

CHAPTER 8

Liabilities

8.2 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSET

8.2.1 Introduction

8.2.1.2 IPSAS 19 *Provisions, Contingent Liabilities and Contingent Assets* is based on IAS 37, and provides additional guidance for public sector bodies.

8.2.1.3 This section of the Code does not cover provisions, contingent liabilities and contingent assets in relation to:

- ~~those provisions and contingent liabilities arising from social benefits provided by an authority for which it does not receive consideration that is approximately equal to the value of goods and services provided, directly in return from the recipients of those benefits (other than through the normal accruals process)~~
- financial instruments (including financial guarantees) that are within the scope of Chapter 7
- those resulting from executory contracts, other than where the contract is onerous subject to other provisions of this paragraph, and
- where another section of the Code deals with a specific type of provision, contingent liability or contingent asset, instead an authority applies that section of the Code instead of this section; for example, income taxes (Appendix A, paragraph A.1.2), leases (Section 4.2), employee benefits (Chapter 6), insurance contracts (Appendix A, paragraph A.1.7) and contingent consideration of an acquirer in a business combination (see IFRS 3 *Business Combinations*).