AN MSL BUSINESS SCHOOL PUBLICATION
PRACTITIONER GUIDE | 2027 REPORTING BASELINE

IFRS and IPSAS

A standard-by-standard comparison

41 standards compared across core requirements

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Purpose, reporting basis and limitations

PURPOSE

This guide provides a standard-by-standard comparison of IFRS Accounting Standards and accrual-basis IPSAS Standards. It identifies the principal similarities and differences in scope, recognition, measurement, presentation and disclosure.

SCOPE

The guide presents the requirements at a comparative level. It does not reproduce every requirement, application provision, exception, transitional provision or disclosure contained in the relevant standards.

REPORTING BASIS

The comparisons reflect requirements applicable for annual reporting periods beginning on or after 1 January 2027. Requirements with later effective dates are identified separately. Early application has not been assumed unless expressly stated.

LIMITATION OF USE

This publication is a secondary professional reference. It does not replace the complete standards, accompanying guidance, jurisdictional adoption requirements or professional advice appropriate to particular facts and circumstances.

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How to use this guide

Each comparison is organised by issue. The IFRS requirement appears in the centre column and the corresponding IPSAS requirement appears in the right column. The divergence classification is shown in the left column. Where the requirements differ, the practical effect is stated below the comparison.

■□□□

Same

There is no substantive difference in the requirement being compared.

■■□□

Substantially the same

The core accounting requirement is aligned, but terminology, scope, application or a public-sector modification affects how the requirement is applied.

■■■□

Different

There is a substantive difference in recognition, measurement, presentation, disclosure, reporting perspective or accounting model.

■■■■

No direct IFRS equivalent

The IPSAS requirement has no directly corresponding IFRS Accounting Standard.

■■■□

Later-effective requirement

The pronouncement has been issued but becomes mandatory after the 2027 reporting baseline. Its effective date is stated expressly.

ORGANISATION OF THE GUIDE

The standards are presented in IPSAS numerical order, from IPSAS 1 to IPSAS 51, and are grouped into six thematic parts. The comparative overview on pages 4-5 classifies the standards by degree of alignment. Superseded IPSAS Standards are listed near the end of the guide so that requirements applied in earlier financial statements can be traced to the current standards.

DEGREE OF ALIGNMENT

Comparative overview: degree of alignment

This overview classifies the standards according to the significance of their principal differences in scope, recognition, measurement, presentation and disclosure. It is a navigation aid and does not replace the detailed standard-by-standard comparisons.

CATEGORY 1 Closely aligned

The core recognition, measurement and presentation architecture is substantially converged. Public-sector terminology, examples or limited application details may still differ.

IPSAS 2	Cash Flow Statements	IAS 7, Statement of Cash Flows	10
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IPSAS 37	Joint Arrangements	IFRS 11, Joint Arrangements	55
IPSAS 38	Disclosure of Interests in Other Entities	IFRS 12, Disclosure of Interests in Other Entities	56
IPSAS 39	Employee Benefits	IAS 19, Employee Benefits	57
IPSAS 41	Financial Instruments	IFRS 9, Financial Instruments	62
IPSAS 44	Non-current Assets Held for Sale and Discontinued Operations	IFRS 5, Non-current Assets Held for Sale and Discontinued Operations	69
IPSAS 50	Exploration for and Evaluation of Mineral Resources	IFRS 6, Exploration for and Evaluation of Mineral Resources	82

COMPARATIVE OVERVIEW: DEGREE OF ALIGNMENT, CONTINUED

CATEGORY 2 Aligned with material public-sector modifications

The standards share a common foundation, but a practitioner must identify the relevant public-sector scope, option, recognition, measurement or disclosure modification before applying the model.

IPSAS 1	Presentation of Financial Statements	IFRS 18, Presentation and Disclosure in Financial Statements, and IAS 8, Basis of Preparation of Financial Statements	7
IPSAS 5	Borrowing Costs	IAS 23, Borrowing Costs	15
IPSAS 12	Inventories	IAS 2, Inventories, and IFRIC 20, Stripping Costs in the Production Phase of a Surface Mine	17
IPSAS 16	Investment Property	IAS 40, Investment Property	22
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IPSAS 20	Related Party Disclosures	IAS 24, Related Party Disclosures	28
IPSAS 26	Impairment of Cash-Generating Assets	IAS 36, Impairment of Assets	36
IPSAS 33	First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSAS)	IFRS 1, First-time Adoption of International Financial Reporting Standards	48
IPSAS 40	Public Sector Combinations	IFRS 3, Business Combinations	59
IPSAS 43	Leases	IFRS 16, Leases	66
IPSAS 45	Property, Plant, and Equipment	IAS 16, Property, Plant and Equipment	70
IPSAS 47	Revenue	IFRS 15, Revenue from Contracts with Customers, and IAS 20, Accounting for Government Grants and Disclosure of Government Assistance	76
IPSAS 49	Retirement Benefit Plans	IAS 26, Accounting and Reporting by Retirement Benefit Plans	80

CATEGORY 3 Distinct public-sector model or no direct IFRS equivalent

These standards contain a public-sector-specific accounting model, adopt a reporting perspective that differs materially from the corresponding IFRS literature, or address a subject for which there is no directly corresponding IFRS Accounting Standard.

IPSAS 21	Impairment of Non-Cash-Generating Assets	IAS 36, Impairment of Assets	30
IPSAS 22	Disclosure of Financial Information about the General Government Sector	No direct IFRS equivalent	32
IPSAS 24	Presentation of Budget Information in Financial Statements	No direct IFRS equivalent	34
IPSAS 32	Service Concession Arrangements: Grantor	IFRIC 12, Service Concession Arrangements, and SIC-29, Service Concession Arrangements: Disclosures	46
IPSAS 42	Social Benefits	No direct IFRS equivalent	64
IPSAS 46	Measurement	IFRS 13, Fair Value Measurement	73
IPSAS 48	Transfer Expenses	No direct IFRS equivalent	78
IPSAS 51	Tangible Natural Resources Held for Conservation	No direct IFRS equivalent	84

PART I

Presentation, policies and the reporting foundations

Presentation, accounting policies, cash flows and the requirements that govern the statements as a whole.

IN THIS PART

Presentation of Financial Statements	IPSAS 1
Cash Flow Statements	IPSAS 2
Accounting Policies, Changes in Accounting Estimates and Errors	IPSAS 3
The Effects of Changes in Foreign Exchange Rates	IPSAS 4
Borrowing Costs	IPSAS 5
Financial Reporting in Hyperinflationary Economies	IPSAS 10
Inventories	IPSAS 12
Events After the Reporting Date	IPSAS 14



IPSAS 1 Presentation of Financial Statements

COMPARED WITH

IFRS 18, Presentation and Disclosure in Financial Statements, and IAS 8, Basis of Preparation of Financial Statements

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■■■□ Different	**Purpose and users** IFRS 18 establishes presentation and disclosure requirements for general purpose financial statements. IAS 8 contains specified preparation principles and the accounting-policy hierarchy.	IPSAS 1 establishes presentation requirements for general purpose accrual-basis financial statements. Its reporting objective is to provide information useful for accountability and decision-making by service recipients and resource providers.
■■■□ Different	**Purpose and users** continued The primary users identified by the IFRS Conceptual Framework are existing and potential investors, lenders and other creditors.	
	Both standards govern general purpose financial reporting, but they are directed to different primary users and reporting objectives. IPSAS places explicit emphasis on accountability for public resources and the delivery of services.	
■■■□ Different	**Complete set** A statement of financial position; statement(s) of financial performance comprising profit or loss and other comprehensive income;	A statement of financial position; statement of financial performance; statement of changes in net assets/equity;
■■■□ Different	**Complete set** continued statement of changes in equity; statement of cash flows; notes; and an opening statement of financial position when required.	statement of cash flows; notes; and a comparison of budget and actual amounts when IPSAS 24 applies.
	IPSAS may require a comparison of budget and actual amounts and uses the terms surplus or deficit and net assets/equity. IFRS does not require a general-purpose budget comparison.	

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IPSAS 1 Presentation of Financial Statements

CONTINUED

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■■□□ Substantially the same	**Fair presentation and compliance** IAS 8 requires fair presentation, an explicit and unreserved statement of compliance with IFRS Accounting Standards, and the extremely rare departure treatment where compliance would be so misleading that it conflicts with the objective of financial statements. The requirements now sit in IAS 8 under IFRS but remain in IPSAS 1 under IPSAS.	IPSAS 1 contains the corresponding fair-presentation, explicit-compliance and extremely rare departure requirements for IPSAS financial statements.
■□□□ Same	**Going concern and accrual basis** IAS 8 contains the going-concern assessment and requires the accrual basis except for cash-flow information. Material uncertainties are disclosed.	IPSAS 1 contains the same principles. The assessment may consider statutory powers and continuing government support, but it must remain evidence-based.
■■■□ Different	**Statement of profit or loss** IFRS 18 classifies income and expenses into operating, investing, financing, income-tax and discontinued-operation categories and requires, among other totals, operating profit and profit before financing and income taxes. IFRS 18 introduces a structured profit-or-loss architecture not contained in IPSAS 1.	IPSAS 1 presents revenue and expenses leading to surplus or deficit and prescribes minimum line items, but it does not reproduce IFRS 18's five-category structure or its new defined subtotals.
■■□□ Substantially the same	**Operating expenses** IFRS 18 requires operating expenses to be presented using the nature method, function method, or a mixed presentation that provides the most useful structured summary; specified nature information is disclosed when function presentation is used. Substantially aligned, but IFRS 18 expressly permits a mixed presentation and applies its useful-structured-summary principle.	IPSAS 1 permits analysis by nature or function, whichever provides information that is reliable and more relevant. An entity using function presentation also discloses specified nature information.

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IPSAS 1 Presentation of Financial Statements

CONTINUED

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■■■□ Different	**Aggregation and disaggregation** IFRS 18 contains enhanced principles for grouping items based on shared characteristics, separating items with dissimilar characteristics, and labelling items meaningfully across the primary statements and notes. Both standards apply materiality in determining aggregation and disaggregation. IFRS 18 contains more detailed requirements for grouping, separating and labelling information and for the relationship between the primary financial statements and the notes.	IPSAS 1 requires separate presentation of material classes of similar items and items of a dissimilar nature or function unless immaterial, but does not contain the full IFRS 18 framework.
■■■□ Different	**Management-defined performance measures** IFRS 18 requires a single note for qualifying management-defined performance measures, including reconciliations to the most directly comparable IFRS subtotal, tax and non-controlling-interest effects, and explanations of calculation and changes. This is an IFRS 18 requirement without an IPSAS 1 counterpart.	IPSAS 1 has no corresponding management-defined performance-measure disclosure package.
■□□□ Same	**Current/non-current** Present current and non-current assets and liabilities separately unless a liquidity presentation provides more useful information.	The same principle and exception apply, using IPSAS terminology and public-sector examples.
■■■□ Different	**Budget information** Neither IFRS 18 nor IAS 8 requires a general comparison of actual results with an approved public budget. IFRS has no counterpart to the IPSAS budget statement or budget columns.	IPSAS 1 works with IPSAS 24 to require budget comparison where the approved budget is publicly available.

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IPSAS 2 Cash Flow Statements

COMPARED WITH

IAS 7, Statement of Cash Flows

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■□□□ Same	**Cash and cash equivalents** Cash on hand and demand deposits; short-term, highly liquid investments held to meet short-term commitments and subject to insignificant value risk.	The same definition and purpose test apply.
■□□□ Same	**Classification** Cash flows are operating, investing or financing.	The same three classifications apply.
■□□□ Same	**Operating cash flows** Direct or indirect method is permitted; the direct method is encouraged.	Direct or indirect method is permitted; the direct method is encouraged.
■■□□ Substantially the same	**Interest and distributions** Classify interest and dividends consistently within IAS 7's permitted categories.	Classify interest and dividends or similar distributions consistently; wording accommodates net assets/equity arrangements.
	The consistency requirement is the same. IPSAS wording accommodates distributions arising from net assets/equity arrangements that have no counterpart in IAS 7.	
■■■□ Different	**Taxes and appropriations** Income-tax cash flows are disclosed separately and are normally classified as operating unless they can be specifically identified with investing or financing activities.	Cash flows arising from taxes, grants and appropriations are classified according to their nature. Budget authority and budget-to-actual reporting are addressed separately by IPSAS 24.
	The three cash-flow categories are aligned, but IPSAS applies them to taxes, grants and appropriations that have no general equivalent in IAS 7.	
■□□□ Same	**Reconciliation** Changes in liabilities arising from financing activities are reconciled, including cash and non-cash changes.	Corresponding financing-liability reconciliation requirements apply; budget-to-actual reconciliation is separately required by IPSAS 24 when relevant.

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IPSAS 3 Accounting Policies, Changes in Accounting Estimates and Errors

COMPARED WITH

IAS 8, Basis of Preparation of Financial Statements

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■■■□ Different	**Scope within the framework** IAS 8 contains accounting-policy selection and application, changes in policies and estimates, error correction, and specified foundational preparation requirements transferred from IAS 1 when IFRS 18 became effective.	IPSAS 3 contains accounting-policy selection and application, changes in policies and estimates, and error correction.
■■■□ Different	**Scope within the framework** continued The accounting-policy, estimate and error requirements are aligned. The structural difference is that IAS 8 also contains foundational preparation requirements transferred from IAS 1 when IFRS 18 became effective, whereas those requirements remain in IPSAS 1.	The overarching fair-presentation, compliance, going-concern and accrual requirements remain in IPSAS 1.
■■□□ Substantially the same	**Fair presentation, going concern and accrual basis** IAS 8 contains fair presentation and compliance, going concern, accrual basis, and disclosure of the selection and application of accounting policies. The substantive preparation principles are comparable, but they are located in IAS 8 under IFRS and in IPSAS 1 under IPSAS.	IPSAS 3 does not contain the corresponding overarching preparation requirements; IPSAS 1 contains them.
■■■□ Different	**Policy hierarchy** Apply a specifically applicable IFRS. If none applies, use judgment based first on similar IFRS requirements and the IFRS Conceptual Framework. IFRS is not the first fallback for an IPSAS reporter.	Apply a specifically applicable IPSAS. If none applies, use similar IPSAS requirements and the IPSASB Conceptual Framework; relevant IFRS literature may then be considered if consistent.

