GLOSSARY OF DEFINED TERMS

This Glossary contains all terms defined in the PBE Standards approved up to 31 January 2020. This document does not include terms defined in PBE IFRS 9 *Financial Instruments*.

Definitions

References are by Standard number and paragraph number. For example, PBE IPSAS 1.7 refers users to PBE IPSAS 1 *Presentation of Financial Reports* paragraph 7. References set out in brackets indicate a minor variation in wording.

Term	Definition	Location
12-month expected credit losses	The portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date.	PBE IPSAS 41.9
accounting policies	The specific principles, bases, conventions, rules, and practices applied by an entity in preparing and presenting financial statements.	PBE IPSAS 3.7
accounting profit	The surplus or deficit for a period before deducting tax expense.	PBE IAS 12.5
acquired operation	An operation that the acquirer gains control of in an acquisition.	PBE IPSAS 40.5
acquiree	The business or businesses that the acquirer obtains control of in a business combination.	PBE IFRS 3.2.4
acquirer	The entity that obtains control of the acquire.	PBE IFRS 3.2.4
acquirer	The entity that gains control of one or more operations in an acquisition.	PBE IPSAS 40.5
acquisition	A PBE combination in which one party to the combination gains control of one or more operations, and there is evidence that the combination is not an amalgamation.	PBE IPSAS 40.5
acquisition costs	The fixed and variable costs of acquiring new business, including commissions and similar distribution costs, and costs of accepting, issuing and initially recording policies. (Acquisition costs relate to the costs incurred in acquiring specific life insurance contracts during the reporting period. They do not include the general growth and development costs incurred by a life insurer.)	PBE IFRS 4.12.1
acquisition date	The date on which the acquirer obtains control of the acquiree.	PBE IFRS 3.2.4
acquisition date	The date on which the acquirer gains control of the acquired operation.	PBE IPSAS 40.5
active market	A market in which all the following conditions exist: (a) The items traded within the market are homogeneous; (b) Willing buyers and sellers can normally be found at any time; and (c) Prices are available to the public.	PBE IPSAS 21.14

Term	Definition	Location
actuarial gains and losses	The changes in the present value of the defined benefit obligation resulting from: (a) Experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred); and (b) The effects of changes in actuarial assumptions.	PBE IPSAS 39.8
agricultural activity	The management by an entity of the biological transformation and harvest of biological assets for: • Sale; • Distribution at no charge or for a nominal charge; or • Conversion into agricultural produce or into additional biological assets for sale or for distribution at no charge or for a nominal charge.	PBE IPSAS 27.9
agricultural produce	The harvested produce of the entity's biological assets.	PBE IPSAS 27.9
amalgamation	An amalgamation gives rise to a resulting entity and is either: (a) A PBE combination in which no party to the combination gains control of one or more operations; or (b) A PBE combination in which one party to the combination gains control of one or more operations, and in which there is evidence that the combination has the economic substance of an amalgamation.	PBE IPSAS 40.5
amalgamation date	The date on which the resulting entity obtains control of the combining operations.	PBE IPSAS 40.5
amortisation	The systematic allocation of the depreciable amount of an intangible asset over its useful life.	PBE IPSAS 31.16
amortised cost of a financial asset or financial liability	The amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.	PBE IPSAS 29.10
amortised cost of a financial asset or financial liability	The amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.	PBE IPSAS 41.9
asset ceiling	The present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.	PBE IPSAS 39.8
assets	Resources controlled by an entity as a result of past events and from which future economic benefits or service potential are expected to flow to the entity.	PBE IPSAS 1.7

Term	Definition	Location
assets held by a long-term employee benefit fund	Assets (other than non-transferable financial instruments issued by the reporting entity) that: (a) Are held by an entity (a fund) that is legally separate from the reporting entity and exists solely to pay or fund employee benefits; and (b) Are available to be used only to pay or fund employee benefits, are not available to the reporting entity's own creditors (even in bankruptcy), and cannot be returned to the reporting entity, unless either: (i) The remaining assets of the fund are sufficient to meet all the related employee benefit obligations of the plan or the reporting entity; or (ii) The assets are returned to the reporting entity to reimburse it for employee benefits already paid.	PBE IPSAS 39.8
associate	An entity over which the investor has significant influence.	PBE IPSAS 36.8
attachment date	The date for a direct insurer from which the insurer accepts risk from the insured under an insurance contract or endorsement or, for a reinsurer, the date from which the reinsurer accepts risk from the direct insurer or another reinsurer under a reinsurance arrangement.	PBE IFRS 4.12.1
available-for-sale financial assets	Those non-derivative financial assets that are designated as available for sale or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at fair value through surplus or deficit.	PBE IPSAS 29.10
bearer plant	A bearer plant is a living plant that: (a) Is used in the production or supply of agricultural produce: (b) Is expected to bear produce for more than one period: and (c) Has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales. (Paragraphs 9A–9C of PBE IPSAS 27 elaborate on this definition of a bearer plant.)	PBE IPSAS 17.13 PBE IPSAS 27.9
benefits	The advantages an entity obtains from its involvement with other entities. Benefits may be financial or non-financial. The actual impact of an entity's involvement with another entity can have positive or negative aspects.	PBE IPSAS 35.14
binding arrangement (for interests in other entities)	An arrangement that confers enforceable rights and obligations on the parties to it as if it were in the form of a contract. It includes rights from contracts or other legal rights.	PBE IPSAS 35.14 PBE IPSAS 36.8 PBE IPSAS 37.7 PBE IPSAS 38.7
binding arrangement (for a service concession arrangement)	Describes contracts and other arrangements that confer similar rights and obligations on the parties to it as if they were in the form of a contract.	PBE IPSAS 32.8
biological asset	A living animal or plant.	PBE IPSAS 27.9
biological transformation	Comprises the processes of growth, degeneration, production, and procreation that cause qualitative or quantitative changes in a biological asset.	PBE IPSAS 27.9

Term	Definition	Location
borrowing costs	Interest and other expenses incurred by an entity in connection with the borrowing of funds.	PBE IPSAS 5.5
business	An integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or other economic benefits directly to investors or other owners, members or participants. In the context of this Standard, "business" also includes an integrated set of activities that is capable of being conducted or managed for the primary objective of providing goods or services for community or social benefit, rather than a financial return to equity holders.	PBE IFRS 3.2.4
business combination	A transaction or other event in which an acquirer obtains control of one or more businesses. Transactions sometimes referred to as 'true mergers' or 'mergers of equals' are also business combinations as that term is used in this Standard.	PBE IFRS 3.2.4
carrying amount (of an intangible asset)	The amount at which an asset is recognised after deducting any accumulated amortisation and accumulated impairment losses.	PBE IPSAS 31.16
carrying amount (of investment property)	The amount at which an asset is recognised in the statement of financial position.	PBE IPSAS 16.7
carrying amount (of property, plant, and equipment)	The amount at which an asset is recognised after deducting any accumulated depreciation and accumulated impairment losses.	PBE IPSAS 17.13
carrying amount of a liability	The amount at which a liability is recognised in the statement of financial position.	PBE IPSAS 10.7
carrying amount of an asset	The amount at which an asset is recognised in the statement of financial position, after deducting any accumulated depreciation and accumulated impairment losses thereon.	PBE IPSAS 10.7
cash	Comprises cash on hand and demand deposits.	PBE IPSAS 2.8
cash equivalents	Short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.	PBE IPSAS 2.8
cash flows	Inflows and outflows of cash and cash equivalents.	PBE IPSAS 2.8
cash-generating assets	Assets held with the primary objective of generating a commercial return. For the purposes of impairment, goodwill is considered a cash-generating asset.	PBE IPSAS 21.14
cash-generating unit	The smallest identifiable group of assets held with the primary objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.	PBE IPSAS 26.13 PBE IFRS 5.5B.1
cedant	The policyholder under a reinsurance contract.	PBE IFRS 4.12.1
change in accounting estimate	An adjustment of the carrying amount of an asset or a liability, or the amount of the periodic consumption of an asset, that results from the assessment of the present status of, and expected future benefits and obligations associated with, assets and liabilities. Changes in accounting estimates result from new information or new	PBE IPSAS 3.7

