSAS addressing a transaction.
- Include additional guidance on the application of IPSAS 1 to Collective and Individual Services.
- Staff were instructed to work with a small group of members to improve the drafting of paragraphs AG25-AG32 dealing with emergency relief, in particular the distinction between ongoing emergency relief and other emergency relief. This wording was to be presented on the morning of Day Four.
- Include additional guidance on the application of IPSAS 1 to Emergency Relief.
- Include a consequential amendment to IPSAS 42 to provide a cross-reference to the guidance on collective and individual services and emergency relief when this guidance has been included in IPSAS 19, Provisions, Contingent Liabilities and Contingent Assets.

6.3. On Day Four of the meeting, the IPSASB considered a further revision of draft ED 67 and gave the following further instructions to staff regarding the finalization of ED 67:

- Amend the definition of individual services to refer to “individuals and/or households.”
- Restructure and simplify the guidance on the scope of collective and individual services.
- Delete the paragraphs relating to the recognition and measurement of an expense and a liability for collective and individual services.
- Staff were instructed to work with the Chair’s Technical Advisor to further restructure and simplify the requirements and Basis for Conclusions relating to emergency relief.

6.4. Later on Day Four, the IPSASB considered a further revised draft ED and instructed staff to make further minor amendments in finalizing ED 67.

Approval of ED 67, Collective and Individual Services and Emergency Relief (Agenda Item 6.2.2)

Decisions

6.5. The IPSASB decided to:

- Approve ED 67, Collective and Individual Services and Emergency Relief (17 members voted in favor, with one absent).
- Agree the Specific Matters for Comments (SMCs) proposed by staff in the final draft, with minor amendments.
Consult on ED 67 for the standard four month period, with the consultation period ending on May 31, 2019.

7. Amendments to IPSAS 36, Investments in Associates and Joint Ventures, and IPSAS 41, Financial Instruments (Agenda Item 7)

7.1. Staff presented a review of the responses to ED 66, Long-term Interests in Associates and Joint Ventures (Amendments to IPSAS 36, Investments in Associates and Joint Ventures) and Prepayment Features with Negative Compensation (Amendments to IPSAS 41, Financial Instruments).

7.2. Staff presented an Issues Paper and draft final pronouncement proposing minor amendments to the ED, and seeking approval.

Decisions

7.3. The IPSASB decided to:

- Clarify that IPSAS 41, including its impairment requirements, applies to Long-term Interests in Associates and Joint Ventures;
- Amend the classification requirements so that particular Financial Assets with Prepayment Features that may result in reasonable negative compensation for the early termination of the contract are eligible to be measured at amortized cost or at fair value through net assets/equity;
- Approve the amendments proposed in ED 66, with no significant changes (17 members voted in favor with one absent); and
- Set an effective date of January 1, 2022 to align with IPSAS 41.

8. Public Sector Specific Financial Instruments (Agenda Item 8)

8.1. Staff presented the process followed and decisions made by the Public Sector Specific Financial Instruments Task Force at its October 2018 in-person meeting.

Instructions

8.2. The IPSASB instructed the Task Force and staff to develop a Public Sector Specific Financial Instruments ED based on the decisions made at the October 2018 Task Force meeting.

9. Public Sector Measurement (Agenda Item 9)

9.1. Staff presented an Issues Paper detailing the revisions to the ED, Measurement, and the Consultation Paper, Public Sector Measurement. This paper also proposed guidance on Cost of Fulfillment and Measurement of Assets Held for Sale or Disposal.

Decisions

9.2. The IPSASB decided:

- Cost of fulfillment should only include future outflows the entity expects to incur in fulfilling the obligation;
- The cost of fulfillment obligation will be fulfilled in the normal course of operations;
- Cost of fulfillment is an entity-specific measure; and
• Guidance on discount rates should be principles-based and will not distinguish between market and incremental borrowing rates.

Instructions

9.3. The IPSASB instructed staff to make the following changes to the ED:

• Remove unnecessary paragraphs (sections defining each measurement basis should be limited to one paragraph);
• Include only measurement bases with a corresponding appendix;
• Relocate references on measurement bases not addressed in the ED to the CP (for example, Assumption Price);
• Develop a SMC asking constituents whether there needs to be further guidance on any measurement basis;
• Complete the Replacement Cost Appendix and refine it to a principles level; and
• Reference the source of the guidance.

9.4. The IPSASB instructed staff to make the following changes to the Consultation Paper:

• Revisit the transaction costs chapter to incorporate the IPSASB discussion; and
• Be consistent in the diagrams illustrating the relationship between the Consultation Paper and the ED.