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IPSAS 3 Accounting Policies, Changes in Accounting Estimates and Errors

CONTINUED

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■□□□ Same	**Policy changes** Apply retrospectively unless a new standard's transition provisions say otherwise or retrospective application is impracticable.	The same retrospective rule applies, subject to IPSAS transition provisions and impracticability.
■□□□ Same	**Estimate changes** Recognise prospectively in the period of change and later periods affected.	The same prospective treatment applies, including estimates of service potential.
■□□□ Same	**Prior-period errors** Correct material errors retrospectively by restating comparatives, unless impracticable.	The same principle applies, using surplus or deficit and net assets/equity terminology.
■■□□ Substantially the same	**Material information** Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions made by the primary users of general purpose financial statements. Substantially aligned; IPSAS expressly reflects accountability as well as decision-making.	The IPSAS definition applies the same omit, misstate or obscure formulation in the context of decisions and accountability assessments by primary users of general purpose financial reports.
■□□□ Same	**New standards not yet effective** Disclose known or reasonably estimable information relevant to assessing the possible effect.	Corresponding disclosure applies for issued IPSAS not yet effective.

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IPSAS 4 The Effects of Changes in Foreign Exchange Rates

COMPARED WITH

IAS 21, The Effects of Changes in Foreign Exchange Rates

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■□□□ Same	**Functional currency** Currency of the primary economic environment; sales, costs and financing indicators are applied.	The same concept applies, with public-sector indicators for taxes, appropriations, grants, financing and service-delivery costs.
■□□□ Same	**Foreign-currency transactions** Initial recognition at spot rate; monetary items retranslated at closing rate; non-monetary items follow their measurement basis.	The same mechanics apply.
■■□□ Substantially the same	**Exchange differences** Generally recognised in profit or loss, with specified exceptions for OCI and net investment hedges.	Generally recognised in surplus or deficit, with corresponding exceptions in net assets/equity.

The recognition principle and the exceptions are aligned. The difference is terminology: surplus or deficit and net assets/equity replace profit or loss and other comprehensive income.

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IPSAS 4 The Effects of Changes in Foreign Exchange Rates

CONTINUED

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■□□□ Same	**Foreign operations** Assets and liabilities at closing rate; income and expenses at transaction-date rates or an appropriate average; differences in OCI.	The same translation approach applies, with exchange differences recognised in a separate component of net assets/equity.
■■■□ Different	**Lack of exchangeability** When a currency is not exchangeable into another currency at the measurement date, estimate the spot rate and disclose information about the restriction, estimates and risks.	IPSAS 4 requires use of the first subsequent exchange rate at which exchanges could be made when exchangeability is temporarily lacking. It does not contain IAS 21's current estimation model.
	IAS 21 estimates the measurement-date spot rate; IPSAS 4 uses the first subsequent available rate for a temporary lack of exchangeability.	
■■■□ Different	**Hyperinflationary presentation currency** IAS 21 contains specific requirements for translating an entity's financial statements, or a foreign operation, from a non-hyperinflationary functional currency into a hyperinflationary presentation currency. IFRS contains an express translation model that IPSAS 4 does not reproduce.	IPSAS 4 does not contain the corresponding IAS 21 amendments. Its existing translation requirements therefore apply, together with the IPSAS 3 policy hierarchy where no IPSAS specifically addresses the fact pattern.

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IPSAS 5 Borrowing Costs

COMPARED WITH

IAS 23, Borrowing Costs

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■■■□ Different	**Core requirement** Capitalise borrowing costs directly attributable to a qualifying asset; expense other borrowing costs. IFRS capitalisation is mandatory; IPSAS permits immediate expense as the benchmark.	Benchmark treatment: expense borrowing costs when incurred. Allowed alternative: capitalise directly attributable borrowing costs for qualifying assets.
■□□□ Same	**Qualifying asset** An asset that necessarily takes a substantial period to become ready for intended use or sale.	The same concept applies and includes assets prepared for public service rather than sale.
■□□□ Same	**General borrowings** Apply a capitalisation rate to qualifying expenditure using eligible general borrowings.	The same mechanics apply only when the IPSAS entity elects the allowed alternative.
■□□□ Same	**Commencement, suspension and cessation** Commence when expenditure, borrowing costs and preparation activities occur; suspend for extended interruptions; cease when substantially ready.	The same timing requirements apply under the allowed alternative.
■■■□ Different	**Presentation and disclosure** Disclose the amount capitalised and capitalisation rate.	Disclose the policy adopted. If capitalisation is used, disclose the amount capitalised and rate as required.

Because IPSAS permits both immediate expense and capitalisation, the policy adopted must itself be disclosed. IAS 23 requires no such policy disclosure because capitalisation is mandatory.

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IPSAS 10 Financial Reporting in Hyperinflationary Economies

COMPARED WITH

IAS 29, Financial Reporting in Hyperinflationary Economies

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■□□□ Same	**When applied** Applies when the functional currency is that of a hyperinflationary economy; judgment considers the characteristics listed in IAS 29.	The same approach and indicators apply.
■□□□ Same	**Historical-cost statements** Restate non-monetary items, equity and performance using a general price index; monetary items are not restated.	Apply the same restatement principles, using net assets/equity and surplus or deficit terminology.
■■■□ Different	**Current-cost statements** IAS 29 contains specific guidance for financial statements prepared on a current-cost basis. An express IAS 29 section has no IPSAS 10 equivalent.	IPSAS 10 does not contain an equivalent current-cost restatement section.
■□□□ Same	**Net monetary position** Recognise gain or loss on the net monetary position in profit or loss and disclose it separately.	Recognise it in surplus or deficit and disclose it separately.
■□□□ Same	**First period and cessation** Restate as if the economy had always been hyperinflationary; when hyperinflation ceases, prior closing amounts become the basis for later carrying amounts.	The same principles apply.
■■■□ Different	**Interpretive material** IFRIC 7 is a separate Interpretation on first application.	IPSAS 10 incorporates corresponding IFRIC 7 principles in an authoritative appendix and includes an indirect-method illustration.

The substantive accounting principles are aligned. Under IFRS they are contained in IFRIC 7; under IPSAS they are incorporated in an authoritative appendix to IPSAS 10.

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IPSAS 12 Inventories

COMPARED WITH

IAS 2, Inventories, and IFRIC 20, Stripping Costs in the Production Phase of a Surface Mine

Later-effective requirement: Amendments arising from the application of IPSAS 46, Measurement, that affect inventory measurement are effective for annual periods beginning on or after 1 January 2028. Earlier application is permitted.

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■■■□ Different	**Scope** Inventories are assets held for sale, in production for sale, or materials and supplies consumed in production or services. IPSAS 12 extends the definition to inventories held for distribution at no or nominal charge and to inventories consumed in producing them, a category IAS 2 does not contemplate.	Adds inventories held for distribution at no or nominal charge and inventories consumed in producing goods or services for that distribution.
■■■□ Different	**Service work in progress** Service-provider work in progress falls within IAS 2 where it meets the inventory definition and is not covered by another IFRS. IAS 2 may apply to service-provider work in progress, whereas IPSAS 12 excludes work in progress relating to services supplied for no or nominal consideration directly in return from recipients.	Excludes work in progress of services to be provided for no or nominal consideration directly in return from recipients.
■■■□ Different	**Initial measurement** Measure at cost. Government grants are considered under IAS 20; there is no general non-exchange acquisition model in IAS 2. IAS 2 contains no general initial-measurement requirement for inventories acquired through a non-exchange transaction. Under the 2027 reporting baseline, IPSAS 12 measures such inventories at fair value at the date of acquisition.	Measure at cost. Inventory acquired through a non-exchange transaction is measured at fair value at acquisition under the reporting baseline used in this guide.

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IPSAS 12 Inventories

CONTINUED

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■□□□ Same	**Held for sale or exchange** Measure at the lower of cost and net realisable value.	Measure at the lower of cost and net realisable value when held for sale or exchange.
■■■□ Different	**No or nominal charge distribution** IAS 2 contains no separate category; application depends on whether the item meets IAS 2 and how benefits are recovered.	Measure inventories held for distribution at no or nominal charge, or for consumption in producing items for that distribution, at the lower of cost and current replacement cost.
	IAS 2 applies the lower of cost and net realisable value to inventories within its scope. IPSAS 12 applies that rule to inventories held for sale or exchange, but measures inventories held for distribution at no or nominal charge at the lower of cost and current replacement cost under the 2027 reporting baseline.	
■□□□ Same	**Cost formulas** Specific identification for non-interchangeable items; FIFO or weighted average for ordinarily interchangeable items; consistent formula for similar inventories.	The same cost-formula rules apply.
■□□□ Same	**Write-down reversal** Write down to NRV and reverse when the circumstances cease, limited to the original write-down.	The same principle applies; for no-or-nominal-charge distribution inventories the comparison is with current replacement cost.
■□□□ Same	**Expense recognition** Recognise the carrying amount as an expense when the related revenue is recognised. Write-downs and losses are expensed when they occur.	Recognise the carrying amount as an expense when inventories are sold, exchanged or distributed. Write-downs and losses are expensed when they occur.

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IPSAS 12 Inventories

CONTINUED

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■■□□ Substantially the same	**Production stripping: inventory** IFRIC 20 applies IAS 2 to the benefit from stripping activity realised as inventory produced in the current period.	The authoritative appendix to IPSAS 12 applies the same inventory treatment to the current-period production benefit.
	The inventory treatment of the current-period stripping benefit is aligned. Under IFRS it is contained in IFRIC 20; under IPSAS it is incorporated in an authoritative appendix to IPSAS 12.	
■■□□ Substantially the same	**Production stripping: non-current asset** Recognise a stripping activity asset when it is probable that the future economic benefit from improved access to the ore body will flow to the entity, the component of the ore body is identifiable and the related costs can be measured reliably.	Apply the same recognition conditions, expressed to include future economic benefits or service potential. The asset is added to, or enhances, an existing asset and follows that asset's tangible or intangible classification.
	Substantially the same, with service potential added for the public-sector context.	
■■□□ Substantially the same	**Production stripping: measurement** Initially measure directly incurred costs plus attributable overheads; allocate common costs between inventory and the stripping asset using a relevant production measure. Subsequently apply the cost or revaluation model for the related existing asset, less depreciation or amortisation and impairment.	The authoritative IPSAS 12 appendix applies the same initial allocation and subsequent-measurement structure under the relevant IPSAS.
	Substantially the same; the authoritative location and linked standards differ.	
■■■□ Later-effective AFTER 2027	**Later measurement amendment** No corresponding IAS 2 change.	Amendments effective from 1 January 2028 replace current replacement cost with current operational value and revise non-exchange acquisition measurement through deemed cost.
	For annual periods beginning on or after 1 January 2028, amendments arising from the application of IPSAS 46 replace current replacement cost with current operational value and revise the measurement of inventories acquired through non-exchange transactions. Earlier application is permitted.	

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IPSAS 14 Events After the Reporting Date

COMPARED WITH

IAS 10, Events after the Reporting Period

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■□□□ Same	**Event window** Events between reporting date and the date the financial statements are authorised for issue.	The same window applies; IPSAS discusses the public-sector authorisation process, which may involve several bodies.
■□□□ Same	**Adjusting events** Adjust for events giving evidence of conditions existing at reporting date.	The same requirement applies.
■□□□ Same	**Non-adjusting events** Do not adjust; disclose material nature and estimated financial effect, or state that estimate cannot be made.	The same requirement applies.
■□□□ Same	**Distributions** Dividends declared after reporting date are not liabilities at reporting date.	Distributions or similar transfers declared after reporting date are not liabilities at reporting date.
■□□□ Same	**Going concern** Do not prepare on going-concern basis if post-period evidence shows the entity will liquidate or cease trading with no realistic alternative.	The same principle applies; restructuring of government activities alone does not necessarily negate the going concern of the reporting entity.

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PART II

Assets, impairment and sector reporting

Recognition and measurement of the assets a public-sector entity holds, and the segments it reports.

IN THIS PART

Investment Property	IPSAS 16
Segment Reporting	IPSAS 18
Provisions, Contingent Liabilities and Contingent Assets	IPSAS 19
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Presentation of Budget Information in Financial Statements	IPSAS 24
Impairment of Cash-Generating Assets	IPSAS 26
Agriculture	IPSAS 27



IPSAS 16 Investment Property

COMPARED WITH

IAS 40, Investment Property

Later-effective requirement: Amendments arising from the application of IPSAS 46, Measurement, that affect IPSAS 16 are effective for annual periods beginning on or after 1 January 2028. Earlier application is permitted.

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■□□□ Same	**Definition** Property held to earn rentals, for capital appreciation, or both, rather than for use, sale in ordinary business or administrative purposes.	The same investment-purpose test applies, using service-delivery terminology.
■■■□ **Different**	**Social-service property** Classification follows the IAS 40 purpose test; IAS 40 has no public-service-specific exclusion.	Property held to provide a social service and only incidentally earning rent is property, plant and equipment under IPSAS 45, not investment property.
	Property held to deliver a social service is property, plant and equipment under IPSAS 45 even where it earns incidental rent. IAS 40 contains no equivalent service exclusion.	

MSL BUSINESS SCHOOL

IPSAS 16 Investment Property

CONTINUED

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■■■□ Different	**Initial measurement**	
	Cost, including transaction costs; special rules apply to exchange and leased interests.	Cost, including transaction costs. Property acquired at no or nominal cost is initially measured at fair value.
	IAS 40 does not contain a general initial-measurement rule for investment property acquired for no or nominal consideration. IPSAS 16 expressly addresses such acquisitions and applies the relevant public-sector measurement requirement.	
■■□□ Substantially the same	**Subsequent measurement**	
	Choose fair value model or cost model for all investment property, subject to specified exceptions.	The same policy choice applies under current requirements, with IPSAS measurement terminology and transition provisions.
	The fair value and cost model choice is aligned. IPSAS applies its own measurement terminology and transition provisions to that choice.	
■□□□ Same	**Fair value model**	
	Changes in fair value are recognised in profit or loss; no depreciation under this model.	Changes in fair value are recognised in surplus or deficit; no depreciation under this model.
■□□□ Same	**Transfers**	
	Transfer only when there is evidence of a change in use.	The same evidence-based rule applies; a change in government intention alone is insufficient.

