International Public Sector Accounting Standard ®

Long-term Interests in Associates and Joint Ventures (Amendments to IPSAS 36) and Prepayment Features with Negative Compensation (Amendments to IPSAS 41)
This document was developed and approved by the International Public Sector Accounting Standards Board® (IPSASB®).

The objective of the IPSASB is to serve the public interest by setting high-quality public sector accounting standards and by facilitating the adoption and implementation of these, thereby enhancing the quality and consistency of practice throughout the world and strengthening the transparency and accountability of public sector finances.

In meeting this objective the IPSASB sets IPSAS® and Recommended Practice Guidelines (RPGs) for use by public sector entities, including national, regional, and local governments, and related governmental agencies.

IPSAS relate to the general purpose financial statements (financial statements) and are authoritative. RPGs are pronouncements that provide guidance on good practice in preparing general purpose financial reports (GPFRs) that are not financial statements. Unlike IPSAS RPGs do not establish requirements. Currently all pronouncements relating to GPFRs that are not financial statements are RPGs. RPGs do not provide guidance on the level of assurance (if any) to which information should be subjected.

The structures and processes that support the operations of the IPSASB are facilitated by the International Federation of Accountants® (IFAC®).

Copyright © January 2019 by the International Federation of Accountants (IFAC). For copyright, trademark, and permissions information, please see page 18.
<table>
<thead>
<tr>
<th>CONTENTS</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Part I: Long-term Interests in Associates and Joint Ventures (Amendments to IPSAS 36)</td>
<td>4</td>
</tr>
<tr>
<td>Part II: Prepayment Features with Negative Compensation (Amendments to IPSAS 41)</td>
<td>13</td>
</tr>
</tbody>
</table>
PART I: LONG-TERM INTERESTS IN ASSOCIATES AND JOINT VENTURES (AMENDMENTS TO IPSAS 36)

Objective

1. The objective of Part I of Long-term Interests in Associates and Joint Ventures (Amendments to IPSAS 36) and Prepayment Features with Negative Compensation (Amendments to IPSAS 41) is to make amendments to IPSAS to converge with the narrow-scope amendments to IAS 28, Investments in Associates and Joint Ventures, made by the IASB in Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28) (issued October 2017).

IPSAS Addressed

<table>
<thead>
<tr>
<th>IPSAS Standard</th>
<th>Summary of Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>IPSAS 36, Investments in Associates and Joint Ventures</td>
<td>Clarify that IPSAS 41, Financial Instruments, including its impairment requirements, applies to long-term interests in associates and joint ventures.</td>
</tr>
</tbody>
</table>
Amendment: Part I

Amendments to IPSAS 36, Investments in Associates and Joint Ventures

Paragraphs 20A and 51F–51I are added and paragraph 44 is deleted. New text is underlined and deleted text is struck through.

...  

Equity Method

...  

20A. An entity also applies IPSAS 41 to other financial instruments in an associate or joint venture to which the equity method is not applied. These include long-term interests that, in substance, form part of the entity’s net investment in an associate or joint venture (see paragraph 41). An entity applies IPSAS 41 to such long-term interests before it applies paragraph 41 and paragraphs 43–48 of this Standard. In applying IPSAS 41 the entity does not take account of any adjustments to the carrying amount of long-term interests that arise from applying this Standard.

...  

Application of the Equity Method

...  

Impairment Losses

44. The entity applies the impairment requirements in IPSAS 41 to its other interests in the associate or joint venture that are in scope of IPSAS 41 and that do not constitute part of the net investment. [Deleted]

...  

Effective Date and Transition

...  

51F. Paragraph 20A was added and paragraph 44 deleted by Long-term Interests in Associates and Joint Ventures (Amendments to IPSAS 36) and Prepayment Features with Negative Compensation (Amendments to IPSAS 41), issued in January 2019. An entity shall apply these amendments retrospectively in accordance with IPSAS 3, Accounting Policies, Changes in Accounting Estimates and Errors, for annual financial statements covering periods beginning on or after January 1, 2022, except as specified in paragraphs 51G–51I. Earlier application is permitted. If an entity applies these amendments for a period beginning before January 1, 2022, it shall disclose that fact and apply IPSAS 41 at the same time.

51G. An entity that first applies the amendments in paragraph 51F at the same time it first applies IPSAS 41 shall apply the transition requirements in IPSAS 41 to the long-term interests described in paragraph 20A.

