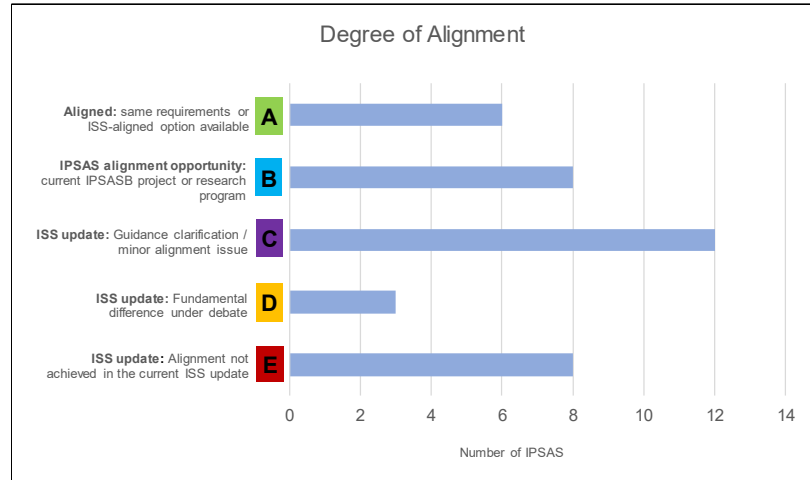


**IPSAS-ISS Alignment<sup>1</sup> Dashboard<sup>2</sup> Overview<sup>3,4</sup>**



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**References:**

- [National Accounts](#)
- [Update of the Sixth Edition of the Balance of Payments and International Investment Position Manual \(BPM6\)](#)
- [IMF Government Finance Statistics Advisory Committee \(GFSAC\)](#)
- [Update of the International Statistical Standards: Government Finance Statistics \(GFS\) Contributions and Engagement](#)

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<sup>1</sup> The term ‘alignment’ refers to the formal processes the IPSASB follows to assess the applicability of IFRS and/or Economic Accounting Statistical Standards (EASS) requirements when developing pronouncements which faithfully represent the economic substance of transactions in the public sector. Through these processes the IPSASB aims to reduce unnecessary differences with these sources of guidance when they can also be applied in the public sector context.

<sup>2</sup> For the purpose of this dashboard, it is used several EASS, as follows: the Government Finance Statistics Manual 2014 (GFSM 2014) issued by the International Monetary Fund. When an issue is not covered in GFSM 2014, it is used the System of National Accounts 2008, European of System of Accounts 2010, and Manual on Government Deficit and Debt (MGDD) – Implementation of ESA 2010, in this order.

<sup>3</sup> The legend is only related to recognition and measurement requirements. In IPSAS related only to presentation and disclosures the legend is related to possible future alignment between IPSAS and ISS.

<sup>4</sup> Staff assessment

## Table 1 – IPSAS/RPG and ISS—Summary

IPSAS/RPG	ISS	Status	IPSAS/RPG	ISS	Status	IPSAS/RPG	ISS	Status
<a href="#">1. Presentation of Financial Statements</a>	4.16-4.50	<b>BC</b>	<a href="#">20. Related Party Disclosures</a>	–	n/a	<a href="#">35. Consolidated Financial Statements</a>	3.152-3.166	<b>A</b>
<a href="#">2. Cash Flow Statements</a>	4.32-4.35	<b>A</b>	<a href="#">21. Impairment of Non-Cash-Generating Assets</a>	10.1-10.69	<b>C</b>	<a href="#">36. Investments in Associates and Joint Ventures</a>	2.140-2.143; A4.40	<b>E</b>
<a href="#">3. Accounting Policies, Changes in Accounting Estimates and Errors</a>	A6.46	<b>B</b>	<a href="#">22. Disclosure of Financial Information about the General Government Sector</a>	–	<b>B</b>	<a href="#">37. Joint Arrangements</a>	2.140-2.143; A4.40	<b>E</b>
<a href="#">4. The Effects of Changes in Foreign Exchange Rates</a>	3.31; 10.44	<b>A</b>	<a href="#">23. Revenue from Non-Exchange Transactions (Taxes and Transfers)</a>	5.1-5.151; A3.1-A3.36	<b>BC</b>	<a href="#">38. Disclosure of Interests in Other Entities</a>	–	n/a
<a href="#">5. Borrowing Costs</a>	6.62-6.83	<b>A</b>	<a href="#">24. Presentation of Budget Information in Financial Statements</a>	–	n/a	<a href="#">39. Employee Benefits</a>	A2.1-A2.66 7.189-7.202; 7.261	<b>C</b>
<a href="#">9. Revenue from Exchange Transactions</a>	5.1-5.22; 5.136-5.137	<b>BC</b>	<a href="#">26. Impairment of Cash-Generating Assets</a>	10.1-10.69	<b>C</b>	<a href="#">40. Public Sector Combinations</a>	7.113-7.117	<b>E</b>
<a href="#">10. Financial Reporting in Hyperinflationary Economies</a>	–	<b>C</b>	<a href="#">27. Agriculture</a>	7.20-7.33; 7.59-7.63; 10.70	<b>C</b>	<a href="#">41. Financial Instruments</a>	7.118-7.124; 7.143-7.177; 7.203-7.226;	<b>E</b>
<a href="#">11. Construction Contracts</a>	7.37; 7.80	<b>BC</b>	<a href="#">28. Financial Instruments: Presentation</a>	7.118-7.124; 7.143-7.177; 7.203-7.226; A3.47-A3.53	<b>A</b>	<a href="#">42. Social Benefits</a>	A2.1-A2.66; 7.261	<b>C</b>
<a href="#">12. Inventories</a>	7.20-7.33; 7.75-7.86; 10.16-10.17	<b>C</b>	<a href="#">29. Financial Instruments: Recognition and Measurement</a>	7.118-7.124; 7.143-7.177; 7.203-7.226; 7.246; 7.262	<b>C</b>	<a href="#">43. Leases</a>	7.108; A4.4- A4.17; MGDD VI.2	<b>AE</b>
<a href="#">14. Events after the Reporting Date</a>	ESA 20.189 MGDD II.7	<b>E</b>	<a href="#">30. Financial Instruments: Disclosures</a>	7.236-7.260; 7.262	n/a	<a href="#">44. Non-Current Assets Held for Sale and Discontinued Operations</a>	–	<b>E</b>
<a href="#">16. Investment Property</a>	7.4-7.12; 7.20- 7.33;	<b>B</b>	<a href="#">31. Intangible Assets</a>	7.20-7.33; 7.64-7.73; 7.104	<b>E</b>			
<a href="#">17. Property, Plant, and Equipment</a>	6.53-6.61; 7.4- 7.12; 7.20- 7.57; 7.74; 7.92-7.96	<b>D</b>	<a href="#">32. Service Concession Arrangements: Grantor</a>	A4.58-A4.65	<b>D</b>	<a href="#">RPG 1. Reporting on the Long-Term Sustainability of an Entity's Finances</a>	–	n/a
<a href="#">18. Segment Reporting</a>	–	<b>B</b>	<a href="#">33. First-time Adoption of Accrual Basis IPSASs</a>	–	n/a	<a href="#">RPG 2. Financial Statement Discussion and Analysis</a>	–	n/a
<a href="#">19. Provisions, Contingent Liabilities and Contingent Assets</a>	7.251-7.260	<b>D</b>	<a href="#">34. Separate Financial Statements</a>	–	n/a	<a href="#">RPG 3. Reporting Service Performance Information</a>	–	n/a