MSL BUSINESS SCHOOL

IPSAS 18 Segment Reporting

COMPARED WITH

IFRS 8, Operating Segments

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■■■□ Different	**Segment basis** Operating segments are components whose results are reviewed regularly by the chief operating decision maker and for which discrete financial information exists. IFRS follows internal management reporting; IPSAS follows service accountability and resource allocation.	Segments are distinguishable activities or groups of activities for evaluating past performance and allocating resources; service and geographical bases are common.
■■■□ Different	**Reportable thresholds** Quantitative revenue, profit/loss and asset thresholds determine reportable segments, subject to the 75% external revenue test. An IPSAS entity cannot rely on the IFRS 8 quantitative thresholds to determine which segments are reportable, and must identify segments from its service-delivery and resource-allocation structure.	IPSAS 18 does not prescribe IFRS 8 quantitative thresholds.
■■■□ Different	**Segment result** Disclose the measure of segment profit or loss reported to the chief operating decision maker, plus specified measures and reconciliations. IFRS 8 reports the single measure used by the chief operating decision maker. IPSAS 18 requires a specified set of segment revenue, expense, asset and liability information instead.	IPSAS 18 does not prescribe a single segment-result measure; it requires segment revenue, expense, assets, liabilities and related information under its definitions.

MSL BUSINESS SCHOOL

IPSAS 18 Segment Reporting

CONTINUED

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■■■□ Different	**Assets and liabilities** Disclose segment assets and liabilities when regularly provided to the chief operating decision maker.	Disclose segment assets and liabilities for each segment under the standard's reporting model.
	IFRS 8 requires disclosure of segment assets and liabilities when those measures are regularly provided to the chief operating decision maker. IPSAS 18 requires segment assets and liabilities under its service-delivery and resource-allocation reporting model.	
■□□□ Same	**Reconciliations** Reconcile segment totals to entity amounts and provide entity-wide information.	Reconcile segment information to the entity's financial statements and disclose the basis of allocation and changes in policies.
■■■□ Different	**Purpose** Enables users to see operations through management's eyes.	Enables users to assess service delivery performance and resources devoted to major activities.
	IFRS 8 is management-based; IPSAS 18 is service-and-resource based.	

MSL BUSINESS SCHOOL

IPSAS 19 Provisions, Contingent Liabilities and Contingent Assets

COMPARED WITH

IAS 37, Provisions, Contingent Liabilities and Contingent Assets

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■□□□ Same	**Provision recognition** Recognise a present legal or constructive obligation from a past event when outflow is probable and a reliable estimate can be made.	The same test applies, referring to economic benefits or service potential.
■□□□ Same	**Measurement** Best estimate of expenditure required; discount where time value is material; reflect risks without double counting.	The same measurement principles apply.
■□□□ Same	**Future operating costs** No provision for future operating losses or costs without a present obligation.	No provision merely because government intends or expects to continue collective or individual services.
■■■□ Different	**Social benefits** IAS 37 may apply if the obligation is not covered by another IFRS. An obligation within the scope of IPSAS 42 is excluded from IPSAS 19. IFRS has no directly corresponding social-benefits standard, so IAS 37 may apply where no other IFRS Standard governs the obligation.	Social benefits within IPSAS 42 are excluded from IPSAS 19.

MSL BUSINESS SCHOOL

IPSAS 19 Provisions, Contingent Liabilities and Contingent Assets

CONTINUED

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■■□□ Substantially the same	**Onerous contracts** Recognise a provision for the present obligation under an onerous contract after impairment of related assets.	The same core rule applies; recoveries and public-sector arrangements are addressed within IPSAS guidance.
	The core recognition and measurement rule is aligned. IPSAS addresses recoveries and public-sector arrangements within its own guidance.	
■■□□ Substantially the same	**Decommissioning obligations and fund interests** IFRIC 1 addresses changes in existing decommissioning, restoration and similar liabilities. IFRIC 5 addresses the accounting for interests in decommissioning, restoration and environmental rehabilitation funds.	IPSAS 19 contains authoritative appendices incorporating the corresponding principles for changes in decommissioning liabilities and interests in decommissioning funds.
	The substantive accounting principles are aligned. Under IFRS they are contained in separate Interpretations; under IPSAS they are incorporated into authoritative appendices to IPSAS 19.	
■□□□ Same	**Contingencies** Do not recognise contingent liabilities or assets; disclose according to the probability thresholds and exceptions.	The same approach applies, with public-sector examples and rare prejudicial-disclosure relief.

MSL BUSINESS SCHOOL

IPSAS 20 Related Party Disclosures

COMPARED WITH

IAS 24, Related Party Disclosures

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■■□□ Substantially the same	**Related parties** Includes parents, subsidiaries, associates, joint ventures, key management personnel and close family, applying IAS 24 definitions. Substantially the same; the defined relationships and public-sector terminology differ.	Covers comparable relationships but uses public-sector terms including key management personnel and members of the governing body.
■□□□ Same	**Control relationships** Disclose parent and ultimate controlling party regardless of whether transactions occurred.	Disclose control relationships regardless of whether transactions occurred.
■■■□ Different	**Normal terms transactions** Material related-party transactions are generally disclosed; a government-related entity exemption is available for qualifying government relationships, with specified minimum disclosures. IAS 24 generally requires disclosure of material related-party transactions. IPSAS 20 excludes transactions on normal terms and conditions, so the population of disclosable transactions is narrower.	Except for specified key-management disclosures, transactions occurring on normal terms and conditions are not required to be disclosed.

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IPSAS 20 Related Party Disclosures

CONTINUED

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■■■□ Different	**Key management remuneration** Disclose total compensation by IAS 24 categories.	Disclose aggregate remuneration, number of individuals, compensation to close family in specified cases and certain loans or benefits not widely available.
	IPSAS 20 requires more than total compensation: the number of individuals, compensation to close family members in specified cases, and loans or benefits not widely available must also be disclosed.	
■■■□ Different	**Government-related entities** IAS 24 gives partial relief for transactions with the controlling government and entities controlled or jointly controlled by it.	IPSAS 20 does not reproduce the modern IAS 24 exemption in the same form; its normal-terms exclusion and public-sector KMP requirements apply.
	An IPSAS entity cannot rely on the modern IAS 24 government-related entity relief. It applies the normal-terms exclusion and the public-sector key management requirements of IPSAS 20 instead.	
■□□□ Same	**Pricing assertion** Terms equivalent to arm's length may be stated only if substantiated.	Normal terms and conditions must be supportable; legal form or common government ownership alone does not establish the assertion.

MSL BUSINESS SCHOOL

IPSAS 21 Impairment of Non-Cash-Generating Assets

COMPARED WITH

IAS 36, Impairment of Assets

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■■■□ Different	**Scope**	
	IAS 36 tests assets and cash-generating units by reference to recoverable amount; it does not classify public assets as non-cash-generating.	Applies to assets held primarily to deliver service rather than generate a commercial return, subject to stated exclusions.
	IPSAS separates impairment by the purpose for which the asset is held, so a public-sector asset held to deliver services is tested under IPSAS 21 rather than under the cash-generating model.	
■■■□ Different	**Impairment indicators**	
	External and internal indicators focus on market value, economic conditions, obsolescence, damage and performance.	Adds service-specific indicators such as adverse policy changes, reduced demand or use, a halted construction project and loss of service capacity.
	IPSAS 21 supplements the market, economic, obsolescence and damage indicators with evidence relevant to service delivery, including adverse policy changes, reduced demand or use, halted construction and loss of service capacity.	
■■■□ Different	**Recoverable measure**	
	Recoverable amount is the higher of value in use and fair value less costs of disposal.	Recoverable service amount is the higher of value in use and fair value less costs to sell.
	IAS 36 measures recoverability by reference to recoverable amount, which is based on cash-generating value in use or fair value less costs of disposal. IPSAS 21 measures recoverable service amount and therefore considers the asset's remaining service potential.	

MSL BUSINESS SCHOOL

IPSAS 21 Impairment of Non-Cash-Generating Assets

CONTINUED

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■■■□ Different	**Value in use**	
	Present value of future cash flows from use and disposal.	Remaining service potential, assessed using depreciated replacement cost, restoration cost or service-units approach as appropriate.
	IAS 36 value in use is based on discounted future cash flows. IPSAS 21 value in use is based on remaining service potential, assessed using the depreciated replacement cost, restoration cost or service-units approach, as appropriate.	
■■□□ Substantially the same	**Recognition and reversal**	
	Recognise loss in profit or loss or as a revaluation decrease; reverse when estimates change, except for goodwill and within the no-impairment ceiling.	Corresponding recognition and reversal rules apply in surplus or deficit or against a revaluation balance, within the same ceiling logic.
	The recognition and reversal mechanics, including the no-impairment ceiling, are aligned. The presentation terminology differs: surplus or deficit and revaluation balances replace profit or loss.	
■■■□ Different	**Unit of account**	
	Test the individual asset if possible; otherwise the smallest cash-generating unit.	Normally test the individual non-cash-generating asset; do not create a cash-generating unit merely to force a cash-flow model.
	IPSAS 21 normally tests the individual asset and does not permit a cash-generating unit to be constructed merely to make a cash-flow model available.	

MSL BUSINESS SCHOOL

IPSAS 22 Disclosure of Financial Information about the General Government Sector

COMPARED WITH

No direct IFRS equivalent

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■■■■ **No direct IFRS equivalent**	**Who may apply**	
	IFRS contains no general-government-sector disclosure standard.	Only a government preparing accrual-basis IPSAS consolidated financial statements may elect to present GGS information under IPSAS 22.
	The election is confined to a government that already prepares consolidated financial statements under accrual-basis IPSAS. A controlled entity within the government cannot present general government sector information on its own account.	
■■■□ **Different**	**Nature of requirement**	
	No equivalent election or prescribed GGS presentation.	Disclosure is optional; once elected, the IPSAS 22 requirements are mandatory for that information.
	The decision to disclose is voluntary, but the disclosure is not discretionary in content: once the election is made the IPSAS 22 requirements govern the information presented.	
■■■□ **Different**	**GGS boundary**	
	No equivalent definition.	Includes resident central, state and local government units, social security funds and controlled non-market non-profit institutions; excludes public financial and non-financial corporations.
	The sector boundary is drawn by the nature of the unit rather than by control alone, so public financial and non-financial corporations that are consolidated in the government's statements fall outside the general government sector.	
■■■□ **Different**	**Relationship to consolidated statements**	
	No equivalent requirement.	GGS information is a disaggregation of the government's consolidated IPSAS statements, not a second consolidation basis or a substitute for those statements.
	The disclosure supplements the consolidated financial statements and cannot replace them. It does not constitute a second reporting boundary or an alternative basis of consolidation.	

MSL BUSINESS SCHOOL

IPSAS 22 Disclosure of Financial Information about the General Government Sector

CONTINUED

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■■■□ Different	**Accounting policies** No equivalent requirement.	Use the same IPSAS policies as the consolidated statements, except do not consolidate PFC and PNFC entities into the GGS; show the investment at the carrying amount of the investees' net assets.
	The same recognition and measurement policies apply, but the treatment of public corporations changes: they are carried at the carrying amount of the investees' net assets rather than consolidated line by line.	
■■■□ Different	**Eliminations** No equivalent requirement.	Eliminate balances and transactions within the GGS. Do not eliminate transactions between the GGS and the PFC or PNFC sectors.
	Transactions between the GGS and the public financial corporations sector or public non-financial corporations sector are not eliminated and therefore remain in the disclosed information.	
■■■□ Different	**Required information** No equivalent list.	Disclose GGS assets, liabilities, net assets/equity, revenue, expenses, surplus/deficit, direct net-assets/equity items and operating, investing and financing cash flows.
	The required disclosure comprises the specified statement of financial position, financial performance, net assets/equity and cash flow information for the GGS.	
■■■□ Different	**Reconciliation** No equivalent requirement.	Reconcile GGS disclosures to the consolidated statements. Reconciliation to statistical-basis GGS information is not required, although it may be provided voluntarily.
	The reconciliation ties the disclosure back to the consolidated statements. No reconciliation to statistical-basis general government sector data is required, so a difference from published statistics is not of itself a reporting error.	

MSL BUSINESS SCHOOL

IPSAS 24 Presentation of Budget Information in Financial Statements

COMPARED WITH

No direct IFRS equivalent

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■■■■ **No direct IFRS equivalent**	**Scope trigger**	
	IFRS contains no general requirement to compare financial statements with an approved public budget.	Applies when the entity is required or elects to make its approved budget publicly available and is publicly accountable for it.
	The requirement is triggered by public availability of the approved budget and public accountability for it, not by the existence of a budget. An entity with an internal budget only is outside the standard.	
■■■□ **Different**	**Comparison statement**	
	No equivalent statement.	Present original and final budget amounts, actual amounts on a comparable basis, and an explanation of material differences.
	Budget performance is reported within the audited financial statements rather than in a separate budget report, and material differences must be explained.	
■■■□ **Different**	**Location**	
	No equivalent requirement.	Use a separate additional financial statement, or additional budget columns in existing statements only when budget and financial statements use a comparable basis.
	A separate statement is the default. Additional columns are available only where the budget and the financial statements are prepared on a comparable basis.	
■■■□ **Different**	**Comparable basis**	
	No equivalent concept.	Actual amounts must use the same accounting basis, classification basis, entities and period as the approved budget.
	Comparability is assessed by reference to the accounting basis, classification basis, entities and reporting period. If any of these differ, the comparison is presented in a separate statement and the actual amounts on the budgetary basis are reconciled to the amounts reported in the financial statements.	

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IPSAS 24 Presentation of Budget Information in Financial Statements

CONTINUED

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■■■□ Different	**Original and final budget** No equivalent requirement.	Explain whether changes between original and final budget arise from reallocations or other factors, in notes or a cross-referenced public report.
	The explanation must distinguish reallocations within the approved budget from other changes to the budget. It may be presented in the notes or in another public report issued before, at the same time as, or in conjunction with the financial statements, provided that the notes include a cross-reference to that report.	
■■■□ Different	**Reconciliation** No equivalent requirement.	Where budget and financial statements are not comparable, reconcile actual amounts to specified cash-flow or financial-performance totals, identifying basis, timing and entity differences.
	Where the bases are not comparable, the reconciliation must identify basis, timing and entity differences separately, so that each source of variance is visible.	
■■■□ Different	**Budget basis disclosure** No equivalent requirement.	Explain the budgetary basis, classification basis, budget period, and entities included in the approved budget.
	Disclosure of the budgetary basis, classification basis, budget period and entities included identifies the basis on which the budget-to-actual comparison has been prepared.	

