



**FOR IMMEDIATE RELEASE**

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## **INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS BOARD MOVES CLOSER TO GLOBAL CONVERGENCE OF FINANCIAL REPORTING STANDARDS**

**(New York/April 23, 2009)** – The International Public Sector Accounting Standards Board (IPSASB) of the International Federation of Accountants (IFAC) is proposing new financial reporting requirements to assist public sector entities in accounting for financial instruments, such as derivatives, bonds, and loans. These proposed requirements are contained in three newly released exposure drafts (EDs): ED 37, [Financial Instruments: Presentation](#), ED 38, [Financial Instruments: Recognition and Measurement](#), and ED 39, [Financial Instruments: Disclosures](#).

“The unprecedented scale of governmental intervention in the financial sector makes it essential that global transparency and accountability is enhanced through consistent financial reporting of their exposures to financial instruments. Approval of these EDs is just the beginning of a process by which the IPSASB will develop guidance that addresses financial instruments for the public sector and, in doing so, to ultimately develop guidance that addresses further public sector-specific issues,” states Mike Hathorn, Chair of the IPSASB.

The EDs propose IPSASs that converge with the International Accounting Standards Board’s standards for financial instruments as at December 31, 2008, with limited changes, representing a significant step in the IPSASB’s global convergence program, scheduled for completion by December 31, 2009. As part of this program, International Public Sector Accounting Standards will substantially converge with International Financial Reporting Standards approved at December 31, 2008, with limited changes to ensure consistency with other IPSASs, while addressing specific public sector issues.

Additional application guidance has been included in each ED on two key public sector issues. These are provision by government of financial guarantees that are given at zero cost or below market price and, secondly, concessionary loans (loans at below market interest rates). Governments have been using financial guarantees, such as guaranteeing bank deposits and low interest rate loans to support private sector businesses during the current economic crisis. Similar arrangements were also used prior to the crisis, often to achieve social objectives, such as to provide housing assistance.

**How to Comment**

Comments on EDs 37–39 are requested by July 31, 2009. The EDs may be viewed by going to [www.ifac.org/EDs](http://www.ifac.org/EDs). Comments may be submitted by email to [EDComments@ifac.org](mailto:EDComments@ifac.org) and [stepheniefox@ifac.org](mailto:stepheniefox@ifac.org). They can also be faxed to the attention of the IPSASB Technical Director at +1 (416) 977-8585, or mailed to the IPSASB Technical Director at 277 Wellington Street West, 4th Floor, Toronto, Ontario M5V 3H2, Canada. All comments will be considered a matter of public record and will ultimately be posted on the IFAC website.

#### **About IFAC**

IFAC ([www.ifac.org](http://www.ifac.org)) is the global 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 158 members and associates in 123 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.

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