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IFAC’S INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS BOARD ISSUES STANDARD ON REPORTING REVENUE FROM NON-EXCHANGE TRANSACTIONS

(New York/December 14, 2006) – The International Public Sector Accounting Standards Board (IPSASB) of the International Federation of Accountants (IFAC) has released a new standard on reporting revenue from non-exchange transactions. This new standard will contribute greatly to enhancing the transparency of financial reporting by governments and other public sector entities.

Taxes and transfers are the major source of revenue for most governments and other public sector entities. However, internationally agreed requirements for financial reporting of these revenues have not previously been developed.

IPSAS 23, *Revenue from Non-Exchange Transactions (Taxes and Transfers)*, addresses a range of matters critical to government financial reporting of tax revenue, including the basis on which a wide range of taxes should be recognized and measured. It also deals with the other major source of non-exchange revenue for public sector entities – transfers, which include grants from other governments and international organizations, gifts and donations. In addition, the IPSAS establishes requirements on how conditions and
restrictions on the use of transferred resources are to be reflected in the financial statements.

“IPSAS 23 is the culmination of four and a half years of intense work, debate and consultation by the IPSASB, which specifically solicited the input of experts in the field of governmental financial reporting throughout the world,” states Philippe Adhémar, IPSASB Chair. “This new standard also represents a major achievement for the IPSASB in addressing public sector specific issues at a global level and in establishing an international benchmark for the financial reporting of taxes and transfers. Compliance with IPSAS 23 will enhance the quality, comparability and transparency of financial reporting by public sector entities around the world.”

IPSAS 23 can be downloaded free-of-charge from the IFAC online bookstore: http://www.ifac.org/store. It will also be included in the 2007 edition of the Handbook of International Public Sector Pronouncements.

IFAC is the worldwide organization for the accountancy profession dedicated to serving the public interest by strengthening the profession and contributing to the development of strong international economies. IFAC is comprised of 155 members and associates in 118 countries, representing more than 2.5 million accountants in public practice, education, government service, industry and commerce. In addition to setting international public sector financial reporting standards through the IPSASB, IFAC, through its independent standard-setting boards, sets ethics, auditing and assurance, and education standards. It also issues guidance to encourage high quality performance by professional accountants in business.