MSL BUSINESS SCHOOL

IPSAS 26 Impairment of Cash-Generating Assets

COMPARED WITH

IAS 36, Impairment of Assets

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■■■□ Different	**Scope** Applies to assets subject to IAS 36, excluding assets covered by other standards' impairment rules. IPSAS first classifies the asset by its primary purpose.	Applies to cash-generating assets, subject to parallel exclusions. Non-cash-generating assets are dealt with by IPSAS 21.
■■■□ Different	**Cash-generating classification** IAS 36 has no public-sector commercial-return classification test.	An asset is cash-generating when held with the primary objective of generating a commercial return; charging fees or recovering cost is not conclusive. IPSAS applies a primary-objective test before any impairment model is selected. Charging a fee or recovering cost does not by itself make an asset cash-generating.
■■□□ Substantially the same	**Recoverable amount** Higher of fair value less costs of disposal and value in use.	The same basic measure applies, using fair value less costs to sell and value in use terminology in IPSAS 26. The measure is aligned. IPSAS 26 uses fair value less costs to sell rather than fair value less costs of disposal.

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IPSAS 26 Impairment of Cash-Generating Assets

CONTINUED

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■□□□ Same	**Value in use** Present value of future cash flows from continuing use and disposal.	The same commercial cash-flow basis applies to cash-generating assets.
■□□□ Same	**Cash-generating units** Test the smallest group generating largely independent cash inflows.	The same principle applies, with additional guidance where cash-generating activities depend on non-cash-generating assets.
■■■□ Different	**Redesignation** IAS 36 has no cash-generating/non-cash-generating redesignation rule. Movement between the two impairment standards requires evidence of a change in the asset's primary objective. A change in management intention alone does not permit redesignation.	Move between IPSAS 21 and IPSAS 26 only when evidence shows a change in the asset's primary objective; a change in intention alone is insufficient.
■■■□ Different	**Market capitalisation** A carrying amount above market capitalisation is an external impairment indicator. IAS 36 treats a carrying amount above market capitalisation as an external indicator of impairment. IPSAS 26 omits this indicator because many public-sector entities do not have quoted market capitalisation.	IPSAS 26 omits this indicator because many public-sector entities have no quoted market capitalisation.

MSL BUSINESS SCHOOL

IPSAS 27 Agriculture

COMPARED WITH

IAS 41, Agriculture

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■□□□ Same	**Scope** Biological assets related to agricultural activity and agricultural produce at harvest; bearer plants are within IAS 16.	The same core scope applies. Biological assets held for services, rather than managed agricultural transformation and harvest, are outside IPSAS 27.
■■□□ Substantially the same	**Recognition** Recognise when the entity controls the asset, future economic benefits are probable and fair value or cost can be measured reliably. The recognition criteria are aligned. IPSAS expressly includes service potential alongside economic benefits.	Recognise when control exists, future economic benefits or service potential are probable and fair value or cost can be measured reliably.
■□□□ Same	**Biological assets** Measure at fair value less costs to sell from initial recognition and at each reporting date, subject to the limited cost exception.	The same measurement model applies.

MSL BUSINESS SCHOOL

IPSAS 27 Agriculture

CONTINUED

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■□□□ Same	**Produce at harvest** Measure at fair value less costs to sell at harvest; that amount becomes cost under IAS 2.	The same approach applies; subsequent IPSAS 12 measurement depends on whether produce is sold, exchanged or distributed at no or nominal charge.
■■■□ Different	**Non-exchange acquisition** IAS 41 does not establish a general non-exchange acquisition model. IAS 41 has no general model for biological assets acquired at no or nominal consideration. IPSAS applies its public-sector measurement requirements to those acquisitions.	IPSAS applies its public-sector measurement requirements where biological assets are acquired at no or nominal consideration.
■■■□ Different	**Government assistance** Government grants related to biological assets are accounted for under IAS 41 or IAS 20 depending on conditions and measurement. Both frameworks address assistance related to biological assets, but IFRS applies IAS 41 or IAS 20, whereas IPSAS applies IPSAS 47 and may require additional consideration of restrictions and service objectives.	Revenue assistance is assessed under IPSAS 47; restrictions and service objectives may require additional disclosure.

MSL BUSINESS SCHOOL

PART III

Financial instruments, intangibles and transition

Instruments, intangibles, agriculture and the provisions that govern first-time adoption.



IN THIS PART

Financial Instruments: Presentation	IPSAS 28
Financial Instruments: Recognition and Measurement	IPSAS 29
Financial Instruments: Disclosures	IPSAS 30
Intangible Assets	IPSAS 31
Service Concession Arrangements: Grantor	IPSAS 32
First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSAS)	IPSAS 33

IPSAS 28 Financial Instruments: Presentation

COMPARED WITH

IAS 32, Financial Instruments: Presentation

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■□□□ Same	**Liability or equity** Classify from the issuer's perspective according to contractual substance and the financial liability and equity definitions.	The same principle applies, using net assets/equity terminology.
■□□□ Same	**Public authority** A financial instrument requires a contractual relationship; statutory powers alone do not create a contract.	IPSAS 28 expressly applies the contractual test to public-sector arrangements. Obligations created only by legislation may fall outside financial instruments.
■□□□ Same	**Compound instruments** Separate liability and equity components on initial recognition.	The same separation is required.
■□□□ Same	**Puttable instruments** Specified puttable instruments and liquidation obligations may qualify for equity by exception.	Corresponding exceptions apply.
■□□□ Same	**Interest and distributions** Classification of interest, dividends, gains and losses follows the instrument's liability/equity classification.	The same approach applies to interest and dividends or similar distributions, with surplus/deficit and net-assets/equity terminology.
■□□□ Same	**Offsetting** Offset only when there is a currently enforceable legal right and an intention to settle net or simultaneously.	The same two-part test applies.

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IPSAS 29 Financial Instruments: Recognition and Measurement

COMPARED WITH

IAS 39, Financial Instruments: Recognition and Measurement

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■□□□ Same	**Current role** IFRS 9 replaced IAS 39's main classification, measurement and impairment requirements; qualifying entities may continue IAS 39 hedge accounting.	IPSAS 41 deleted IPSAS 29's main recognition and measurement requirements; an entity may elect the remaining IPSAS 29 hedge-accounting model under IPSAS 41.
■■□□ Substantially the same	**Election** The accounting policy election applies to all hedge relationships; entities cannot freely switch individual relationships between models. The election is a policy choice applying to all hedge relationships under both frameworks. An entity cannot apply the older model to some relationships and the newer model to others.	The IPSAS 41 election to continue IPSAS 29 hedge accounting is likewise a policy choice, not transaction-by-transaction selection.
■■■□ Different	**Public-sector guidance** IAS 39 has no specific concessionary-loan or nil-consideration financial-guarantee material. The surviving IPSAS 29 is not the source for current concessionary-loan or impairment accounting.	Historical IPSAS 29 guidance included public-sector material for concessionary loans and financial guarantees; current classification and impairment are governed by IPSAS 41.
■□□□ Same	**Presentation and disclosure** IAS 32 and IFRS 7 apply alongside the surviving IAS 39 hedge model.	IPSAS 28 and IPSAS 30 apply alongside the surviving IPSAS 29 hedge model.

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IPSAS 30 Financial Instruments: Disclosures

COMPARED WITH

IFRS 7, Financial Instruments: Disclosures

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■□□□ Same	**Objective** Disclose the significance of financial instruments and the nature and extent of risks arising from them.	The same objective applies for accountability and decision-making in public-sector financial statements.
■■□□ Substantially the same	**Statement categories** Disclose carrying amounts and income/expense information by IFRS 9 measurement category. The disclosure structure is aligned by measurement category. IPSAS uses the IPSAS 41 categories and surplus or deficit and net assets/equity terminology.	Disclose corresponding information by IPSAS 41 category, using surplus or deficit and net assets/equity terminology.
■□□□ Same	**Credit risk** Disclose credit-risk practices, expected-credit-loss amounts, collateral and concentrations.	Corresponding IPSAS 41 expected-credit-loss disclosures apply, including public-sector exposures.
■□□□ Same	**Liquidity and market risk** Provide maturity analyses, management information and sensitivity analyses.	Corresponding requirements apply.
■■■□ Different	**Concessionary loans** IFRS 7 has no disclosure category specifically for the concessionary component of public-sector loans. IPSAS requires disclosures that identify and explain the financial effect of the concessionary component.	IPSAS 30 requires disclosures about concessionary loans, including nominal value, carrying amount, terms, valuation assumptions and the concession recognised.
■■□□ Substantially the same	**Collateral, defaults and breaches** Disclose collateral, defaults and breaches as specified by IFRS 7. The disclosure objective is aligned; IPSAS adapts the application to public-sector arrangements.	IPSAS 30 requires corresponding disclosures, adapted to public-sector arrangements and terminology.

MSL BUSINESS SCHOOL

IPSAS 31 Intangible Assets

COMPARED WITH

IAS 38, Intangible Assets

Later-effective requirement: Amendments arising from the application of IPSAS 46, Measurement, that affect IPSAS 31 are effective for annual periods beginning on or after 1 January 2028. Earlier application is permitted.

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■□□□ Same	**Definition** Identifiable non-monetary asset without physical substance, controlled by the entity and expected to generate future economic benefits.	The same identifiable and control tests apply, with future economic benefits or service potential.
■■■□ **Different**	**Separate acquisition** Initially measure at cost.	Initially measure at cost; public-sector acquisition at no or nominal consideration follows the applicable deemed-cost requirements.
	IAS 38 measures a separately acquired intangible asset at cost. IPSAS 31 applies the relevant deemed-cost requirement when an intangible asset is acquired for no or nominal consideration.	
■□□□ Same	**Research** Expense research expenditure when incurred.	Expense research expenditure when incurred.

MSL BUSINESS SCHOOL

IPSAS 31 Intangible Assets

CONTINUED

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■□□□ Same	**Development** Capitalise only when all technical feasibility, intention, ability, resource, benefit and reliable-measurement criteria are demonstrated.	The same criteria apply, with future service potential capable of satisfying the benefit limb.
■□□□ Same	**Internally generated items** Do not recognise internally generated brands, mastheads, publishing titles, customer lists and similar items.	The same prohibition applies; public importance does not override recognition criteria.
■■□□ Substantially the same	**Subsequent measurement** Cost model or revaluation model where an active market exists; finite-life assets are amortised and indefinite-life assets tested annually. Substantially the same; IPSAS has two impairment routes.	Corresponding model and useful-life rules apply. Impairment uses IPSAS 21 or IPSAS 26 according to the asset's primary objective.
■□□□ Same	**Websites and digital services** SIC-32 applies to website costs within IAS 38.	Corresponding website-cost principles are incorporated in IPSAS 31; a public-service website qualifies only if the IPSAS 31 recognition criteria are met.

MSL BUSINESS SCHOOL

IPSAS 32 Service Concession Arrangements: Grantor

COMPARED WITH

IFRIC 12, Service Concession Arrangements, and SIC-29, Service Concession Arrangements: Disclosures

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■■■□ Different	**Reporting perspective** IFRIC 12 prescribes the operator's accounting when the grantor controls or regulates the services, the recipients and the price, and controls any significant residual interest in the infrastructure.	IPSAS 32 prescribes the grantor's accounting for the service concession asset and the related liability.
	The requirements are complementary: IFRIC 12 addresses the operator, whereas IPSAS 32 addresses the grantor.	
■■□□ Substantially the same	**Control test** Operator does not recognise infrastructure as PPE when the grantor controls or regulates services, recipients and price, and controls significant residual interest.	Grantor recognises the service-concession asset when it controls or regulates services, recipients and price and controls any significant residual interest.
	The control criteria are aligned, but they are applied from opposite sides of the arrangement.	
■■■□ Different	**Existing asset** The operator generally does not recognise the grantor's existing infrastructure as its PPE.	Reclassify an existing asset as a service-concession asset when the control conditions are met; continue applying the relevant IPSAS measurement standard.
	The operator and grantor account for different interests. The operator generally does not recognise the infrastructure as property, plant and equipment; the grantor recognises or reclassifies the controlled infrastructure as a service concession asset.	

MSL BUSINESS SCHOOL

IPSAS 32 Service Concession Arrangements: Grantor

CONTINUED

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■■■□ Different	**New or upgraded asset** Operator recognises a financial asset or intangible asset for construction consideration, depending on the arrangement.	Grantor recognises the asset at fair value and a corresponding liability when the operator constructs, develops or upgrades it.
	The operator recognises consideration for construction or upgrade services. The grantor recognises the resulting service concession asset and a corresponding liability.	
■■■□ Different	**Liability model** Operator accounting distinguishes an unconditional contractual right to cash from a right to charge users.	Grantor applies a financial-liability model when it must pay the operator, or a grant-of-a-right model when it compensates the operator through user access; mixed arrangements are split.
	The models are linked but not equivalent. IFRIC 12 determines whether the operator recognises a financial asset, an intangible asset or both. IPSAS 32 determines whether the grantor recognises a financial liability, a liability under the grant-of-a-right model or both, together with the related revenue recognition.	
■■■□ Different	**Presentation and disclosure** IFRIC 12 applies with IFRS presentation standards; SIC-29 specifies service-concession disclosures from the operator's perspective.	Present the recognised asset and liability and disclose significant arrangement terms, rights, obligations and changes from the grantor's perspective.
	IFRIC 12 and SIC-29 address presentation and disclosure from the operator's perspective. IPSAS 32 requires presentation and disclosure of the service concession asset, related liability, rights and obligations from the grantor's perspective.	

MSL BUSINESS SCHOOL

IPSAS 33

First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSAS)

COMPARED WITH

IFRS 1, First-time Adoption of International Financial Reporting Standards

Later-effective requirement: The revised IPSAS 33 is effective for annual periods beginning on or after 1 January 2028. Earlier application is permitted and encouraged.

