



Technical Advisory Group Issue Paper

AGENDA ITEM: TAGFG04-04
3 December 2024 – Virtual

Drafting changes following TAG FG03

Summary	This paper summarises the key changes being made to the Guidance in the Sections presented in draft to the September 2024 TAG meeting.
Purpose/Objective of the paper	<p>At the TAG meeting at the end of September 2024, drafts of the final guidance were provided for certain sections of INPAG. There were a number of discussion points for consideration. This paper sets out the key actions that have been taken or are proposed to be taken to address the discussion points raised.</p> <p>This paper gives early sight of proposed amendments and therefore is intended for information only. TAG members are encouraged to raise any points of principle for discussion and to provide the Secretariat with detailed drafting comments.</p>
Other supporting items	n/a
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Actions for this meeting	<u>Provide feedback on any matters of principle.</u>

Technical Advisory Group

Drafting changes following TAG FG03

1. Introduction

- 1.1 At the TAG meeting at the end of September 2024, drafts were provided with updated drafts of the following sections:
- Section 1 *NPOs*
 - Section 2 *Concepts and pervasive principles*
 - Section 9 *Consolidated and separate financial statements*
 - Section 11 *Financial instruments*
 - Section 13 *Inventories*
 - Section 21 *Provisions and contingencies*
 - Section 25 *Borrowing costs*
 - Section 26 *Share based payments*
 - Section 28 *Employee benefits*
 - Section 29 *Income Tax*
 - Section 31 *Hyperinflation*
 - Section 32 *Events after the end of the reporting period*
- 1.2 There were a number of discussion points for consideration, which have either now been addressed (Annex A) or are in the process of being addressed (Annex B).

2. Changes to the guidance

- 2.1 Changes are proposed to either the core text, Implementation Guidance or the Basis for Conclusions, as a consequence of the feedback from the TAG at its September 2024 meeting. The sections that have not been prioritised for review, may also have Application Guidance to assist in the understanding of the application of the core text for NPOs. Specific Implementation Guidance has not been developed for any of these sections, but where it exists in the *IFRS for SMEs Accounting Standard*, it has been updated as appropriate to align with other content in INPAG.
- 2.2 Annex A provides updated drafts or additional text following the feedback from TAG members. Annex B provides a list of the updates that are yet to be made. The paragraphs below set out any key points that the TAG should be

aware of in the updates to the drafting. These are provided on an exceptional basis only.

NPOs

- 2.3 A redraft of paragraphs G1.1 and G1.14 has been made following TAG discussion on these paragraphs. The amendments reflect TAG's advice that it is the distribution to private individuals that is important and not whether they are making a profit/surplus.
- 2.4 TAG also provided advice on which paragraphs should best discuss whether INPAG is intended for public sector entities. The Secretariat has therefore removed the references to public sector entities from the scope paragraph at G1.1 and instead added commentary at paragraph G1.14 to reflect that IPSAS have been developed for public sector entities – this text has been informed by the preface to the *IPSAS in Volume 1 of the IPSASB Handbook*.

Concepts and pervasive principles

Primary users

- 2.5 TAG members were of the view that users that have the rights to request specific information can also be primary users and should not be excluded from being primary users just on this basis and requested that paragraph G2.10 be amended to be clear that those users that requested special purpose financial information were also (except in the circumstances where they were requesting such information) primary users. The Secretariat has therefore made it clear that donors are not primary users when exercising their rights for special purpose financial information but when they are not, they are primary users.
- 2.6 TAG members also considered that references to the description for those users acting in their capacity as representatives of resource providers and goods and service users was overly long and therefore the Secretariat has made appropriate edits (following suggestions at the TAG meeting) to reduce the length of this description (see paragraphs G2.5 and G2.8 in Annex B).
- 2.7 The Secretariat would highlight that INPAG held a focus group on primary users and there was a breadth of opinion (eight out of nine attendees) who were of the view that government was a primary user). They indicated that this was the case where they are acting as regulators and as resource

providers. The Secretariat considers that this has been addressed by the amendments to paragraph G2.10.