9.5. The IPSASB instructed staff to reflect the main points from the IPSASB’s discussion into the “least costly manner” principle.

9.6. The IPSASB instructed staff to address the issue of assets Held for Sale or Disposal (either by asking a question in the CP or developing guidance).

10. Revenue (IFRS 15 Alignment) (Agenda Item 10)

10.1. Staff presented an Issues Paper on proposed modifications to IFRS 15, Revenue from Contracts with Customers, in order to develop an aligned IPSAS. This paper also proposed modifications to expand the IFRS 15 requirements for the Public Sector Performance Obligation Approach (PSPOA).

Decisions

10.2. The IPSASB decided to:

• Approve the scope of the draft Standard;
• Replace the term, “Customer” with the broader term, “Purchaser”;
• Complement the definition of a binding arrangement by specifying criteria that must be met before an entity can apply the revenue recognition model to that binding arrangement; and
• Retain the criteria used in IFRS 15 for revenue transactions, which would be within the scope of IFRS 15.

Instructions

10.3. The IPSASB instructed staff to:

• Add a specific exclusion for the amount of consideration included in the surplus or deficit arising from the disposal of investment property dealt with in accordance with IPSAS 16, Investment Property, property, plant and equipment dealt with in accordance with IPSAS 17,
Property, Plant and Equipment and intangible assets dealt with in accordance with IPSAS 31, Intangible Assets;

- Replace the example of oil and milk used for non-monetary exchanges between entities in the same line of business to facilitate sales to customers or potential customers. (The IPSASB instructed staff to consider using an example that is more suitable for the public sector);
- Provide a definition of the term, “Purchaser”, which incorporates the term, “Customer” as defined in IFRS 15;
- Include explanatory text in the Basis for Conclusions of other terms that were considered to replace the term, “Customer”;
- Consider the definition of binding arrangements in the draft Standard;
- Provide explanatory text in the Application Guidance or Basis for Conclusions for certain criteria that are difficult to meet in the public sector. (For instance, private sector entities generally enter into contracts for which collection of payment is probable. This may not always be the case in the public sector, as entities may enter into contracts in which collection of payment is not probable; for example, where an entity is legally required to supply electricity to customers with high credit risk);
- Consider whether the title for the draft Standard should be ‘Revenue from Binding Arrangements’ bearing in mind the need to fit with/complement the other elements of the Revenue and Non-Exchange Expenses workstreams;
- Relocate text in boxes in the draft ED included in the Board papers to Application Guidance (for the Public Sector Performance Obligation Approach) or Basis for Conclusions and to consider the overall flow of the text;
- Include numbering of the 5 steps in the revenue recognition approach by way of bracketed text at the end of headings in the main text; and
- Provide a complete version of the main ED text for preliminary approval at the March meeting in order to provide the ‘cornerstone’ for development of the EDs on Grants and Transfers, and the updated IPSAS 23.

11. Grants and Transfers (Agenda Item 11)

11.1. Staff presented an issues paper analyzing constituents’ comments to SMC 3 in the Consultation Paper, Accounting for Revenue and Non-Exchange Expenses. This SMC addressed options for accounting for transactions that had a restriction in relation to the time period(s) for which the resource provider intends those resources to be used (which had been described as ‘time requirements’). The paper provided three options:

- Enhanced display/disclosure;
- Classifying such transfers as an ‘other obligation’ of the recipient; and
- Recognizing these transfers in net assets/equity and recycling through the statement of financial performance.

Decisions

11.2. The IPSASB decided that enforceability was the key factor in determining the accounting treatment and therefore which standard would be applicable, such that:

- Enforceable transactions would be accounted for under an IFRS 15-based standard;
- Non-enforceable transactions would be accounted for under an updated IPSAS 23:
· Transactions that are not enforceable but which have intentions/expectations are to be recognized when the revenue is receivable, the intentions/expectations communicated via enhanced display/disclosure; and
· Not to use the term “time requirements”.

Instructions

11.3. The IPSASB directed staff to:

· Develop proposals for enhanced display/disclosure to communicate performance and/or intentions/expectations of resource providers;
· Develop guidance on when an entity has control of a resource including consideration of:
  - Appropriations;
  - Budgets; and
  - Multi-year funding;
· Assess whether an IPSAS 23 ‘condition’ is equivalent to an IFRS 15 ‘performance obligation;’ and
· Provide drafting on ‘enforceability’ for inclusion in the Application Guidance to the draft IFRS 15-based standard based on the discussions at the September 2018 meeting.