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■■■□ Different	**Objective** Require transparent and comparable information in an entity's first IFRS financial statements through retrospective application, subject to specified exceptions and exemptions.	Enable a controlled transition from another basis of accounting to accrual-basis IPSAS, recognising that public-sector entities may need to reconstruct extensive asset, liability and controlled-entity records.
	IFRS 1 is designed for a complete transition at the date of adoption, subject to specified exceptions and exemptions. IPSAS 33 permits additional transitional relief to accommodate the reconstruction of public-sector records.	
■□□□ Same	**Opening statement** Prepare an opening IFRS statement of financial position at the date of transition.	Prepare an opening statement of financial position under IPSAS and identify the date of adoption.
■■■□ Different	**General approach** Apply IFRS retrospectively with mandatory exceptions and optional exemptions.	Apply IPSAS retrospectively, but specified recognition and measurement relief may be used for up to three years.
	Both require retrospective application, but IPSAS permits specified recognition and measurement relief for up to three years, which IFRS 1 does not.	
■■■□ Different	**Compliance statement** The first IFRS statements include an explicit and unreserved statement of compliance.	Transitional IPSAS statements using exemptions that affect fair presentation cannot claim full IPSAS compliance until the effects are resolved.
	An IPSAS entity using exemptions that affect fair presentation cannot assert full IPSAS compliance until those effects are resolved. IFRS 1 requires an explicit and unreserved compliance statement from the outset.	

MSL BUSINESS SCHOOL

IPSAS 33 First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSAS)

CONTINUED

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■■■□ Different	**Reconciliations** Reconcile previous GAAP equity and total comprehensive income to IFRS.	Explain the effect of transition on reported financial position, financial performance and cash flows, with disclosures determined by the previous basis of accounting and the exemptions used.
	IFRS 1 prescribes reconciliations of previous GAAP equity and total comprehensive income. IPSAS 33 requires explanations of the effect of transition, with the disclosures determined by the previous basis of accounting and the exemptions used.	
■■■□ Different	**Three-year relief** No general multi-year period for leaving specified classes unrecognised in IFRS statements.	Specified asset, liability, revenue, expense and consolidation requirements may receive time-limited relief under the standard.
	IPSAS 33 permits specified classes of asset, liability, revenue, expense and consolidation requirement to remain unrecognised for a limited period. IFRS 1 contains no comparable multi-year concession.	
■■■□ Different	**Revised IPSAS 33** IFRS 1 has no change linked to the revised IPSAS 33.	The revised IPSAS 33 retains the objective, scope and available exemptions while reorganising and clarifying the transition requirements and adding implementation material. It is effective for annual periods beginning on or after 1 January 2028, with earlier application permitted.
	The revised IPSAS 33 is mandatory for annual periods beginning on or after 1 January 2028 and is outside the 2027 reporting baseline unless adopted early.	

MSL BUSINESS SCHOOL

PART IV

Interests in other entities and combinations

Consolidation, joint arrangements, associates and the accounting for combinations in the public sector.

IN THIS PART

Separate Financial Statements	IPSAS 34
Consolidated Financial Statements	IPSAS 35
Investments in Associates and Joint Ventures	IPSAS 36
Joint Arrangements	IPSAS 37
Disclosure of Interests in Other Entities	IPSAS 38
Employee Benefits	IPSAS 39
Public Sector Combinations	IPSAS 40



IPSAS 34 Separate Financial Statements

COMPARED WITH

IAS 27, Separate Financial Statements

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■□□□ Same	**Scope** Applies when an entity elects or is required to present separate financial statements for investments in subsidiaries, associates and joint ventures.	The same role applies for controlled entities, associates and joint ventures.
■□□□ Same	**Measurement choices** Account at cost, under IFRS 9, or using the equity method under IAS 28, consistently by category.	Account at cost, under IPSAS 41, or using the equity method under IPSAS 36, consistently by category.
■□□□ Same	**Held for sale** Apply IFRS 5 where its classification criteria are met, subject to IAS 27's interaction requirements.	Apply IPSAS 44 where its classification criteria are met, subject to IPSAS 34's interaction requirements.
■□□□ Same	**Distributions** Recognise dividends from subsidiaries, associates or joint ventures in profit or loss unless the equity method is used.	Recognise dividends or similar distributions in surplus or deficit unless the equity method is used.
■■□□ Substantially the same	**Investment entity exception** An investment entity generally measures controlled investments at fair value through profit or loss under IFRS 9. The exception operates in the same way. IPSAS measures at fair value through surplus or deficit under IPSAS 41 and applies public-sector control terminology.	An investment entity generally measures controlled investments at fair value through surplus or deficit under IPSAS 41; public-sector control terminology applies.

MSL BUSINESS SCHOOL

IPSAS 35 Consolidated Financial Statements

COMPARED WITH

IFRS 10, Consolidated Financial Statements

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■■□□ Substantially the same	**Control**	
	Control exists when the investor has power, exposure or rights to variable returns, and ability to use power to affect those returns.	Control exists when the entity has power, exposure or rights to variable benefits, and ability to use power to affect those benefits.
	Both standards use a three-element control test. IPSAS refers to variable benefits rather than variable returns because benefits may include service and other non-financial benefits.	
■■□□ Substantially the same	**Sources of power**	
	Voting rights, contractual arrangements and substantive potential rights are central evidence.	Legislation, founding documents, rights to appoint or remove management and other enforceable mechanisms can confer power without an ownership interest.
	Both frameworks recognise that power may arise without majority ownership. IPSAS gives explicit prominence to legislation, founding documents and public-sector appointment or removal rights.	

MSL BUSINESS SCHOOL

IPSAS 35 Consolidated Financial Statements

CONTINUED

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■■■□ Different	**Benefits** Returns include dividends, value changes, fees, synergies and other variable returns.	Benefits may be financial or non-financial, including coordinated services or achievement of policy objectives, but must accrue to the controlling entity.
	IPSAS expressly includes service and other non-financial benefits in the control assessment, provided that those benefits accrue to the controlling entity.	
■□□□ Same	**Consolidation procedures** Combine like items, eliminate intragroup balances and transactions, use uniform policies and generally the same reporting date.	The same consolidation procedures apply.
■□□□ Same	**Temporary control** No exemption merely because a subsidiary is acquired with intent to sell; IFRS 5 may apply to the disposal group.	No exemption merely because control is temporary; IPSAS 44 may apply when sale criteria are met.
■■□□ Substantially the same	**Investment entities** Investment entities measure most subsidiaries at fair value through profit or loss, subject to service-subsidiary exceptions.	Corresponding exception applies, with fair value through surplus or deficit and public-sector application guidance.
	The exception and its service-subsidiary limits are aligned. IPSAS measures at fair value through surplus or deficit and adds public-sector application guidance.	

MSL BUSINESS SCHOOL

IPSAS 36 Investments in Associates and Joint Ventures

COMPARED WITH

IAS 28, Investments in Associates and Joint Ventures

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■□□□ Same	**Significant influence** Power to participate in financial and operating policy decisions without control or joint control; 20% voting power is a rebuttable presumption.	The same definition and rebuttable presumption apply; legislation or other non-ownership mechanisms may also supply evidence.
■□□□ Same	**Joint venture** A joint arrangement in which parties with joint control have rights to net assets.	The same definition applies through IPSAS 37.
■□□□ Same	**Equity method** Initially recognise at cost and adjust for the investor's share of post-acquisition profit or loss, OCI and net-asset changes.	The same mechanics apply using surplus or deficit and net assets/equity terminology.
■■□□ Substantially the same	**Exemptions** Specified venture-capital and qualifying parent exemptions permit fair value measurement or non-application of the equity method.	Corresponding exemptions apply, adapted to IPSAS control terminology and public-sector investment entities.
	The exemptions operate in the same way, adapted to IPSAS control terminology and to public-sector investment entities.	
■■□□ Substantially the same	**Impairment** Apply IFRS 9 to the net investment and IAS 36 to test the equity-accounted investment as a single asset after the investor's share of losses has been recognised.	Apply IPSAS 41 to financial interests and IPSAS 26 to the equity-method investment as a cash-generating asset when an impairment test is required.
	The sequence is aligned, but the applicable impairment standards and terminology differ.	
■■■□ Different	**Non-exchange contribution** IAS 28 has no general non-exchange contribution model.	A contribution to or acquisition of an associate may also contain a non-exchange component accounted for under the applicable IPSAS.
	IPSAS requires the non-exchange component to be identified and accounted for under the relevant standard.	

MSL BUSINESS SCHOOL

IPSAS 37 Joint Arrangements

COMPARED WITH

IFRS 11, Joint Arrangements

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■□□□ Same	**Joint control** Contractually agreed sharing of control; decisions about relevant activities require unanimous consent of the parties sharing control.	The same definition applies, including binding arrangements created through legislation or other enforceable means.
■□□□ Same	**Classification** Joint operation when parties have rights to assets and obligations for liabilities; joint venture when parties have rights to net assets.	The same two classifications and rights-and-obligations test apply.
■□□□ Same	**Joint operations** Recognise own assets, liabilities, revenue and expenses, including shares of jointly held or incurred items.	The same accounting applies.
■□□□ Same	**Joint ventures** Apply the equity method under IAS 28, subject to specified exemptions.	Apply the equity method under IPSAS 36, subject to specified exemptions.
■□□□ Same	**Separate vehicle** Legal form is relevant but not conclusive; contractual terms and other facts may make it a joint operation.	The same substance analysis applies, with binding arrangements that may not take the form of a conventional contract.

MSL BUSINESS SCHOOL

IPSAS 38 Disclosure of Interests in Other Entities

COMPARED WITH

IFRS 12, Disclosure of Interests in Other Entities

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■■□□ Substantially the same	**Scope** Interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities.	The same core categories apply, with controlled entities and public-sector terminology.
	The categories of interest requiring disclosure are aligned. IPSAS uses controlled entities and related public-sector terminology.	
■□□□ Same	**Control judgments** Disclose significant judgments and assumptions in determining control, joint control, significant influence and investment-entity status.	The same requirements apply, including judgments about legislative powers and non-financial benefits.
■□□□ Same	**Material non-controlling interests** Provide summarised financial information and other information for subsidiaries with material NCI.	Corresponding information is required for controlled entities with material non-controlling interests.
■□□□ Same	**Associates and joint ventures** Disclose nature, extent, risks and summarised financial information for material interests.	Corresponding disclosures apply.
■□□□ Same	**Structured entities** Disclose the nature and risks of interests in unconsolidated structured entities.	Disclose the nature and risks of interests in unconsolidated structured entities, including public-sector structures created through mandates or programmes.
■■□□ Substantially the same	**Control or influence without an equity interest** IFRS 12 applies where control, joint control or significant influence exists under the relevant IFRS Standards, whether established through ownership rights, contractual arrangements or other substantive rights.	IPSAS 38 disclosures may be required where control or influence arises from legislation, mandate, appointment rights or service-benefit arrangements without an equity interest.
	The disclosure objective is aligned. IPSAS expressly accommodates control or influence arising through public authority or service arrangements rather than an equity holding.	

MSL BUSINESS SCHOOL

IPSAS 39 Employee Benefits

COMPARED WITH

IAS 19, Employee Benefits

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■□□□ Same	**Scope and categories** Covers short-term, post-employment, other long-term and termination benefits.	The same categories apply to public-sector employers.
■□□□ Same	**Short-term benefits** Recognise undiscounted liability and expense as employees render service.	The same treatment applies.
■□□□ Same	**Defined contribution plans** Recognise contributions payable as liability and expense as service is rendered.	The same treatment applies.
■■□□ Substantially the same	**Defined benefit plans** Measure the net defined benefit liability or asset using the projected unit credit method, discounting with reference to high-quality corporate bonds or government bonds where no deep corporate-bond market exists.	The same actuarial method applies. IPSAS includes public-sector application material for government plans and uses the same corporate-bond/government-bond hierarchy.

The projected unit credit method and the discount-rate hierarchy are aligned. IPSAS adds application material for government plans.

MSL BUSINESS SCHOOL

IPSAS 39 Employee Benefits

CONTINUED

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■□□□ Same	**Remeasurements** Recognise actuarial gains and losses, asset-ceiling effects and plan-asset return excluding net interest in OCI, without recycling.	Recognise remeasurements directly in net assets/equity, without reclassification to surplus or deficit.
■□□□ Same	**Net interest** Apply the opening discount rate to the net defined benefit liability or asset.	The same approach applies.
■□□□ Same	**Termination benefits** Recognise at the earlier of when the offer can no longer be withdrawn and when restructuring costs involving termination benefits are recognised.	The same trigger applies.
■■■□ Different	**Composite social security programmes** IAS 19 applies to employee benefits. IFRS contains no standard corresponding to IPSAS 42 for government social benefits.	IPSAS 39 includes guidance for programmes that combine employee-benefit and social-benefit features.

Where practicable, employee-benefit components are accounted for under IPSAS 39 and social-benefit components are accounted for under IPSAS 42.

MSL BUSINESS SCHOOL

IPSAS 40 Public Sector Combinations

COMPARED WITH

IFRS 3, Business Combinations

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■■■□ Different	**Classification** A transaction within scope is accounted for as a business combination using the acquisition method; common-control combinations are outside IFRS 3.	First decide whether the public-sector combination is an amalgamation or an acquisition. This classification determines the accounting model.
	An IPSAS entity must first determine whether the combination is an amalgamation or an acquisition, because that classification selects the accounting model. IFRS 3 applies the acquisition method to everything within its scope.	
■■□□ Substantially the same	**Acquisition** When an acquirer obtains control of a business, apply the acquisition method.	When one party gains control and the substance indicates an acquisition rather than an amalgamation, apply the IPSAS 40 acquisition method.
	Substantially the same acquisition model after IPSAS classification.	
■■■□ Different	**Amalgamation** IFRS 3 contains no amalgamation method and excludes common-control combinations.	Use the modified pooling-of-interests method: recognise assets and liabilities at carrying amounts, generally without goodwill, and recognise the resulting residual in net assets/equity.
	IPSAS 40 prescribes a modified pooling-of-interests method with carrying amounts and generally no goodwill. IFRS 3 contains no amalgamation method and excludes common-control combinations from its scope.	

