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**Conseil de normalisation
des comptes publics**

La Présidente

Paris, July 24, 2026

Mr Ross Smith
Program and technical director
International Public Sector Accounting Standards Board
International Federation of Accountants
70 York Street, Suite 710
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Ontario M5J 1S9 CANADA

Re: Response to Consultation Paper *Presentation of Financial Statements*

Dear Mr Smith,

The French Public Sector Accounting Standards Council (CNOCP) welcomes the opportunity to comment on the Consultation Paper *Presentation of Financial Statements* (the CP).

The CNoCP followed closely the Consultation Paper phase of the Presentation of Financial Statements project and commend the IPSASB for looking for ways to update IPSAS 1 that dates back to the early 2000s.

Overall, we agree with the IPSASB's preliminary views, especially those that propose to not include the notion of Other Comprehensive Income and the Management Performance Measures in the future standard.

However, we would like to caution the IPSASB that IFRS 18 has not been fully implemented yet, as the effective date is 1st of January 2027. Therefore, it could be premature to introduce new presentation requirements for the public sector that may prove a challenge to implement in the private sector, namely the categories in the statement of financial performance. We understand that the IFRS Interpretations Committee received questions with regards to classifying items of statement of financial performance into one or the other category.

There may be but one view that we would like to challenge further, that is the approach to organise the items in the statement of financial position, as the Board swiftly discarded the financial/non-financial approach to favour retaining the current/non-current approach. As some jurisdictions actually use the financial/non-financial presentation, we believe that it ought to be considered more extensively.

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We present detailed responses to the Preliminary Views and to the Specific Matter for Comments in the appendix. We chose to provide answers only to those questions for which we feel we have strong views to express.

Yours sincerely,

Marie-Christine LEPETIT

APPENDIX

Preliminary View 1—Chapter 1: Development of New Presentation Standard

The IPSASB's Preliminary View is that the development of a new IPSAS Standard to replace IPSAS 1, Presentation of Financial Statements *should consider IFRS 18* Presentation and Disclosure in Financial Statements*, with appropriate adaptations to reflect the objectives of financial reporting by public sector entities.*

Do you agree with the IPSASB's Preliminary View?

If not, please provide your reasons and clearly explain what you consider should be changed in the development approach.

We support updating IPSAS 1 and we acknowledge that the project is one of convergence towards the recently issued IFRS pronouncement IFRS 18.

However, we would like to bring to the attention of the Board the significant number of questions to the IFRS IC on the implementation of IFRS 18, meaning that that new pronouncement raises concerns amongst preparers in the private sector. A specific instance of concern is the application of the provisions on specified main operating activities (specified main business activities in IFRS 18), which may entail implementation issues. The IPSASB may want to consider slowing down the project, and more specifically the issuance of a final pronouncement, to benefit from a first feedback on IFRS 18 implementation in the private sector.

Preliminary View 2—Chapter 2: General Presentation Requirements

The IPSASB's Preliminary View is to continue providing definitions on financial statement elements (aligned with the IPSASB Conceptual Framework and IFRS 18) in the new IPSAS Standard, and to provide other definitions that support the understanding and application of presentation requirements.

Do you agree with the IPSASB's Preliminary View?

If not, please provide your reasons, and clearly explain what you consider should be changed from a public-sector perspective.

We agree on the introduction of the definitions from IFRS 18. We are more particularly attentive to the introduction of the definitions of aggregation and disaggregation

Given that further guidance is provided on aggregation/disaggregation that involves the use of judgment, as compared to IPSAS 1, we would recommend that an example of aggregation/disaggregation should be included in the project ED97, *Making Materiality Judgements*. We believe that adding an example on how to apply materiality in the context of aggregation/disaggregation would enhance the future IPSASB Practice Statement in that it would be up to speed with the revision of IPSAS 1 and helpful to users.

Preliminary View 3**—**Chapter 2: General Presentation Requirements

The IPSASB's Preliminary View is to retain the existing requirements regarding comparative information, and to add the requirement for an additional Statement of Financial Position at the beginning of the preceding period when previously reported information has been materially impacted by a restatement or reclassification into IPSAS Standards, aligned with IFRS 18 requirements.

Do you agree with the IPSASB's Preliminary View?

If not, please provide your reasons and clearly explain what you consider should be changed from a public-sector perspective.

Presentation requirements in terms of comparative information in public sector French GAAP are compliant with IPSAS 1.

So, we asked our constituents about the use of an additional Statement of Financial Position at the beginning of the preceding period when previously reported information has been materially impacted by a restatement or reclassification into IPSAS Standards.

Our constituents responded that the cost/benefit ratio isn't in favour of adding the requirement. They also claim that providing such comparative information is resource consuming and that they would rather the standard not include the proposed requirement.