**Table 2 – ISS Guidance Notes Relevant to IPSASB**

Guidance note	Relevant IPSAS	Issue	Degree of Alignment
<b>Communication Task Team</b>			
CM.D	IPSAS Glossary	Terminology and “Branding” of the macroeconomic accounting frameworks	C
CM.E		Taxonomy for Macroeconomic Accounting Frameworks	C
<b>Joint Financial and Payments Systems Task Team</b>			
F.3	IPSAS 41, <i>Financial Instruments</i>	Reverse transactions	E
F.5		Treatment of Credit Default Swaps	E
F.8		Valuation of debt securities at both market and nominal value	E
F.9		Valuation of loans (fair value) (including nonperforming loans)	E
F.10		Treatment of Cash Collateral	E
F.14		Treatment of factoring transactions	E
F.15		Debt concessionality	E
F.16		Subscription Rights	E
<b>Wellbeing and Sustainability Task Team</b>			
WS.2(1)	Natural Resources project	Refining economic ownership of natural resources	D
WS.2(2)		Accounting for biological resources	D
WS.2(3)		Stronger guidance on valuation methods including net present value (NPV) calculations	D
WS.2(5)		SEEA classifications	D
WS.2(6)		Recording of the ‘regular’ environmental taxes and subsidies in the SNA&SEEA	D
WS.2(7)		Distinction between recording a tax or a services transaction	D
WS.2(8)		Recording of pollution permits	D

**Table 2 – ISS Guidance Notes Relevant to IPSASB**

Guidance note	Relevant IPSAS	Issue	Degree of Alignment
WS.2(10)		Recording of depletion	D
WS.2(9)	IPSAS 19, <i>Provisions, Contingent Liabilities, and Contingent Assets</i>	Recording of provisions	D
WS.5		Health and social conditions	D
SW.4	IPSAS 19, <i>Provisions, Contingent Liabilities, and Contingent Assets</i> and IPSAS 31, <i>Intangible Assets</i>	Education and human capital	D
<b>Current Account Task Team</b>			
C 5.1	IPSAS 43, <i>Leases</i>	Statistical impact of the change in treatment of operating leases in business accounting	A E
C.5.2		Economic ownership in the context of financial and operating lease transactions pertaining, in particular, to aircrafts	A E
C.8	IPSAS 23, <i>Revenue from Non-exchange Transactions (Taxes and Transfers)</i> ED 71, <i>Revenue without Performance Obligations</i>	Recording penalties and fines	E
<b>Direct Investment Task Team</b>			
D.2	IPSAS 41, <i>Financial Instruments</i>	Valuation of unlisted equity in direct investment	E
D.4		Treatment of Collective Investment Institutions	E
D.6		Corporate Inversions	E
D.8	IPSAS 32, <i>Service Concession Arrangements: Grantor</i>	Public-private partnerships (PPPs)	D
<b>Globalization Task Team</b>			
G.2	IPSAS 41, <i>Financial Instruments</i>	Treatment of SPEs	E
G.3	IPSAS 31, <i>Intangible Assets</i>	Economic ownership and recording of IPP	D

**Table 3 – IPSAS/RPG and ISS—Detail (updated on November 15, 2022)**

IPSAS	ISS	Status	Main Differences		Alignment Opportunities
			Recognition / Measurement	Presentation / Disclosures	
<b><u>Presentation of Financial Statements</u></b>					
<b>IPSAS 1</b> (Revised December 2006)	4.16-4.50			<ul style="list-style-type: none"> <li>IPSAS 1 and GFS have different names for the financial statements.</li> <li>The GFS Statement of Other Economic Flows is partly captured in the IPSAS Statement of Financial Position, Statement of Changes in Net Assets/Equity and Statement of Financial Performance.</li> <li>IPSAS 1 requires that assets and liabilities be presented as current and noncurrent, except when a presentation based on liquidity provides information that is faithfully representative and is more relevant. GFS does not make this distinction in its financial statements, but allows a supplementary table on the maturity structure of government’s financial assets and liabilities to be compiled.</li> <li>IPSAS 1 does not require assets to be presented as financial and nonfinancial, while GFS requires.</li> <li>IPSAS 1 does not require the presentation of financial assets and liabilities as domestic and foreign/external, while GFS requires.</li> <li>IPSAS 1 does not require or permit liabilities to be presented in the Statement of Financial Position classified by sector of the counterparty and maturity, while GFS permits.</li> <li>The minimum items to be presented in the financial statements are different.</li> <li>IPSAS 1 requires only as minimum comparative information for the preceding period, while GFS information is usually presented in a time series of data.</li> <li>The Classification of Functions of Government (COFOG) is only used in GFS.</li> <li>IPSAS 1 uses different terminology.</li> </ul>	<p><b>IPSASB</b></p> <ul style="list-style-type: none"> <li><b>B.</b> IPSASB project on Presentation of Financial Statements in the Public Sector.</li> <li><b>B.</b> IPSASB project on Presentation of Financial Statements in the Public Sector for enhanced alignment with Classification of Functions of Government (COFOG) categories.</li> </ul> <p><b>ISS</b></p> <ul style="list-style-type: none"> <li><b>C.</b> Opportunity to align presentation of financial of financial statements.</li> </ul>

**Table 3 – IPSAS/RPG and ISS—Detail**

IPSAS	ISS	Status	Main Differences		Alignment Opportunities
			Recognition / Measurement	Presentation / Disclosures	
<b><u>Cash Flow Statements</u></b>					
IPSAS 2 (May 2000)	4.32-4.35	<b>A</b>		<ul style="list-style-type: none"> <li>IPSAS 2 and GFS have different names for the financial statement.</li> <li>IPSAS 2 does not require the presentation of cash flows from financing activities as domestic and external, while GFS requires.</li> <li>IPSAS 2 uses different terminology.</li> <li>IPSAS 2 encourages disclosure of a reconciliation of surplus or deficit to operating cash flows in the notes to the financial statements.</li> </ul>	<ul style="list-style-type: none"> <li>No alignment opportunities identified.</li> </ul>
<b><u>Accounting Policies, Changes in Accounting Estimates and Errors</u></b>					
IPSAS 3 (Revised December 2006)	A6.46	<b>B</b>	<ul style="list-style-type: none"> <li>In IPSAS 3, a change in accounting estimates are recognized prospectively by including it in surplus or deficit in the period of the change, if the change affects the period only, or the period of the change and future periods, if the change affects both. In GFS, revisions arising from changes in estimates (as more information becomes available) must be recorded in the period in which the economic event occurred.</li> <li>In practice, it is possible that what GFSM 2014 treats as a correction of an error (and therefore back casts) is treated as a change of estimate under IPSASB Standards (and therefore not back cast).</li> </ul>		<p><b>IPSASB</b></p> <ul style="list-style-type: none"> <li><b>B.</b> Alignment opportunity to provide disclosures to support ISS for data series.</li> </ul>