MSL BUSINESS SCHOOL

IPSAS 40 Public Sector Combinations

CONTINUED

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■■□□ Substantially the same	**Acquisition measurement** Recognise identifiable assets and liabilities at acquisition-date fair values, non-controlling interests as permitted, and goodwill or bargain-purchase gain.	Apply corresponding acquisition-date recognition and measurement, modified for service potential, public-sector rights and non-exchange elements.
	The acquisition method is substantially aligned. IPSAS modifies the recognition and measurement requirements to address service potential, public-sector rights and non-exchange elements.	
■■■□ Different	**Consideration and transaction substance** IFRS 3 applies the acquisition method to a business combination and does not contain a general public-sector model for amalgamations or combinations involving concessionary or nominal consideration.	IPSAS 40 evaluates the substance of the combination, including the nature of the consideration and the surrounding circumstances, to determine whether the transaction is an amalgamation, an acquisition, an owner transaction or another public-sector transfer.
	Under IPSAS, the form and amount of consideration may affect the classification of the combination and the accounting model applied. IFRS 3 does not contain an equivalent amalgamation model.	
■■■□ Different	**Common control** IFRS 3 excludes combinations of entities or businesses under common control from its scope. IFRS Accounting Standards do not prescribe a single accounting method for those combinations.	Many restructurings under common government control may meet the IPSAS 40 definition of an amalgamation and therefore have prescribed accounting.
	IPSAS 40 may prescribe accounting for public-sector restructurings that fall outside IFRS 3 and are addressed under the IAS 8 accounting-policy hierarchy.	

MSL BUSINESS SCHOOL

PART V

Instruments, benefits, leases and measurement

The financial instruments suite, employee benefits, leases and the measurement bases that support them.



IN THIS PART

Financial Instruments	IPSAS 41
Social Benefits	IPSAS 42
Leases	IPSAS 43
Non-current Assets Held for Sale and Discontinued Operations	IPSAS 44
Property, Plant, and Equipment	IPSAS 45
Measurement	IPSAS 46

IPSAS 41 Financial Instruments

COMPARED WITH

IFRS 9, Financial Instruments

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■■□□ Substantially the same	**Financial assets** Classify using business model and contractual cash-flow characteristics into amortised cost, FVOCI or FVTPL.	Uses the same structure, expressed through the entity's management model and contractual cash-flow characteristics, with surplus or deficit and net assets/equity terminology.
	The classification structure is aligned. IPSAS expresses the business model test as a management model and uses surplus or deficit and net assets/equity terminology.	
■□□□ Same	**Financial liabilities** Generally amortised cost, with specified FVTPL categories and own-credit presentation for designated liabilities.	The same core classification and measurement requirements apply.
■□□□ Same	**Expected credit losses** Recognise 12-month or lifetime expected credit losses according to changes in credit risk; simplified approaches apply to specified receivables.	The same forward-looking model applies, including to public-sector receivables and concessionary loans within scope.
■■■□ **Different**	**Concessionary loans** IFRS 9 has no separate public-policy concession component; any off-market element is analysed under other applicable IFRS.	Initially measure at fair value; recognise the difference from transaction price under the relevant IPSAS, often as an expense or revenue reflecting the concession, then apply IPSAS 41.
	IPSAS 41 requires the below-market element to be identified at initial recognition and accounted for separately, commonly as an expense or revenue reflecting the policy concession. IFRS 9 has no such separation requirement.	

MSL BUSINESS SCHOOL

IPSAS 41 Financial Instruments

CONTINUED

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■■■□ Different	**Financial guarantees at nil or nominal consideration** Initially fair value unless another IFRS determines the consideration; subsequent measurement follows IFRS 9.	IPSAS 41 contains specific guidance for guarantees issued for nil or nominal consideration, using fair value where reliably measurable or an expected-credit-loss approach where specified.
	IPSAS 41 contains a specific measurement approach for guarantees issued for nil or nominal consideration; IFRS 9 does not contain a corresponding public-sector concessionary-guarantee model.	
■■□□ Substantially the same	**Hedge accounting** Apply IFRS 9 hedge accounting or elect to continue IAS 39 hedge accounting for all hedge relationships.	Apply IPSAS 41 hedge accounting or elect to continue the surviving IPSAS 29 hedge model.
	Both frameworks permit an entity-wide accounting-policy election between the newer hedge-accounting model and specified surviving requirements of the predecessor standard.	
■■□□ Substantially the same	**Statutory receivables** A right created solely by law is not contractual and is not automatically a financial asset under IFRS 9.	Taxes and other statutory receivables are accounted for under the relevant IPSAS; once terms create contractual rights, IPSAS 41 may apply as specified.
	The contractual boundary is aligned: a right created solely by law is not a financial asset. IPSAS additionally directs taxes and other statutory receivables to the standards governing non-contractual public-sector transactions until contractual rights arise.	

MSL BUSINESS SCHOOL

IPSAS 42 Social Benefits

COMPARED WITH

No direct IFRS equivalent

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■■■■ No direct IFRS equivalent	**Scope** IFRS contains no standard for government social-benefit schemes; IAS 19 applies to employee benefits and IAS 37 may apply to other obligations.	Applies to cash transfers provided to specific individuals or households to mitigate the effect of social risks and address society's needs as a whole.
	The standard reaches cash transfers to individuals and households that mitigate social risk. An obligation outside that description remains with IPSAS 39 for employee benefits or with the general provisions requirements.	
■■■□ Different	**Social risk** No equivalent defined concept.	Events or circumstances relating to individual or household characteristics that may adversely affect welfare, such as age, health, unemployment or poverty.
	The definition sets the boundary of the standard: the transfer must respond to a characteristic of the individual or household that may adversely affect welfare, such as age, health, unemployment or poverty.	
■■■□ Different	**Excluded services** No corresponding boundary.	Collective services and individual services delivered as goods or services are outside IPSAS 42; employee benefits are within IPSAS 39.
	Benefits delivered as goods or services, and collective services, fall outside the standard even where they serve the same social objective, so the form of delivery determines the accounting.	

MSL BUSINESS SCHOOL

IPSAS 42 Social Benefits

CONTINUED

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■■■□ Different	**Recognition** No equivalent social-benefit trigger.	Recognise a liability when the next payment's eligibility criteria are satisfied and the entity has no realistic alternative to avoiding payment.
	The liability is recognised only for the next payment whose eligibility criteria are satisfied. A scheme's expected future payments are not recognised as a present obligation on that basis alone.	
■■■□ Different	**Measurement** No equivalent rule.	Measure at the best estimate of costs the entity will incur in fulfilling the present obligations represented by the liability; the liability normally covers payments until eligibility is next reassessed.
	The recognised liability is generally limited to the cost of payments arising before eligibility is next reassessed.	
■■■□ Different	**Expense** No equivalent rule.	Recognise the corresponding social-benefit expense at the same time as the liability, unless another IPSAS requires inclusion in an asset's cost.
	The timing of expense recognition is aligned with recognition of the corresponding liability and is determined by the eligibility and no-realistic-alternative criteria rather than by the payment date.	
■■■□ Different	**Insurance approach** No equivalent public social-insurance election.	A limited insurance approach may be elected for qualifying schemes intended to be fully funded from contributions and managed like an insurer; otherwise use the general approach.
	A qualifying contributory scheme may be accounted for on an insurance basis, which produces a materially different liability and expense profile from the general approach.	

MSL BUSINESS SCHOOL

IPSAS 43 Leases

COMPARED WITH

IFRS 16, Leases

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■□□□ Same	**Lease definition** A contract conveys the right to control use of an identified asset for a period in exchange for consideration.	The same control-based definition applies.
■□□□ Same	**Lessee model** Recognise a right-of-use asset and lease liability for most leases, with short-term and low-value exemptions.	The same single-lessee model and exemptions apply.
■□□□ Same	**Initial lease liability** Present value of unpaid lease payments using the interest rate implicit in the lease or incremental borrowing rate.	The same measurement applies for leases at market terms.
■■□□ Substantially the same	**Right-of-use asset** Cost includes lease liability, advance payments, initial direct costs and restoration obligations, less incentives.	The same cost components apply, followed by the applicable IPSAS measurement and impairment requirements.
	The cost components are aligned. Subsequent measurement and impairment then follow the applicable IPSAS requirements rather than the IFRS equivalents.	
■□□□ Same	**Lessor accounting** Retains operating and finance lease classification.	The same dual lessor model applies.

MSL BUSINESS SCHOOL

IPSAS 43 Leases

CONTINUED

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■■■□ Different	**Identifying a concessionary lease** IFRS 16 has no separate model for a lease with below-market terms granted to advance a public-service objective. IPSAS expressly identifies and accounts for the public-service concession.	At inception, compare the lease terms with market terms. A lease provided on below-market terms contains a concessionary component within IPSAS 43.
■■■□ Different	**Concessionary lessee - initial measurement** Measure the right-of-use asset under the ordinary IFRS 16 cost model and the lease liability at the present value of contractual lease payments.	Measure the right-of-use asset using the present value of market-rate payments for the asset's current use, plus initial direct costs and any relevant restoration obligation. Measure the lease liability at the present value of contractual payments.
■■■□ Different	**Concessionary lessee - initial measurement** continued IFRS 16 does not split a public-service concession into a separate transfer-revenue element. IPSAS separates the market-value right of use, contractual liability and transfer concession.	If market payments are not readily available, apply the ordinary IPSAS 43 cost requirements. Account for the difference between the right-of-use asset and lease liability under IPSAS 47.

MSL BUSINESS SCHOOL

IPSAS 43 Leases

CONTINUED

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■■■□ Different	**Concessionary lessee - presentation and disclosure** Apply the ordinary IFRS 16 presentation and disclosure requirements; no separate concessionary-lease disclosures are prescribed.	Apply the ordinary lessee presentation requirements and disclose information that enables users to assess concessionary leases, including their nature, significant terms and financial effects as required by IPSAS 43.
	IPSAS adds disclosures directed to the public-service concession.	
■■■□ Different	**Concessionary lessor** Classify the lease as finance or operating and apply the ordinary IFRS 16 lessor model; no public-service concession model is prescribed.	Retain the finance-or-operating classification. For a finance lease, the concession affects the relationship between the asset derecognised and the net investment recognised. For an operating lease, continue to recognise the underlying asset and do not recognise separate revenue for the foregone market return. Provide the additional concessionary-lease disclosures.
	The classification test remains aligned, but IPSAS prescribes the treatment and disclosure of the concession.	
■■□□ Substantially the same	**Sale and leaseback** Apply IFRS 15 to determine whether the transfer is a sale, then apply IFRS 16 measurement.	Apply IPSAS 47 to determine whether control transferred, then apply IPSAS 43. An embedded concession is accounted for by the seller-lessee under IPSAS 47 and by the buyer-lessor under IPSAS 43.
	The sale-assessment sequence is aligned. IFRS applies IFRS 15 and IFRS 16; IPSAS applies IPSAS 47 and IPSAS 43. If the arrangement contains a concessionary component, IPSAS 47 applies to the seller-lessee and IPSAS 43 applies to the buyer-lessor.	

MSL BUSINESS SCHOOL

IPSAS 44 Non-current Assets Held for Sale and Discontinued Operations

COMPARED WITH

IFRS 5, Non-current Assets Held for Sale and Discontinued Operations

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■□□□ Same	**Held-for-sale classification** Asset must be available for immediate sale and sale must be highly probable, normally within one year.	The same criteria apply to sale transactions.
■■□□ Substantially the same	**Held for distribution to owners** IFRS 5 also covers non-current assets held for distribution to owners when specified criteria are met. The distribution criteria operate in the same way. They apply under IPSAS only where the entity has owners in the sense used by the standard.	IPSAS 44 uses corresponding distribution concepts where the entity has owners and the criteria are met.
■□□□ Same	**Measurement** Lower of carrying amount and fair value less costs to sell; stop depreciation.	The same measurement and cessation of depreciation apply.
■□□□ Same	**Sale not primary recovery** Classification is appropriate only when carrying amount will be recovered principally through sale rather than continuing use.	The same principle applies. Withdrawal from service, abandonment or transfer without a sale does not automatically qualify.
■□□□ Same	**Discontinued operation** A disposed or held-for-sale component representing a major line or geographical area, part of a single plan, or subsidiary acquired for resale.	The same criteria and separate presentation of post-tax result and disposal effect apply, using surplus or deficit terminology.
■■■□ **Different**	**Public-sector transfer** IFRS 5 classifies assets for recovery through sale or, where applicable, distribution to owners. IPSAS distinguishes a public-sector transfer from a sale or owner distribution.	A transfer between public-sector entities for no or nominal consideration does not qualify merely because the asset will leave the entity; the transfer must be assessed under IPSAS 40, IPSAS 48 or another applicable IPSAS unless the IPSAS 44 sale criteria are met.

MSL BUSINESS SCHOOL

IPSAS 45 Property, Plant, and Equipment

COMPARED WITH

IAS 16, Property, Plant and Equipment

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■■□□ Substantially the same	**Recognition** Recognise a tangible item when future economic benefits are probable and cost can be measured reliably.	Recognise when it is probable that future economic benefits or service potential will flow to the entity and cost or fair value can be measured reliably.
	The recognition criteria are aligned. IPSAS expressly includes service potential alongside economic benefits.	
■■■□ Different	**Initial measurement** Cost includes purchase price, directly attributable costs and initial dismantling or restoration estimate.	The same cost components apply. An acquisition for no or nominal consideration is measured at deemed cost based on fair value as specified.
	IAS 16 measures property, plant and equipment initially at cost and does not contain a general measurement rule for assets acquired for no or nominal consideration. IPSAS 45 applies the relevant deemed-cost requirement to such acquisitions.	
■■■□ Different	**Heritage assets** IAS 16 contains no heritage-asset category; apply normal recognition if the definition and criteria are met.	IPSAS 45 contains specific recognition, measurement and disclosure requirements for heritage assets within its scope; characteristics may affect useful life, residual value and restrictions.
	IPSAS 45 contains specific recognition, measurement and disclosure requirements for heritage assets. IAS 16 does not establish a separate heritage-asset category.	