12. Leases (Agenda Item 12)

12.1. The IPSASB reviewed a roadmap for further development of the Leases project in light of responses to ED 64, Leases.

Decisions

12.2. The IPSASB decided:

· To confirm the tentative decision made in September to adopt the lessee accounting requirements in ED 64, subject to decisions on the approach to be taken to lessor accounting, and where relevant, concessionary leases;
· Not to publish lessee accounting requirements based on ED 64 ahead of the decisions on lessor accounting, and where relevant, concessionary leases; and
· To create a Task Force to consider all the issues raised by respondents.

13. Strategy and Work Plan (Agenda Item 13)

13.1. Staff presented a draft of the Strategy and Work Plan 2019–2023, and an Issues Paper setting out the issues the IPSASB still needed to consider prior to approval.

Discussions with the CAG and Public Interest Committee (PIC) (Agenda Item 13.2.1)

Decision

13.2. The IPSASB agreed with how the comments from the PIC and CAG had been addressed in the draft Strategy and Work Plan 2019–2023.
Instructions

13.3. The IPSASB instructed staff to:

- Update the IPSASB Process for Reviewing and Modifying IASB Documents policy paper to ensure it is consistent with the agreed terminology in the Strategy, where the term IFRS Convergence has been replaced by IFRS Alignment, and for other developments;
- Modify the Chair's Foreword in the Strategy to further emphasize the importance of Government Finance Statistics (GFS) and ensure that there is a clear message that GFS alignment is an important priority for the IPSASB; and
- Include an acknowledgement of the inputs from the PIC and the CAG in the Strategy and Work Plan 2019–2023, in particular to note their engagement and advice in its development.

Amendments to the Strategy and Work Plan 2019–2023 (Agenda Item 13.2.2)

Decisions

13.4. The IPSASB decided to:

- Agree the proposed changes to the draft Strategy and Work Plan 2019–2023 to address the instructions from the September 2018 meeting;
- Adopt the theme Delivering Global Standards, Inspiring Implementation, and to include this in the title of the document; and

Approval of Strategy and Work Plan 2019–2023 (Agenda Item 13.2.3)

Decisions

13.5. The Technical Director expressed a view that due process had been followed. The IPSASB decided:

- To approve the Strategy and Work Plan 2019–2023 (17 members voted in favor with one absent);
- That the publication date should be in February 2019; and
- That due process had been effectively followed in the Strategy and Work Plan 2019–2023 development process.

Instructions

13.6. The IPSASB instructed:

- That the Strategy and Work Plan 2019–2023 include explicit thanks to the partners that hosted the spring 2018 Strategy roundtables; and
- That the Work Plan included in the Strategy and Work Plan 2019–2023 be updated to reflect developments at the December 2018 meeting.

Strategy Implementation and Rollout Approach (Agenda Item 13.2.4)

Decision

13.7. The IPSASB decided to agree the proposed implementation and rollout approach.
Instructions

13.8. The IPSASB instructed that:

- The letters for the letter writing campaign should highlight the innovation related to the initial research and scoping by national standard setters to create awareness of this opportunity; and
- That the participants/partners/co-hosts from the roundtables should be on the distribution for the Strategy publication and receive a letter.

Consultation Summary (Agenda Item 13.2.5)

Decisions

13.9. The IPSASB decided to:

- Call the document a Consultation Summary;
- To have the document professionally designed consistent with the Strategy and Work Plan 2019–23; and
- To direct the Strategy Task Force to review the final editorial changes.

Instructions

13.10. The IPSASB instructed that the Consultation Summary be amended to:

- Include explicit thanks to the roundtable co-hosts and to participants for attending; and
- Thank the Public Interest Committee, Consultative Advisory Group, comment letter writers and roundtable participants for their engagement in the Strategy Development process.

14. Closing Remarks and Conclusion of the Public Meeting

14.1. The Chair noted that it had been a very successful meeting overall with progress made across all active projects. He noted in particular approval of two important final pronouncements – the Board’s Strategy and Work Plan for 2019–23, and the landmark approval of IPSAS 42, together with the related ED 67.

14.2. The Chair thanked members for their major contribution to the achievements of the year. Noting again that this was their last meeting he thanked Sebastian Heintges and Juan Zhang for their contributions to the work of the Board over the previous three years. He then closed the public part of the meeting.
Appendix 1: Vote – Approve IPSAS 42, Social Benefits

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Appendix 2: Vote – Amendments to IPSAS 36, *Investments in Associates and Joint Ventures* and Amendments to IPSAS 41, *Financial Instruments*.

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### Appendix 3: Vote – Approve ED 67, *Collective and Individual Services and Emergency Relief*

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