Term	Definition	Location
	developments and, accordingly, are not correction of errors.	
claim	A demand by any party external to the entity for payment by the insurer on account of an alleged loss resulting from an insured event or events, that have occurred, alleged to be covered by insurance.	PBE IFRS 4.12.1
claims expense	The charge to surplus or deficit for the reporting period and represents the sum of claims settled and claims management expenses relating to claims incurred in the period and the movement in the gross outstanding claims liability in the period.	PBE IFRS 4.12.1
claims incurred	Claims that have occurred prior to the end of the reporting period; the claims could be reported or unreported at the end of the reporting period.	PBE IFRS 4.12.1
class of property, plant, and equipment	A grouping of assets of a similar nature or function in an entity's operations that is shown as a single item for the purpose of disclosure in the financial statements.	PBE IPSAS 17.13
close members of the family of an individual	Those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include: (a) That person's children and spouse or domestic partner; (b) Children of that person's spouse or domestic partner; and (c) Dependants of that person or that person's spouse or domestic partner.	PBE IPSAS 20.4.1
closing rate	The spot exchange rate at the reporting date.	PBE IPSAS 4.10
combining operation	An operation that combines with one or more other operations to form the resulting entity in an amalgamation.	PBE IPSAS 40.5
commencement of the lease term	The date from which the lessee is entitled to exercise its right to use the leased asset. It is the date of initial recognition of the lease (i.e., the recognition of the assets, liabilities, revenue, or expenses resulting from the lease, as appropriate).	PBE IPSAS 13.8
component of an entity	Operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the entity.	PBE IFRS 5.5B1
conditions on transferred assets	Stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.	PBE IPSAS 23.7
consolidated financial statements	The financial statements of an economic entity in which the assets, liabilities, net assets/equity, revenue, expenses and cash flows of the controlling entity and its controlled entities are presented as those of a single economic entity.	PBE IPSAS 34.6 PBE IPSAS 35.14 PBE IPSAS 36.8
construction contract	A contract, or a similar binding arrangement, specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology, and function or their ultimate purpose or use.	PBE IPSAS 11.4

Term	Definition	Location
constructive obligation	An obligation that derives from an entity's actions where: (a) By an established pattern of past practice, published policies, or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities; and (b) As a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.	PBE IPSAS 19.18
contingent asset	A possible asset that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.	PBE IPSAS 19.18
contingent consideration	Usually, an obligation of the acquirer to transfer additional assets or equity interests to the former owners of an acquiree as part of the exchange for control of the acquiree if specified future events occur or conditions are met. However, contingent consideration also may give the acquirer the right to the return of previously transferred consideration if specified conditions are met.	PBE IFRS 3.2.4
contingent consideration	Usually an obligation of the acquirer to transfer additional assets or equity interests to the former owners of an acquired operation as part of the exchange for control of the acquired operation if specified future events occur or conditions are met. However, contingent consideration also may give the acquirer the right to the return of previously transferred consideration if specified conditions are met.	PBE IPSAS 40.5
contingent liability	(a) A possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or (b) A present obligation that arises from past events, but is not recognised because: (i) It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or (ii) The amount of the obligation cannot be measured with sufficient reliability.	PBE IPSAS 19.18
contingent rent	That portion of the lease payments that is not fixed in amount, but is based on the future amount of a factor that changes other than with the passage of time (e.g., percentage of future sales, amount of future use, future price indices, future market rates of interest).	PBE IPSAS 13.8
contractor	An entity that performs construction work pursuant to a construction contract.	PBE IPSAS 11.4
contractual service margin	A component of the carrying amount of the asset or liability for a group of insurance contracts representing the unearned surplus the entity will recognise as it provides services under the insurance contracts in the group.	PBE IFRS 17.13.1

Term	Definition	Location
contributions from owners	Future economic benefits or service potential that has been contributed to the entity by parties external to the entity, other than those that result in liabilities of the entity, that establish a financial interest in the net assets/equity of the entity, which: (a) Conveys entitlement both to (i) distributions of future economic benefits or service potential by the entity during its life, such distributions being at the discretion of the owners or their representatives, and to (ii) distributions of any excess of assets over liabilities in the event of the entity being wound up; and/or (b) Can be sold, exchanged, transferred, or redeemed.	PBE IPSAS 1.7
control	An entity controls another entity when the entity is exposed, or has rights, to variable benefits from its involvement with the other entity and has the ability to affect the nature or amount of those benefits through its power over the other entity.	PBE IPSAS 2.8 PBE IPSAS 35.14
control of an asset	Arises when the entity can use or otherwise benefit from the asset in pursuit of its objectives, and can exclude or otherwise regulate the access of others to that benefit.	PBE IPSAS 23.7
controlled entity	An entity that is controlled by another entity.	PBE IPSAS 35.14
controlling entity	An entity that controls one or more entities.	PBE IPSAS 35.14
cost	The amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction.	PBE IPSAS 16.7
cost plus or cost-based contract	A construction contract in which the contractor is reimbursed for allowable or otherwise defined costs and, in the case of a commercially based contract, an additional percentage of these costs or a fixed fee, if any.	PBE IPSAS 11.4
costs of disposal	Incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.	PBE IPSAS 21.14
costs of disposal	Incremental costs directly attributable to the disposal of an asset (or disposal group), excluding finance costs and income tax expense.	PBE IFRS 5.5B.1
costs to sell	The incremental costs directly attributable to the disposal of an asset, excluding finance costs and income taxes. Disposal may occur through sale or through distribution at no charge or for a nominal charge.	PBE IPSAS 27.9
coverage period	For insurance contracts without direct participation features, the is the period during which the entity provides coverage for insured events. This period includes the coverage that relates to all premiums within the boundary of the insurance contract. For insurance contracts with direct participation features, the period during which the entity provides coverage for insured events or investment-related services. This period includes the coverage for insured events or investment-related services that relate~~s~~ to all premiums within the boundary of the insurance contract.	PBE IFRS 17.13.1

Term	Definition	Location
credit-adjusted effective interest rate	The rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial asset to the amortised cost of a financial asset that is a purchased or originated credit-impaired financial asset. When calculating the credit-adjusted effective interest rate, an entity shall estimate the expected cash flows by considering all contractual terms of the financial asset (for example, prepayment, extension, call and similar options) and expected credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see paragraphs AG156–AG158), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the remaining life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).	PBE IPSAS 41.9
credit-impaired financial asset	A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events: (a) Significant financial difficulty of the issuer or the borrower; (b) A breach of contract, such as a default or past due event; (c) The lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; (d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; (e) The disappearance of an active market for that financial asset because of financial difficulties; or (f) The purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses. It may not be possible to identify a single discrete event—instead, the combined effect of several events may have caused financial assets to become credit-impaired.	PBE IPSAS 41.9
credit loss	The difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). An entity shall estimate cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument. The cash flows that are	PBE IPSAS 41.9

