



Agenda Item 7: Transfer Expenses

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IPSASB Meeting

December 10–13, 2019

Abu Dhabi, United Arab Emirates

Taxes – Removal Implications

- Delete tax references in scope exclusions (paragraph 3)
- Delete tax paragraph in core text (paragraph 99)
- Delete application guidance (AG102-AG109)
- Change example (paragraph 43B in Amendments to IPSAS 33)
- Revise BC paragraph (BC64)
- Update table in IG2 showing links between EDs
- Delete Example 36

Project management – Stock take

- Road map – progress to date and future meeting plans
- Board decisions
- Board instructions – satisfied with actions taken
- Other issues?

Themes (ED 72) (Agenda Item 7.2.1)

Crosscutting

1 Transfer Revenue/Transfer Expense

2 Disclosures

3 Binding Arrangement

4 Examples/Editorials/BCs

ED 72

5 Structure

8 Scope

9 PSPOA Assessment

10 Other Issues

Scope (1) (Agenda Item 7.2.3)

Definition of Transfer Expense

- Staff view covers all transactions, no action

Transactions partly within scope of ED 72 and partly without

- Example 3 (purchase vehicle for self and third party)

Link with ED 70, Revenue with Performance Obligations

- Paragraph 8 expanded to refer to third-party beneficiaries

Taxes

- Paragraphs 99 and AG109 amended to clarify exclusions re income and payroll taxes

Scope (2) (Agenda Item 7.2.3)



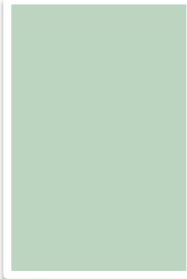
Transactions within the scope of IPSAS 41, *Financial Instruments*

- Amendments to explicitly exclude transactions within the scope of IPSAS 41



Statutory Payables

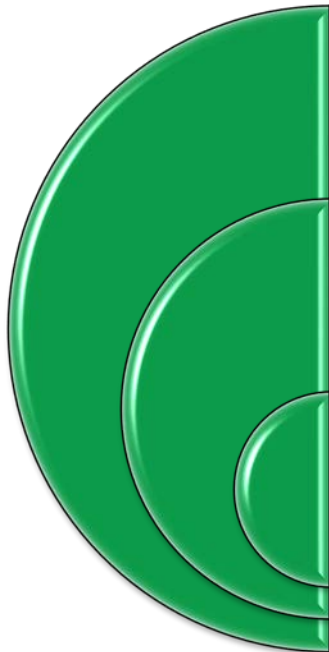
- IPSASB decision, no action



Performance obligations linked to third parties

- Paragraph AG25 added to clarify that performance obligations always involve transfers to third-party beneficiaries

Scope (3) (Agenda Item 7.2.3)



Capital grants	<ul style="list-style-type: none">• Paragraph 1 amended to include specific reference to capital grants
Overall scoping guidance	<ul style="list-style-type: none">• Covered by scope exclusions, no action
Scope of transfer expenses without performance obligations	<ul style="list-style-type: none">• Reference to goods being returned to the transfer provider removed

Structure

(Agenda Item 7.2.4)

Swap expenses with performance obligations and expenses without performance obligations

Move paragraph AG2 (meeting the objective) into core text

Use cross references rather than repeating text

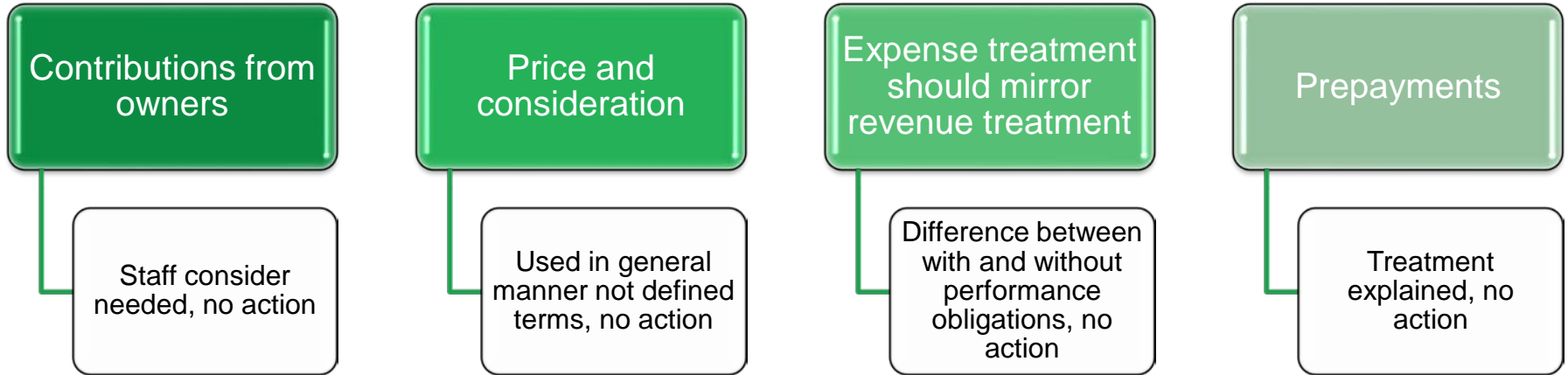
Move debt relief paragraphs to Application Guidance

Staff propose no change

PSPOA Assessment (Agenda Item 7.2.5)

- Assessment of when a third-party beneficiary gains control
- Measuring progress towards complete satisfaction of a performance obligation
- Use of input methods
- Use of assumptions
- Transfer provider's loss of control
- Disclosures

Other Issues (1) (Agenda Item 7.2.6)



Other Issues (2) (Agenda Item 7.2.6)

Appropriations

- Text consistent with ED 71, no action

Editorial changes

- To note

Terminology

- Use of “transfer provider” throughout ED 72, review use of goods, services and other assets

Definitions

- IPSASB decision to use cross references, no action

Other Issues (3) (Agenda Item 7.2.6)

- IPSAS 24, *Presentation of Budget Information in Financial Statements*, no action

Amendments
to Other
IPSAS

- Review in light of decisions

Specific
Matters for
Comment

- Agency scenarios, none received to date

Illustrative
Examples

Approval of ED 72 (Agenda Item 7.2.7)

Due process followed

- CP, *Accounting for Revenue and Non-Exchange Expenses*, issued
- IPSASB discussed significant issues raised
- IPSASB developed ED 70, ED 71 and ED 72
- In-period review

Approve ED 72

Exposure period ending August 31, 2020



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