51H. An entity that first applies the amendments in paragraph 51F after it first applies IPSAS 41 shall apply the transition requirements in IPSAS 41 necessary for applying the requirements set out in paragraph 20A to long-term interests. For that purpose, references to the date of initial application in IPSAS 41 shall be read as referring to the beginning of the annual reporting period in which the entity...
first applies the amendments (the date of initial application of the amendments). The entity is not required to restate prior periods to reflect the application of the amendments. The entity may restate prior periods only if it is possible without the use of hindsight.

51I. If an entity does not restate prior periods applying paragraph 51H, at the date of initial application of the amendments it shall recognize in the opening accumulated surplus or deficit (or other component of net assets/equity, as appropriate) any difference between:

(a) The previous carrying amount of long-term interests described in paragraph 20A at that date; and
(b) The carrying amount of those long-term interests at that date.

Basis for Conclusions

Revision of IPSAS 36 as a result of Long-term Interests in Associates and Joint Ventures (Amendments to IPSAS 36) and Prepayment Features with Negative Compensation (Amendments to IPSAS 41)

BC20. The IPSASB reviewed the revisions to IAS 28, Investments in Associates and Joint Ventures, included in Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28) issued by the IASB in October 2017, and the IASB’s rationale for making these amendments as set out in its Basis for Conclusions, and concurred that there was no public sector specific reason for not adopting the amendments.
Illustrative Example—Long-term Interests in Associates and Joint Ventures

This example accompanies, but is not part of, IPSAS 36.

This example portrays a hypothetical situation illustrating how an entity (investor) accounts for long-term interests that, in substance, form part of the entity’s net investment in an associate (long-term interests) applying IPSAS 41, Financial Instruments, and IPSAS 36 based on the assumptions presented. The entity applies IPSAS 41 in accounting for long-term interests. The entity applies IPSAS 36 to its net investment in the associate, which includes long-term interests. The analysis in this example is not intended to represent the only manner in which the requirements in IPSAS 36 could be applied.

Assumptions

The investor has the following three types of interests in the associate:

(a) O Shares—ordinary shares representing a 40% ownership interest to which the investor applies the equity method. This interest is the least senior of the three interests, based on their relative priority in liquidation.

(b) P Shares—non-cumulative preference shares that form part of the net investment in the associate and that the investor measures at fair value through surplus or deficit applying IPSAS 41.

(c) LT Loan—a long-term loan that forms part of the net investment in the associate and that the investor measures at amortized cost applying IPSAS 41 with a stated interest rate and an effective interest rate of 5% a year. The associate makes interest-only payments to the investor each year. The LT Loan is the most senior of the three interests.

The LT Loan is not an originated credit-impaired loan. Throughout the years illustrated, there has not been any objective evidence that the net investment in the associate is impaired applying IPSAS 36, nor does the LT Loan become credit-impaired applying IPSAS 41.

The associate does not have any outstanding cumulative preference shares classified as equity, as described in paragraph 40 of IPSAS 36. Throughout the years illustrated, the associate neither declares nor pays dividends on O Shares or P Shares.

The investor has not incurred any legal or constructive obligations, nor made payments on behalf of the associate, as described in paragraph 42 of IPSAS 36. Accordingly, the investor does not recognize its share of the associate’s deficits once the carrying amount of its net investment in the associate is reduced to zero.

The amount of the investor’s initial investment in O Shares is CU200, in P Shares is CU100 and in the LT Loan is CU100. On acquisition of the investment, the cost of the investment equals the investor’s share of the net fair value of the associate’s identifiable assets and liabilities.

This table summarizes the carrying amount at the end of each year for P Shares and the LT Loan applying IPSAS 41 but before applying IPSAS 36, and the associate’s surplus (deficit) for each year. The amounts for the LT Loan are shown net of the loss allowance.