**Table 3 – IPSAS/RPG and ISS—Detail**

IPSAS	ISS	Status	Main Differences		Alignment Opportunities
			Recognition / Measurement	Presentation / Disclosures	
<u><a href="#">The Effects of Changes in Foreign Exchange Rates</a></u>					
<b>IPSAS 4</b> (Revised April 2008)	3.31; 10.44	<b>A</b>		<ul style="list-style-type: none"> <li>• In IPSAS 4, exchange rates differences arising on the settlement of monetary items, or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are presented in surplus or deficit in the period in which they arise.</li> <li>• In IPSAS 4, exchange differences arising on a monetary item that forms part of a reporting entity’s net investment in a foreign operation shall be presented in surplus or deficit in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate.</li> <li>• In IPSAS 4, in the financial statements that include the foreign operation and the reporting entity (e.g., consolidated financial statements when the foreign operation is a controlled entity), such exchange differences are recognized initially in a separate component of net assets/equity, and presented in surplus or deficit on disposal of the net investment.</li> <li>• In GFS, foreign exchange gains or losses are presented as other economic flows.</li> <li>• IPSAS 4 uses different terminology.</li> </ul>	<ul style="list-style-type: none"> <li>• No alignment opportunities identified.</li> </ul>
<u><a href="#">Borrowing Costs</a></u>					
<b>IPSAS 5</b> (May 2000)	6.62-6.83	<b>A</b>	<ul style="list-style-type: none"> <li>• IPSAS 5 permits borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset to be capitalized as part of the cost of that asset. GFS does not have this permission—all borrowing costs as expensed.</li> </ul>	<ul style="list-style-type: none"> <li>• IPSAS 5 uses different terminology.</li> </ul>	<ul style="list-style-type: none"> <li>• No alignment opportunities identified.</li> </ul>

**Table 3 – IPSAS/RPG and ISS—Detail**

IPSAS	ISS	Status	Main Differences		Alignment Opportunities
			Recognition / Measurement	Presentation / Disclosures	

Revenue from Exchange Transactions

<p><b>IPSAS 9</b> (July 2001)</p>	<p>5.1-5.22; 5.136-5.137</p>	<p><b>B C</b></p>	<ul style="list-style-type: none"> <li>In IPSAS 9, dividends are recognized when the shareholder’s or the entity’s right to receive payment is established provided that it is probable that the economics benefits or service potential associated with the transaction will flow to the entity and the amount of the revenue can be measured reliably. In GFS, the time of recording depends on the unit’s decision regarding when to distribute income:             <ul style="list-style-type: none"> <li>(a) For public corporations where government or another public corporation is the only shareholder and the shares are not public traded, the dividends are recorded at the time they are payable; and</li> <li>(b) For quoted shares, dividends are recorded at the point at which the share price starts to be quoted on an ‘ex-dividend’ basis.</li> </ul> </li> <li>In IPSAS 9, all types of dividends are recognized as revenue. In GFS:             <ul style="list-style-type: none"> <li>(a) “Super-dividends” (any dividends declared greatly in excess of the recent level of dividends and earnings) should be recorded as a transaction in financial assets, specifically the withdrawal of owners’ equity from the corporation; and</li> </ul> </li> </ul> <p>“Interim dividends” (dividend payments during a reporting period, before the final operating result of a corporation is known) should be recorded as a financial advance to the shareholder in transactions in financial assets and liabilities.</p>	<ul style="list-style-type: none"> <li>IPSAS 9 does not distinguish “normal dividends”, “super-dividends”, and “interim dividends”. GFS makes this distinction.</li> <li>IPSAS 9 uses different terminology.</li> <li>IPSAS 9 provides a list of disclosures. GFS does not provide a list of disclosures.</li> </ul>	<p><b>IPSASB</b></p> <ul style="list-style-type: none"> <li><b>B.</b> IPSASB Revenue project introduces the control/performance obligation approach.</li> </ul> <p><b>ISS</b></p> <ul style="list-style-type: none"> <li><b>C.</b> Alignment opportunity to introduce more detailed guidance and to align this with a control/performance obligation approach to revenue recognition.</li> </ul> <p><b>ISS Guidance Notes Relevant for IPSASB</b></p> <ul style="list-style-type: none"> <li>C.8 Recording of Fines and Penalties (<a href="#">Draft Guidance Note C.8</a>)</li> </ul>
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Financial Reporting in Hyperinflationary Economies


<p><b>IPSAS 10</b> (July 2001)</p>	<p>–</p>	<p><b>C</b></p>			<p><b>ISS</b></p> <ul style="list-style-type: none"> <li><b>C.</b> No specific detailed guidance in GFS. Alignment opportunity to include more guidance aligned with IPSAS 10.</li> </ul>
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**Table 3 – IPSAS/RPG and ISS—Detail**

IPSAS	ISS	Status	Main Differences		Alignment Opportunities
			Recognition / Measurement	Presentation / Disclosures	
<u><b>Construction Contracts</b></u>					
<b>IPSAS 11</b> (July 2001)	7.37; 7.80	<b>B C</b>	<ul style="list-style-type: none"> <li>IPSAS 9 provides guidance on:                             <ol style="list-style-type: none"> <li>Recognition of construction contracts with expected deficits;</li> <li>Combining and segmenting construction contracts;</li> <li>Changes in Estimates; and</li> <li>A list of disclosures.</li> </ol> </li> <li>GFS does not provide such guidance.</li> </ul>	<ul style="list-style-type: none"> <li>IPSAS 9 uses different terminology.</li> <li>IPSAS 11 identifies cost plus or cost-based contract. GFS does not make this identification.</li> </ul>	<p><b>IPSASB</b></p> <ul style="list-style-type: none"> <li><b>B.</b> IPSASB Revenue project introduces the control/performance obligation approach</li> </ul> <p><b>GFS</b></p> <ul style="list-style-type: none"> <li><b>C.</b> Alignment opportunity to introduce more detailed guidance and to align this with a control/performance obligation approach to revenue recognition.</li> </ul>
<u><b>Inventories</b></u>					
<b>IPSAS 12</b> (Revised December 2006)	7.20-7.33; 7.75-7.86; 10.16- 10.17	<b>C</b>	<ul style="list-style-type: none"> <li>IPSAS 12 requires any write-down of inventories and all losses of inventories to be recognized as an expense. The amount of any reversal of any write-down of inventories is to be recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs. In GFS, any change in the value of inventories between the time of acquisition and withdrawal are recorded as holding gains or losses.</li> <li>IPSAS 12 requires inventories to be measured at the lower of cost and net realizable value for inventories held for sale, and at the lower of cost and current replacement cost for inventories held for distribution or consumption in a nonexchange transaction. GFS requires inventories to be valued at current market prices on the balance sheet date.</li> </ul>	<ul style="list-style-type: none"> <li>IPSAS 12 provides a list of disclosures. GFS does not provide a list of disclosures.</li> <li>IPSAS 12 uses different terminology.</li> <li>IPSAS 12 classifies as inventory ('animal produce') animals and plants for one-time use after they harvested/slaughtered, which until then are classified as fixed assets under IPSAS 27. GFS classifies animals and plants for one-time use always as inventories.</li> </ul>	<p><b>ISS</b></p> <ul style="list-style-type: none"> <li><b>C.</b> Alignment on measurement.</li> </ul>

**Table 3 – IPSAS and ISS—Detail**

IPSAS	ISS	Status	Main Differences		Alignment Opportunities
			Recognition / Measurement	Presentation / Disclosures	
<u><a href="#">Events After the Reporting Date</a></u>					
<b>IPSAS 14</b> (Revised December 2006)	ESA 20.189 MGDD II.7		<ul style="list-style-type: none"> <li>IPSAS 14 requires an entity to adjust the amounts recognized in its financial statements, or to recognize items that were not previously recognized related to a settlement after the reporting date of a court case that confirms that the entity had a present obligation at the reporting date. In GFS only a when a court of justice rules that compensation must be paid, or a transaction reversed, resulting from or related to past events, the time of recording of the expenditure or revenue is when the claimants have an automatic and incontrovertible right for a given amount that can be individually determined, and when it is unlikely that claimants will fail requesting their due. When a court of justice merely sets a principle of compensation, or when the claims must be reviewed for eligibility and in relation to determination of the amount by administrative services, expenditure or revenue is recorded as soon as the value of the obligation is reliably determined. Amounts should not be distributed over the past periods when they accrued, except for that part of the claims that were not the subject of controversy.</li> </ul>	<ul style="list-style-type: none"> <li>IPSAS 14 provides a list of disclosures. GFS does not provide a list of disclosures.</li> <li>IPSAS 14 provides guidance on going concern. GFS does not provide guidance on going concern.</li> </ul>	<b>ISS</b> <ul style="list-style-type: none"> <li><b>E.</b> Alignment not achieved related to court rules.</li> </ul>