Term	Definition	Location
	considered shall include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. There is a presumption that the expected life of a financial instrument can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the expected life of a financial instrument, the entity shall use the remaining contractual term of the financial instrument.	
credit risk	The risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.	PBE IPSAS 30.8
currency risk	The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.	PBE IPSAS 30.8
current asset	An entity shall classify an asset as a current asset when: (a) It expects to realise the asset, or intends to sell or consume it, in its normal operating cycle; (b) It holds the asset primarily for the purpose of trading it; (c) It expects to realise the asset within twelve months after the reporting period; or (d) The asset is cash or a cash equivalent (as defined in PBE IPSAS 2) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.	PBE IFRS 5.5B.1
current replacement cost	The cost the entity would incur to acquire the asset on the reporting date.	PBE IPSAS 12.9
current service cost	The increase in the present value of the defined benefit obligation resulting from employee service in the current period.	PBE IPSAS 39.8
current tax	The amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for a period.	PBE IAS 12.5
date of transition to PBE Standards	The beginning of the earliest period for which an entity presents full comparative information in its first set of financial statements under PBE Standards.	PBE FRS 46.9
date of transition to PBE Standards	The beginning of the earliest period for which an entity presents full comparative information in its first set of financial statements under PBE Standards; or The beginning of the current period for a Tier 2 not-for-profit entity that does not provide full comparative information in its first set of financial statements under PBE Standards.	PBE FRS 47.9
decision-maker	An entity with decision-making rights that is either a principal or an agent for other parties.	PBE IPSAS 35.14
deductible temporary differences	Temporary differences that will result in amounts that are deductible in determining taxable profit (tax loss) of future periods when the carrying amount of the asset or liability is recovered or settled.	PBE IAS 12.5

Term	Definition	Location
deemed cost	An amount used as a surrogate for cost or depreciated cost at a given date. Subsequent depreciation or amortisation assumes that the entity had initially recognised the asset or liability at the given date and that its cost was equal to the deemed cost.	PBE FRS 46.9 PBE FRS 47.9
deferred tax assets	The amounts of income taxes recoverable in future periods in respect of: (a) Deductible temporary differences; (b) The carryforward of unused tax losses; and (c) The carryforward of unused tax credits.	PBE IAS 12.5
deferred tax liabilities	The amounts of income taxes payable in future periods in respect of taxable temporary differences.	PBE IAS 12.5
deficit or surplus (of defined benefit liability (asset))	The deficit or surplus is: (a) The present value of the defined benefit obligation less (b) The fair value of plan assets (if any).	PBE IPSAS 39.8
defined benefit plans	Post-employment benefit plans other than defined contribution plans.	PBE IPSAS 39.8
defined contribution plans	Post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.	PBE IPSAS 39.8
deposit component	A contractual component that is not accounted for as a derivative under PBE IPSAS 28 and would be within the scope of PBE IPSAS 28 if it were a separate instrument.	PBE IFRS4.12.1
deposit premium	The premium charged by the insurer at the inception of a contract under which the final premium depends on conditions prevailing over the contract period and so is not determined until the expiry of that period. Direct insurance contract means an insurance contract that is not a reinsurance contract.	PBE IFRS 4.12.1
depreciable amount	The cost of an asset, or other amount substituted for cost, less its residual value.	PBE IPSAS 17.13
depreciation	The systematic allocation of the depreciable amount of an asset over its useful life.	PBE IPSAS 17.13
derecognition	The removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.	PBE IPSAS 29.10 PBE IPSAS 41.9
derivative	A financial instrument or other contract within the scope of [PBE IPSAS 29] (see paragraphs 2–6) with all three of the following characteristics: (a) Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the "underlying");	PBE IPSAS 29.10

Term	Definition	Location
	(b) It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors; and (c) It is settled at a future date.	
derivative	A financial instrument or other contract within the scope of this Standard with all three of the following characteristics. (a) Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying'). (b) It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors. (c) It is settled at a future date.	PBE IPSAS 41.9
development	The application of research findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices, products, processes, systems or services before the start of commercial production or use.	PBE IPSAS 31.16
discontinued operation	A discontinued operation is a component of an entity that either has been disposed of or is classified as held for sale and: (a) Represents a separate major activity or geographical area of operations, (b) Is part of a single co-ordinated plan to dispose of a separate major activity or geographical area of operations or (c) Is a controlled entity acquired exclusively with a view to resale.	PBE IFRS 5.5B.1
discretionary participation feature	A contractual right to receive, as a supplement to guaranteed benefits, additional benefits: (a) That are likely to be a significant portion of the total contractual benefits; (b) Whose amount or timing is contractually at the discretion of the issuer; and (c) That are contractually based on: (i) The performance of a specified pool of contracts or a specified type of contract; (ii) Realised and/or unrealised investment returns on a specified pool of assets held by the issuer; or (iii) The surplus or deficit of the company, fund or other entity that issues the contract.	PBE IFRS 4.12.1
disposal group	A group of assets to be disposed of, by sale or otherwise, together as a group in a single transaction, and liabilities directly associated with those assets that will be transferred	PBE IFRS 5.5B.1

Term	Definition	Location
	in the transaction. The group includes goodwill acquired in a PBE combination if the group is a **cash-generating unit** to which goodwill has been allocated or if it is an operation within such a cash-generating unit.	
distributions to owners	Future economic benefits or service potential distributed by the entity to all or some of its owners, either as a return on investment or as a return of investment.	PBE IPSAS 1.7
dividends or similar distributions	Distributions to holders of equity instruments in proportion to their holdings of a particular class of capital.	PBE IPSAS 41.9
economic entity	A controlling entity and its controlled entities.	PBE IPSAS 1.7 PBE IPSAS 35.14
economic life	Either: (a) The period over which an asset is expected to yield economic benefits or service potential to one or more users; or (b) The number of production or similar units expected to be obtained from the asset by one or more users.	PBE IPSAS 13.8
effective interest method	A method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest revenue or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (e.g., prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see PBE IPSAS 9 *Revenue from Exchange Transactions*), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to estimate reliably the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).	PBE IPSAS 29.10
effective interest method	The method that is used in the calculation of the amortised cost of a financial asset or a financial liability and in the allocation and recognition of the interest revenue or interest expense in surplus or deficit over the relevant period.	PBE IPSAS 41.9
effective interest rate	The rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, an entity shall estimate the expected cash flows by	PBE IPSAS 41.9

Term	Definition	Location
	considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but shall not consider the expected credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see paragraphs AG156–AG158 of PBE IPSAS 41), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).	
employee benefits	All forms of consideration given by an entity in exchange for service rendered by employees or for the termination of employment.	PBE IPSAS 39.8
entity-specific value	The present value of the cash flows an entity expects to arise from the continuing use of an asset and from its disposal at the end of its useful life or expects to incur when settling a liability.	PBE IPSAS 17.13
equity instrument	Any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.	PBE IPSAS 28.9
equity interests	For the purposes of PBE IFRS 3, is used broadly to mean ownership interests of investor-owned entities and owner, member or participant interests of mutual entities. In the context of this Standard "equity interests" may also mean ownership interests established by other mechanisms such as deed or statute.	PBE IFRS 3.2.4
equity interests	For the purposes of PBE IPSAS 40, is used broadly to mean ownership interests of investor-owned entities and owner, member or participant interests of mutual entities. In the context of this Standard equity interests may also mean ownership interests established by other mechanisms such as deed or statute.	PBE IPSAS 40.5
equity method (relating to investments in associates and joint ventures)	A method of accounting whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the investor's share of the investee's net assets/equity of the associate or joint venture. The investor's surplus or deficit includes its share of the investee's surplus or deficit and the investor's other comprehensive revenue and expense includes its share of the investee's other comprehensive revenue and expense.	PBE IPSAS 36.8
events after the reporting date	Those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified: (a) Those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and	PBE IPSAS 14.5