---

1 In this Illustrative Example, currency amounts are denominated in currency units (CU).
At the end of P Shares applying IPSAS 41 (fair value) | LT Loan applying IPSAS 41 (amortized cost) | Surplus (deficit) of the associate
---|---|---
Year 1 | CU110 | CU90 | CU50
Year 2 | CU90 | CU70 | CU(200)
Year 3 | CU50 | CU50 | CU(500)
Year 4 | CU40 | CU50 | CU(150)
Year 5 | CU60 | CU60 | –
Year 6 | CU80 | CU70 | CU500
Year 7 | CU110 | CU90 | CU500

Analysis

Year 1
The investor recognizes the following in Year 1:

Investments in the associate:

Dr. O Shares | CU200
Dr. P Shares | CU100
Dr. LT Loan | CU100
Cr. Cash | CU400

To recognize the initial investment in the associate

Dr. P Shares | CU10
Cr. Surplus or deficit | CU10

To recognize the change in fair value (CU110 − CU100)

Dr. Surplus or deficit | CU10
Cr. Loss allowance (LT Loan) | CU10

To recognize an increase in the loss allowance (CU90 − CU100)

Dr. O Shares | CU20
Cr. Surplus or deficit | CU20

To recognize the investor’s share of the associate’s surplus (CU50 × 40%)

At the end of Year 1, the carrying amount of O Shares is CU220, P Shares is CU110 and the LT Loan (net of loss allowance) is CU90.
Year 2

The investor recognizes the following in Year 2:

- Dr. Surplus or deficit CU20
  Cr. P Shares CU20
  To recognize the change in fair value (CU90 – CU110)

- Dr. Surplus or deficit CU20
  Cr. Loss allowance (LT Loan) CU20
  To recognize an increase in the loss allowance (CU70 – CU90)

- Dr. Surplus or deficit CU80
  Cr. O Shares CU80
  To recognize the investor’s share of the associate’s deficit (CU200 × 40%)

At the end of Year 2, the carrying amount of O Shares is CU140, P Shares is CU90 and the LT Loan (net of loss allowance) is CU70.

Year 3

Applying paragraph 20A of IPSAS 36, the investor applies IPSAS 41 to P Shares and the LT Loan before it applies paragraph 41 of IPSAS 36. Accordingly, the investor recognizes the following in Year 3:

- Dr. Surplus or deficit CU40
  Cr. P Shares CU40
  To recognize the change in fair value (CU50 – CU90)

- Dr. Surplus or deficit CU20
  Cr. Loss allowance (LT Loan) CU20
  To recognize an increase in the loss allowance (CU50 – CU70)

- Dr. Surplus or deficit CU200
  Cr. O Shares CU140
  Cr. P Shares CU50
  Cr. LT Loan CU10
  To recognize the investor’s share of the associate’s deficit in reverse order of seniority as specified in paragraph 41 of IPSAS 36 (CU500 × 40%)

At the end of Year 3, the carrying amount of O Shares is zero, P Shares is zero and the LT Loan (net of loss allowance) is CU40.

Year 4

Applying IPSAS 41 to its interests in the associate, the investor recognizes the following in Year 4:
Recognition of the change in fair value of CU10 in Year 4 results in the carrying amount of P Shares being negative CU10. Consequently, the investor recognizes the following to reverse a portion of the associate’s deficits previously allocated to P Shares:

Dr. P Shares  
Cr. Surplus or deficit  

To reverse a portion of the associate’s deficits previously allocated to P Shares

Applying paragraph 41 of IPSAS 36, the investor limits the recognition of the associate’s deficits to CU40 because the carrying amount of its net investment in the associate is then zero. Accordingly, the investor recognizes the following:

Dr. Surplus or deficit  
Cr. LT Loan  

To recognize the investor’s share of the associate’s deficit

At the end of Year 4, the carrying amount of O Shares is zero, P Shares is zero and the LT Loan (net of loss allowance) is zero. There is also an unrecognized share of the associate’s deficits of CU30 (the investor’s share of the associate’s cumulative deficits of CU340 – CU320 deficits recognized cumulatively + CU10 deficits reversed).

Year 5

Applying IPSAS 41 to its interests in the associate, the investor recognizes the following in Year 5:

Dr. P Shares  
Cr. Surplus or deficit  

To recognize the change in fair value (CU60 – CU40)

Dr. Loss allowance (LT Loan)  
Cr. Surplus or deficit  

To recognize a decrease in the loss allowance (CU60 – CU50)

After applying IPSAS 41 to P Shares and the LT Loan, these interests have a positive carrying amount. Consequently, the investor allocates the previously unrecognized share of the associate’s deficits of CU30 to these interests.
Dr. Surplus or deficit  CU30
   Cr. P Shares  CU20
   Cr. LT Loan  CU10

To recognize the previously unrecognized share of the associate’s deficits

At the end of Year 5, the carrying amount of O Shares is zero, P Shares is zero and the LT Loan (net of loss allowance) is zero.