Branches

- 2.8 TAG members also requested that the Secretariat consider whether the guidance on branches (where indicators were used to decide whether a branch was a reporting NPO) should be in the core guidance or in the Implementation Guidance. As a part of this review the Secretariat was invited to consider whether instead of indicators there might be factors to consider. The Secretariat considers that it is not usual to have specific detailed examples of transactions in the core guidance and therefore suggests that the guidance to assist NPOs on whether branches are reporting NPOs should be retained in Implementation Guidance and that the term factors is used instead of indicators.

Other edits

- 2.9 The Secretariat was also requested to consider the consistency of terminology for references to general purpose financial reports and general purpose financial statements and to ensure that there is appropriate signposting in the core guidance to additional guidance about the users of general purpose financial reports. The *IFRS for SMEs* Accounting Standard has been reviewed for plain language and Section 2 of INPAG will also need to be updated to reflect these changes the Secretariat is of the view that any changes for these requests would be better expedited after the updates have been made.
- 2.10 In addressing points raised on other Sections of INPAG relating to materiality, the Secretariat propose to enhance the guidance on materiality in Section 2. This will be based on the IASB's Practice Statement 2 *Making materiality judgements* and will be provided in a subsequent update to the TAG.

Financial instruments

- 2.11 In making the amendments to reflect the decisions on share based payment a potential inconsistency has been identified. In response to requests from respondents to ED2, Application Guidance was added to Section 11 to require users who may have share-based payments to use Section 26 of the *IFRS for SMEs* Accounting Standard. These requirements have been removed the core text of Section 26 and Section 28, with reliance instead on GP26 and G10.6.

For consistency the Secretariat has removed this Application Guidance and reflected the decision in an update to the Basis for Conclusions.

Inventories

- 2.12 TAG members requested that guidance on low value items be based on materiality. Draft guidance (which relies on enhanced guidance on materiality being provided in Section 2, *Concepts and pervasive principles*) is included in TAGFG04-01 *Revenue* earlier in this Agenda. The Secretariat propose to include this in the Implementation Guidance of Section 23, with a cross-reference being provided to Section 13.

Shared based payments

- 2.13 Following the discussion at the TAG meeting in September Section 26 has been completely removed. This allows NPOs to rely on the use of other accounting guidance should it be necessary in provisions about the use of other guidance in the Preface and paragraph G10.6. The Basis for Conclusions has been updated to reflect this position. A few minor updates have also been made to this Section.

Income tax

- 2.14 A TAG member raised the issue of the application of deferred tax to NPOs. TAG debated the issue and was of the view that it was likely to be dependent on the local regime and might be more relevant in certain jurisdictions. TAG requested that the Basis for Conclusions acknowledge that the use of Section 29 and the application of deferred tax specifications is dependent on the local tax regime, and so its use will be jurisdiction specific. The Secretariat has added a paragraph at BC29.4.

Events after the end of the reporting period

- 2.15 As per the advice from the TAG, the term "concluded" in the proposed new text on grant agreements within Section 32 is unclear and could lead to confusion. In response, the Secretariat has updated the reference in Section 32 regarding potential events after the reporting period, so that G32.7(c) refers to "significant new grant agreements signed" rather than "concluded", to better reflect the transaction.



3. Next steps

- 3.1 TAG members are encouraged to raise any matters of principle for discussion with other TAG members. Detailed feedback on the drafting is to be provided separately to the Secretariat and will be used to produce a final draft of each Section.

- 3.2 TAG members will next see the updated paragraphs in the full draft of the document that is planned to be circulated in April 2025. This draft will be used to collect final feedback ahead of the version that will be put forward for approval around the end of May, beginning of June 2025.