Term	Definition	Location
	(b) Those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).	
exchange difference	The difference resulting from translating a given number of units of one currency into another currency at different exchange rates.	PBE IPSAS 4.10
exchange rate	The ratio of exchange for two currencies.	PBE IPSAS 4.10
exchange transactions	Transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.	PBE IPSAS 9.11
executory contracts	Contracts under which neither party has performed any of its obligations, or both parties have partially performed their obligations to an equal extent.	PBE IPSAS 19.18
expected credit loss	The weighted average of credit losses with the respective risks of a default occurring as the weights.	PBE IPSAS 41.9
expenses	Decreases in economic benefits or service potential during the reporting period in the form of outflows or consumption of assets or incurrences of liabilities that result in decreases in net assets/equity, other than those relating to distributions to owners.	PBE IPSAS 1.7
expenses paid through the tax system	Amounts that are available to beneficiaries regardless of whether or not they pay taxes.	PBE IPSAS 23.7
experience adjustment	A difference between: (a) For premium receipts (and any related cash flows such as insurance acquisition cash flows and insurance premium taxes)—the estimate at the beginning of the period of the amounts expected in the period and the actual cash flows in the period; or (b) For insurance service expenses (excluding insurance acquisition expenses)—the estimate at the beginning of the period of the amounts expected to be incurred in the period and the actual amounts incurred in the period.	PBE IFRS 17.13.1
fair value	The amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.	PBE IPSAS 9.11 PBE IFRS 3.2.4 PBE IFRS 5.5B.1 PBE FRS 46.9 PBE FRS 47.9
fair value less costs to sell	The amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.	PBE IPSAS 21.14
finance lease	A lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred.	PBE IPSAS 13.8
financial asset	Any asset that is: (a) Cash; (b) An equity instrument of another entity;	PBE IPSAS 28.9

Term	Definition	Location
	(c) A contractual right: (i) To receive cash or another financial asset from another entity; or (ii) To exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or (d) A contract that will or may be settled in the entity's own equity instruments and is: (i) A non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or (ii) A derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose the entity's own equity instruments do not include puttable financial instruments classified as equity instruments in accordance with paragraphs 15 and 16, instruments that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation and are classified as equity instruments in accordance with paragraphs 17 and 18, or instruments that are contracts for the future receipt or delivery of the entity's own equity instruments.	
financial asset or financial liability at fair value through surplus or deficit	A financial asset or financial liability that meets any of the following conditions: (a) It is classified as held for trading. A financial asset or financial liability is held for trading if: (i) It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term; (ii) On initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-making; or (i) It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument). (aa) It is contingent consideration of an acquirer in a PBE combination to which PBE IPSAS 40 *PBE Combinations* applies. (b) Upon initial recognition it is designated by the entity as at fair value through surplus or deficit. An entity may use this designation only when permitted by paragraph 13 or when doing so results in more relevant information, because either; (i) It eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as "an accounting mismatch") that would otherwise arise from	PBE IPSAS 29.10

Term	Definition	Location
	measuring assets or liabilities or recognising the gains and losses on them on difference bases; or (ii) A group of financial assets, financial liabilities or both is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the entity's key management personnel (as defined in PBE IPSAS 20 *Related Party Disclosures*), for example the entity's governing body and chief executive officer.	
financial guarantee contract	A contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.	PBE IPSAS 29.10 PBE IPSAS 41.9
financial instrument	Any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity.	PBE IPSAS 28.9
financial liability	Any liability that is: (a) A contractual obligation: (i) To deliver cash or another financial asset to another entity; or (ii) To exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or (b) A contract that will or may be settled in the entity's own equity instruments and is: (i) A non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or (ii) A derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose the entity's own equity instruments do not include puttable financial instruments classified as equity instruments in accordance with paragraphs 15 and 16, instruments that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation and are classified as equity instruments in accordance with paragraphs 17 and 18, or instruments that are contracts for the future receipt or delivery of the entity's own equity instruments. As an exception, an instrument that meets the definition of a financial liability is classified as an equity instrument if it has all the features and meets the conditions in paragraph 15 and 16 or paragraphs 17 and 18.	PBE IPSAS 28.9

Term	Definition	Location
financial liability at fair value through surplus or deficit	A financial liability that meets one of the following conditions. (a) It meets the definition of held for trading. (b) Upon initial recognition it is designated by the entity as at fair value through surplus or deficit in accordance with paragraph 46 or 51. (c) It is designated either upon initial recognition or subsequently as at fair value through surplus or deficit in accordance with paragraph 152.	PBE IPSAS 41.9
financial risk	The risk of a possible future change in one or more of a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.	PBE IFRS 4.12.1
financial risk	The risk of a possible future change in one or more of a specified interest rate, financial instrument price, commodity price, currency exchange rate, index of prices or rates, credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.	PBE IFRS 17.13.1
financing activities	Activities that result in changes in the size and composition of the contributed capital and borrowings of the entity.	PBE IPSAS 2.8
fines	Economic benefits or service potential received or receivable by public sector entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.	PBE IPSAS 23.7
firm commitment	A binding agreement for the exchange of a specified quantity of resources at a specified price on a specified future date or dates.	PBE IPSAS 29.10 PBE IPSAS 41.9
firm purchase commitment	An agreement with an unrelated party, binding on both parties and usually legally enforceable, that (a) specifies all significant terms, including the price and timing of the transactions, and (b) includes a disincentive for non-performance that is sufficiently large to make performance highly probable.	PBE IFRS 5.5B.1
first reporting period under PBE Standards	The latest reporting period covered by an entity's first set of financial statements under PBE Standards.	PBE FRS 46.9 PBE FRS 47.9
first set of financial statements under PBE Standards	The first annual financial statements in which an entity applies PBE Standards.	PBE FRS 46.9
first set of financial statements under PBE Standards	The first annual financial statements in which an entity adopts PBE Standards.	PBE FRS 47.9
first set of financial statements under PBE Standards RDR	The first annual financial statements in which an entity adopts PBE Standards RDR.	PBE FRS 47.9
first-time adopter	An entity that presents its financial statements under PBE Standards for the first time.	PBE FRS 46.9 PBE FRS 47.9

Term	Definition	Location
fixed price contract	A construction contract in which the contractor agrees to a fixed contract price, or a fixed rate per unit of output, which in some cases is subject to cost escalation clauses.	PBE IPSAS 11.4
forecast transaction	An uncommitted but anticipated future transaction.	PBE IPSAS 29.10 PBE IPSAS 41.9
foreign currency	A currency other than the functional currency of the entity.	PBE IPSAS 4.10
foreign operation	An entity that is a controlled entity, associate, joint arrangement, or branch of a reporting entity, the activities of which are based or conducted in a country or currency other than those of the reporting entity.	PBE IPSAS 4.10
fulfilment cash flows	An explicit, unbiased and probability-weighted estimate (i.e., expected value) of the present value of the future cash outflows minus the present value of the future cash inflows that will arise as the entity fulfils insurance contracts, including a risk adjustment for non-financial risk.	PBE IFRS 17.13.1
full financial statements	The annual general purpose financial statements of an entity that are required to comply with all the requirements under PBE Standards.	PBE FRS 43.8.1
functional currency	The currency of the primary economic environment in which the entity operates.	PBE IPSAS 4.10
future claims	Claims in respect of insured events that are expected to occur in future reporting periods under policies where the attachment date is prior to the end of the reporting period.	PBE IFRS 4.12.1
general government sector	Comprises all organisational entities of the general government as defined in statistical bases of financial reporting	PBE IPSAS 22.15
general insurance contract	An insurance contract that is not a life insurance contract.	PBE IFRS 4.12.1
general insurer	An insurer that writes general insurance contracts.	PBE IFRS 4.12.1
general purpose financial statements	Statements provide to meet the information needs of external users who are unable to require, or contract for, the preparation of special reports to meet their specific information needs.	PBE FRS 43.8.1
general purpose prospective financial information	One or more future-oriented financial statements prepared for external users who are unable to require, or contract for, the preparation of special reports to meet their specific information needs.	PBE FRS 42.11.1
general purpose prospective financial statements	Future-oriented financial statements prepared for external users who are unable to require, or contract for, the preparation of special reports to meet their specific information needs.	PBE FRS 42.11.1
general reinsurance contract	A reinsurance contract that is not a life reinsurance contract.	PBE IFRS 4.12.1
goodwill	An asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognised.	PBE IFRS 3.2.4
goodwill	An asset representing the future economic benefits arising from other assets acquired in an acquisition that are not individually identified and separately recognised.	PBE IPSAS 40.5