Year 6

Applying IPSAS 41 to its interests in the associate, the investor recognizes the following in Year 6:

Dr. P Shares  CU20
   Cr. Surplus or deficit  CU20

To recognize the change in fair value (CU80 – CU60)

Dr. Loss allowance (LT Loan)  CU10
   Cr. Surplus or deficit  CU10

To recognize a decrease in the loss allowance (CU70 – CU60)

The investor allocates the associate’s surplus to each interest in the order of seniority. The investor limits the amount of the associate’s surplus it allocates to P Shares and the LT Loan to the amount of equity method deficits previously allocated to those interests, which in this example is CU60 for both interests.

Dr. O Shares  CU80
Dr. P Shares  CU60
Dr. LT Loan  CU60
   Cr. Surplus or deficit  CU200

To recognize the investor’s share of the associate’s surplus (CU500 × 40%)

At the end of Year 6, the carrying amount of O Shares is CU80, P Shares is CU80 and the LT Loan (net of loss allowance) is CU70.

Year 7

The investor recognizes the following in Year 7:

Dr. P Shares  CU30
   Cr. Surplus or deficit  CU30

To recognize the change in fair value (CU110 – CU80)
LONG-TERM INTERESTS IN ASSOCIATES AND JOINT VENTURES (AMENDMENTS TO IPSAS 36) AND PREPAYMENT FEATURES WITH NEGATIVE COMPENSATION (AMENDMENTS TO IPSAS 41)

Dr. Loss allowance (LT Loan)  
Cr. Surplus or deficit  
*To recognize a decrease in the loss allowance (CU90 – CU70)*

Dr. O Shares  
Cr. Surplus or deficit  
*To recognize the investor’s share of the associate’s surplus (CU500 × 40%)*

At the end of Year 7, the carrying amount of O Shares is CU280, P Shares is CU110 and the LT Loan (net of loss allowance) is CU90.

**Years 1–7**

When recognizing interest revenue on the LT Loan in each year, the investor does not take account of any adjustments to the carrying amount of the LT Loan that arose from applying IPSAS 36 (paragraph 20A of IPSAS 36). Accordingly, the investor recognizes the following in each year:

Dr. Cash  
Cr. Surplus or deficit  
*To recognize interest revenue on LT Loan based on the effective interest rate of 5%*

**Summary of amounts recognized in surplus or deficit**

This table summarizes the amounts recognized in the investor’s surplus or deficit.

<table>
<thead>
<tr>
<th>Items recognized</th>
<th>Impairment (losses), including reversals, applying IPSAS 41</th>
<th>Gains (losses) of P Shares applying IPSAS 41</th>
<th>Share of surplus (deficit) of the associate recognized applying the equity method</th>
<th>Interest revenue applying IPSAS 41</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>During</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Year 1</td>
<td>CU(10)</td>
<td>CU10</td>
<td>CU20</td>
<td>CU5</td>
</tr>
<tr>
<td>Year 2</td>
<td>CU(20)</td>
<td>CU(20)</td>
<td>CU(80)</td>
<td>CU5</td>
</tr>
<tr>
<td>Year 3</td>
<td>CU(20)</td>
<td>CU(40)</td>
<td>CU(200)</td>
<td>CU5</td>
</tr>
<tr>
<td>Year 4</td>
<td></td>
<td>CU(10)</td>
<td>CU(30)</td>
<td>CU5</td>
</tr>
<tr>
<td>Year 5</td>
<td>CU10</td>
<td>CU20</td>
<td>CU(30)</td>
<td>CU5</td>
</tr>
<tr>
<td>Year 6</td>
<td>CU10</td>
<td>CU20</td>
<td>CU200</td>
<td>CU5</td>
</tr>
<tr>
<td>Year 7</td>
<td>CU20</td>
<td>CU30</td>
<td>CU200</td>
<td>CU5</td>
</tr>
</tbody>
</table>
PART II: PREPAYMENT FEATURES WITH NEGATIVE COMPENSATION (AMENDMENTS TO IPSAS 41)

Objective

2. The objective of Part II of Long-term Interests in Associates and Joint Ventures (Amendments to IPSAS 36) and Prepayment Features with Negative Compensation (Amendments to IPSAS 41) is to propose amendments to IPSAS to converge with the narrow-scope amendments to IFRS 9, Financial Instruments, made by the IASB in Prepayment Features with Negative Compensation (Amendments to IFRS 9) (issued October 2017).