**Table 3 – IPSAS/RPG and ISS—Detail**

IPSAS	ISS	Status	Main Differences		Alignment Opportunities
			Recognition / Measurement	Presentation / Disclosures	
<b><u>Investment Property</u></b>					
<b>IPSAS 16</b> (Revised December 2006)	7.4-7.12; 7.20-7.33;	<b>B</b>	<ul style="list-style-type: none"> <li>• In IPSAS 16 fair value model, changes in the fair value after recognition are recognized in surplus or deficit. In GFS, changes in market value are recognized as other economic flows.</li> <li>• In IPSAS 16, investment is recognized as an asset when, and only when it is probable that the future economic benefits or service potential that are associated with investment property will flow to the entity and the cost or fair value of the investment property can be measured reliably. In GFS, an asset is a store of value representing a benefit or series of benefits accruing to the economic owner by holding or using the resource over a period of time. Only economic assets are recorded in GFS, which are resources over which economic ownership rights are enforced by institutional units, individually or collectively, and from which economic benefits may be derived by their owners by holding them or using them over a period of time.</li> <li>• IPSAS 16 allows measurement at historical cost and fair value at initial and after recognition. In GFS, assets should be measured at market value. GFS also uses alternative valuation methods, such as: fair value and written-down replacement cost.</li> <li>• In IPSAS 16, transaction costs are included in the measurement of investment property at initial recognition. In GFS, ownership transfer costs are expensed.</li> </ul>	<ul style="list-style-type: none"> <li>• IPSAS 16 provides a list of disclosures. GFS does not provide a list of disclosures.</li> <li>• IPSAS 16 classifies property as investment property and owner-occupied property. GFS distinguishes property according to whether it is a produced/nonproduced asset and whether it is a dwelling, other building, other structure, or land improvement.</li> <li>• IPSAS 16 uses different terminology.</li> </ul>	<b>IPSASB</b> <ul style="list-style-type: none"> <li>• <b>B.</b> IPSASB Measurement project reviewing / introducing current value measurement guidance.</li> <li>• <b>B.</b> Project also considering treatment of transaction costs.</li> </ul>

**Table 3 – IPSAS/RPG and ISS—Detail**

IPSAS	ISS	Status	Main Differences		Alignment Opportunities
			Recognition / Measurement	Presentation / Disclosures	
<b><u>Property, Plant, and Equipment</u></b>					
<b>IPSAS 17</b> (Revised December 2006)	7.4-7.12; 7.20-7.57; 7.74; 7.92-7.96	<b>D</b>	<ul style="list-style-type: none"> <li>In IPSAS 17 revaluation model:               <ul style="list-style-type: none"> <li>(a) Increases in the carrying amount of a class of assets are credited directly to revaluation surplus in net assets/equity, unless it reverts a revaluation decrease of the same class of assets previously recognized in surplus or deficit; and</li> <li>(b) Decreases in the carrying amount of a class of assets are recognized in surplus or deficit, unless it reduces the credit balance in the revaluation surplus in respect of that class of assets.</li> </ul> </li> <li>In GFS, changes in market value are recognized as other economic flows.</li> <li>In IPSAS 17, an item of property, plant, and equipment is recognized as an asset when, and only when it is probable that the future economic benefits or service potential that are associated with property, plant, and equipment will flow to the entity and the cost or fair value of the property, plant, and equipment can be measured reliably. In GFS, an asset is a store of value representing a benefit or series of benefits accruing to the economic owner by holding or using the resource over a period of time. Only economic assets are recorded in GFS.</li> <li>IPSAS 17 allows measurement at historical cost and at fair value at initial and subsequent measurement. In GFS, assets should be measured at market value. GFS also uses alternative valuation methods, such as: fair value and written-down replacement cost.</li> <li>The concept of depreciation in IPSAS 17 is different from the concept of consumption of fixed capital in GFS.</li> <li>In IPSAS 17, transaction costs are included in the measurement of property, plant, and equipment at initial recognition. In GFS, ownership transfer costs of land are included in land improvements.</li> </ul>	<ul style="list-style-type: none"> <li>IPSAS 17 provides a list of disclosures. GFS does not provide a list of disclosures.</li> <li>IPSAS 17 defines property, plant, and equipment. GFS distinguishes nonfinancial assets according to whether it is a produced/nonproduced asset and whether it is buildings, structures, machinery, equipment and land.</li> <li>IPSAS 17 uses different terminology.</li> </ul>	<b>ISS</b> <ul style="list-style-type: none"> <li><b>D.</b> Alignment opportunity on measurement of property, plant, and equipment, and decommissioning/restoration costs.</li> </ul>


**Table 3 – IPSAS/RPG and ISS—Detail**

IPSAS	ISS	Status	Main Differences		Alignment Opportunities
			Recognition / Measurement	Presentation / Disclosures	
<b><u>Segment Reporting</u></b>					
IPSAS 18 (June 2002)	–	<b>B</b>			<p><b>IPSASB</b></p> <ul style="list-style-type: none"> <li>• <b>B.</b> Possible future IPSASB project on Segment Reporting opportunity for enhanced alignment with Classification of Functions of Government (COFOG) categories.</li> </ul> <p><b>ISS</b></p> <ul style="list-style-type: none"> <li>• Conceptual difference related to COFOG.</li> </ul>
<b><u>Provisions, Contingent Liabilities and Contingent Assets</u></b>					
IPSAS 19 (October 2002)	7.251-7.260	<b>D</b>	<ul style="list-style-type: none"> <li>• IPSAS 19 recognizes provisions, including constructive obligations. GFS does not recognize provisions, including constructive obligations.</li> </ul>	<ul style="list-style-type: none"> <li>• IPSAS 19 provides a list of disclosures. GFS does not provide a list of disclosures.</li> <li>• GFS distinguishes explicit contingent liabilities and implicit contingent liabilities. IPSAS 19 does not make such distinction.</li> <li>• IPSAS 19 uses different terminology.</li> </ul>	<p><b>ISS</b></p> <ul style="list-style-type: none"> <li>• <b>D.</b> Conceptual difference related to decommissioning/restoration costs and provisions.</li> <li>• <b>D.</b> Alignment opportunity related to decommissioning/restoration costs and provisions.</li> </ul>
<b><u>Related Party Disclosures</u></b>					
IPSAS 20 (October 2002)	–	n/a	<ul style="list-style-type: none"> <li>• Not applicable.</li> </ul>		

