International Public Sector Accounting Standards Board

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MEETING HIGHLIGHTS

March 2016

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For more detailed information about IPSASB projects, please refer to the project summaries under Current Projects on the IPSASB website.

New Members

This was the first meeting of Ian Carruthers as Chair. The Chair welcomed Mike Blake, Sebastian Heintges, Bernhard Schatz, Marc Wermuth and Juan Zhang as members of the IPSASB.

Improvements

The IPSASB considered the responses to Exposure Draft 58, *Improvements to IPSASs 2015* (ED 58), and the issues identified by staff.

ED 58 proposed the following types of improvements:

- Part I: Consequential Amendments Arising from Chapters 1-4 of the Conceptual Framework;
- Part II: General Improvements to IPSAS;
- Part III: IPSAS/GFS Alignment; and
- Part IV: IASB Improvements.

Part I: Consequential Amendments Arising from Chapters 1-4 of the Conceptual Framework

Respondents had largely supported the proposed amendments arising from Chapters 1-4 of the Conceptual Framework which were primarily related to qualitative characteristics (QCs) and constraints on information included in general purpose financial reports, .The IPSASB acknowledged a view that, because the Conceptual Framework does not distinguish fundamental and enhancing QCs and each of the QCs are integral to, and work with the other QCs, references in the IPSASB's literature should be to all the QCs and constraints. However, the IPSASB considered that it is appropriate to emphasize particular QCs, dependent upon the circumstances.

The IPSASB agreed amendments to IPSASs, principally to reflect the QCs and constraints in the Conceptual Framework, and to modify the hierarchy for determining an accounting policy where there is no IPSAS that specifically applies to a transaction, other event, or condition in IPSAS 3, *Accounting Policies, Changes in Accounting Estimates and Errors.*

The IPSASB agreed that, rather than modify recognition criteria to reflect the replacement of the QC of reliability by faithful representation, IPSASs with recognition criteria should include a footnote explaining the meaning of reliability. Revisions to the recognition criteria will be considered in detail at a later date.

Part II: General Improvements to IPSASs

Part II of the draft ED included the proposed amendments to:

- Remove references to IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*, and international or national standards dealing with non-current assets held for sale and discontinued operations (amendments to IPSAS 14, *Events after the Reporting Date*; IPSAS 19, *Provisions, Contingent Liabilities and Contingent Assets*; IPSAS 26, *Impairment of Cash-Generating Assets*; IPSAS 27, *Agriculture*; and IPSAS 31, *Intangible Assets,* were included in the draft ED); and
- IPSAS 32, *Service Concession Arrangements*, and IPSAS 17, *Property, Plant and Equipment*, to align the requirements for the classification of assets.

The majority of respondents supported the proposals to remove references to IFRS 5 and international or national standards dealing with non-current assets held for sale and discontinued operations. However, some respondents raised concerns, as they considered there are circumstances in which the guidance in IFRS 5 is relevant for public sector entities.

The IPSASB agreed that there would be limited circumstances in which the accounting treatment in IFRS 5 would be appropriate. The IPSASB agreed that, in those limited circumstances, preparers would be able to adopt an accounting policy consistent with the requirements of IFRS 5 by applying the hierarchy and guidance in IPSAS 3. The IPSASB therefore agreed to remove the references, but to redraft the related paragraph in the Basis for Conclusions to reflect the IPSASB's approach.

Respondents supported the proposed amendments to IPSAS 32. One respondent suggested amending the proposed transitional arrangements by including a cross reference to the requirements in IPSAS 3 on changes in accounting policy. The IPSASB agreed to the inclusion of a cross reference.

Part III: IPSAS/GFS Alignment

Amendment: Part III-1

Amendments to IPSAS 12, *Inventories*

There was overwhelming support from respondents for replacing the term "ammunition" with the Government Finance Statistics (GFS) term "military inventories" and including supporting descriptive material. The IPSASB decided not to directly cross-refer to GFS literature because:

(a) This would involve reliance on third-party literature and classifications;

(b) Future changes to those terms would be outside the control of the IPSASB;

(c) Any future major change to those terms might be inconsistent with IPSASB's literature; and

(d) Such an approach is not consistent with IPSASB's due process.

Amendment: Part III-2

Amendments to IPSAS 17, *Property, Plant, and Equipment*

There was overwhelming support from respondents for replacing the term "specialist military equipment" with the GFS term "weapons systems" and including supporting descriptive material.