MSL BUSINESS SCHOOL

IPSAS 45 Property, Plant, and Equipment

CONTINUED

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■□□□ Same	**Infrastructure and military assets** Account for qualifying tangible assets under IAS 16 without separate public-sector categories.	Infrastructure and specialist military assets are PPE when they meet the definition; network and component accounting applies.
■■■□ Different	**Subsequent measurement** Choose the cost model or revaluation model for an entire class. Under revaluation, fair value is used and increases and decreases are accounted for for each asset under IAS 16. IPSAS determines the current-value basis from whether the asset supports operational or financial capacity.	Choose the historical cost model or current value model for an entire class. Use current operational value when the asset is held for operational capacity and fair value when it is held for financial capacity.
■■■□ Different	**Revaluation movements** A revaluation decrease is recognised in profit or loss except to the extent of an existing surplus for that asset; an increase reverses prior decreases for that asset before being credited to revaluation surplus. IAS 16 tracks offsets asset by asset; IPSAS 45 permits offsets within the class.	Increases and decreases are offset within the same class of property, plant and equipment. The balance for the class is recognised in net assets/equity or surplus or deficit as IPSAS 45 requires.
■□□□ Same	**Depreciation** Depreciate significant components separately over useful lives; review estimates annually.	The same component and review principles apply, including components that deliver service potential.

MSL BUSINESS SCHOOL

IPSAS 45 Property, Plant, and Equipment

CONTINUED

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■■■□ Different	**Impairment** Apply IAS 36.	Apply IPSAS 21 to non-cash-generating PPE and IPSAS 26 to cash-generating PPE.
	An IPSAS entity must first classify the asset by primary objective, because property, plant and equipment held to deliver services is tested under IPSAS 21 and cash-generating property, plant and equipment under IPSAS 26.	
■■■□ Different	**Heritage disclosures** IAS 16 has no separate disclosure relief for heritage assets that cannot be recognised.	Disclose specified information for heritage assets that meet the definition of property, plant and equipment but cannot be recognised because they cannot be measured reliably.
	IPSAS requires information about qualifying unrecognised heritage assets.	
■■■□ Different	**Historical-cost information** When the revaluation model is used, IAS 16 requires disclosure of the carrying amount that would have been recognised under the cost model.	IPSAS 45 does not require an equivalent historical-cost carrying amount disclosure for assets measured under the current value model.
	IAS 16 requires disclosure of the carrying amount that would have been recognised under the cost model when the revaluation model is used. IPSAS 45 does not require an equivalent historical-cost carrying amount disclosure for assets measured under the current value model.	
■□□□ Same	**Decommissioning changes** Apply IAS 16 and IFRIC 1.	Apply IPSAS 45 and the corresponding decommissioning-liability guidance associated with IPSAS 19.

MSL BUSINESS SCHOOL

IPSAS 46 Measurement

COMPARED WITH

IFRS 13, Fair Value Measurement

Later-effective requirement: Amendments to other IPSAS Standards arising from the application of IPSAS 46, Measurement, are effective for annual periods beginning on or after 1 January 2028. Earlier application is permitted.

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■■■□ Different	**Purpose** Defines fair value, establishes a single fair-value framework and requires fair-value disclosures when another IFRS requires or permits fair value.	Defines and explains historical cost, fair value, current operational value and cost of fulfilment for use when another IPSAS requires or permits those bases.
	IFRS 13 establishes a single fair-value framework. IPSAS 46 defines four measurement bases, so identifying the basis required by the subject-matter standard is a necessary first step under IPSAS.	
■□□□ Same	**Fair value** Exit price in an orderly transaction between market participants at measurement date; market-based, not entity-specific.	Uses the same exit-price and market-participant concept for fair value.
■■■□ Different	**Current operational value** No direct IFRS 13 measurement basis.	Entity-specific current value of an asset in its existing use to deliver services or achieve operational objectives; assumes replacement of service potential rather than highest and best market use.
	Current operational value has no IFRS 13 counterpart. It measures the asset in its existing service use on a replacement-of-service-potential assumption rather than by reference to a market exit price.	
■■■□ Different	**Cost of fulfilment** IFRS 13 does not prescribe a general liability fulfilment-cost basis; individual IFRS standards specify liability measures.	Entity-specific current value of the resources required to fulfil a liability, including relevant risk and time-value effects as required.
	IFRS 13 does not establish a general fulfilment-cost measurement basis. IPSAS 46 defines cost of fulfilment for liabilities when another IPSAS requires or permits that basis.	

MSL BUSINESS SCHOOL

IPSAS 46 Measurement

CONTINUED

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■■■□ Different	**Highest and best use** For non-financial assets, fair value reflects the market participant use that maximises value.	Applies within fair value, but not current operational value, which reflects the asset's existing service use.
	Highest and best use is a feature of fair value under both frameworks. It does not apply to current operational value, which reflects the asset's existing use in delivering services or achieving operational objectives.	
■□□□ Same	**Measurement techniques** Use market, cost or income approaches, maximise observable inputs and apply the three-level fair-value hierarchy.	The same requirements apply when measuring fair value; IPSAS 46 separately provides techniques for other bases.
■□□□ Same	**Choice of basis** IFRS 13 does not decide when fair value is used; the relevant IFRS does.	IPSAS 46 also does not create a free policy choice; the relevant IPSAS determines which basis applies.
■■■□ Different	**Application amendments** No corresponding transition package.	Amendments effective for annual periods beginning on or after 1 January 2028 change the application of IPSAS 46 in other standards, including the replacement of current replacement cost with current operational value in IPSAS 12. Earlier application is permitted.
	This later-effective package changes linked IPSAS requirements, not the measurement bases already established by IPSAS 46.	

MSL BUSINESS SCHOOL

PART VI

Revenue, transfers and natural resources

Revenue with and without performance obligations, transfer expenses and natural resources.



IN THIS PART

Revenue	IPSAS 47
Transfer Expenses	IPSAS 48
Retirement Benefit Plans	IPSAS 49
Exploration for and Evaluation of Mineral Resources	IPSAS 50
Tangible Natural Resources Held for Conservation	IPSAS 51

IPSAS 47 Revenue

COMPARED WITH

IFRS 15, Revenue from Contracts with Customers, and IAS 20, Accounting for Government Grants and Disclosure of Government Assistance

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■■■□ Different	**Overall model**	
	IFRS 15 applies to contracts with customers; IAS 20 applies to government grants. IFRS has no single standard covering exchange and non-exchange revenue.	IPSAS 47 covers revenue transactions and first separates transactions with binding arrangements from those without binding arrangements.
	IFRS uses separate customer-contract and government-grant standards; IPSAS 47 uses one binding-arrangement framework.	
■■■□ Different	**Binding arrangement**	
	IFRS 15 requires an enforceable contract with a customer and focuses on enforceable rights and obligations.	A binding arrangement confers both enforceable rights and enforceable obligations on the parties and may arise from a contract or another enforceable mechanism.
	The IPSAS category is not restricted to contracts with customers.	
■■□□ Substantially the same	**With binding arrangement**	
	Apply the IFRS 15 model: identify the contract and performance obligations, determine and allocate the transaction price, and recognise revenue as performance obligations are satisfied.	Identify compliance obligations, determine and allocate transaction consideration, and recognise revenue as or when compliance obligations are satisfied.
	The allocation and revenue-recognition sequence is substantially aligned. IFRS 15 identifies performance obligations in contracts with customers, whereas IPSAS 47 identifies compliance obligations within the broader category of binding arrangements.	
■■■□ Different	**Without binding arrangement**	
	IFRS 15 does not apply. IAS 20 recognises grants when there is reasonable assurance of compliance and receipt, generally matching them with related costs.	Recognise an asset when control and recognition criteria are met; recognise revenue immediately unless another IPSAS requires a liability for an existing obligation.
	IAS 20 defers grant income and matches it with the related costs. IPSAS 47 recognises revenue when the asset is recognised unless another IPSAS requires a liability, so revenue is generally recognised earlier.	

MSL BUSINESS SCHOOL

IPSAS 47 Revenue

CONTINUED

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■■■□ Different	**Taxes** Income taxes received by government are outside the ordinary IFRS reporting model of most entities; IAS 12 addresses an entity's own income tax.	Recognise tax assets and revenue when the taxable event occurs and recognition criteria are met, subject to measurement and collectability requirements.
	IAS 12 addresses an entity's own income tax and does not provide for the recognition of tax revenue. IPSAS 47 recognises tax assets and revenue when the taxable event occurs and the recognition criteria are met.	
■■■□ Different	**Capital transfers** IFRS 15 or IAS 20 applies depending on the arrangement; IFRS contains no general capital-transfer category.	Account for capital transfers under the binding-arrangement model when enforceable compliance obligations exist; recognise revenue as those obligations are satisfied.
	IPSAS 47 contains a specific model for capital transfers within binding arrangements. IFRS has no equivalent capital-transfer category spanning customer contracts and government grants.	
■■■□ Different	**Present obligations** IFRS 15 contract liabilities arise from customer consideration before performance; IAS 20 deferred grant presentation follows its own model.	A transfer with enforceable obligations creates a liability; restrictions without enforceable obligations do not by themselves defer revenue.
	Enforceability determines whether revenue is deferred. A restriction on the use of a transfer that carries no enforceable obligation does not create a liability under IPSAS 47.	
■■■□ Different	**Presentation and disclosure** Disclose disaggregated revenue, contract balances, performance obligations and significant judgments under IFRS 15; IAS 20 requires separate grant disclosures.	Disclose revenue by transaction type, binding-arrangement balances, compliance obligations, significant judgments and information about taxes and transfers.
	The IPSAS disclosures cover revenue with and without binding arrangements in one standard.	

MSL BUSINESS SCHOOL

IPSAS 48 Transfer Expenses

COMPARED WITH

No direct IFRS equivalent

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■■■■ **No direct IFRS equivalent**	**Scope** IFRS has no general standard for transfers made without receiving directly equivalent value. Individual standards such as IAS 19, IAS 37 or IFRS 9 apply to specific transactions.	Applies to transfer expenses other than taxes and transactions covered by another IPSAS; excludes social benefits, employee benefits and public-sector combinations within their standards.
	IPSAS 48 establishes a general model for transfer expenses, whereas IFRS addresses relevant transactions through standards applicable to their nature. Social benefits, employee benefits and public-sector combinations remain within their respective standards.	
■■■□ **Different**	**Binding arrangement** No equivalent transfer-expense classification.	Determine whether the transfer arises from a binding arrangement containing enforceable rights and obligations.
	The applicable accounting model depends on whether enforceable rights and obligations exist; that assessment precedes recognition.	
■■■□ **Different**	**Without binding arrangement** Apply the relevant IFRS based on the nature of any asset, liability or expense.	Recognise a transfer expense when the entity loses control of the transferred resource, unless another asset is recognised.
	IPSAS 48 prescribes a recognition point for transfer expenses outside a binding arrangement: the expense is recognised when the transfer provider loses control of the transferred resource, unless another asset is recognised. IFRS contains no general equivalent requirement.	
■■■□ **Different**	**With binding arrangement** No general equivalent.	Recognise a transfer right asset when resources are transferred before the recipient satisfies its compliance obligations; recognise expense as the right is reduced when those obligations are satisfied.
	Resources transferred before the recipient satisfies its compliance obligations are recognised as an asset rather than an immediate expense; the related expense is recognised as those obligations are satisfied.	

MSL BUSINESS SCHOOL

IPSAS 48 Transfer Expenses

CONTINUED

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■■■□ Different	**Transfer obligation** No general equivalent.	When the entity has a present obligation to transfer resources, recognise a transfer obligation liability and expense according to the standard's requirements.
	A present obligation to transfer resources gives rise to a liability and corresponding expense before payment when the recognition criteria are met.	
■■■□ Different	**Measurement** No common IFRS transfer-expense basis.	Measure transfer rights and obligations using the transaction consideration allocated to compliance obligations, updated for satisfaction, impairment and changes as required.
	Transfer rights and obligations are measured using the transaction consideration allocated to compliance obligations and updated as those obligations are satisfied, impaired or otherwise changed.	
■■■□ Different	**Recipient non-performance** No general equivalent.	Assess whether enforceable rights to recover or withhold resources remain assets; recognise impairment or derecognition when recovery expectations or enforceability change.
	Continued asset recognition depends on whether enforceable rights to recover or withhold resources remain. A loss of enforceability results in impairment or derecognition, as applicable.	
■■■□ Different	**Relationship with IPSAS 47** IFRS has no paired provider/recipient model across non-exchange transfers.	IPSAS 48 accounts for the transfer provider's expense; IPSAS 47 accounts for the recipient's revenue. Similar terms do not guarantee identical timing because each party assesses its own rights and obligations.
	The provider and the recipient apply different standards to the same transfer and assess their own rights and obligations, so the expense and the revenue need not be recognised in the same period.	

MSL BUSINESS SCHOOL

IPSAS 49 Retirement Benefit Plans

COMPARED WITH

IAS 26, Accounting and Reporting by Retirement Benefit Plans

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■□□□ Same	**Reporting entity** Applies to the financial statements of a retirement benefit plan, whether defined contribution or defined benefit.	Applies to the general purpose financial statements of a retirement benefit plan; it does not account for the sponsoring employer's obligation.
■■■□ Different	**Defined contribution plans** Present a statement of net assets available for benefits and describe the funding policy. IPSAS 49 expressly recognises plan obligations on the face of the statement of financial position.	Present a statement of financial position that includes net assets available for benefits and any defined contribution retirement benefit obligations as a separate provision, together with the required funding information.
■■■□ Different	**Defined benefit obligation** The actuarial present value of promised retirement benefits may be shown in the financial statements, in the notes or in an accompanying actuarial report. IPSAS 49 requires recognition on the face of the statement; IAS 26 permits three presentation locations.	Recognise defined benefit retirement benefit obligations as a separate provision on the face of the statement of financial position.
■■■□ Different	**Salary basis** The actuarial present value may be based on current salary levels or projected salary levels, with the basis disclosed. IAS 26 permits current or projected salaries; IPSAS 49 requires projected salaries.	Measure the actuarial present value using projected salary levels.