Term	Definition	Location
grantor (in a service concession arrangement)	The entity that grants the right to use the service concession asset to the operator.	PBE IPSAS 32.8
gross carrying amount of a financial asset	The amortised cost of a financial asset, before adjusting for any loss allowance.	PBE IPSAS 41.9
gross investment in the lease	The aggregate of: (a) The minimum lease payments receivable by the lessor under a finance lease; and (b) Any unguaranteed residual value accruing to the lessor.	PBE IPSAS 13.8
group of biological assets	An aggregation of similar living animals or plants.	PBE IPSAS 27.9
group of insurance contracts	A set of insurance contracts resulting from the division of a portfolio of insurance contracts into, at a minimum, contracts written within a period of no longer than one year and that, at initial recognition: (a) Are onerous, if any; (b) Have no significant possibility of becoming onerous subsequently, if any; or (c) Do not fall into either (a) or (b), if any.	PBE IFRS 17.13.1
guaranteed benefits	Payments or other benefits to which a particular policyholder or investor has an unconditional right that is not subject to the contractual discretion of the issuer.	PBE IFRS 4.12.1
guaranteed element	An obligation to pay guaranteed benefits, included in a contract that contains a discretionary participation feature.	PBE IFRS 4.12.1
guaranteed residual value	(a) For a lessee, that part of the residual value that is guaranteed by the lessee or by a party related to the lessee (the amount of the guarantee being the maximum amount that could, in any event, become payable); and (b) For a lessor, that part of the residual value that is guaranteed by the lessee, or by a third party unrelated to the lessor, that is financially capable of discharging the obligations under the guarantee.	PBE IPSAS 13.8
harvest	The detachment of produce from a biological asset or the cessation of a biological asset's life processes.	PBE IPSAS 27.9
hedge effectiveness	The degree to which changes in the fair value or cash flows of the hedged item that are attributable to a hedged risk are offset by changes in the fair value or cash flows of the hedging instrument (see [PBE IPSAS 29] Appendix A paragraphs AG145–AG156).	PBE IPSAS 29.10
hedge ratio	The relationship between the quantity of the hedging instrument and the quantity of the hedged item in terms of their relative weighting.	PBE IPSAS 41.9

Term	Definition	Location
hedged item	An asset, liability, firm commitment, highly probable forecast transaction or net investment in a foreign operation that (a) exposes the entity to risk of changes in fair value or future cash flows and (b) is designated as being hedged ([PBE IPSAS 29] paragraphs 87–94 and Appendix A paragraphs AG131–AG141 elaborate on the definition of hedged items).	PBE IPSAS 29.10
hedging instrument	A designated derivative or (for a hedge of the risk of changes in foreign currency exchange rates only) a designated non-derivative financial asset or non-derivative financial liability whose fair value or cash flows are expected to offset changes in the fair value or cash flows of a designated hedged item ([PBE IPSAS 29] paragraphs 81–86 and Appendix A paragraphs AG127–AG130 elaborate on the definition of a hedging instrument).	PBE IPSAS 29.10
held for trading	A financial asset or financial liability that: (a) Is acquired or incurred principally for the purpose of selling or repurchasing it in the near term; (b) On initial recognition is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or (c) Is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).	PBE IPSAS 41.9
held-to-maturity investments	Non-derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity (see [PBE IPSAS 29] Appendix A paragraphs AG29–AG38) other than: (a) Those that the entity upon initial recognition designates as at fair value through surplus or deficit; (b) Those that the entity designates as available for sale; and (c) Those that meet the definition of loans and receivables. An entity shall not classify any financial assets as held to maturity if the entity has, during the current financial year or during the two preceding financial years, sold or reclassified more than an insignificant amount of held-to-maturity investments before maturity (more than insignificant in relation to the total amount of held-to-maturity investments) other than sales or reclassifications that: (a) Are so close to maturity or the financial asset's call date (e.g., less than three months before maturity) that changes in the market rate of interest would not have a significant effect on the financial asset's fair value; (b) Occur after the entity has collected substantially all of the financial asset's original principal through scheduled payments or prepayments; or	PBE IPSAS 29.10

Term	Definition	Location
	(c) Are attributable to an isolated event that is beyond the entity's control, is non-recurring and could not have been reasonably anticipated by the entity.	
highly probable	Significantly more likely than probable.	PBE IFRS 5.5B.1
identifiable	An asset is identifiable if it either: (a) Is separable, i.e., capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable asset or liability, regardless of whether the entity intends to do so; or (b) Arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.	PBE IFRS 3.2.4
impairment	A loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation.	PBE IPSAS 21.14
impairment gain or loss	A gain or loss recognised in surplus or deficit in accordance with paragraph 80 and that arises from applying the impairment requirements in paragraphs 73–93.	PBE IPSAS 41.9
impairment loss of a cash-generating asset	The amount by which the carrying amount of an asset exceeds its recoverable amount.	PBE IPSAS 17.13
impairment loss of a non-cash-generating asset	The amount by which the carrying amount of an asset exceeds its recoverable service amount.	PBE IPSAS 17.13
impracticable (1)	Applying a requirement is impracticable when the entity cannot apply it after making every reasonable effort to do so.	PBE IPSAS 1.7
impracticable (2)	Applying a requirement is impracticable when the entity cannot apply it after making every reasonable effort to do so. For a particular prior period, it is impracticable to apply a change in an accounting policy retrospectively or to make a retrospective restatement to correct an error if: (a) The effects of the retrospective application or retrospective restatement are not determinable; (b) The retrospective application or retrospective restatement requires assumptions about what management's intent would have been in that period; or (c) The retrospective application or retrospective restatement requires significant estimates of amounts and it is impossible to distinguish objectively information about those estimates that: (i) Provides evidence of circumstances that existed on the date(s) as at which those amounts are to be recognised, measured, or disclosed; and	PBE IPSAS 3.7