<table>
<thead>
<tr>
<th>IPSAS Standard</th>
<th>Summary of Proposed Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>IPSAS 41, Financial Instruments</td>
<td>Amend the classification requirements so that particular financial assets with prepayment features that may result in reasonable negative compensation for the early termination of the contract are eligible to be measured at amortized cost or at fair value through net assets/equity.</td>
</tr>
</tbody>
</table>
Amendment–Part II

Amendments to IPSAS 41, Financial Instruments

Paragraphs 156A, 184–189 and AG74A are added, and paragraphs AG73(b) and AG74(b) are amended. Paragraph AG72 has not been amended but has been included for ease of reference. New text is underlined and deleted text is struck through.

Effective Date and Transition

Effective Date

…

156A. Long-term Interests in Associates and Joint Ventures (Amendments to IPSAS 36) and Prepayment Features with Negative Compensation (Amendments to IPSAS 41), issued in January 2019, added paragraphs 184–189 and AG74A and amended paragraphs AG73(b) and AG74(b). An entity shall apply these amendments for annual periods beginning on or after January 1, 2022. Earlier application is permitted. If an entity applies these amendments for an earlier period, it shall disclose that fact.

Transition

…

Transition for Prepayment Features with Negative Compensation

184. An entity shall apply Long-term Interests in Associates and Joint Ventures (Amendments to IPSAS 36) and Prepayment Features with Negative Compensation (Amendments to IPSAS 41) retrospectively in accordance with IPSAS 3, except as specified in paragraphs 185–189.

185. An entity that first applies these amendments at the same time it first applies this Standard shall apply paragraphs 157–183 instead of paragraphs 186–189.

186. An entity that first applies these amendments after it first applies this Standard shall apply paragraphs 187–189. The entity shall also apply the other transition requirements in this Standard necessary for applying these amendments. For that purpose, references to the date of initial application shall be read as referring to the beginning of the reporting period in which an entity first applies these amendments (date of initial application of these amendments).

187. With regard to designating a financial asset or financial liability as measured at fair value through surplus or deficit, an entity:

(a) Shall revoke its previous designation of a financial asset as measured at fair value through surplus or deficit if that designation was previously made in accordance with the condition in paragraph 44 but that condition is no longer satisfied as a result of the application of these amendments;

(b) May designate a financial asset as measured at fair value through surplus or deficit if that designation would not have previously satisfied the condition in paragraph 44 but that condition is now satisfied as a result of the application of these amendments;
(c) Shall revoke its previous designation of a financial liability as measured at fair value through surplus or deficit if that designation was previously made in accordance with the condition in paragraph 46(a) but that condition is no longer satisfied as a result of the application of these amendments; and

(d) May designate a financial liability as measured at fair value through surplus or deficit if that designation would not have previously satisfied the condition in paragraph 46(a) but that condition is now satisfied as a result of the application of these amendments.

Such a designation and revocation shall be made on the basis of the facts and circumstances that exist at the date of initial application of these amendments. That classification shall be applied retrospectively.

188. An entity is not required to restate prior periods to reflect the application of these amendments. The entity may restate prior periods if, and only if, it is possible without the use of hindsight and the restated financial statements reflect all the requirements in this Standard. If an entity does not restate prior periods, the entity shall recognize any difference between the previous carrying amount and the carrying amount at the beginning of the annual reporting period that includes the date of initial application of these amendments in the opening accumulated surplus or deficit (or other component of net assets/equity, as appropriate) of the annual reporting period that includes the date of initial application of these amendments.

189. In the reporting period that includes the date of initial application of these amendments, the entity shall disclose the following information as at that date of initial application for each class of financial assets and financial liabilities that were affected by these amendments:

(a) The previous measurement category and carrying amount determined immediately before applying these amendments;

(b) The new measurement category and carrying amount determined after applying these amendments;

(c) The carrying amount of any financial assets and financial liabilities in the statement of financial position that were previously designated as measured at fair value through surplus or deficit but are no longer so designated; and

(d) The reasons for any designation or de-designation of financial assets or financial liabilities as measured at fair value through surplus or deficit.
Application Guidance