**Table 3 – IPSAS/RPG and ISS—Detail**

IPSAS	ISS	Status	Main Differences		Alignment Opportunities
			Recognition / Measurement	Presentation / Disclosures	
<b><u>Impairment of Non-Cash-Generating Assets</u></b>					
<b>IPSAS 21</b> (December 2004)	10.1-10.69	<b>C</b>	<ul style="list-style-type: none"> <li>IPSAS 21 uses different methodology to measure the recoverable service amount.</li> </ul>	<ul style="list-style-type: none"> <li>IPSAS 21 presents an impairment loss in surplus or deficit, unless the asset is carried at revalued amount in accordance with another Standard. GFS presents changes in the value of assets as other economic flow.</li> <li>IPSAS 21 provides a list of disclosures. GFS does not provide a list of disclosures.</li> <li>IPSAS 21 uses different terminology.</li> </ul>	<b>ISS</b> <ul style="list-style-type: none"> <li><b>C.</b> Alignment opportunity on methodology to measure the recoverable service amount.</li> </ul>
<b><u>Disclosure of Financial Information about the General Government Sector</u></b>					
<b>IPSAS 22</b> (December 2006)	–	<b>B</b>	<ul style="list-style-type: none"> <li>IPSAS 22 - Disclosure of Financial Information About the General Government Sector may require minor updates. Should be reviewed following SNA revision.</li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>	<b>IPSASB</b> <ul style="list-style-type: none"> <li><b>B.</b> Potential project one-stop for ISS adjustments to create statistics.</li> </ul> <b>ISS</b> <ul style="list-style-type: none"> <li>Conceptual difference related to sectorization of the public sector based on market versus non-market producer’s distinction.</li> </ul>

**Table 3 – IPSAS/RPG and ISS—Detail**

IPSAS	ISS	Status	Main Differences		Alignment Opportunities
			Recognition / Measurement	Presentation / Disclosures	
<b><u>Revenue from Non-Exchange Transactions (Taxes and Transfers)</u></b>					
<b>IPSAS 23</b> (December 2006)	5.1-5.151; A3.1- A3.36		<ul style="list-style-type: none"> <li>IPSAS 23 recognizes non-exchange revenue from the subsidy component in a concessionary loan received. GFS does not recognize the subsidy component in a concessionary loan received.</li> <li>IPSAS 23 allows, but it does not require to, recognize services in-kind as revenue and as an asset. GFS requires the recognition of imputed sales of goods and services.</li> <li>The criteria to recognize an asset in respect of transfers in IPSAS 23 is different from GFS.</li> <li>IPSAS 23 recognizes revenue by the debtor irrespective of whether the debt forgiveness is mutually agreed or unilateral by the creditor. GFS recognizes revenue by the debtor in the case of debt forgiveness (mutually agreed) and recognizes as other economic flow by the debtor in case of unilateral default by the debtor and unilateral write-off or write-down by the creditor.</li> <li>The GFS treatment of debt assumption depends on (i) whether the new debtor acquires an effective financial claim on the original debtor, and (ii) if there is no effective financial claim, the relationship between the new debtor and the original debtor and whether the original debtor is bankrupt or no longer a going concern. IPSAS 23 does not make such distinction.</li> <li>IPSAS 23 recognizes revenue from a non-exchange transactions to the extent that present obligations have been satisfied. GFS recognizes revenue irrespective of existence of present obligations.</li> </ul>	<ul style="list-style-type: none"> <li>IPSAS 23 provides a list of disclosures. GFS does not provide a list of disclosures.</li> <li>The classification of transfers in IPSAS 23 and GFS is different.</li> <li>GFS distinguishes debt reorganization (mutually agreed) from unilateral default by the debtor and unilateral write-off by the creditor. IPSAS 23 does not make such distinction.</li> <li>IPSAS 23 uses different terminology.</li> </ul>	<b>IPSASB</b> <ul style="list-style-type: none"> <li><b>B.</b> IPSASB Revenue project</li> </ul> <b>ISS</b> <ul style="list-style-type: none"> <li><b>C.</b> Alignment opportunity to introduce more detailed guidance and to align this with a non-performance obligation approach to revenue recognition.</li> </ul>

**Table 3 – IPSAS/RPG and ISS—Detail**

IPSAS	ISS	Status	Main Differences		Alignment Opportunities
			Recognition / Measurement	Presentation / Disclosures	
<b><u>Presentation of Budget Information in Financial Statements</u></b>					
<b>IPSAS 24</b> (December 2006)	–	n/a	<ul style="list-style-type: none"> <li>• Not applicable.</li> </ul>		
<b><u>Impairment of Cash-Generating Assets</u></b>					
<b>IPSAS 26</b> (February 2008)	10.1-10.69	C	<ul style="list-style-type: none"> <li>• IPSAS 26 uses different methodology to measure the recoverable amount.</li> </ul>	<ul style="list-style-type: none"> <li>• IPSAS 26 presents an impairment loss in surplus or deficit, unless the asset is carried at revalued amount in accordance with another Standard. GFS presents changes in the value of assets as other economic flow.</li> <li>• IPSAS 26 provides a list of disclosures. GFS does not provide a list of disclosures.</li> <li>• IPSAS 26 uses different terminology.</li> </ul>	<b>ISS</b> <ul style="list-style-type: none"> <li>• C. Alignment opportunity on methodology to measure the recoverable service amount.</li> </ul>
<b><u>Agriculture</u></b>					
<b>IPSAS 27</b> (December 2009)	7.20-7.33; 7.59-7.63; 10.70	C	<ul style="list-style-type: none"> <li>• IPSAS 27 requires biological assets to be measured on initial recognition at its fair value less costs to sell if fair value can be measured reliably; otherwise it should be measured at its cost less any accumulated depreciation and any accumulated impairment losses. GFS requires cultivated biological resources to be measured at current market prices if there is available information; otherwise they should be measured at written-down replacement cost.</li> </ul>	<ul style="list-style-type: none"> <li>• IPSAS 27 provides a list of disclosures. GFS does not provide a list of disclosures.</li> <li>• IPSAS 27 classifies animals and plants for one-time use as fixed assets, until they are harvested/slaughtered, at which point they become “agricultural produce”, which thereafter is classified as inventory under IPSAS 12. GFS classifies animals and plants for one-time use always as inventories.</li> <li>• IPSAS 27 uses different terminology.</li> </ul>	<b>ISS</b> <ul style="list-style-type: none"> <li>• C. Alignment opportunity on measurement.</li> </ul>



**Table 3 – IPSAS/RPG and ISS—Detail**

IPSAS	ISS	Status	Main Differences		Alignment Opportunities
			Recognition / Measurement	Presentation / Disclosures	
<b><u>Financial Instruments: Presentation</u></b>					
<b>IPSAS 28</b> (January 2010)	7.118- 7.124; 7.143- 7.177; 7.203- 7.226; A3.47- A3.53	<b>A</b>		<ul style="list-style-type: none"> <li>• GFS provides a decision tree to present “capital injections”. IPSAS 28 does not have this decision tree.</li> <li>• IPSAS 28 treats shares/contributed capital as equity. GFS treats shares/contributed capital as liabilities.</li> <li>• IPSAS 28 requires distributions payable to holders of equity to be recognized by the entity directly in net/assets equity. GFS requires dividends paid to be expensed.</li> <li>• IPSAS 28 requires any related costs of an equity transaction (other than when related to acquisition of a business) to be accounted for as a direct deduction from equity. GFS requires costs of ownership transfer to be expensed for financial assets and financial liabilities.</li> <li>• IPSAS 28 uses different terminology.</li> </ul>	<ul style="list-style-type: none"> <li>• No alignment opportunities identified.</li> </ul>
<b><u>Financial Instruments: Recognition and Measurement</u></b>					
<b>IPSAS 29</b> (January 2010)	7.118- 7.124; 7.143- 7.177; 7.203- 7.226; 7.246; 7.262; A3.1- A3.78	<b>C</b>	<ul style="list-style-type: none"> <li>• IPSAS 29 requires a financial asset to be measured at fair value where the cash flows are not solely payments of principles and interest (as is the case with equity instruments). GFS adopts a “current market price” (fair value) hierarchy across all assets. Information from markets may be used to value similar securities that are not traded, by analogy.</li> <li>• IPSAS 29 requires that at initial recognition, an entity shall measure a financial asset or financial liability at its fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. In GFS costs of ownership transfer are expensed for financial assets and liabilities and loans are measured at nominal values.</li> </ul>	<ul style="list-style-type: none"> <li>• GFS identifies four types of securitizations. IPSAS 29 does not make such distinction.</li> <li>• IPSAS 29 requires the recognition of the subsidy component in a concessionary loan for both the lender and the borrower. In GFS the subsidy component in a concessionary loan is not recognized, but only disclosed as a memorandum item.</li> <li>• IPSAS 29 uses different terminology.</li> </ul>	<p><b>IPSASB</b></p> <ul style="list-style-type: none"> <li>• IPSASB Measurement project reviewing current value measurement guidance and considering treatment of transaction costs.</li> </ul> <p><b>ISS</b></p> <ul style="list-style-type: none"> <li>• C. Hedging accounting</li> </ul>