In order to avoid confusion in differentiating weapon systems and military inventories, the IPSASB decided to modify the proposed additional last sentence in paragraph 20 of IPSAS 17 and to add an explanation in the Basis for Conclusions to IPSAS 17.

Part IV: IASB Improvements

Part IV of ED 58 included the proposed amendments related to the IASB Narrow Scope Amendment: *Agriculture: Bearer Plants* (Amendments to IAS 16, *Property, Plant, and Equipment,* and IAS 41, *Agriculture*, issued in June 2014 by the IASB). These changes amend IPSAS 17, *Property, Plant, and Equipment*, IPSAS 27, *Agriculture*, with further consequential amendments to IPSAS 13, *Leases*, IPSAS 16, *Investment Property* and IPSAS 26, *Impairment of Cash-Generating Assets*. The changes introduced relate to defining bearer plants and including requirements for accounting for bearer plants in IPSAS 17, because bearer plants have the characteristics of property, plant, and equipment. The amendments were strongly supported by respondents and the IPSASB decide to continue with the proposed amendments.

Approval of Improvements to IPSASs 2015

The IPSASB approved the final revised text of *Improvements to IPSASs 2015,* and agreed that the effective date would be January 1, 2017 with early adoption permitted.

Heritage Assets

The IPSASB reviewed a first draft of Chapter 1 of the Consultation Paper (CP) on Heritage and discussed the following four issues:

- A proposed structure for the CP;
- Whether particular types of heritage items could be recognized as assets for financial reporting purposes;
- Treatment of intangible heritage and natural heritage; and
- Heritage–related obligations.

The IPSASB directed staff to:

- Include the chapter on heritage–related obligations after the chapters that discuss whether heritage items could be assets for financial reporting purposes;
- Rename or otherwise revise the sub-section named “Heritage Assets Project” to focus on accounting for heritage or heritage items rather than “heritage assets”;
- Discuss issues raised by particular categories of heritage (e.g. intangible and natural heritage) as sub-headings within a chapter; and
- Include the discussion of heritage recognition and measurement issues in one chapter to reflect the interdependency of these two topics.

The IPSASB’s consideration of the recognition of cultural property heritage such as historic buildings, land, artworks and museum collections of precious objects and manuscripts the reflected different views on:

(a) How to identify heritage items (e.g. a principled approach versus an approved list of items);

(b) Whether heritage items are resources for financial reporting purposes and the meaning of “resource” in this context;

(c) Measurement of heritage items, including whether monetary information would achieve the qualitative characteristics of general purpose financial reporting (GPFR) and take account of the constraints, particularly the cost–benefit constraint; and

(d) The type of heritage information that users need for accountability and decision–making purposes, including whether information about land and heritage items should be provided in the financial statements or should, instead, involve supplementary information in another GPFR.

The IPSASB directed staff to discuss these different views in the CP.

The IPSASB agreed that intangible heritage can be divided into two broad categories: knowledge–in–action heritage and intellectual property heritage. The IPSASB decided that knowledge–in–action heritage is not an asset for financial reporting purposes, because it cannot be controlled by a reporting entity. The CP should discuss whether intellectual property heritage needs special accounting, given its heritage aspect. A principles-based approach to recognition of this type of intangible heritage reflecting the Conceptual Framework should be taken rather applying current accounting for intellectual property.

For natural heritage the IPSASB discussed whether land is a resource that could be accounted for as an asset for financial reporting purposes or whether information should be disclosed in another GPFR. Measurement issues related to the recognition of government held land were raised, with different views on whether a monetary value provided meaningful information or whether supplementary disclosures should focus on, for example, the area of land held. Governments may own very large amounts of land, which may be inaccessible, contaminated after being used for military purposes, or left unsupervised or in a wild state, with no plans for use as either a commercial or natural heritage resource.

