

PROJECT HISTORY

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September 2015

In accordance with the directive at the September meeting the IPSASB considered proposals to bring property, plant, and equipment and intangible assets on the revaluation model within the scope of IPSAS 21 and IPSAS 26 and draft amendments to IPSAS 21 and IPSAs 26 with consequential clarifying amendments to IPSAS 17 and IPSAS 31, *Intangible Assets*. These changes seek to provide users with relevant information on impairment losses to property, plant, and equipment and intangible assets on the revaluation model and to clarify that impairments to individual assets within a class of property, plant, and equipment in IPSAS 17, Property, Plant, and Equipment, do not necessitate a revaluation of the entire class to which that impaired asset belongs.

The IPSASB also considered an alternative view that the rationale for the current scope exclusions in IPSAS 21 and IPSAS 26 is robust. According to this view the ambiguity over the relationship between impairments of individual assets and revaluations could be addressed through a clarification in IPSAS 17, Property, Plant, and Equipment. Such a clarification would be that, for assets on the revaluation model, the assessment that carrying amount does not differ materially from that which would be determined using fair value at the reporting date precedes impairment testing and that, unless other assets in the class have similar indications of potential impairment, there is no need for a revaluation of the entire class.

On balance, the IPSASB considered that the objectives of financial reporting are best served by bringing property, plant, and equipment and intangible assets on the revaluation model within the scope of IPSAS 21 and IPSAS 26. The IPSASB then reviewed draft Exposure Draft (ED) 57, Impairment of Revalued Assets, to achieve this objective. Subject to minor changes the IPSASB approved ED 57. ED 57 will be issued in mid-October 2015 and open for public comment until mid-January 2016.