November 2024

Annex A - Amendments drafted

Nature of amendment	Original drafting	Updated drafting
<p>The purpose of the amendment is to clarify that entities for which INPAG is intended may generate profits and surpluses; however, these are not meant for distribution to private individuals for their benefit.</p> <p>The amendment removes the reference to public sector entities to focus exclusively on a characteristics-based approach to defining the scope.</p>	<p>G1.1 INPAG is intended for use by entities that do not operate for profits. It is not intended for government or public sector entities. Since there is no universal international financial reporting definition of an NPO in law or regulation, a broad characteristics approach has been used to identify the entities that are intended to be within the scope of INPAG. This section outlines the broad characteristics of NPOs, but ultimately the decision on which entities are required or permitted to use INPAG rests with the judgement of relevant authorities in individual jurisdictions.</p>	<p>G1.1 INPAG is intended for use by entities that do not operate for distribute the profits or surpluses that they generate to private individuals. It is not intended for government or public sector entities. Since there is no universal international financial reporting definition of an NPO in law or regulation, a broad characteristics approach has been used to identify the entities that are intended to be within the scope of INPAG. This section outlines the broad characteristics of NPOs, but ultimately the decision on which entities are required or permitted to use INPAG rests with the judgement of relevant authorities in individual jurisdictions.</p>
<p>The amendment to G1.14 aims to clarify the distinction between entities intended to use INPAG and those for which IPSAS is designed, based on the criteria outlined in the IPSASB Handbook.</p>	<p>G1.14 Government and public sector entities that operate for public benefit typically rely on funding through taxation, have budgets approved and overseen by a legislative body or equivalent, and exercise redistributive and regulatory powers using government authority. In accordance with G1.2, INPAG had not been developed for such government or public sector entities.</p>	<p>G1.14 Government and public sector entities typically meet all of the following criteria: they are responsible for delivering services that benefit the public and/or for redistributing income and wealth; they mainly fund their activities directly or indirectly by means of taxes, government transfers, social contributions, debt, and/or fees; and they do not have a primary objective of making profits. The IPSASs are specifically designed to apply to these types of entities.</p>



		<p>G1.14 Government and public sector entities that operate for public benefit typically rely on funding through taxation, have budgets approved and overseen by a legislative body or equivalent, and exercise redistributive and regulatory powers using government authority. In accordance with G1.2, INPAG had not been developed for such government or public sector entities.</p>
<p>Amendments to primary users to reflect the reporting needs of donors (see paragraph 2.5 in the body of the report).</p>	<p>G2.10 Users that have rights to demand information tailored to meet their particular information needs, are not considered to be primary users of general purpose financial reports. For example, some donors or other funders will have the authority to request special purpose financial reports as part of funding arrangements. Information tailored to a user's individual needs would not be included in general purpose financial reports.</p>	<p>G2.10 When Users that have exercise rights to demand information tailored to meet their particular information needs, they are not considered to be primary users of general purpose financial reports. For example, some donors or other funders will have the authority to request special purpose financial reports as part of funding arrangements. Information tailored to a user's individual needs would not be included in general purpose financial reports. However, donors and other funders will be primary users when they are not requesting such information.</p>
<p>Amendments to primary users (see paragraph 2.6 in the body of the report).</p>	<p>G2.5 The legislative body of a country, state or region (or similar) or members of parliaments or assemblies in a state or region (or similar bodies) will be primary users when acting in their capacity as representatives of the interests of resource providers and the public that depend on the goods and services provided by NPOs or on the activities that</p>	<p>G2.5 The legislative body of a country, state or region (or similar) or members of parliaments or assemblies in a state or region (or similar bodies) will be primary users when acting in their capacity as representatives of the interests of resource providers and the public that depend on the goods and services provided by NPOs or on the activities that</p>



