

PROJECT HISTORY

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The IPSASB considered a project brief for the updating of the current IPSASs on financial instruments – IPSAS 28, *Financial Instruments: Presentation*, IPSAS 29, *Financial Instruments: Recognition and Measurement*, and IPSAS 30, *Financial Instruments: Disclosures*, which will primarily focus on maintaining convergence with the IASB literature, in particular IFRS 9, *Financial Instruments*, which was issued in 2014, and mainly impacts IPSAS 29. The IPSASB agreed with the proposed scope of the project.

Key Issues

The IPSASB discussed key changes introduced by IFRS 9, for which the public sector implications will be explored:

- The classification of financial assets;
- The move from an incurred loss impairment model to an expected loss model; and
- Hedge accounting requirements;

The IPSASB agreed that the policy document, *Process for Reviewing and Modifying IASB Documents*, will be followed in considering the IFRS 9 changes, as the project is maintaining the alignment of existing IPSAS with the IFRS from which they are primarily drawn.

The IPSASB decided to consider the development of additional application guidance for public sector specific securitizations (where future resources from, for example, sovereign rights, taxation rights or other rights not recognized in the statement of financial position are securitized) in this project because accounting for securitizations is already covered by existing IPSASs. Accounting for public sector securitizations was previously in the scope of the public sector specific financial instruments project.

The IPSASB approved the project brief with a view to commencing the project in 2016.