Term	Definition	Location
	(ii) Would have been available when the financial statements for that prior period were authorised for issue; from other information.	
inception of the lease	The earlier of the date of the lease agreement and the date of commitment by the parties to the principal provisions of the lease. As at this date: (a) A lease is classified as either an operating or a finance lease; and (b) In the case of a finance lease, the amounts to be recognised at the commencement of the lease term are determined.	PBE IPSAS 13.8
identifiable	An asset is identifiable if it either: (a) Is separable, i.e., is capable of being separated or divided from the entity and sold, transferred, licensed, rented, or exchanged, either individually or together with a related binding arrangement, identifiable asset or liability, regardless of whether the entity intends to do so; or (b) Arises from binding arrangements (including rights from contracts or other legal rights), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.	PBE IPSAS 40.5
initial direct costs	Incremental costs that are directly attributable to negotiating and arranging a lease, except for such costs incurred by manufacturer or trader lessors.	PBE IPSAS 13.8
insurance acquisition cash flows	Cash flows arising from the costs of selling, underwriting and starting a group of insurance contracts that are directly attributable to the portfolio of insurance contracts to which the group belongs. Such cash flows include cash flows that are not directly attributable to individual contracts or groups of insurance contracts within the portfolio.	PBE IFRS 17.13.1
insurance asset	An insurer's net contractual rights under an insurance contract.	PBE IFRS 4.12.1
insurance contract	A contract under which one party (the insurer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder.	PBE IFRS 4.12.1 [PBE IFRS 17.13.1]
insurance contract with direct participation features	An insurance contract for which, at inception: (a) The contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items; (b) The entity expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and (c) The entity expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.	PBE IFRS 17.13.1

Term	Definition	Location
insurance contract without direct participation features	An insurance contract that is not an insurance contract with direct participation features.	PBE IFRS 17.13.1
insurance liability	An insurer's net contractual obligations under an insurance contract.	PBE IFRS 4.12.1
insurance risk	Risk, other than financial risk, transferred from the holder of a contract to the issuer.	PBE IFRS 4.12.1 PBE IFRS 17.13.1
insured event	An uncertain future event that is covered by an insurance contract and creates insurance risk.	PBE IFRS 4.12.1
insured event	An uncertain future event covered by an insurance contract that creates insurance risk.	PBE IFRS 17.1
insurer	The party that has an obligation under an insurance contract to compensate a policyholder if an insured event occurs.	PBE IFRS 4.12.1
intangible asset	An identifiable non-monetary asset without physical substance.	PBE IPSAS 31.16 PBE IFRS 3.2.4
interest in another entity (for interests in other entities)	Refers to involvement by way of binding arrangements or otherwise that exposes an entity to variability of benefits from the performance of the other entity. An interest in another entity can be evidenced by, but is not limited to, the holding of equity or debt instruments as well as other forms of involvement such as the provision of funding, liquidity support, credit enhancement and guarantees. It includes the means by which an entity has control or joint control of, or significant influence over, another entity. An entity does not necessarily have an interest in another entity solely because of a typical funder/recipient or customer/supplier relationship.	PBE IPSAS 38.7
interest rate implicit in the lease	The discount rate that, at the inception of the lease, causes the aggregate present value of: (a) The minimum lease payments; and (b) The unguaranteed residual value to be equal to the sum of (i) the fair value of the leased asset, and (ii) any initial direct costs of the lessor.	PBE IPSAS 13.8
interest rate risk	The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.	PBE IPSAS 30.8
interim period	A financial reporting period shorter than a full financial year.	PBE IAS 34.4
interim financial report	A financial report for an interim period containing either the information required in a complete financial report (as described in PBE IPSAS 1 *Presentation of Financial Reports*) or a condensed financial report (as described in this Standard) for an interim period.	PBE IAS 34.4
inventories	Assets: (a) In the form of materials or supplies to be consumed in the production process; (b) In the form of materials or supplies to be consumed or distributed in the rendering of services;	PBE IPSAS 12.9

Term	Definition	Location
	(c) Held for sale or distribution in the ordinary course of operations; or (d) In the process of production for sale or distribution.	
investing activities	The acquisition and disposal of long-term assets and other investments not included in cash equivalents.	PBE IPSAS 2.8
investment component	The amounts that an insurance contract requires the entity to repay to a policyholder even if an insured event does not occur.	PBE IFRS 17.13.1
investment contract with discretionary participation features	A financial instrument that provides a particular investor with the contractual right to receive, as a supplement to an amount not subject to the discretion of the issuer, additional amounts: (a) That are expected to be a significant portion of the total contractual benefits; (b) The timing or amount of which are contractually at the discretion of the issuer; and (c) That are contractually based on: (i) The returns on a specified pool of contracts or a specified type of contract; (ii) Realised and/or unrealised investment returns on a specified pool of assets held by the issuer; or (iii) The surplus or deficit of the entity or fund that issues the contract.	PBE IFRS 17.13.1
investment entity	An entity that: (a) Obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services; (b) Has the purpose of investing funds solely for returns from capital appreciation, investment revenue, or both; and (c) Measures and evaluates the performance of substantially all of its investments on a fair value basis.	PBE IPSAS 35.14
investment-linked	Where the benefit amount under a life insurance contract or life investment contract is directly linked to the market value of the investments held in the particular investment-linked fund.	PBE IFRS 4.12.1
investment property	Property (land or a building – or part of a building – or both) held to earn rentals or for capital appreciation, or both, rather than for: (a) Use in the production or supply of goods or services, or for administrative purposes; or (b) Sale in the ordinary course of operations.	PBE IPSAS 16.7
inwards reinsurance	Reinsurance contracts written by reinsurers.	PBE IFRS 4.12.1
joint arrangement	An arrangement of which two or more parties have joint control.	PBE IPSAS 36.8 PBE IPSAS 37.7

Term	Definition	Location
joint control	The agreed sharing of control of an arrangement by way of a binding arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.	PBE IPSAS 36.8 PBE IPSAS 37.7
joint operation	A joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.	PBE IPSAS 37.7
joint operator	A party to a joint operation that has joint control of that joint operation.	PBE IPSAS 37.7
joint venture	A joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.	PBE IPSAS 36.8 PBE IPSAS 37.7
joint venturer	A party to a joint venture that has joint control of that joint venture.	PBE IPSAS 36.8 PBE IPSAS 37.7
key management personnel	(a) All directors or members of the governing body of the entity; and (b) Other persons having the authority and responsibility for planning, directing and controlling the activities of the reporting entity. Where they meet this requirement, key management personnel include: (i) Where there is a member of the governing body of a whole-of-government entity who has the authority and responsibility for planning, directing, and controlling the activities of the reporting entity, that member; (ii) Any key advisors of that member; and (iii) Unless already included in (a), the senior management group of the reporting entity, including the chief executive or permanent head of the reporting entity.	PBE IPSAS 20.4
lease	An agreement whereby the lessor conveys to the lessee, in return for a payment or series of payments, the right to use an asset for an agreed period of time.	PBE IPSAS 13.8
lease term	The non-cancellable period for which the lessee has contracted to lease the asset, together with any further terms for which the lessee has the option to continue to lease the asset, with or without further payment, when at the inception of the lease it is reasonably certain that the lessee will exercise the option.	PBE IPSAS 13.8
legal obligation	An obligation that derives from: (a) A contract (through its explicit or implicit terms); (b) Legislation; or (c) Other operation of law.	PBE IPSAS 19.18
lessee's incremental borrowing rate of interest	The rate of interest the lessee would have to pay on a similar lease or, if that is not determinable, the rate that, at the inception of the lease, the lessee would incur to borrow over a similar term, and with a similar security, the funds necessary to purchase the asset.	PBE IPSAS 13.8

