

PROJECT HISTORY

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The IPSASB considered an Issues Paper and a review of responses to the Consultation Paper (CP), *Recognition and Measurement of Social Benefits*.

Approaches to be included in a future Exposure Draft (ED)

The IPSASB agreed that two of the three approaches discussed in the CP should be further progressed in developing the ED. These were the obligating event approach and the insurance approach. The IPSASB agreed not to progress the social contract approach. This approach was not supported by respondents to the CP, as it was not considered to be consistent with the conceptual framework. The IPSASB also noted a comment from the Consultative Advisory Committee (CAG) that the approach would not be applicable in jurisdictions where there was no taxation, for example the United Arab Emirates.

The IPSASB agreed that, under the obligating event approach:

- The definition of an obligating event in the future ED should not distinguish between contributory and non-contributory benefits, but that guidance and examples should discuss how the payment of contributions could provide evidence that an obligating event had occurred;
- Social benefits should be measured using the cost of fulfillment measurement basis; and
- Assets should be presented as part of a social benefit scheme in all circumstances in which specific assets could be identified.

The IPSASB will consider when an obligating event can occur at its September 2016 meeting.

The IPSASB agreed that use of the insurance approach should be limited to social benefit schemes that have the same look and feel as insurance contracts. The IPSASB also agreed that, rather than including detailed requirements in the ED, it would refer preparers to the forthcoming IFRS on insurance, with additional guidance if required.

Scope of the project

Staff presented revised proposals relating to the scope of the project, based on the IPSASB's directions at its March 2016 meeting. These proposals would have extended the scope to include "social transfers in kind that address social risk". The IPSASB debated the proposals. In general, the IPSASB was not minded to extend the scope as proposed, but did not reach any conclusions as to the scope. The IPSASB will reconsider the scope of the project at its September 2016 meeting.