**Table 3 – IPSAS/RPG and ISS—Detail**

IPSAS	ISS	Status	Main Differences		Alignment Opportunities
			Recognition / Measurement	Presentation / Disclosures	
<b><u>Financial Instruments: Disclosure</u></b>					
<b>IPSAS 30</b> (January 2010)	7.236-7.260; 7.262	n/a		<ul style="list-style-type: none"> <li>IPSAS 30 requires different disclosures.</li> <li>IPSAS 30 uses different terminology.</li> </ul>	<ul style="list-style-type: none"> <li>No alignment opportunities identified.</li> </ul>
<b><u>Intangible Assets</u></b>					
<b>IPSAS 31</b> (January 2010)	7.20-7.33; 7.64-7.73; 7.104	<b>E</b>	<ul style="list-style-type: none"> <li>In IPSAS 31, an intangible asset is recognized as an asset when, and only when it is probable that the future economic benefits or service potential that are associated with investment property will flow to the entity and the cost or fair value of the investment property can be measured reliably. In GFS, an asset is a store of value representing a benefit or series of benefits accruing to the economic owner by holding or using the resource over a period of time. Only economic assets are recorded in GFS, which are resources over which economic ownership rights are enforced by institutional units, individually or collectively, and from which economic benefits may be derived by their owners by holding them or using them over a period of time.</li> <li>In IPSAS 31 revaluation model:               <ul style="list-style-type: none"> <li>(a) Increases in the carrying amount of a class of assets are credited directly to revaluation surplus in net assets equity, unless it reverts a revaluation decrease of the same class of assets previously recognized in surplus or deficit; and</li> <li>(b) Decreases in the carrying amount of a class of assets are recognized in surplus or deficit, unless it reduces the credit balance in the revaluation surplus in respect of that class of assets.</li> </ul> <p>In GFS, changes in market value are recognized as other economic flows.</p> </li> <li>IPSAS 31 allows measurement at historical cost and fair value at initial and after recognition. In GFS, assets should be measured at market value. GFS also uses alternative valuation methods, such as: fair value and written-down replacement cost.</li> <li>In IPSAS 31, transaction costs are included in the measurement of intangible assets at initial recognition. In GFS, ownership transfer costs are expensed.</li> </ul>	<ul style="list-style-type: none"> <li>IPSAS 31 provides a list of disclosures. GFS does not provide a list of disclosures.</li> <li>IPSAS 31 uses different terminology.</li> </ul>	<p><b>IPSASB</b></p> <ul style="list-style-type: none"> <li>IPSASB Measurement project reviewing current value measurement guidance.</li> </ul> <p><b>ISS</b></p> <ul style="list-style-type: none"> <li><b>E.</b> Alignment not achieved on classification of R&amp;D.</li> </ul>

**Table 3 – IPSAS/RPG and ISS—Detail**

IPSAS	ISS	Status	Main Differences		Alignment Opportunities
			Recognition / Measurement	Presentation / Disclosures	
<b><u>Service Concession Arrangements: Grantor</u></b>					
<b>IPSAS 32</b> (October 2011)	A4.58- A4.65	<b>D</b>	<ul style="list-style-type: none"> <li>IPSAS 32 follows a control based approach to service concession asset recognition. GFS follows a risks and rewards approach to service concession asset recognition</li> <li>IPSAS 32 identifies two models of service concession arrangements: financial liability model and grant of a right to the operator model. GFS identifies two approaches to public-private partnerships: government gradually builds up a financial claim and the private corporation gradually accrues a corresponding liability and the change of legal and economic ownership from the private unit to government as a capital transfer at the end of the contract period.</li> </ul>	<ul style="list-style-type: none"> <li>IPSAS 32 provides a list of disclosures. GFS does not provide a list of disclosures.</li> <li>IPSAS 33 uses different terminology.</li> </ul>	<p><b>2012 CP / 2020 Status Report Issue #:</b></p> <ul style="list-style-type: none"> <li>C4. Public-private partnerships (PPPs) (e.g. BOOT schemes)</li> </ul> <p><b>ISS</b></p> <ul style="list-style-type: none"> <li><b>D.</b> Opportunity to align with a control-based approach to asset recognition.</li> </ul>
<b><u>First-time Adoption of Accrual Basis IPSASs</u></b>					
<b>IPSAS 33</b> (January 2015)	–	n/a	<ul style="list-style-type: none"> <li>Not applicable.</li> </ul>		
<b><u>Separate Financial Statements</u></b>					
<b>IPSAS 34</b> (January 2015)	–	n/a	<ul style="list-style-type: none"> <li>Not applicable.</li> </ul>		

**Table 3 – IPSAS/RPG and ISS—Detail**

IPSAS	ISS	Status	Main Differences		Alignment Opportunities
			Recognition / Measurement	Presentation / Disclosures	
<u><a href="#">Consolidated Financial Statements</a></u>					
<b>IPSAS 35</b> (January 2015)	3.152- 3.166	<b>A</b>	<ul style="list-style-type: none"> <li>GFS requires consolidation for the sub-sectors of the public. IPSAS 35 does not require such consolidation.</li> <li>IPSAS 35 requires that the controlling entity consolidates all controlled entities irrespective of being resident or nonresident or whether they are general government units or public corporations. GFS requires the consolidation of only resident units and distinguishes between government units and public corporations.</li> <li>[Note: These differences can be managed through limited adjustments at data source level without impact on alignment at Standards level]</li> </ul>	<ul style="list-style-type: none"> <li>IPSAS 35 uses different terminology.</li> <li>See IPSAS 22, <i>Disclosure of Financial Information about the General Government Sector</i> to bridge to the ISS reporting on the Government Sector.</li> </ul>	<ul style="list-style-type: none"> <li>No alignment opportunities identified.</li> </ul>
<u><a href="#">Investments in Associates and Joint Ventures</a></u>					
<b>IPSAS 36</b> (January 2015)	2.140- 2.143; A4.40	<b>E</b>	<ul style="list-style-type: none"> <li>IPSAS 36 requires the application of the equity method to recognize and measure investments in associates and joint ventures. In GFS, equity is measured at current market prices if there are no observable market prices. If there are no observable market prices, it is use information from the stock market on a similar listed share or recent transaction price, net asset value, present value/price to earnings ratios, book values reported by enterprises with macro-level adjustments by the statistics compilers, own funds at book value, and apportioning global value.</li> <li>In IPSAS 36, under the equity method, on initial recognition the investment in an associate or a joint venture is recognized at cost and the carrying amount is increased or decreased to recognize the investor's share of the surplus or deficit of the investee after the date of acquisition. The investor's share of the investee's surplus or deficit is recognized in the investor's surplus or deficit. Distributions received from an investee reduce the carrying amount of the investment. Adjustments to the carrying amount may also be necessary for changes in the investor's proportionate interest in the investee arising from changes in the investee's equity that have not been recognized in the investee's surplus or deficit. Such changes include those arising from the revaluation of property, plant and equipment and from foreign exchange translation differences. The investor's share of those changes is recognized in net assets/equity of the investor. In GFS, changes in market value of traded shares and changes in the investor's share of the corporation's net worth are recorded as other economic flows.</li> </ul>	<ul style="list-style-type: none"> <li>IPSAS 36 uses different terminology.</li> </ul>	<p><b>ISS</b></p> <ul style="list-style-type: none"> <li><b>E.</b> Alignment not achieved related to Equity Method</li> </ul>