	<p>they carry out. Therefore, for the purposes of INPAG the primary users of the NPO general purpose financial reports are existing and potential:</p> <ul style="list-style-type: none">a) resource providers – see paragraph G2.7;b) the public that depends on the goods and services provided by NPOs – see paragraph G2.8; andc) those acting in their capacity as representatives of the interests of resource providers and the public that depend on the goods and services provided by NPOs – see paragraph G2.9. <p>These primary users will be described as resource providers and the public that depend on the goods and services provided by NPOs.</p>	<p>they carry out. Therefore, for the purposes of INPAG the primary users of the NPO general purpose financial reports are existing and potential:</p> <ul style="list-style-type: none">a) resource providers – see paragraph G2.7;b) the public that depends on the goods and services provided by NPOs – see paragraph G2.8; andc) those acting in their capacity as representatives of the interests of resource providers and the public that depend on the goods and services provided by NPOs – see paragraph G2.9. <p>These primary users will be described as resource providers and the public that depend on the goods and services provided by NPOs.</p>
<p>Amendments to primary users (see paragraph 2.6 in the body of the report).</p>	<p>G2.8 Primary users also include those acting in their capacity as representatives of the interests of resource providers and the public that depend on the goods and services provided by NPOs or on the activities that they carry out. This will include individual elected representatives and public officials who have a duty to represent the interests of members of the public who are provided with services and goods by the NPO, or who benefit from its activities or who provide it with financial and other resources.</p>	<p>G2.8 Primary users also include those acting in their capacity as representatives of the interests of resource providers and the public that depend on the goods and services provided by NPOs or on the activities that they carry out. This will include individual elected representatives and public officials who have a duty to represent the interests of members of the public who are provided with services and goods by the NPO, or who benefit from its activities or who provide it with financial and other resources.</p>



<p>Review whether guidance on branches should be located in core guidance or Implementation Guidance (see paragraph 2.8).</p>	<p>IG2.24 The following are examples of indicators that an operational structure is an internal branch of an NPO and not a separate reporting entity. The operational structure:</p> <ul style="list-style-type: none">• is not a separate legal structure;• is not required to provide separate general purpose financial reports;• uses the name of the reporting NPO in its title, its letterheads, on its website or as a part of its publicity;• raises funds solely for the reporting NPO;• presents itself to the public as a local or other form of representative of the reporting NPO; and/or• receives financial and administrative support, instruction, and advice from the reporting NPO. <p>Note the list of indicators above is not exhaustive.</p> <p>IG2.25 Consideration of these indicators will require judgement. Displaying just one of the indicators may not mean that an organisation meets the definition of a branch, but in combination with another might lead the reporting NPO to decide that it is an internal branch.</p>	<p>IG2.24 <u>An NPO may consider the following factors to assist in its decisions about whether</u> The following are examples of indicators that an operational structure is an internal branch of an NPO and not a separate reporting entity. The operational structure:</p> <ul style="list-style-type: none">• is not a separate legal structure;• is not required to provide separate general purpose financial reports;• uses the name of the reporting NPO in its title, its letterheads, on its website or as a part of its publicity;• raises funds solely for the reporting NPO;• presents itself to the public as a local or other form of representative of the reporting NPO; and/or• receives financial and administrative support, instruction, and advice from the reporting NPO. <p>Note the list of indicators above is not exhaustive.</p> <p>IG2.25 Consideration of these indicators factors will require judgement. Displaying just one of the indicators factors may not mean that an organisation meets the definition of a branch, but in combination with another might lead the reporting NPO to decide that it is an internal branch.</p>
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<p>Update the Basis for Conclusions for Section 11 to reflect the removal of the Expected Credit Loss Model</p>	<p>BC11.6 Consideration was given to whether additional guidance on grant prepayment assets and grant payment liabilities as defined in Section 24 Part I <i>Expenses on grants and donations</i> was needed in this Section. The TAG was of the view that the guidance in Section 11 was sufficient. Its advice was to keep any necessary guidance within Section 24 Part I.</p> <p>BC11.7 Feedback from respondents to the Exposure Draft highlighted concerns about whether the requirements and the language of this section were too complex for NPOs. Specifically there were concerns about the use of the expected credit loss model. Since the Exposure Draft was published the IASB [decided¹ to withdraw the expected credit loss model from the Third edition of the <i>IFRS for SMEs</i> Accounting Standard and to simplify the requirements related to financial guarantee contracts]. These changes are expected to simplify the requirements.</p>	<p>BC11.6 Consideration was given to whether additional guidance on grant prepayment assets and grant payment liabilities as defined in Section 24 Part I <i>Expenses on grants and donations</i> was needed in this Section. The TAG members were was of the view that the guidance in Section 11 was sufficient. Its advice was to keep any necessary guidance within Section 24 Part I.</p> <p>BC11.7 Feedback from respondents to the Exposure Draft highlighted concerns about whether the requirements and the language of this section were too complex for NPOs. Specifically, there were concerns about the use of the expected credit loss model. Since the Exposure Draft was published the IASB has decided to withdraw the expected credit loss model from the Third edition of the <i>IFRS for SMEs</i> Accounting Standard. The disclosure of aged receivables has been included instead. The IASB also decided and to simplify the requirements related to financial guarantee contracts]. These changes are expected to simplify the requirements.</p>
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¹ A place holder based on the tentative decision as at 19 September 2024



