

public sector accounting handbook

highlight summary no. 51

November 2020

Financial statement concepts, Section PS 1000

This Section has been amended to allow for recognition of purchased intangibles in financial statements. The main features of the amendments include:

- Removal of the prohibition on recognition of purchased intangibles as assets; and
- Reference to new PUBLIC SECTOR GUIDELINE, PSG-8 Purchased Intangibles.

The amendments are effective for fiscal years beginning on or after April 1, 2023, with earlier application permitted. Retroactive or prospective application is allowed.

As a consequence of the amendments to Section PS 1000:

- editorial changes and clarifications have been made to other standards; and
- PURCHASED INTANGIBLES, PSG-8 has been issued.

Financial statement presentation, Section PS 1201

This Section has been amended to remove disclosure requirements for unrecognized purchased intangibles. These disclosures are irrelevant given amendments to Section PS 1000 allowing recognition of purchased intangibles in financial statements.

Purchased intangibles, PSG-8

This new Guideline explains the scope of the intangibles allowed to be recognized in financial statements given the removal of the recognition prohibition relating to purchased intangibles in Section PS 1000.

The main features of the new Guideline are:

- A definition of purchased intangibles.
- Examples of items that are not purchased intangibles.
- References to other guidance in the PSA Handbook on intangibles.
- Reference to the asset definition, general recognition criteria and the GAAP hierarchy for accounting for purchased intangibles.
- Retroactive or prospective application is permitted.

This Guideline applies to fiscal years beginning on or after April 1, 2023. Earlier adoption is permitted.

Financial statement presentation, archived Section PS 1200

This archived Section remains in effect for governments until April 1, 2022. Governments that early adopt recognition of purchased intangibles may still apply this Section. So, similar to Section PS 1201, this Section has been amended to remove disclosure requirements for unrecognized purchased intangibles. These disclosures are irrelevant given amendments to Section PS 1000 allowing recognition of purchased intangibles in financial statements.

Deferral of effective dates

The effective dates of the following standards have been deferred for governments from April 1, 2021, to April 1, 2022:

- FINANCIAL STATEMENT PRESENTATION, Section PS 1201
- FOREIGN CURRENCY TRANSLATION, Section PS 2601
- PORTFOLIO INVESTMENTS, Section PS 3041
- FINANCIAL INSTRUMENTS, Section PS 3450

The effective date of the following standard has been deferred from April 1, 2021, to April 1, 2022:

- ASSET RETIREMENT OBLIGATIONS, Section PS 3280

The effective date of the following standard has been deferred from April 1, 2022, to April 1, 2023:

- REVENUE, Section PS 3400

2019-2020 annual improvements

The following amendments have been made as a result of the 2019-2020 annual improvements:

- INTRODUCTION TO PUBLIC SECTOR ACCOUNTING STANDARDS, paragraph .33 has been added to clarify that early adoption of a new or amended standard also requires early adoption of all consequential

amendments related to that standard. Consequential amendments are not available for early adoption if the related amended standard has not been early adopted.

- Updating individual standards to reflect the requirement to disclose contractual rights in addition to contractual obligations.
- Updating individual standards to replace the term "contingency" with "contingent assets and contingent liabilities".

Archived Pronouncements

To give Handbook readers continued access to superseded paragraphs until such time as they are no longer applicable, supplements in Archived Pronouncements set out the wording of those paragraphs. The archived material will be withdrawn from the Handbook when it is no longer effective.

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