

15th Meeting of the Advisory Expert Group on National Accounts,
6-8 April 2021, Remote Meeting

Agenda item: 4.1

IPSAS - Financial reporting supporting statistics data quality

Table 1 – Relationship Between ISS Issues Under Consideration and IPSAS







Guidance note	Relevant IPSAS	Issue	Degree of Alignment	
Communication Task Team				
CM.D	IPSAS Glossary	Terminology and “Branding” of the macroeconomic accounting frameworks	C	
CM.E		Taxonomy for Macroeconomic Accounting Frameworks	C	
Financial and Payments Systems Task Team				
F.3	IPSAS 41, <i>Financial Instruments</i>	Reverse transactions	C	
F.8		Valuation of debt securities at both market and nominal value	D	
F.9		Valuation of loans (fair value) (including nonperforming loans)	D	
F.14		Treatment of factoring transactions	D	
F.15		Debt concessionality	D	
Wellbeing and Sustainability Task Team				
SW.2(1)	Natural Resources project	Refining economic ownership of natural resources	D	
SW.2(2)		Accounting for biological resources	D	
SW.2(3)		Stronger guidance on valuation methods including net present value (NPV) calculations	D	
SW.2(5)		SEEA classifications	D	
SW.2(6)		Recording of the ‘regular’ environmental taxes and subsidies in the SNA&SEEA	D	
SW.2(7)		Distinction between recording a tax or a services transaction	D	
SW.2(8)		Recording of pollution permits	D	
SW.2(10)		Recording of depletion	D	
SW.2(9)		IPSAS 19, <i>Provisions, Contingent Liabilities, and Contingent Assets</i>	Recording of provisions	D
SW.5			Health and social conditions	D
SW.4	IPSAS 19, <i>Provisions, Contingent Liabilities, and Contingent Assets</i> and IPSAS 31, <i>Intangible Assets</i>	Education and human capital	D	
Current Account Task Team				
C 5.1	IPSAS 13, <i>Leases</i> and Exposure Draft 75, <i>Leases</i>	Statistical impact of the change in treatment of operating leases in business accounting	D	
C.5.2		Economic ownership in the context of financial and operating lease transactions pertaining, in particular, to aircrafts	D	

Guidance note	Relevant IPSAS	Issue	Degree of Alignment
C.8	IPSAS 23, <i>Revenue from Non-exchange Transactions (Taxes and Transfers)</i> ED 71, <i>Revenue w/ Performance Obligations</i>	Recording penalties and fines	D
Direct Investment Task Team			
D.2	IPSAS 41, <i>Financial Instruments</i>	Valuation of unlisted equity in direct investment	D
D.8	IPSAS 32, <i>Service Concession Arrangements: Grantor</i>	Public-private partnerships (PPPs)	D
Globalization Task Team			
G.2	IPSAS 41, <i>Financial Instruments</i>	Treatment of SPEs	D
G.3	IPSAS 31, <i>Intangible Assets</i>	Economic ownership and recording of IPP	D

C ISS update: Minor alignment issue

D ISS update: Major alignment issue

Table 2 – IPSASB Proposed Additional Issues for ISS Update

IPSAS	Issue	Description	Degree of Alignment
IPSAS 17, <i>Property, Plant, and Equipment</i> and IPSAS 19, <i>Provisions, Contingent Liabilities, and Contingent Assets</i>	Decommissioning costs*	Recognition: IPSAS 17 requires that decommissioning costs to be added to the value of the assets and will be part of the annual depreciation cost. 2008 SNA requires that decommissioning costs to be recorded as consumption of fixed capital during the lifetime of the underlying asset, which will lead to the existence of negative non-financial assets towards the end of the economic life of the underlying asset, which returns gradually back to zero as decommissioning costs take place and are recorded as additions to assets (fixed capital formation).	
IPSAS 19, <i>Provisions, Contingent Liabilities, and Contingent Assets</i>	Provisions, constructive obligations* and contingent liabilities	Terminology and classification: IPSAS 19 provides a detailed guidance on terminology and classification. 2008 SNA does not provide similar detailed information on the delineation of provisions, constructive obligations and contingent liabilities. Recognition: IPSAS 19 requires the recognition of provisions. 2008 SNA does not permit the recognition of provisions.	
IPSAS 31, <i>Intangible Assets</i>	Research & development*	Classification: IPSAS 31 defines separately research and development. 2008 SNA does not distinguish research from development. Recognition: IPSAS 31 does not permit the recognition of an intangible asset from research (or from research phase of an internal project) Instead, IPSAS 31 requires that expenditure on research be recognized as an expense when it is incurred, along with any development expenditure that does not meet all the following criteria: a) The technical feasibility of completing the intangible asset so that it will be available for use or sale; b) Its intention to complete the intangible asset and use or sell it; c) Its ability to use or sell the intangible asset; d) How the intangible asset will generate probable future economic benefits or service potential. Among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset; e) The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and f) Its ability to measure reliably the expenditure attributable to the intangible asset during its development. 2008 SNA requires all R&D expenditure to be recorded as part of capital formation unless it does not provide an economic benefit to its owner.	
IPSAS 39, <i>Employee Benefits</i>	Employee Benefits*	Terminology: In IPSAS 39 past service has a different meaning as in 2008 SNA. There is no reference to interest cost or the net interest in 2008 SNA. Classification: IPSAS 39 classifies employee benefits into short-term and long-term employee benefits, post-employee benefits, other long-term employee benefits and termination benefits. 2008 SNA does not have a similar classification. IPSAS 39 has different components of defined benefit cost compared to 2008 SNA Recognition: IPSAS 39 has different recognition requirements compared to 2008 SNA. Measurement: IPSAS 39 and 2008 SNA have different actuarial techniques.	
	Revenue	New IPSAS to be issued in 2022	
	Measurement	New IPSAS to be issued in 2022	

E ISS update: IPSASB proposed issue addition

* Issue Note developed during the Summer of 2020.