Term	Definition	Location
liabilities	Present obligations of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits or service potential.	PBE IPSAS 1.7
liability adequacy test	An assessment of whether the carrying amount of an insurance liability needs to be increased (or the carrying amount of related deferred acquisition costs or related intangible assets decreased), based on a review of future cash flows.	PBE IFRS 4.12.1
liability for incurred claims	An entity's obligation to investigate and pay valid claims for insured events that have already occurred, including events that have occurred but for which claims have not been reported, and other incurred insurance expenses.	PBE IFRS 17.13.1
liability for remaining coverage	An entity's obligation to investigate and pay valid claims under existing insurance contracts for insured events that have not yet occurred (i.e., the obligation that relates to the unexpired portion of the coverage period).	PBE IFRS 17.13.1
life insurance business	All life insurance contract and life investment contract business conducted by a life insurer.	PBE IFRS 4.12.1
life insurance contract	An insurance contract, or a financial instrument with a discretionary participation feature, issued by a life insurer.	PBE IFRS 4.12.1
life insurance liability	A life insurer's net contractual obligations under a life insurance contract.	PBE IFRS 4.12.1
life insurer	An entity operating under the Life Insurance Act 1908 and similar entities operating outside New Zealand.	PBE IFRS 4.12.1
life investment contract	A contract which is not an insurance contract but is issued by life insurers, and gives rise to a financial asset and financial liability (as defined by PBE IPSAS 29). An investment contract cannot be a contract exempted from the definition of an insurance contract as found in paragraph 4 of this Standard.	PBE IFRS 4.12.1
life investment liability	A life insurer's net contractual obligations under a life investment contract which arise under the financial instrument component of a life investment contract.	PBE IFRS 4.12.1
life investment liability	A life insurer's net contractual obligations under a life investment contract which arise under the financial instrument component of a life investment contract.	PBE IFRS 4.12.1
life reinsurance contract	A life insurance contract issued by one insurer (the reinsurer) to compensate another insurer (the cedant) for losses on one or more contracts issued by the cedant.	PBE IFRS 4.12.1
lifetime expected credit losses	The expected credit losses that result from all possible default events over the expected life of a financial instrument.	PBE IPSAS 41.9
liquidity risk	The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.	PBE IPSAS 30.8

Term	Definition	Location
loans and receivables	Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than: (a) Those that the entity intends to sell immediately or in the near term, which shall be classified as held for trading, and those that the entity upon initial recognition designates as at fair value through surplus or deficit; (b) Those that the entity upon initial recognition designates as available for sale; or (c) Those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration, which shall be classified as available for sale.	PBE IPSAS 29.10
loans payable	Financial liabilities, other than short-term trade payables on normal credit terms.	PBE IPSAS 30.8
local authority reorganisation	In the context of PBE IFRS 3 means: (a) The union of districts or regions; or (b) The constitution of a new district or region, including the constitution of a new local authority for that district or region; or (c) The abolition of a district or region, including the dissolution or abolition of the local authority for that district or region; or (d) The alteration of boundaries of any district or region; or (e) The transfer of a statutory obligation from one local authority to another; or (f) A proposal that a territorial authority assume the power of a regional council where assets and liabilities are transferred to a local authority from another local authority at no cost, or for nominal consideration, pursuant to legislation, ministerial directive or other externally imposed requirement.	PBE IFRS 3.2.4
loss allowance	The allowance for expected credit losses on financial assets measured in accordance with paragraph 40 and lease receivables, the accumulated impairment amount for financial assets measured in accordance with paragraph 41 and the provision for expected credit losses on loan commitments and financial guarantee contracts.	PBE IPSAS 41.9
market risk	The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk, and other price risk.	PBE IPSAS 30.8
material	Omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements or service performance information. Materiality depends on the nature and size of the omission or misstatement judged in the surrounding circumstances.	PBE IPSAS 1.7

Term	Definition	Location
	The nature or size of the item, or a combination of both, could be the determining factor.	
minimum lease payments	The payments over the lease term that the lessee is, or can be, required to make, excluding contingent rent, costs for services and, where appropriate, taxes to be paid by and reimbursed to the lessor, together with: (a) For a lessee, any amounts guaranteed by the lessee or by a party related to the lessee; or (b) For a lessor, any residual value guaranteed to the lessor by: (i) The lessee; (ii) A party related to the lessee; or (iii) An independent third party unrelated to the lessor that is financially capable of discharging the obligations under the guarantee. However, if the lessee has an option to purchase the asset at a price that is expected to be sufficiently lower than the fair value at the date the option becomes exercisable for it to be reasonably certain, at the inception of the lease, that the option will be exercised, the minimum lease payments comprise the minimum payments payable over the lease term to the expected date of exercise of this purchase option and the payment required to exercise it.	PBE IPSAS 13.8
modification gain or loss	The amount arising from adjusting the gross carrying amount of a financial asset to reflect the renegotiated or modified contractual cash flows. The entity recalculates the gross carrying amount of a financial asset as the present value of the estimated future cash payments or receipts through the expected life of the renegotiated or modified financial asset that are discounted at the financial asset's original effective interest rate (or the original credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets) or, when applicable, the revised effective interest rate calculated in accordance with paragraph 139. When estimating the expected cash flows of a financial asset, an entity shall consider all contractual terms of the financial asset (for example, prepayment, call and similar options) but shall not consider the expected credit losses, unless the financial asset is a purchased or originated credit-impaired financial asset, in which case an entity shall also consider the initial expected credit losses that were considered when calculating the original credit-adjusted effective interest rate.	PBE IPSAS 41.9
monetary items	Units of currency held and assets and liabilities to be received or paid in a fixed or determinable number of units of currency.	PBE IPSAS 4.10
multi-employer plans	Defined contribution plans (other than state plans) or defined benefit plans (other than state plans) that: (a) Pool the assets contributed by various entities that are not under common control; and (b) Use those assets to provide benefits to employees of more than one entity, on the basis that contribution	PBE IPSAS 39.8

Term	Definition	Location
	and benefit levels are determined without regard to the identity of the entity that employs the employees.	
mutual entity	An entity, other than an investor-owned entity, that provides dividends, lower costs or other economic benefits directly to its owners, members or participants. For example, a mutual insurance company, a credit union and a co-operative entity are all mutual entities.	PBE IFRS 3.2.4 PBE IPSAS 40.5
net assets/equity	The residual interest in the assets of the entity after deducting all its liabilities.	PBE IPSAS 1.7
net claims incurred	Direct claims costs net of reinsurance and other recoveries, and indirect claims handling costs, determined on a discounted basis.	PBE IFRS 4.12.1
net defined benefit liability (asset)	The deficit or surplus, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling.	PBE IPSAS 39.8
net investment in a foreign operation	The amount of the reporting entity's interest in the net assets/equity of that operation.	PBE IPSAS 4.10
net investment in the lease	The gross investment in the lease discounted at the interest rate implicit in the lease.	PBE IPSAS 13.8
net realisable value	The estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.	PBE IPSAS 12.9
non-cancellable lease	A lease that is cancellable only: (a) Upon the occurrence of some remote contingency; (b) With the permission of the lessor; (c) If the lessee enters into a new lease for the same or an equivalent asset with the same lessor; or (d) Upon payment by the lessee of such an additional amount that, at inception of the lease, continuation of the lease is reasonably certain.	PBE IPSAS 13.8
non-cash-generating assets	Assets other than cash-generating assets.	PBE IPSAS 21.14
non-controlling interest	The net assets/equity in a controlled entity not attributable, directly or indirectly, to a controlling entity.	PBE IPSAS 35.14 PBE IFRS 3.2.4
non-current asset	An asset that does not meet the definition of a current asset.	PBE IFRS 5.5B.1
non-exchange transactions	Transactions that are not exchange transactions. In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.	PBE IPSAS 9.11
net interest on the net defined benefit liability (asset)	The change during the period in the net defined benefit liability (asset) that arises from the passage of time.	PBE IPSAS 39.8
non-investment-linked business	Life insurance business other than investment-linked business.	PBE IFRS 4.12.1
non-monetary items	Items that are not monetary items.	PBE IPSAS 10.7

