AGENDA ITEM 4

PROPERTY, PLANT, AND EQUIPMENT

Agustina Llambi, Senior Manager

IPSASB Meeting – December 2022
Deemed Cost Non-Exchange Transaction

Recommendation

• Staff recommend for IPSAS [X] to be explicit that ‘deemed cost’ should be determined using fair value, as it eliminates the complexity of having to review multiple standards to determine the initial measurement basis for this type of transaction.

Does the IPSASB agree with this recommendation?
September Instructions - Subsequent Measurement

Recommendation

1. Core Text
   a) Current value model measurement basis is applied to the item or part of an item of property, plant, and equipment.
   b) The objective for which the entity holds the item or part of an item of property, plant, and equipment determines the current value measurement basis an entity shall apply.
   c) Streamlined content (relocation and deletion of content).
   d) Terminology (Operational vs Operating).

Does the IPSASB agree with this recommendation?
September Instructions – Disclosures

Recommendation

2. Disclosures
   a) Remove cross-reference to IPSAS [Y], Measurement on current value additional disclosures
   b) Remove ‘recurring’ and ‘non-recurring’ from current value measurement disclosures

Does the IPSASB agree with this recommendation?
   a) Added a transitional provision for the initial application of current value measurements
   b) Streamlined content

Does the IPSASB agree with this recommendation?
4. Application Guidance:
   a) Current value model measurement basis is applied to the item or part of an item of property, plant, and equipment.
   b) Streamlined content (remove duplication).

Does the IPSASB agree with this recommendation?
5. Implementation Guidance:
   a) Whether a class of property, plant, and equipment can have both items or parts of items measured at current operational value and fair value.
   b) Whether a change in measurement basis results in a change in accounting policy.

Does the IPSASB agree with this recommendation?
Agenda Item 4.2.3 (Pages 13-14)

Approval of IPSAS [X], *Property, Plant, and Equipment*

a) Staff present the revised content of the exposed international standard to the IPSASB

b) The IPSASB Program and Technical Director advises the IPSASB on whether due process has been followed effectively
   - The IPSASB Program and Technical Director asserts that due process has been followed effectively in developing IPSAS [X]

c) The IPSASB confirms whether or not it is satisfied the due process has been followed effectively
   - The IPSASB Chair asks the IPSASB confirmation on due process

d) The IPSASB votes on the approval of IPSAS 45, *Property, Plant, and Equipment* in accordance with its terms of reference

e) The IPSASB considers whether there has been a substantial change to the exposed document such that a vote on re-exposure is necessary
   - Staff confirms that there have been no substantial changes that would require a vote on re-exposure by the IPSASB

f) The IPSASB sets the effective date of the application of IPSAS [X]
   - Staff recommends the effective date of IPSAS [X] to be aligned with the effective date of IPSAS [Y], *Measurement*