<p>Update Section 11 materials to reflect the approach to share-based payments.</p>	<p>Scope (share-based payments)</p> <p>AG11.1 NPOs are not expected to have equity claims that are traded for their commercial value. As a consequence, share-based payments are not expected to be relevant. In the rare circumstances that an NPO has a financial instrument, contract or obligation that is a share-based payment, NPOs shall follow the requirements of Section 26 <i>Shared-based payment</i> in the Third edition of the <i>IFRS for SMEs Accounting Standard</i>.</p> <p>AG11.2 Should the guidance in AG11.1 not address a specific transaction, in line with GP.26 guidance should be sought initially from other IFRS accounting standards, before considering IPSAS and then guidance issued by national standard setters.</p> <p>BC11.5 To retain consistency with other INPAG sections references to share based payments were proposed to be removed from this Section. Respondents to the Exposure Draft agreed that it was appropriate to remove these references. However, they were concerned that in order to support consistency, guidance would be available in the rare situations where such transactions existed. As a result, application guidance has been added that</p>	<p>Scope (share-based payments)</p> <p>AG11.1 NPOs are not expected to have equity claims that are traded for their commercial value. As a consequence, share-based payments are not expected to be relevant. In the rare circumstances that an NPO has a financial instrument, contract or obligation that is a share-based payment, NPOs shall follow the requirements of Section 26 <i>Shared-based payment</i> in the Third edition of the <i>IFRS for SMEs Accounting Standard</i>.</p> <p>AG11.2 Should the guidance in AG11.1 not address a specific transaction, in line with GP.26 guidance should be sought initially from other IFRS accounting standards, before considering IPSAS and then guidance issued by national standard setters.</p> <p>BC11.5 To retain consistency with other INPAG sections references to share based payments were proposed to be removed from this Section. Respondents to the Exposure Draft agreed that it was appropriate to remove these references. However, they were concerned that in order to support consistency, guidance would be available in the rare situations where such transactions existed. As a result, application guidance has been added that directs INPAG</p>
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	<p>directs INPAG users to the Third edition of the <i>IFRS for SMEs</i> Accounting Standard and more generally to the use of other guidance in GP26.</p>	<p>users to the Third edition of the <i>IFRS for SMEs</i> Accounting Standard and more generally to the Consistent with the approach in other sections that make reference to share-based payment, TAG members were of the view that use should be made of other the guidance in GP26 and G10.6.</p>
<p>Update the Basis for Conclusions to explain the rationale for the removal of Section 26</p>	<p>BC26.4 An approach that removes references to employees would require some further consequential adjustments to reflect the role of equity for NPOs. This would affect paragraphs relating to vesting and ‘vesting conditions’</p> <p>BC26.5 Given the level of likelihood that an NPO has shares and the even lower likelihood that these shares are used to make share-based payments, there is a key question as to whether this Section is needed in INPAG.</p> <p>BC26.6 The TAG considered whether INPAG should include a Section on share based payment and debated whether in the incredibly rare circumstances where an NPO has share-based payments that INPAG should default to alternative guidance in accordance with paragraph GP25. The TAG was of the view that including a section on share-based payments could cause confusion given the stated characteristics of NPOs and the</p>	<p>BC26.4 An approach that removes references to employees would require some further consequential adjustments to reflect the role of equity for NPOs. This would affect paragraphs relating to vesting and ‘vesting conditions’</p> <p>BC26.54 Given the likelihood that an NPO has shares and the even lower likelihood that these shares are used to make share-based payments, there is a key question as to whether this Section a section on share-based payments is needed in INPAG.</p> <p>BC26.65 The TAG considered whether INPAG should include a Section on share based payment and debated whether in the incredibly rare circumstances where an NPO has share-based payments that INPAG should default to alternative guidance in accordance with paragraph GP256. The TAG was of the view that including a section on share-based payments could cause confusion</p>