**Table 3 – IPSAS/RPG and ISS—Detail**

IPSAS	ISS	Status	Main Differences		Alignment Opportunities
			Recognition / Measurement	Presentation / Disclosures	
<u><a href="#">Joint Arrangements</a></u>					
<b>IPSAS 37</b> (January 2015)	2.140-2.143; A4.40	<b>E</b>	<ul style="list-style-type: none"> <li>GFS classifies joint ventures as market producer or nonmarket producer. IPSAS 37 does not make such distinction.</li> <li>In GFS, changes in market value of traded shares and changes in the investor's share of the corporation's net worth are recorded as other economic flows.</li> <li>IPSAS 37 requires that a joint operator to account for joint operations in accordance with the applicable IPSAS and joint ventures as cost, according to IPSAS 29 or using the equity method. GFS requires that changes in the value of assets and liabilities of joint ventures to be recorded as other economic flow.</li> </ul>	<ul style="list-style-type: none"> <li>IPSAS 37 classifies joint arrangements as joint operation or as a joint venture. GFS classifies joint operations as joint ventures, jointly controlled operations and jointly controlled assets.</li> <li>IPSAS 37 uses different terminology.</li> </ul>	<b>ISS</b> <ul style="list-style-type: none"> <li><b>E.</b> Alignment not achieved related to Equity Method</li> </ul>
<u><a href="#">Disclosure of Interests in Other Entities</a></u>					
<b>IPSAS 38</b> (January 2015)	–	n/a	<ul style="list-style-type: none"> <li>Not applicable.</li> </ul>		

**Table 3 – IPSAS/RPG and ISS—Detail**

IPSAS	ISS	Status	Main Differences		Alignment Opportunities
			Recognition / Measurement	Presentation / Disclosures	
<b><u>Employee Benefits</u></b>					
<b>IPSAS 39</b> (July 2016)	A2.1-A2.66 7.189-7.202; 7.261	<b>C</b>	<ul style="list-style-type: none"> <li>IPSAS 39 apply the net interest approach. GFS reporting guidelines do not apply the net interest approach, but rather recognize the proceeds of fund assets and interest on fund liabilities according to the economic nature of these revenues and expenses. GFS then attributes the property income and the increase in the liability for benefit entitlements due to the passage of time through an entry in “property expense for investment income disbursements”. In IPSAS 39, equivalent entries are presented in surplus or deficit.</li> <li>For autonomous funds recognized outside the employer’s accounts, GFS recognizes a claim of the pension fund on the pension manager for deficits of the pension fund in specific circumstances. In these cases, GFS does not require the recognition of an interest expense in the employers’ accounts due to the passage of time in recognizing that claim.</li> <li>In GFS, the pension fund only records actual revenue from transactions such as interest, dividends and rents in the Statement of Operations.</li> <li>IPSAS 39 disaggregates employee benefits into short-term and long-term employee. GFS does not make such disaggregate and does not require specific disclosures on employee benefits, except for the supplementary table on pension schemes in social insurance specified in the System of National Accounts 2008.</li> <li>In GFS, the plan assets are generally measured on the same basis as other assets, which is normally market value. Therefore, unlike IPSAS 39, no additional calculation to include the discount rate in the plan assets as a whole is necessary to estimate present value. However, in GFS some assets are not measured at market value. This may give rise to different valuations between IPSAS 39 and GFS (for example: loans are measured at nominal value in GFS and usually at amortized cost in IPSAS).</li> </ul>	<ul style="list-style-type: none"> <li>IPSAS 39 provides a list of disclosures. GFS does not provide a list of disclosures.</li> <li>In IPSAS 39 any changes in the value of the defined benefit obligation is presented as remeasurements and recognize in net assets/equity. In GFS, any changes in the volume or value of assets that do not result from transactions are recorded in the Statement of Other Economic Flows, which includes the effect of the passage of time.</li> <li>IPSAS 39 uses different terminology.</li> </ul>	<p><b>ISS</b></p> <ul style="list-style-type: none"> <li><b>C.</b> Alignment opportunity in Presentation, Recognition of defined benefit cost, Measurement of net defined benefit obligation, Recognition and measurement of net interest approach, Actuarial techniques, Components of defined benefit cost, and Terminology</li> </ul>

**Table 3 – IPSAS/RPG and ISS—Detail**

IPSAS	ISS	Status	Main Differences		Alignment Opportunities
			Recognition / Measurement	Presentation / Disclosures	
<u><b>Public Sector Combinations</b></u>					
<b>IPSAS 40</b> (January 2017)	7.113-7.117	<b>E</b>	<ul style="list-style-type: none"> <li>A transaction will occur where a “market unit” is nationalized or privatized (that is, entering government control or leaving it), and the amounts are recorded in GFS as transactions in equity that correspond to the observed transaction price. Any changes in valuation—for example, between the opening balance of a government equity stake and the eventual transaction price—are recorded as revaluation effects, with no impact on government net lending/net borrowing. For amalgamations, the main impact is on the sectorization of the “institutional units”. Where the units before amalgamation belonged to the same sector or subsector of general government, the amalgamation will have no impact on the data for that sector or subsector. For example, an amalgamation of two local governments, where both are already classified to the local government sector, would not change results for the local government sector. However, in cases where a unit in one subsector is being amalgamated with a unit in another subsector, the amalgamated units will be removed from the sector they belonged to and be added to the sector of the new amalgamated unit, through a reclassification of the unit (recorded in GFS as an “other volume change in assets and liabilities”). For example, if a local government unit is amalgamated with a state government, the unit will be reclassified from the local government subsector to the state government subsector. IPSAS 40 does not make sectorization of reporting entities.</li> </ul>	<ul style="list-style-type: none"> <li>IPSAS 40 provides a list of disclosures. GFS does not provide a list of disclosures.</li> <li>GFS guidelines make a distinction between an acquisition and an amalgamation based on the principle that with an acquisition a transaction occurs, while with an amalgamation just a reclassification of units may occur. IPSAS 40 does not have such distinction.</li> <li>In GFS, public sector combinations within the same sector or subsector of general government have no impact on the data in GFS. IPSAS 40 requires the changes to individual entities to be accounted for.</li> <li>IPSAS 40 uses different terminology.</li> </ul>	<ul style="list-style-type: none"> <li><b>E.</b> Alignment not achieved in amalgamations.</li> </ul>