MSL BUSINESS SCHOOL

IPSAS 49 Retirement Benefit Plans

CONTINUED

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■■■□ Different	**Cash flow statement** IAS 26 does not require a statement of cash flows as a plan-specific financial statement. IPSAS 49 requires a direct-method cash flow statement.	Present a statement of cash flows and report cash flows from operating activities using the direct method.
■■■□ Different	**Investments** Measure plan investments at fair value, except securities with a fixed redemption value acquired to match plan obligations, which may be measured on an ultimate redemption value basis. Different source of measurement requirements; both normally produce current-value information for plan investments.	Measure investments in accordance with the applicable IPSAS measurement requirements, including IPSAS 41 and IPSAS 46 as relevant.
■■■□ Different	**Definitions** Uses IAS 26 definitions of defined contribution plans, defined benefit plans, vested benefits and net assets available for benefits. IAS 26 and IPSAS 49 do not use identical definitions for all plan classifications and components. An IPSAS-reporting retirement benefit plan must therefore apply the definitions in IPSAS 49 when determining its classification, measurement and presentation.	Uses public-sector definitions, including defined benefit plan and net assets available for benefits, that are not identical to IAS 26.
■□□□ Same	**Relationship to employer accounting** IAS 26 does not replace IAS 19 accounting in the sponsor's financial statements.	IPSAS 49 does not replace IPSAS 39 accounting in the employer's financial statements.

MSL BUSINESS SCHOOL

IPSAS 50 Exploration for and Evaluation of Mineral Resources

COMPARED WITH

IFRS 6, Exploration for and Evaluation of Mineral Resources

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■□□□ Same	**Scope** Applies to exploration and evaluation expenditure incurred after the entity obtains legal rights to explore and before technical feasibility and commercial viability are demonstrable.	Applies to the same phase. The IPSASB explains that public-sector entities generally undertake the activity on a commercial basis; expenditure outside this phase is accounted for under another IPSAS.
■□□□ Same	**Accounting policy** Allows an entity to continue its existing exploration-and-evaluation policy, subject to specified relevance and reliability requirements, through a limited exemption from the IAS 8 hierarchy.	Allows the same limited policy continuity by exempting exploration-and-evaluation policies from the normal IPSAS 3 hierarchy requirements specified in IPSAS 50.
■□□□ Same	**Initial measurement** Measure exploration and evaluation assets at cost. The accounting policy determines which qualifying expenditures are recognised as assets.	Measure exploration and evaluation assets at cost. The accounting policy determines which qualifying expenditures are recognised as assets.
■■□□ Substantially the same	**Subsequent measurement** Choose the cost model or revaluation model consistently with the asset's tangible or intangible classification.	Choose historical cost or current value after initial recognition and apply the policy consistently according to whether the asset is tangible or intangible.

Both frameworks apply a cost or revaluation approach according to whether the exploration and evaluation asset is classified as tangible or intangible. IPSAS uses its historical cost and current value terminology and applies the relevant requirements of IPSAS 45 or IPSAS 31.

MSL BUSINESS SCHOOL

IPSAS 50 Exploration for and Evaluation of Mineral Resources

CONTINUED

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■□□□ Same	**Classification** Classify each asset as tangible or intangible according to its nature and apply the classification consistently.	Classify each asset as tangible or intangible according to its nature and apply the classification consistently.
■□□□ Same	**Reclassification** When technical feasibility and commercial viability become demonstrable, cease applying IFRS 6, test for impairment and reclassify the asset under the applicable IFRS.	When technical feasibility and commercial viability become demonstrable, cease applying IPSAS 50, test for impairment and reclassify the asset under the applicable IPSAS.
■■■□ Different	**Impairment** Test when specified facts and circumstances indicate possible impairment; measure under IAS 36. The impairment-testing unit may be an accounting-policy level no larger than an operating segment. IPSAS 50 uses IPSAS 26 only and sets the upper grouping boundary by reference to IPSAS 18.	Test when IPSAS 50's indicators arise and measure impairment under IPSAS 26. Allocate assets to cash-generating units or groups no larger than a segment determined under IPSAS 18.
■□□□ Same	**Disclosure** Disclose accounting policies, assets, liabilities, income and expense, and operating and investing cash flows arising from exploration and evaluation.	Disclose the corresponding accounting policies and amounts arising from exploration and evaluation.

MSL BUSINESS SCHOOL

IPSAS 51 Tangible Natural Resources Held for Conservation

COMPARED WITH

No direct IFRS equivalent

Later-effective requirement: IPSAS 51 is effective for annual periods beginning on or after 1 January 2028. Earlier application is permitted.

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■■■■ **No direct IFRS equivalent**	**Scope** IFRS has no standard dedicated to tangible natural resources held for conservation. IAS 2, IAS 16, IAS 40 or IAS 41 may apply according to the resource's use and the applicable definitions. No direct IFRS equivalent; IPSAS 51 creates a conservation-specific asset category.	Applies to a naturally occurring tangible resource that an entity manages to prevent its degradation and for which conservation is the primary reason for management. Resources within IPSAS 12, IPSAS 16, IPSAS 27, IPSAS 32, IPSAS 43, IPSAS 44, IPSAS 45 or IPSAS 50 are excluded.
■■■□ **Different**	**Recognition** Apply the recognition test in the IFRS that governs the asset; there is no conservation-specific recognition test. IPSAS 51 states a recognition test for conservation resources.	Recognise only when it is probable that service potential or economic benefits will flow to the entity, the entity controls the resource as a result of past events, and the resource can be measured reliably.
■■■□ **Different**	**Primary reason** No equivalent classification criterion.	Classify by the primary reason the entity manages the resource. A resource principally held for sale, agriculture, investment return or operational use remains within the relevant other IPSAS even if conservation is also pursued.

IPSAS 51 uses the entity's primary reason for managing the resource to determine whether the conservation standard applies. IFRS has no corresponding conservation-specific classification test.

MSL BUSINESS SCHOOL

IPSAS 51 Tangible Natural Resources Held for Conservation

CONTINUED

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■■■□ Different	**Initial measurement** Measurement depends on the applicable IFRS.	Measure an exchange acquisition at cost. For acquisition through a non-market event or non-exchange transaction, use deemed cost equal to current value; current value is current operational value under IPSAS 46.
	IPSAS 51 prescribes cost for exchange acquisitions and current operational value as deemed cost for non-market acquisitions.	
■■■□ Different	**Subsequent measurement** Measurement depends on the applicable IFRS and the resource's classification.	Choose the historical cost model or current value model for an entire class. Under the current value model, measure at current operational value; if that value can no longer be measured reliably, use historical cost.
	IPSAS 51 provides a conservation-specific policy choice and uses current operational value.	
■■■□ Different	**Revaluation movements** Depends on the applicable IFRS.	Offset current-value increases and decreases within the same class, but not between classes, and recognise the resulting amounts in accordance with IPSAS 51.
	IPSAS 51 permits increases and decreases to be offset within a class of conservation resources but not between classes, which constrains the netting available under the governing IFRS Standard.	
■■■□ Different	**Useful life and depreciation** Apply the useful-life and depreciation requirements of the IFRS Standard governing the resource.	Presume that the useful life is indefinite unless that presumption is rebutted. Do not depreciate an indefinite-life resource. Depreciate a finite-life resource over its useful life.
	IPSAS 51 begins with a rebuttable presumption that a qualifying conservation resource has an indefinite useful life. IFRS contains no corresponding conservation-specific presumption.	

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IPSAS 51 Tangible Natural Resources Held for Conservation

CONTINUED

KEY ■□□□ Same ■■□□ Substantially the same ■■■□ Different ■■■■ No direct IFRS equivalent

DIVERGENCE	IFRS REQUIREMENT	IPSAS REQUIREMENT
■■■□ Different	**Impairment** Apply the impairment requirements of the IFRS Standard governing the asset, commonly IAS 36.	Apply IPSAS 21. Review an indefinite-life resource annually for impairment indicators and test for impairment when an indicator exists.
	IPSAS 51 directs qualifying resources to the non-cash-generating impairment model in IPSAS 21. IFRS applies the impairment model of the standard governing the asset.	
■■■□ Different	**Presentation and disclosure** No conservation-specific presentation or disclosure package exists.	Present tangible natural resources held for conservation as a separate line item. Disclose information by class, including recognised carrying amounts and specified information about unrecognised resources.
	IPSAS requires separate presentation and disclosures for recognised and specified unrecognised conservation resources. IFRS has no equivalent conservation-specific requirements.	
■■■□ Later-effective AFTER 2027	**Before mandatory date** IPSAS 51 has no effect on IFRS reporting.	Unless IPSAS 51 is adopted early, continue to apply the IPSAS Standard that governs the resource and provide the disclosures required by IPSAS 3 for an issued standard that is not yet effective.
	IPSAS 51 is mandatory for annual periods beginning on or after 1 January 2028, with earlier application permitted.	

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TRACEABILITY

Superseded IPSAS Standards

Superseded titles are retained so that requirements applied in earlier financial statements and technical references can be traced to the current standards. They are not presented as separate current-standard comparisons. The surviving elective hedge-accounting requirements of IPSAS 29 are addressed in the IPSAS 29 comparison.

EARLIER IPSAS	CURRENT STATUS
IPSAS 6, Consolidated and Separate Financial Statements	Superseded by IPSAS 34 and IPSAS 35.
IPSAS 7, Investments in Associates	Superseded by IPSAS 36.
IPSAS 8, Interests in Joint Ventures	Superseded by IPSAS 37; related disclosure requirements are contained in IPSAS 38.
IPSAS 9, Revenue from Exchange Transactions	Superseded by IPSAS 47 for annual periods beginning on or after 1 January 2026.
IPSAS 11, Construction Contracts	Superseded by IPSAS 47 for annual periods beginning on or after 1 January 2026.
IPSAS 13, Leases	Superseded by IPSAS 43 for annual periods beginning on or after 1 January 2025.
IPSAS 15, Financial Instruments: Disclosure and Presentation	Superseded by IPSAS 28 and IPSAS 30.
IPSAS 17, Property, Plant, and Equipment	Superseded by IPSAS 45 for annual periods beginning on or after 1 January 2025.
IPSAS 23, Revenue from Non-Exchange Transactions (Taxes and Transfers)	Superseded by IPSAS 47 for annual periods beginning on or after 1 January 2026.
IPSAS 25, Employee Benefits	Superseded by IPSAS 39.
IPSAS 29, Financial Instruments: Recognition and Measurement	Its principal recognition and measurement requirements were replaced by IPSAS 41. An entity may elect to continue applying the surviving IPSAS 29 hedge-accounting requirements under IPSAS 41.

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THE OTHER FRAMEWORK

IFRS Accounting Standards without a direct IPSAS equivalent

The absence of a directly corresponding IPSAS Standard does not remove the need to account for the transaction. Under the IPSAS 3 accounting-policy hierarchy, an entity first considers applicable IPSAS requirements dealing with similar and related issues and the IPSASB Conceptual Framework. Relevant IFRS literature may then be considered to the extent that it does not conflict with those sources.

IFRS STANDARD	IPSAS POSITION
IFRS 2, Share-based Payment	No direct IPSAS equivalent. IPSAS 28 acknowledges share-based payment arrangements for presentation purposes, but IPSAS does not contain a recognition and measurement model equivalent to IFRS 2.
IAS 12, Income Taxes	No direct IPSAS equivalent. Many public-sector entities are exempt from income tax. Where an IPSAS-reporting entity is taxable, it applies an accounting policy determined under IPSAS 3 together with any applicable jurisdictional requirements.
IAS 33, Earnings per Share	No direct IPSAS equivalent. IAS 33 applies to entities whose ordinary shares or potential ordinary shares are publicly traded, and to entities that voluntarily present earnings per share.
IAS 34, Interim Financial Reporting	No direct IPSAS equivalent. A public-sector entity may publish interim financial reports, but IPSAS does not prescribe an interim-reporting model equivalent to IAS 34.
IFRS 14, Regulatory Deferral Accounts	No direct IPSAS equivalent. IFRS 14 remains an interim standard available only to qualifying first-time adopters until IFRS 20 becomes effective.
IFRS 17, Insurance Contracts	No direct IPSAS equivalent. Individual IPSAS scope provisions refer to an applicable international or national insurance accounting standard where a public-sector entity issues insurance contracts.
IFRS 19, Subsidiaries without Public Accountability: Disclosures	No direct IPSAS equivalent. IFRS 19 permits eligible subsidiaries without public accountability to apply the recognition and measurement requirements of other IFRS Accounting Standards with reduced disclosures.
IFRS 20, Regulatory Assets and Regulatory Liabilities	No direct IPSAS equivalent. IFRS 20 was issued in May 2026 and is effective for annual periods beginning on or after 1 January 2029, with earlier application permitted. It replaces IFRS 14 when applied.

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AFTER THE BASELINE

Requirements after the 2027 baseline

The following pronouncements become mandatory after the 2027 reporting baseline. The dates below assume that early application is not elected.

MANDATORY DATE	PRONOUNCEMENT	EFFECT
1 January 2028	IPSAS 33, First-time Adoption of Accrual Basis IPSAS Standards (revised 2025)	Replaces the 2015 version and revises the transition framework.
1 January 2028	Amendments to IPSAS Standards as a Result of the Application of IPSAS 46, Measurement	Amends measurement terminology and requirements in other IPSAS Standards, including the replacement of current replacement cost with current operational value in IPSAS 12.
1 January 2028	IPSAS 51, Tangible Natural Resources Held for Conservation	Introduces recognition, measurement, presentation and disclosure requirements for qualifying tangible natural resources held primarily for conservation.
1 January 2029	IFRS 20, Regulatory Assets and Regulatory Liabilities	Replaces IFRS 14 and establishes recognition, measurement, presentation and disclosure requirements for defined rate-regulated activities.

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PRINCIPAL SOURCES

International Public Sector Accounting Standards Board. 2026 Handbook of International Public Sector Accounting Standards Board Pronouncements.

IFRS Foundation. IFRS Accounting Standards and official pronouncements relevant to annual periods beginning on or after 1 January 2027.

International Public Sector Accounting Standards Board. Standards and Pronouncements, including official publications relating to IPSAS 45-51, revised IPSAS 33 and the amendments arising from the application of IPSAS 46.

IFRS Foundation. Official standard pages and announcements for IFRS 18, IFRS 19 and IFRS 20.

This guide uses a reporting baseline of annual periods beginning on or after 1 January 2027. Before applying it to a later reporting period, confirm whether either Board has issued amendments or new requirements and whether the relevant jurisdiction has adopted them.

PROFESSIONAL USE

Use of this guide

This publication provides a comparative reference to the requirements of IFRS Accounting Standards and accrual-basis IPSAS Standards. It should be read with the complete standards, applicable transitional provisions and any jurisdictional adoption requirements in force for the reporting period.

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