	<p>expected role of equity and add unnecessary complexity to INPAG. Therefore, on balance, the TAG was of the view that the Section should be removed, as it is not likely to be needed.</p> <p>BC26.7 Respondents to ED2 agreed with the TAG that the Section 26 as drafted in the <i>IFRS for SMEs</i> Accounting Standard should be removed. Half of the respondents that provided feedback were, however, of the view that an alternative source of guidance should be included in INPAG to provide consistency. Specifically, there was a suggestion that NPOs be required to follow Section 26 of the <i>IFRS for SMEs</i> Accounting Standard where an NPO needs guidance on share-based payments.</p> <p>BC26.8 The INPAG Secretariat agreed that this could be useful. Other than the opening paragraph that explains the scope of the Section, the INPAG Secretariat has removed the guidance that was in Section 26 of the <i>IFRS for SMEs</i> Accounting Standard. This has been replaced with an explanation as to why full guidance is not provided and requires NPOs to follow Section 26 of the <i>IFRS for SMEs</i> Accounting Standard where it has such transactions.</p>	<p>given the stated characteristics of NPOs and the expected role of equity and add unnecessary complexity to INPAG. Therefore, on balance, the TAG was of the view that the Section should be removed, as it is not likely to be needed.</p> <p>BC26.76 Respondents to ED2 agreed with the TAG that the Section 26 as drafted in the <i>IFRS for SMEs</i> Accounting Standard should be removed. Half of the respondents that provided feedback were, however, of the view that an alternative source of guidance should be included in INPAG to provide consistency. Specifically, there was a suggestion that NPOs be required to follow Section 26 of the <i>IFRS for SMEs</i> Accounting Standard where an NPO needs guidance on share-based payments.</p> <p>BC26.7 The INPAG Secretariat agreed that this could be useful. Other than the opening paragraph that explains the scope of the Section, the INPAG Secretariat has removed the guidance that was in Section 26 of the <i>IFRS for SMEs</i> Accounting Standard. This has been replaced with an explanation as to why full guidance is not provided and requires NPOs to follow Section 26 of the <i>IFRS for SMEs</i> Accounting Standard where it has such transactions.</p>
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		<p>TAG members discussed the merits of including a specific section in INPAG for share-based payments with the requirement to use Section 26 of the <i>IFRS for SMEs Accounting Standard</i>. As reliance is being placed on the alternative guidance as per GP26 and G10.6 for these transactions, TAG members did not see there was any benefit to including a separate section. As a consequence, a separate section for share-based payments is not included in INPAG.</p>
Amend Section 28 to reflect the removal of Section 26	<p>G28.1 Employee benefits are all forms of consideration given by an NPO in exchange for service rendered by employees, including directors and management. Employee benefits covered by this section will be one of the following four types:</p> <p>(a) short-term employee benefits, which are employee benefits (other than termination benefits) that are wholly due within twelve months after the end of the period in which the employees render the related service;</p> <p>(b) post-employment benefits, which are employee benefits (other than termination benefits) that are payable after the completion of employment;</p>	<p>G28.1 Employee benefits are all forms of consideration given by an NPO in exchange for service rendered by employees, including directors and management. Employee benefits covered by this section will be one of the following four types:</p> <p>(a) short-term employee benefits, which are employee benefits (other than termination benefits) that are wholly due within twelve months after the end of the period in which the employees render the related service;</p> <p>(b) post-employment benefits, which are employee benefits (other than termination benefits) that are payable after the completion of employment;</p>