**Table 3 – IPSAS/RPG and ISS—Detail**

IPSAS	ISS	Status	Main Differences		Alignment Opportunities
			Recognition / Measurement	Presentation / Disclosures	
<b><u>Financial Instruments</u></b>					
<b>IPSAS 41</b> (July 2018)	7.118- 7.124; 7.143- 7.177; 7.203- 7.226;	<div style="background-color: red; color: white; width: 20px; height: 20px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">E</div>	<ul style="list-style-type: none"> <li>IPSAS 41 requires the recognition of the subsidy component in a concessionary loan for both the lender and the borrower. In GFS the subsidy component in a concessionary loan is not recognized, but only disclosed as a memorandum item.</li> <li>IPSAS 41 requires a financial asset to be measured at fair value where the cash flows are not solely payments of principles and interest (as is the case with equity instruments). GFS adopts a “current market price” (fair value) hierarchy across all assets. Information from markets may be used to value similar securities that are not traded, by analogy.</li> <li>IPSAS 41 requires that at initial recognition, an entity shall measure a financial asset or financial liability at its fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. In GFS costs of ownership transfer are expensed for financial assets and liabilities and loans are measured at nominal values.</li> </ul>	<ul style="list-style-type: none"> <li>GFS identifies four types of securitizations. IPSAS 41 does not make such distinction.</li> <li>IPSAS 41 uses different terminology.</li> </ul>	<b>ISS</b> <ul style="list-style-type: none"> <li>E. Alignment not achieved in the financial instruments-related guidance notes.</li> </ul> <b>ISS Guidance Notes Relevant for IPSASB</b> <ul style="list-style-type: none"> <li>D.2 Valuation of unlisted equity in direct investment (<a href="#">Draft Guidance Note D.2</a>)</li> <li>D.4 Corporate Inversions (<a href="#">Draft Guidance Note D.4</a>)</li> <li>D.6 Ultimate Investing Economy (UIE)/Ultimate Host Economy (UHE) and Pass-through Funds (<a href="#">Guidance Note D.6</a>)</li> <li>F.3 Reverse Transactions (<a href="#">Draft Guidance Note F.3</a>)</li> <li>F.5 Treatment of Credit Default Swaps (<a href="#">Guidance Note F.5</a>)</li> <li>F.8 Valuation of Debt Securities at Both Market and Nominal Value (<a href="#">Guidance Note F.8</a>)</li> <li>F.9 Valuation of Loans (Fair Value) (<a href="#">Draft Guidance Note F.9</a>)</li> <li>F.10 Treatment of Cash Collateral (<a href="#">Draft Guidance Note F.10</a>)</li> <li>F.14 Treatment of factoring transactions (<a href="#">Draft Guidance Note F.14</a>)</li> <li>F.15 Debt Concessionality (<a href="#">Draft Guidance Note F.15</a>)</li> <li>F.16 Subscription Rights (<a href="#">Draft Guidance Note F.16</a>)</li> </ul>



**Table 3 – IPSAS/RPG and ISS—Detail**

IPSAS	ISS	Status	Main Differences		Alignment Opportunities
			Recognition / Measurement	Presentation / Disclosures	
<b><u>Social Benefits</u></b>					
<b>IPSAS 42</b> (January 2019)	A2.1-A2.66; 7.261	<b>C</b>	<ul style="list-style-type: none"> <li>Under IPSAS 42, an entity recognizes a liability for the cash transfers that the entity will make until the next point at which eligibility criteria are required to be satisfied. Generally, no such liability is recognized in GFS for social benefits although liabilities are recorded for funded social insurance schemes.</li> <li>IPSAS 42 permits relevant social benefits to be recognized and measured using the insurance approach. GFS does not include this option.</li> </ul>	<ul style="list-style-type: none"> <li>IPSAS 40 provides a list of disclosures. GFS does not provide a list of disclosures.</li> <li>IPSAS 42 adopts a narrower definition of social benefits than GFS. IPSAS 42 limits its definition of social benefits to cash transfers (including cash equivalents). Under GFS, social benefits can be provided in cash or in kind (for example, health services).</li> </ul>	<ul style="list-style-type: none"> <li><b>D.</b> Alignment not achieved in the definition of social benefits.</li> </ul>
<b><u>Leases</u></b>					
<b>IPSAS 43</b> (January 2022)	7.108; A4.4- A4.17; MGDD VI.2	<b>A E</b>	<ul style="list-style-type: none"> <li>IPSAS 43 applies a right-of-use model for lessees and a risks and rewards model for lessors, while GFS applies a risks and rewards model for both lessees and lessors.</li> <li>IPSAS 43 provides an optional recognition exemption for lessees on short-term leases and leases for which the underlying asset is of low value. GFS does not provide such recognition exemption.</li> </ul>	<ul style="list-style-type: none"> <li>Under IPSAS 43, lessors classify leases as finance lease or operating lease and lessees do not classify leases as finance lease or operating lease. Under GFS, leases are classified as financial lease, operating lease, or resource lease.</li> <li>IPSAS 43 provides a list of disclosures. GFS does not provide a list of disclosures.</li> </ul>	<p><b>IPSASB</b></p> <ul style="list-style-type: none"> <li><b>A.</b> IPSASB Leases project <ul style="list-style-type: none"> <li>o First phase – IFRS 16 alignment</li> <li>o Second phase – Public sector specific issues</li> </ul> </li> </ul> <p><b>ISS</b></p> <ul style="list-style-type: none"> <li><b>E.</b> Alignment not achieved related to lessee accounting.</li> </ul> <p><b>ISS Guidance Notes Relevant for IPSASB</b></p> <ul style="list-style-type: none"> <li>C.5.1 Statistical Impact of the Change in Treatment of Operating Leases in Business Accounting (<a href="#">Draft Guidance Note C.5.1</a>)</li> <li>C.5.2. Economic ownership in the context of financial and operating lease transactions pertaining, in particular, to aircrafts (<a href="#">Draft Guidance Note C.5.2</a>)</li> </ul>

**Table 3 – IPSAS/RPG and ISS—Detail**

IPSAS	ISS	Status	Main Differences		Alignment Opportunities
			Recognition / Measurement	Presentation / Disclosures	
<b><u>Non-Current Assets Held for Sale and discontinued Operations</u></b>					
IPSAS 44 (May 2022)	n/a	<b>E</b>	<ul style="list-style-type: none"> <li>GFS uses market value as the general valuation approach for all assets. Under IPSAS 44, a non-current asset (or disposal group) classified as held for sale is measured at the lower of its carrying amount and fair value less costs to sell. Market value can be used as a technique for estimating fair value under IPSAS.</li> <li>Under IPSAS 44, a non-current asset (or disposal group) is classified as held for sale when it is available for immediate sale in its present condition, and its sale is highly probable, subject only to terms that are usual for sales of such assets (or disposal groups). GFS does not have this type of classification.</li> </ul>	<ul style="list-style-type: none"> <li>IPSAS 44 includes disclosure requirements that are not present in GFS.</li> </ul>	<ul style="list-style-type: none"> <li><b>E.</b> Fundamental differences on classification and measurement.</li> </ul>

**Table 3 – IPSAS/RPG and ISS—Detail**

RPG	ISS	Status	Main Differences	Alignment Opportunities
<b><u>Reporting on the Long-Term Sustainability of an Entity's Finances</u></b>				
<b>RPG 1</b> (July 2013)	–	C		<b>GFS</b> <ul style="list-style-type: none"> <li>• Opportunity to align with similar guidelines from a GFS perspective.</li> </ul>
<b><u>Financial Statement Discussion and Analysis</u></b>				
<b>RPG 2</b> (July 2013)	–	C		<b>GFS</b> <ul style="list-style-type: none"> <li>• Opportunity to align with similar guidelines from a GFS perspective.</li> </ul>
<b><u>Reporting Service Performance Information</u></b>				
<b>RPG 3</b> (March 2015)	–	n/a	<ul style="list-style-type: none"> <li>• Not applicable.</li> </ul>	<ul style="list-style-type: none"> <li>• No alignment opportunities identified in the 2012 CP.</li> </ul>