The IPSASB then considered obligations arising from heritage items and whether these can be adequately addressed through application of IPSAS 19, *Provisions, Contingent Liabilities and Contingent Assets*. The IPSASB considered a scenario, where there is legislation that requires entities to maintain heritage items and whether an obligation could occur earlier than would be the case for non–heritage items, where an entity can choose whether or not to maintain an item. IPSASB members considered that heritage–related legislation did not necessarily result in an earlier present obligation of the reporting entity than for non–heritage items. Applying the Conceptual Framework, IPSASB members were of the view that there is no present obligation to repair a heritage item when deterioration has occurred and the entity is obliged by legislation to maintain the heritage item. Future outflows of resources to repair the heritage item are still avoidable at that point. The IPSASB also discussed views that:

- Heritage funding (revenue from entrance fees and government transfers) is independent of the heritage item and its usage, which is an argument for not having a separate heritage category of assets; and
- Since entities have on–going costs to service and maintain heritage items, depreciation is inappropriate and would be a form of double–counting.

The IPSASB decided that the CP should discuss heritage–related obligations from the perspective of the Conceptual Framework, rather than the current approach to the recognition of liabilities in IPSAS 19.

The main points arising from the IPSASB's review of draft Chapter 1 were that:

(a) Chapter 1 should be re-focused on the problem that heritage presents for financial reporting,

(b) The section on heritage–related information needs should be a separate chapter, because it addresses a fundamental issue.

(c) It is premature at CP stage to discuss outcomes.

The IPSASB directed that the discussion of information needs should be broad and general. It should cover entities that have different types of heritage responsibilities. Its discussion of forward–looking information on funding available for heritage responsibilities should focus on planning and budgeting rather than fiscal sustainability, since only a relatively small number of entities are likely to prepare long–term financial sustainability reports. The discussion should consider what makes heritage items different and, based on the heritage distinction, consider whether information should be reported in the financial statements or in another type of report. The discussion of information needs should address what other types of information the users of financial reports need about heritage items, if heritage items are not recognized as assets and reported in an entity's financial statements.

Staff will develop a further issues paper for the IPSASB's June 2016 meeting.

IPSASB staff member contact – Gwenda Jensen: GwendaJensen@ipsasb.org

Governance

Staff provided an update on governance developments, noting in particular the progress on making appointments to the Consultative Advisory Group (CAG). The call for nominations for the CAG, had expired on February 19th 2016. Appointments to the CAG will be finalized in April, following the March meeting of the Public Interest Committee.

IPSASB staff member contact – Ross Smith: rosssmith@ipsasb.org

Leases

Staff presented an education session on IFRS 16, *Leases* and the project brief on Leases. The IPSASB discussed the key issues in the project brief.

Key issue #1—Assumption that IFRS convergence is appropriate for leasing transactions in the public sector

The IPSASB decided to assess the economics of a lease from a public sector perspective. The IPSASB's policy paper, *Process for Reviewing and Modifying IASB Documents* (also known as *Rules of the Road*), will guide the process.

Key Issue #2—*Identification of a lease*

The IPSASB decided to assess to what extent the right to control the use of an asset based on the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset is applicable to the public sector.

Key Issue #3—Impact of revised lessee accounting model

Although the IPSASB does not set standards for budget formulation and execution, the IPSASB acknowledged that changes in the lessee accounting model will have an impact on the budget and fiscal targets of jurisdictions that use financial information based on accrual based IPSASs.

Key Issue #4—Sale and leaseback transactions

IFRS 16 requires that a transfer of an asset is accounted for as a sale only if the transfer meets the requirements in IFRS 15, *Revenue from Contracts with Customers.* The IPSASB directed staff to undertake an in-depth analysis of the options available to address this requirement in IFRS 16 in light of the IPSASB's ongoing project on Revenue (see below).

Key Issue #5—New disclosures in lessor accounting model

The IPSASB directed staff to consider the new disclosures for lessors in IFRS 16 in a public sector context.

Other Issues

The IPSASB directed staff to include the accounting treatment of leases on nominal or subsidized terms in the project brief. This is a very significant issue for some public sector entities and international organizations.

Next steps

Staff will bring a revised project brief for approval to the IPSASB's June 2016 meeting and an initial Issues Paper.

IPSASB staff member contact – João Fonseca: joaofonseca@ipsasb.org

Impairment of Revalued Assets

The IPSASB reviewed responses to ED 57, *Impairment of Revalued Assets*. The main focus of the discussion was on the question of whether to proceed as proposed in the ED and amend IPSAS 21, *Impairment of Non-Cash-Generating Assets*, and IPSAS 26, *Impairment of Cash-Generating Assets to* bring assets on the revaluation model for subsequent measurement within their scope. The IPSASB acknowledged that alternatives would be (i) to make clarifying amendments to IPSAS 17, *Property, Plant and Equipment*, and IPSAS 31*, Intangible Assets,* or (ii) to deactivate the project and consider the issue in the forthcoming Public Sector Measurement project.

