

PROJECT HISTORY

Contact: Paul Mason (paulmason@ipsasb.org)

Staff presented a review of responses to Exposure Draft 60, *Public Sector Combinations*.

Scope

The IPSASB agreed that no changes to the scope are required. The IPSASB will review the proposed consequential amendments relating to the acquisition of joint arrangements, following the IASB's decision to defer implementation of the equivalent amendments to IFRS. The IPSASB agreed to include a paragraph in the Basis for Conclusions explaining that the scope of the standard includes combinations undertaken on a temporary basis.

Classification

The IPSASB agreed that there should be no substantive changes to the approach to classifying public sector combinations set out in ED 60. The IPSASB noted that some respondents had struggled with elements of the approach, particularly the rebuttable presumption appearing to favor control. The IPSASB agreed to review the wording of both the authoritative text and the Basis for Conclusions to clarify how the approach can be used in practice.

Accounting for amalgamations

The IPSASB agreed to permit, but not require, the presentation of comparative information. Such information should not be restated, and the reporting entity should include a disclosure setting out the basis of the comparative information. The IPSASB also agreed minor changes to the treatment of tax forgiveness.

Residual amount in an amalgamation

The IPSASB agreed that in some cases it would be appropriate to carry forward the balances on specific reserves, such as the revaluation reserve. The ED will not specify which components of net assets/equity should be used, and that the reasons for this decision will be explained in the Basis for Conclusions.

Accounting for acquisitions

The IPSASB agreed to make some minor changes to the requirements for accounting for acquisitions, including extending the measurement period to two years.

Other issues raised by respondents

In response to some additional issues raised by respondents, the IPSASB agreed to include some minor clarifications, and an additional consequential amendment to IPSAS 17.

Next steps

The IPSASB anticipates being able to approve the final IPSAS on public sector combinations at its December 2016 meeting.