

# IPSASB Exposure Draft 92, “Tangible Natural Resources”

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## Extract, PSA Discussion Group Report on the Public Meeting – November 28, 2024

In October 2024, the IPSASB issued the [Exposure Draft 92, “Tangible Natural Resources,”](#) for public comment. This Exposure Draft proposes guidance on the recognition, measurement, display, and disclosure of tangible natural resources. The Exposure Draft is open for public comment through February 28, 2025.

The IPSASB concluded its global consultation phase, [Consultation Paper, “Natural Resources,”](#) to develop guidance addressing issues related to the recognition, measurement, presentation, and disclosure of natural resources. In the summer of 2022, PSAB consulted with Canadians to ensure Canadian-specific issues and perspectives informed PSAB’s [response](#) to the IPSASB’s paper. When it met on [November 16, 2023](#), the Group was presented with and discussed the IPSASB’s Consultation Paper.

The Group was asked to consider this session a roundtable on the IPSASB’s [Exposure Draft](#), addressing its specific matters for comment and the questions posed by IPSASB staff. The Group’s input will provide valuable Canadian perspectives to the IPSASB and inform PSAB’s response to the Exposure Draft.

- **Residual standard:** The proposed definition of tangible natural resources was purposely broad. The IPSASB suggests that most tangible natural resources would fall within the scope of existing IPSAS based on the primary intended use, such as IPSAS 12, *Inventories*; IPSAS 16, *Investment Property*; IPSAS 27, *Agriculture*; and IPSAS 45, *Property Plant, and Equipment*. Should a tangible natural resource not meet the recognition criteria of the other existing standards, the proposed standard in [Exposure Draft](#) would apply.
- **Acts of conservation:** [Exposure Draft](#) notes that tangible natural resources held for conservation are the most common example of tangible natural resources that may fall within the Exposure Draft’s scope.
- **Next phases:** At its future meetings, the IPSASB will explore non-financial reporting of natural resources. This may encompass other natural resources that do not fall within the [Exposure Draft’s](#) scope.

## Roundtable discussion of the IPSASB’s Exposure Draft

The Group noted that the demand from interested and affected parties for such guidance is growing and that there is an opportunity to develop standards to support how public sector entities manage and disclose information on their tangible natural resources.

Group members shared the following feedback:

- **Standalone standard:** The IPSASB considered whether concepts proposed in the [Exposure Draft](#) should be a standalone standard or embedded within other existing standards. Some Group members

noted that a standalone standard would bring more attention to natural resources. While a few Group members noted that embedding the guidance within other IPSAS may be less work, they believed the benefits of a standalone standard would be far more practical, for example, allowing for clear navigation of tangible natural resources throughout the IPSAS Handbook.

- **Scope of proposed standard:** The Group was unable to identify any other tangible natural resources aside from those held for conservation that would fall within the [Exposure Draft](#)'s scope. However, Group members supported the broader scope, noting that there may be tangible natural resources that could fall within scope in the future. The IPSASB staff indicated that consideration of other existing IPSAS is needed for such occurrences.
- **Measurement and valuation:** Group members shared concerns related to measurement and valuation involving tangible natural resources, like those expressed when discussing the IPSASB Consultation Paper. The [Exposure Draft](#) indicates that tangible natural resources held for conservation are the most common example of assets that may meet the recognition criteria. Group members noted the difficulty of valuing such resources and the continued issues involving control and ownership of such assets. The Exposure Draft proposes allowing for either the current value or historical cost for tangible natural resources held for conservation. The Group discussed the difficulties and implications of having a choice in measurement principles. Considering the need for professional judgment and the flexibility allowed by some principles in the Exposure Draft, the Group concluded that ensuring the completeness of information might also be challenging. It noted the continued struggle to apply measurement principles, and the responsibilities public sector entities may have measurement activities involving acts of conservation.
- **Usefulness of information:** Group members were asked to discuss if guidance proposed in the [Exposure Draft](#) would provide useful information. They noted that should PSAB propose a future project using the IPSASB's proposed tangible natural resources standard (as part of PSAB's [International Strategy](#)), it will need to consider the differences between IPSAS and PSAS.

A Group member also suggested that PSAB assess the implications for public sector entities in managing and disclosing information on tangible natural resources, ensuring that the adoption process is practical and beneficial for Canadian jurisdictions.