This Appendix is an integral part of IPSAS 41

Classification

Classification of Financial Assets

Contractual Cash Flows that are Solely Payments of Principal and Interest on the Principal Amount Outstanding

Contractual Terms that Change the Timing or Amount of Contractual Cash Flows

AG72. If a financial asset contains a contractual term that could change the timing or amount of contractual cash flows (for example, if the asset can be prepaid before maturity or its term can be extended), the entity must determine whether the contractual cash flows that could arise over the life of the instrument due to that contractual term are solely payments of principal and interest on the principal amount outstanding. To make this determination, the entity must assess the contractual cash flows that could arise both before, and after, the change in contractual cash flows. The entity may also need to assess the nature of any contingent event (i.e., the trigger) that would change the timing or amount of the contractual cash flows. While the nature of the contingent event in itself is not a determinative factor in assessing whether the contractual cash flows are solely payments of principal and interest, it may be an indicator. For example, compare a financial instrument with an interest rate that is reset to a higher rate if the debtor misses a particular number of payments to a financial instrument with an interest rate that is reset to a higher rate if a specified equity index reaches a particular level. It is more likely in the former case that the contractual cash flows over the life of the instrument will be solely payments of principal and interest on the principal amount outstanding because of the relationship between missed payments and an increase in credit risk. (See also paragraph AG80.)

AG73. The following are examples of contractual terms that result in contractual cash flows that are solely payments of principal and interest on the principal amount outstanding:

(a) A variable interest rate that consists of consideration for the time value of money, the credit risk associated with the principal amount outstanding during a particular period of time (the consideration for credit risk may be determined at initial recognition only, and so may be fixed) and other basic lending risks and costs, as well as a profit margin;

(b) A contractual term that permits the issuer (i.e., the debtor) to prepay a debt instrument or permits the holder (i.e., the creditor) to put a debt instrument back to the issuer before maturity and the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for the early termination of the contract; and

(c) A contractual term that permits the issuer or the holder to extend the contractual term of a debt instrument (i.e., an extension option) and the terms of the extension option result in
contractual cash flows during the extension period that are solely payments of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for the extension of the contract.

AG74. Despite paragraph AG72, a financial asset that would otherwise meet the condition in paragraphs 40(b) and 41(b) but does not do so only as a result of a contractual term that permits (or requires) the issuer to prepay a debt instrument or permits (or requires) the holder to put a debt instrument back to the issuer before maturity is eligible to be measured at amortized cost or fair value through net assets/equity (subject to meeting the condition in paragraph 40(a) or the condition in paragraph 41(a)) if:

(a) The entity acquires or originates the financial asset at a premium or discount to the contractual par amount;

(b) The prepayment amount substantially represents the contractual par amount and accrued (but unpaid) contractual interest, which may include reasonable additional compensation for the early termination of the contract; and

(c) When the entity initially recognizes the financial asset, the fair value of the prepayment feature is insignificant.

AG74A. For the purpose of applying paragraphs AG73(b) and AG74(b), irrespective of the event or circumstance that causes the early termination of the contract, a party may pay or receive reasonable compensation for that early termination. For example, a party may pay or receive reasonable compensation when it chooses to terminate the contract early (or otherwise causes the early termination to occur).

Basis for Conclusions

This Basis for Conclusions accompanies, but is not part of, IPSAS 41.

Revision of IPSAS 41 as a result of Long-term Interests in Associates and Joint Ventures (Amendments to IPSAS 36) and Prepayment Features with Negative Compensation (Amendments to IPSAS 41)

BC45. The IPSASB reviewed the revisions to IFRS 9, Financial Instruments, included in Prepayment Features with Negative Compensation (Amendments to IFRS 9), issued by the IASB in October 2017, and the IASB’s rationale for making these amendments as set out in its Basis for Conclusions, and concurred that there was no public sector specific reason for not adopting the amendments.
International Public Sector Accounting Standards, Exposure Drafts, Consultation Papers, Recommended Practice Guidelines, and other IPSASB publications are published by, and copyright of, IFAC.

The IPSASB and IFAC do not accept responsibility for loss caused to any person who acts or refrains from acting in reliance on the material in this publication, whether such loss is caused by negligence or otherwise.


Copyright © January 2019 by the International Federation of Accountants (IFAC). All rights reserved. Written permission from IFAC is required to reproduce, store or transmit, or to make other similar uses of, this document. Contact permissions@ifac.org.