The IPSASB also considered whether there is a conceptual difference between revaluation decreases and impairments. The IPSASB agreed a staff view that there is not a conceptual difference because both revaluation decreases and impairments diminish an asset's service potential or ability to generate economic benefits. However, the IPSASB considered that there is a practical difference, because impairments are event-driven, rather than the result of periodic revaluations. The Board therefore agreed to reflect this discussion in the Basis for Conclusions.

The IPSASB noted that the majority of respondents to ED 57 supported the proposed approach. The IPSASB decided to proceed with the proposals in ED 57 on the grounds that IPSAS 21 and IPSAS 26 provide useful information for accountability and decision-making purposes. Staff will table the final amendments to IPSAS 21 and IPSAS 26, together with consequential amendments to IPSAS 17 and IPSAS 3, at the June meeting. Staff was also directed to note issues raised by respondents that will need to be addressed in the committed project on Public Sector Measurement.

IPSASB staff member contact – John Stanford: johnstanford@ipsasb.org

Public Sector Financial Instruments

The IPSASB a draft of the final Consultation Paper (CP) chapter; the International Monetary Fund (IMF) Quota Subscription and Special Drawing Rights (SDR).

IMF Quota Subscription and SDR – Chapter Objective and Definitions

The IPSASB agreed with the proposed Chapter Objective and the definitions for SDR Holdings and SDR Allocations.

The IPSASB directed that the IMF Quota Subscription definition should be amended to reflect that member countries periodically are required to make additional payments to their subscriptions.

IMF Quota Subscription and SDR – Nature and Function

The IPSASB agreed with the proposed discussion in the chapter in regards to the nature and function of each of the instruments and specifically the analysis on how each is similar or different from more common financial instruments.

IMF Quota Subscription – Recognition and Measurement

The IPSASB agreed with the discussion included in the CP in regards to the recognition of the IMF Quota Subscription as an asset considering the guidance of the Conceptual Framework and that there were no appropriate alternatives.

The IPSASB directed that net selling price should be identified as an appropriate measurement basis because the IMF Quota Subscription can be redeemed, which may be considered equivalent to a sale at net selling price. The IPSASB agreed that historical cost is also an appropriate measurement basis to discuss in the CP.

The IPSASB directed that the discussions related to historical cost and net selling price should explicitly consider initial and subsequent measurement.

It was recommended that a conclusion on the most appropriate measurement basis should be developed and included in the chapter.

SDR Holdings and Allocations – Recognition and Measurement

The IPSASB agreed with the discussion related to the recognition and measurement of both Special Drawing Rights (SDR) Holdings and Allocations included in the chapter.

The IPSASB agreed that SDR Holdings meet the definition of an asset in the CF. The IPSASB agreed that market value, historical cost and net selling prices may be appropriate measurement bases as noted in the chapter.

The IPSASB agreed that SDR Allocations meet the definition of a liability in the CF. The IPSASB agreed that market value and cost of fulfillment may be appropriate measurement bases as noted in the chapter.

IMF Quota Subscription and SDR Chapter – Appendix A – Illustrative Examples

The IPSASB agreed that the illustrative examples were helpful and should be retained. The IPSASB provided input on further refinements and additional examples to include.

IMF Quota Subscription and SDR Chapter – Appendix B – IMF Information

The IPSASB agreed that the appendix with additional IMF information was useful and should be retained.

IMF Quota Subscription and SDR Chapter – Appendix C – GFS Guidance

The IPSASB agreed with the proposal to include the GFS guidance considered in developing the chapter in an appendix. Further, the IPSASB agreed that the GFS guidance in each chapter should also be included as appendices.

IMF Quota Subscription and SDR Chapter – Appendix D – Definitions-Supporting Descriptions

It was agreed that the supporting descriptions included in Appendix D was not needed and could be removed from the chapter.

Specific Matters for Comment and Preliminary View

The Monetary Gold Chapter includes two revised Specific Matters for Comment (SMC). One SMC asks if the accounting treatment for monetary gold should be based on intention. The second SMC, asks whether current value of historical cost is most appropriate.

The Preliminary View in the Currency Chapter notes that because the nature and function of notes and coins are the same the accounting treatment should be consistent.

