

Agenda Item 6: Public Sector Specific Financial Instruments

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IPSASB Consultative Advisory Group Meeting

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Luxembourg, Luxembourg

Project Background (1/2)

IPSAS 28-30, *Financial Instruments* - issued in 2010 (based on IFRS as of 12/31/2008)

- IPSAS 28-30 identified items with public sector characteristics
- IFRS 9 Subsequently Issued by IASB – IPSASB project to maintain convergence

Project Background (2/2)

Public Sector Specific Financial Instruments Topics	How and Where Topics Considered
Monetary Gold Special Drawing Rights IMF Quota Subscription Currency in Circulation	Public Sector Financial Instruments Project – July 2016 Consultation Paper
Concessionary Loans	Application Guidance included in IPSAS 29 (retained in ED 62)
Financial Guarantees	Application Guidance included in IPSAS 29 (retained in ED 62)
Statutory Payables and Receivables	Revenue and Non-Exchange Expenses Project – CP Summer 2017
Public Sector Specific Securitizations	Application Guidance in ED 62

Scope of Project

Project approved December 2013 – Wider original scope

Transactions in scope of current project may relate to central governments and/or central banks

Entities that deal with these transactions referred to as 'Monetary Authorities' in CP

Project Rationale

- Topics impact a small number of entities – but expected to be significant/material to those entities
- Lack of authoritative accounting guidance – promotes diverse accounting outcomes
- CP Notes:

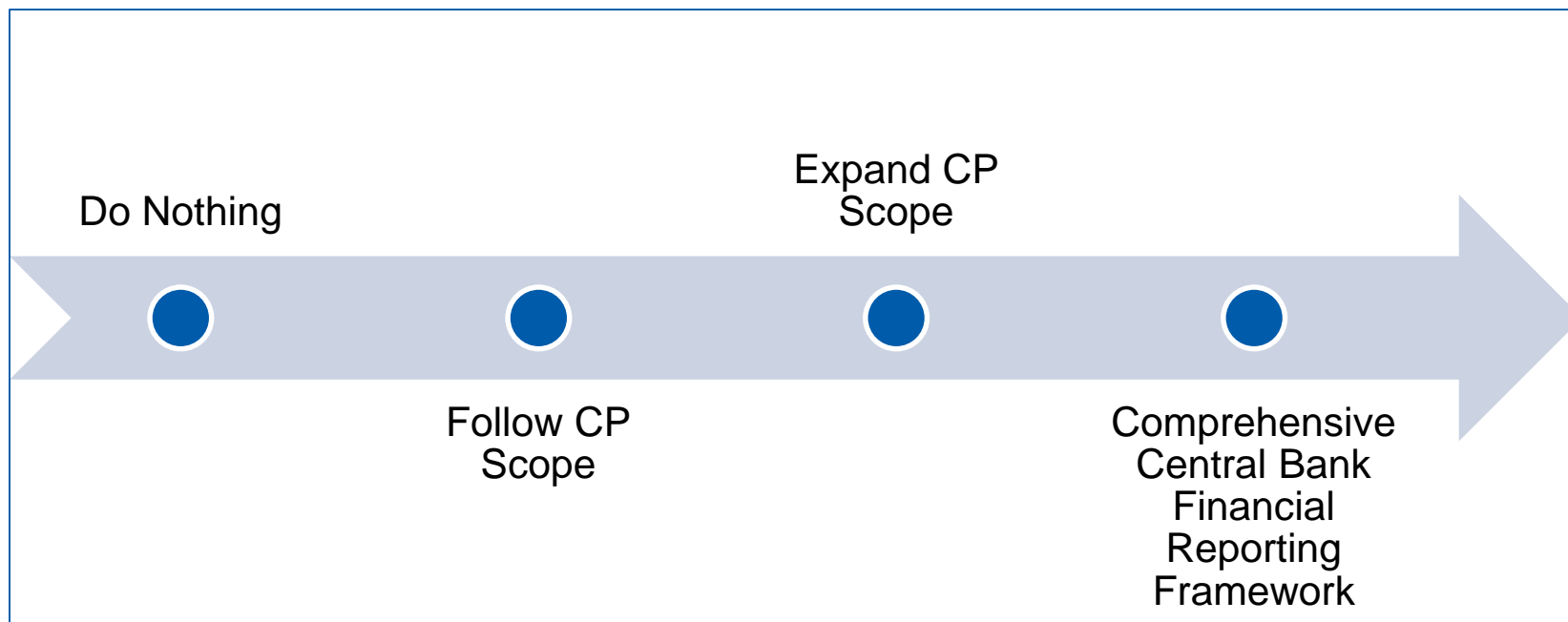
“The items included in this project have public interest implications because of their significance to the public sector and the service delivery objectives of public sector entities. These issues are important because they allow users to assess public sector entities’ ability to:

- *Deliver services effectively;*
- *Manage the resources used and available to provide services; and*
- *Manage liquidity and solvency.”*

Responses to Consultation Paper

Categorization of Respondents	Number of Responses by Category
A – Central Government/Central Banks/Central Bank Experts	7
B – International Organizations (IMF, WB & OECD)	3
C – Standard Setters	5
D - Others	16

Continuum of Approaches in Responses



Project Next Steps – Questions for the CAG

Do Nothing

- *Is specific guidance for the transactions in the CP in the public interest?*
- *Is the IPSASB the right body to address the issues?*
- *Can the public interest be served by an approach where the IPSASB does not develop guidance?*

Follow CP Scope

- *Provided the IPSASB is the right body to address the topic, is the public interest served by following approaches suggested in line with the scope of the CP?*

Expand CP Scope

- *Provided the IPSASB is the right body to address the topic, is the public interest served by expanding the scope of the CP?*

Comprehensive Central Bank Financial Reporting Framework

- *Provided the IPSASB is the right body to address the topic, is the public interest served by the IPSASB developing a comprehensive reporting framework for central banks?*



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