	<p>(c) other long-term employee benefits, which are employee benefits (other than post-employment benefits and termination benefits) that are not wholly due within twelve months after the end of the period in which the employees render the related service; and</p> <p>(d) termination benefits, which are employee benefits payable as a result of either:</p> <p>(i) an NPO's decision to terminate an employee's employment before the normal retirement date; or</p> <p>(ii) an employee's decision to accept an offer of benefits in exchange for the termination of employment.</p> <p>Exceptionally, where an NPO makes share-based payments to its employees, it shall follow the requirements of Section 26 <i>Share-based payments</i> of the <i>IFRS for SMEs</i> Accounting Standard.</p>	<p>(c) other long-term employee benefits, which are employee benefits (other than post-employment benefits and termination benefits) that are not wholly due within twelve months after the end of the period in which the employees render the related service; and</p> <p>(d) termination benefits, which are employee benefits payable as a result of either:</p> <p>(i) an NPO's decision to terminate an employee's employment before the normal retirement date; or</p> <p>(ii) an employee's decision to accept an offer of benefits in exchange for the termination of employment.</p> <p>Exceptionally, where an NPO makes share-based payments to its employees, it shall follow the requirements of Section 26 <i>Share-based payments</i> of the <i>IFRS for SMEs</i> Accounting Standard.</p>
<p>Amendments to reflect that income taxes and particularly deferred taxes will be dependent on the local regime.</p>	<p>NA.</p>	<p>BC29.4 The Technical Advisory Group debated whether deferred tax was a significant transaction for NPOs. It was recognised that income tax arrangements under Section 29 will depend on jurisdictional</p>



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		rules for taxation. Although in many jurisdictions deferred tax is unlikely to be a significant transaction it may still apply or may be more significant in some jurisdictions and therefore the deferred tax specifications in Section 29 have been retained.
Replace "concluded with "signed because "concluded" could be ambiguous, as it may refer to the end of discussions or negotiations, rather than the finalisation of the agreement.	G32.7 (c) significant new grant agreements concluded after the end of the reporting period.	G32.7 (c) significant new grant agreements signed concluded after the end of the reporting period.

Annex B – Amendments yet to be drafted

Section impacted	Nature of amendment
Preface	Review the ordering of the paragraphs, rather than amend the content to improve the flow of the Section.
Preface	Amend the Preface to explain the approach to the structure of INPAG and to assist in the navigation of INPAG materials including what is meant by 'review' of each section.
Preface	Make <i>IFRS for SMEs</i> the first reference point when INPAG does not address a transaction.
Section 1 - Implementation Guidance	Amend the drafting of the Implementation Guidance (paragraph IG1.13) to emphasise that it is the level of control exercised by the public sector, rather than the extent of government funding, that determines an entity's classification.
Section 1 – Core Guidance	Redraft paragraph G1.12 to clarify that membership organisations must provide a significant public benefit, either to society as a whole or to a specific section of society and contribute to societal interests beyond those of their members in order to be considered NPOs.
Section 1 – Core Guidance and Implementation Guidance	Relocate the indicators from the Implementation Guidance to the core guidance, as per the TAG advice these indicators represent new concepts and should not be introduced in the implementation guidance.
Section 1 – Implementation Guidance	Example 5 - remove content that is not used in the analysis.
Section 2 – Concepts and pervasive principles	Additional guidance on materiality
Section 9 – Consolidated and separate financial statements	Separate the application guidance from the core guidance.
Section 9 – Consolidated and separate financial statements	Update the rebuttable presumption once the text of the <i>IFRS for SMEs</i> Accounting Standard has been finalised.
Section 9 – Consolidated and separate financial statements	Remove the definition of controlling entity.
Section 13 – Inventories	Separate the application guidance from the core guidance.