Next Steps

The CP chapters will be reviewed by staff for consistency and conciseness. The IPSASB will review the complete draft CP in June.

IPSASB staff member contact – Ross Smith: rosssmith@ipsasb.org

The Applicability of IPSAS

The IPSASB considered the responses to Exposure Draft (ED) 56, *The Applicability of IPSASs.* All respondents supported the IPSASB's proposal to provide a high-level description of characteristics of public sector entities for which IPSASs are designed in the *Preface to IPSASs* and to delete the definition of a Government Business Enterprise (GBE) and related guidance in IPSASs and Recommended Practice Guidelines.

Characteristics of public sector entities

In response to numerous comments about the proposed revised description of public sector entities for which IPSASs are designed, the IPSASB agreed the following wording of paragraph 10 of the Preface:

The IPSASs are designed to apply to public sector entities[1] that meet all the following criteria:

(a) Are responsible for the delivery of services[2] to benefit the public and/or to redistribute income and wealth;

(b) Mainly finance their activities, directly or indirectly, by means of taxes and/or transfers from other levels of government, social contributions, debt or fees; and

(c) Do not have a primary objective to make profits.

"Commercial entities" and "commercial public sector entities"

The IPSASB decided to replace the term "government business enterprise" with a single term "commercial public sector entities" in all IPSASs and RPGs. The IPSASB also decided that the term "commercial public sector entities" should not be defined or described and that its interpretation should be left to regulators.

Effective date and publication

The IPSASB decided that the final pronouncement *The Applicability of IPSASs* should have an effective date of January 1, 2018. *The Applicability of IPSASs* and the *Amendments to the Preface to International Public Sector Accounting Standards* will be published in April 2016.

IPSASB staff member contact – João Fonseca: joaofonseca@ipsasb.org

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1 Paragraph 1.8 of *The Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities* identifies a wide range of public sector entities for which IPSASs are designed.

2 Services encompasses goods, services and policy advice, including to other public sector entities.

Social Benefits

The IPSASB considered an Issues Paper and an initial review of responses to the Consultation Paper (CP), *Recognition and Measurement of Social Benefits*. The initial review of responses considered Specific Matter for Comment (SMC) 1, which dealt with the scope of the project and the related definitions.

SMC 1 (a), Scope

In developing the CP, the IPSASB adopted a scope for the project that was based on Government Finance Statistics (GFS). A consequence of this decision is that the scope of this project was limited to those benefits that are provided to protect the entire population, or a particular segment of the population, against social risks.

Staff reported that a majority of respondents supported or partially supported the scope of the project. However, a significant minority of respondents did not support the proposed scope. The IPSASB discussed the reasons given for not supporting the proposed scope.

A majority of respondents supported the use of the GFS boundary and the concept of social risk as the basis for the scope of the project. A number of respondents had commented that adopting the same boundary as GFS would help them classify transactions. This was because they were already making classification decisions under the statistical reporting framework. Conversely, other respondents indicated that applying the social risk concept was difficult in practice. The IPSASB noted the views of respondents, and accepted that if the existing boundary was to be retained, a future IPSAS would need to include guidance on applying the concept of social risk.

The IPSASB shared respondents' concerns that the proposed scope might lead to different accounting treatments for transactions that have the same economic substance. The IPSASB agreed that this was a significant risk that would need to be addressed.

The IPSASB was content with the project's focus on individuals and households, but had some concerns about the application of the concept of social risk. The IPSASB also supported the view that the scope of the project should not result in different accounting treatments for transactions with the same economic substance.

As a result of its discussions, the IPSASB directed staff to explore alternatives for the project scope that might address the IPSASB's concerns. The IPSASB suggested the transfer of goods and/or services to individuals and households as a starting point for this exploration. Staff will report its conclusions at the IPSASB's June meeting.

SMC 1 (b), Definitions

Staff reported the responses to the definitions proposed in the CP. Staff recommended that decisions regarding the definitions be deferred, as the definitions are dependent on the scope of the project. As the IPSASB had not taken a decision on the scope of the project, staff considered that any decisions regarding the definitions would be premature. The IPSASB agreed with this view.

IPSASB staff member contact – Paul Mason: paulmason@ipsasb.org

Revenue and Non-Exchange Expenses

The IPSASB continued its discussion on the development of the Revenue and Non-Exchange Expenses Consultation Paper (CP) through consideration of two agenda items.