Preliminary View 5**—**Chapter 3: Statement of Financial Position

The IPSASB's Preliminary View is to retain:

a) The current/non-current approach as the general approach for classifying assets and liabilities on the face of the Statement of Financial Position;

b) The order of liquidity approach as a permitted approach on an exception basis; and

c) The mixed approach, to allow some assets and liabilities to be presented using the current/non-current classification, and others are presented in order of liquidity.

Do you agree with the IPSASB's Preliminary View?

If not, please provide your reasons and clearly explain what you consider should be changed regarding the classification of assets and liabilities on the Statement of Financial Position.

We acknowledge that difficulties are likely to arise in reaching an international consensus on generally accepted definitions and criteria for financial and non-financial items.

However, we believe that the standard should mention the benefits of the financial/non-financial approach over the current/noncurrent approach in that the latter may not provide the most appropriate framework for financial planning in the public sector. The longevity of governments is indeed a specificity of the public sector and governments generally plan for longer than twelve months when assessing financial sustainability.

We would suggest that this mention be better positioned in AG paragraphs, else in the BCs, be it only to explain that it is not allowed in the financial statements, but that it could be presented in the management report along the lines of guidance in RPG 1, *Reporting on the Long-Term Sustainability of an Entity's Finances*.

Preliminary View 8—Chapter 4: Statement of Financial Performance

The IPSASB's Preliminary View is to present revenue and expense items recognized in surplus or deficit in categories on the Statement of Financial Performance. The categorization requirements are aligned with IFRS 18 requirements, with additional public sector guidance.

Do you agree with the IPSASB's Preliminary View?

If not, please provide your reasons and clearly explain what you consider should be changed (for example, if you prefer a specific public-sector specific categorization, such as those considered in paragraph 4.30, please explain why it would meet the criteria in paragraph 4.29).

We would agree on importing IFRS 18 requirements on the classification of revenue and expense items in surplus or deficit, but we are concerned that the new classification introduced in IPSAS 18 raises implementation questions in the private sector.

Therefore, we would suggest that the IPSASB should consider slowing down the project, and more specifically the issuance of a final pronouncement, to benefit from a first feedback on IFRS 18 implementation in the private sector.

Should slowing down the project not fit the project timetable and prove impracticable, then the IPSASB could ensure that guidance is provided under the draft Practice Statement on Making Materiality Judgments on how to apply materiality when classifying revenue and expense items in the surplus or deficit.

Preliminary View 11—Chapter 5: Statement of Changes in Net Assets/Equity

The IPSASB's Preliminary View is to maintain (1) requirements to present revenue and expense items recognized outside surplus or deficit directly in net assets/equity, on the Statement of Changes in Net Assets/Equity, and (2) requirements related to reclassification adjustments.

Do you agree with the IPSASB's Preliminary View, and are there additional enhancements to these IPSAS 1 requirements the IPSASB should consider (for example, whether to enhance disclosure requirements to help users better understand the nature and composition of material revenue and expense items recognized outside of surplus or deficit)?

If you do not agree, please provide your reasons and clearly explain what you consider should be changed.

Our constituents do not see the need to introduce a statement of Other Comprehensive Income in IPSASs as presentation within net equity is sufficient, all the more as further guidance will be provided to make those revenue and expense items outside of surplus or deficit more visible.

Preliminary View 15—Chapter 6: Disclosure of Information in the Notes

The IPSASB's Preliminary View is to not incorporate the IFRS 18 definition and disclosure requirements for management-defined performance measures (MPMs) into the IPSAS Standards.

Do you agree with the IPSASB's Preliminary View?

If not, please provide your reasons and clearly explain what you consider should be changed.

We agree that Management Performance Measures should not be introduced in IPSASs for now as our constituents have not raised the need to communicate on such aggregates in the financial statements.

Preliminary View 16—Chapter 6: Disclosure of Information in the Notes

The IPSASB's Preliminary View is to not include an amended IFRS 18 MPM concept for application in the public sector (thereby not introducing an amended version of the IFRS 18 MPM definition or disclosure requirements into the IPSAS Standards).

Do you agree with the IPSASB's Preliminary View?

If not, please:

a) *Provide your reasons, and provide specific examples of alternative performance measures that are defined by management and provided in public communications outside the financial statements; and*

b) *Clearly explain why there is a need for greater transparency of those measures that warrants new guidance in the IPSAS Standards.*

We agree that any concept of Management Performance Measures should not be introduced for now in IPSASs as our constituents have not raised the need to communicate on such aggregates in the financial statements.

With respect to PVs 4, 6,7, 9, 10, 12, 13 and 14 and SMC 1, we have no comment to report having liaised with our constituents.