- Non-Exchange Expenses; and
- Revenue.

Non-Exchange Expenses

The IPSASB discussed an Issues Paper exploring the potential measurement bases for non-exchange expenses. IPSASB members tentatively agreed that the cost of fulfilment approach should be proposed to measure liabilities arising from non-exchange transactions.

The IPSASB then discussed an Issues Paper on the use of the approach in IPSAS 19, *Provisions, Contingent Liabilities and Contingent Assets* to recognize liabilities and related expenses arising from non-exchange transactions, including the advantages and disadvantages of the approach. The Issues Paper also described the potential expansion of the approach in IPSAS 23, *Revenue from Non-Exchange Transactions (Taxes and Transfers)* to the recognition of expenses by resource providers. The IPSASB agreed that the two approaches should be evaluated in the context of the Conceptual Framework and presented in the CP.

Revenue

The IPSASB agreed refer to Category A, B and C revenue transactions in the CP. The categories are useful to describe the accounting for different types of revenue transactions with similar characteristics. The categories will be used to describe ideas rather than as specific scope definitions. To assist constituents, examples will be provided of transactions which fall into these broad categories. The current working description of the categories are:

- **Category A:** Revenue transactions that would fall within the scope of an IPSAS based on IFRS 15, *Revenue from Contracts with Customers*.
- **Category B**: Revenue transactions which have some form of performance obligation, but which do not contain all the key characteristics of a transaction within the scope of IFRS 15.
- **Category C**: Revenue transactions with no performance obligations.

The CP will explore alternatives for accounting for Category B revenue transactions. One option is an IFRS 15 performance obligation approach, modified for the public sector. This would give the IPSASB the freedom to modify the performance obligation approach in IFRS 15 to reflect the public sector characteristics of Category B transactions.

The IPSASB discussed the accounting for capital grants and noted a wide divergence in practice amongst international and national standard setters. The CP will include discussion of the appropriate accounting for capital grants with due consideration given to the Conceptual Framework.

The IPSASB noted that the IFRS 15 term “customer” does not work in many public sector contexts, because, in the case of transactions involving three parties, the funder and recipient do not always both directly benefit from the transaction. The IPASB requested staff to explore the use of an alternative term or terms.

Structure of Consultation Paper

The IPSASB discussed drafts of the outline of the CP, Chapter 1 of the CP, and Appendix A and Appendix B of the CP. The IPSASB members also discussed the potential structure of the CP, including the inclusion and location of examples.

Revised and additional Chapters of the CP will be presented at the June meeting. Staff also will develop materials to explore potential modifications to IPSAS 23 and how “other resources” and “other obligations” might be applied to the recognition of non-exchange transactions.

IPSASB staff member contact – Paul Mason: paulmason@ipsasb.org

Emissions Trading Schemes

The IPSASB directed staff to revise the Emissions Trading Schemes (ETS) Background Paper on public policy objectives, choice of interventions and their economic impact. The Background Paper will be published as a staff paper. The IPSASB also directed that the set of case study summaries presently included in an appendix should be removed and replaced with web links to full case studies, and that an additional link should be provided to a case study on ETS developments in China.

IPSASB staff are collaborating with International Accounting Standards Board (IASB) staff working on the IASB’s “Pollutant Pricing Mechanisms” (PPM) project. The PPM project is addressing accounting by participants in ETS. The IPSASB noted that IASB work on accounting for PPMs is now linked to the IASB’s Conceptual Framework project. It reconfirmed that the ETS project should be coordinated with the IASB’s PPM project, so that ETS accounting options for both administrators and participants can be provided. Consequently, the IPSASB will pause the project following publication of the Background Paper, until the IASB has delineated a set of accounting options. Staff will continue to monitor IASB developments.

The IPSASB discussed stakeholders’ interest in disclosures related to entities’ actions to protect the environment and risks arising from global warming. The ETS project focuses on information presented in an entity’s financial statements, rather than the wider set of environmental and risk disclosures under consideration by, for example, the Financial Stability Board’s Task Force on Climate–Related Financial Disclosures.

The Background Paper will be published in mid–2016.

IPSASB staff member contact – Gwenda Jensen: GwendaJensen@ipsasb.org

The next IPSASB meeting will be held in Toronto, Canada on June 21–24, 2016.