Term	Definition	Location
not-for-profit public benefit entities (NFP PBEs)	Are reporting entities that are public benefit entities but that are not public sector public benefit entities.	XRB A1
non-performance risk	The risk that an entity will not fulfil an obligation. Non-performance risk includes, but may not be limited to, the entity's own credit risk.	PBE IFRS 17.13.1
notes	Contain information in addition to that presented in the statement of financial position, statement of financial performance, statement of changes in net assets/equity, cash flow statement and service performance information. Notes provide narrative descriptions or disaggregations of items disclosed in those statements and information about items that do not qualify for recognition in those statements.	PBE IPSAS 1.7
NZ IFRS	Standards and Interpretations issued by the External Reporting Board (XRB) or the New Zealand Accounting Standards Board of the XRB comprising: (a) New Zealand equivalents to: (i) International Financial Reporting Standards; (ii) International Accounting Standards; (iii) IFRIC Interpretations; and (iv) SIC Interpretations; and (b) Domestic Financial Reporting Standards.	PBE FRS 46.9 PBE FRS 47.9
NZ IFRS RDR	NZ IFRS with disclosure concessions for Tier 2 public benefit entities.	PBE FRS 46.9 PBE FRS 47.9
obligating event	An event that creates a legal or constructive obligation that results in an entity having no realistic alternative to settling that obligation.	PBE IPSAS 19.18
onerous contract	A contract for the exchange of assets or services in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits or service potential expected to be received under it.	PBE IPSAS 19.18
opening statement of financial position	An entity's statement of financial position at the date of transition to PBE Standards.	PBE FRS 46.9 PBE FRS 47.9
operating activities	The activities of the entity that are not investing or financing activities.	PBE IPSAS 2.8
operating lease	A lease other than a finance lease.	PBE IPSAS 13.8
operation	An integrated set of activities and related assets and/or liabilities that is capable of being conducted and managed for the purpose of achieving an entity's objectives, by providing goods and/or services for community or social benefit, rather than a financial return to equity holders. In the context of this Standard, "operation" also includes an integrated set of activities that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or other economic benefits directly to investors or other owners, members or participants.	PBE IPSAS 40.5

Term	Definition	Location
operator (in a service concession arrangement)	The entity that uses the service concession asset to provide public services subject to the grantor's control of the asset.	PBE IPSAS 32.8
other comprehensive revenue and expense	Items of revenue and expense (including reclassification adjustments) that are not recognised in surplus or deficit as required or permitted by other PBE Standards.	PBE IPSAS 1.7
other long-term employee benefits	All employee benefits other than short-term employee benefits, post-employment benefits and termination benefits.	PBE IPSAS 39.8
other price risk	The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.	PBE IPSAS 30.8
outstanding claims liability	All unpaid claims and related claims handling expenses relating to claims incurred prior to the end of the reporting period.	PBE IFRS 4.12.1
oversight	The supervision of the activities of an entity, with the authority and responsibility to control, or exercise significant influence over, the financial and operating decisions of the entity.	PBE IPSAS 20.4
owners	For the purposes of PBE IFRS 3 is used broadly to include holders of equity interests of investor-owned entities and owners or members of, or participants in, mutual entities.	PBE IFRS 3.2.4
owners	For the purposes of PBE IPSAS 40, owners is used broadly to include those with an equity interest. This includes, but is not limited to, those with an equity interest in investor-owned entities and owners or members of, or participants in, mutual entities.	PBE IPSAS 40.5
owner-occupied property	Property held (by the owner or by the lessee under a finance lease) for use in the production or supply of goods or services, or for administrative purposes.	PBE IPSAS 16.7
party to a joint arrangement	An entity that participates in a joint arrangement, regardless of whether that entity has joint control of the arrangement.	PBE IPSAS 37.7
past due	A financial asset is past due when a counterparty has failed to make a payment when contractually due.	PBE IPSAS 30.8
past due	A financial asset is past due when a counterparty has failed to make a payment when that payment was contractually due.	PBE IPSAS 41.9
past service cost	The change in the present value of the defined benefit obligation for employee service in prior periods, resulting from a plan amendment (the introduction or withdrawal of, or changes to, a defined benefit plan) or a curtailment (a significant reduction by the entity in the number of employees covered by a plan).	PBE IPSAS 39.8

Term	Definition	Location
plan assets (of an employee benefit plan)	Comprise: (a) Assets held by a long-term employee benefit fund; and (b) Qualifying insurance policies.	PBE IPSAS 39.8
policyholder	A party that has a right to compensation under an insurance contract if an insured event occurs.	PBE IFRS 4.12.1 PBE IFRS 17.13.1
policy liability	A liability that arises under a life insurance contract or a life investment contract including any asset or liability arising in respect of the management services element of a life investment contract.	PBE IFRS 4.12.1
portfolio of insurance contracts	Insurance contracts subject to similar risks and managed together.	PBE IFRS 17.13.1
post-employment benefit plans	Formal or informal arrangements under which an entity provides post-employment benefits for one or more employees.	PBE IPSAS 39.8
post-employment benefits	Employee benefits (other than termination benefits and short-term employee benefits) that are payable after the completion of employment.	PBE IPSAS 39.8
power	Existing rights that give the current ability to direct the relevant activities of another entity.	PBE IPSAS 35.14
premium	The amount charged in relation to accepting risk from the insured, but does not include amounts collected on behalf of third parties.	PBE IFRS 4.12.1
present value of a defined benefit obligation	The present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.	PBE IPSAS 39.8
presentation currency	The currency in which the financial statements are presented.	PBE IPSAS 4.10
previous GAAP	The basis of accounting that a first-time adopted used immediately before adopting PBE Standards.	PBE FRS 47.9
prior period errors	Omissions from, and misstatements in, the entity's financial statements for one or more prior periods arising from a failure to use, or a misuse of, faithfully representative information that: (a) Was available when financial statements for those periods were authorised for issue; and (b) Could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements. Such errors include the effects of mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretations of facts, and fraud.	PBE IPSAS 3.7
probable	More likely than not.	PBE IFRS 5.5B.1

Term	Definition	Location
property, plant and equipment	Tangible items that: (a) Are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and (b) Are expected to be used during more than one reporting period.	PBE IPSAS 17.13
prospective application	Prospective application of a change in accounting policy and of recognising the effect of a change in an accounting estimate, respectively, are: (a) Applying the new accounting policy to transactions, other events and conditions occurring after the date as at which the policy is changed; and (b) Recognising the effect of the change in the accounting estimate in the current and future periods affected by the change	PBE IPSAS 3.7
protective rights	Rights designed to protect the interest of the party holding those rights without giving that party power over the entity to which those rights relate.	PBE IPSAS 35.14
provision	A liability of uncertain timing or amount.	PBE IPSAS 9.18
public benefit entities	Reporting entities whose primary objective is to provide goods or services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for a financial return to equity holders.	XRB A1 PBE IPSAS 40.5
public benefit entity (PBE) combination	The bringing together of separate operations into one public benefit entity.	PBE IPSAS 40.5
PBE combination under common control	A PBE combination in which all of the entities or operations involved are ultimately controlled by the same entity both before and after the PBE combination.	PBE IPSAS 40.5
Public Benefit Entity Standards (PBE Standards)	Public Benefit Entity Standards (PBE Standards) are standards issued by the External Reporting Board (XRB) or the New Zealand Accounting Standards Board of the XRB comprising: (a) Public Benefit Entity International Public Sector Accounting Standards; (b) Public Benefit Entity International Financial Reporting Standards, including Public Benefit Entity International Accounting Standards; and (c) Public Benefit Entity Financial Reporting Standards.	PBE IPSAS 1.7 PBE IPSAS 3.7 PBE FRS 46.9 PBE FRS 47.9
PBE Standards Reduced Disclosure Regime (PBE Standards RDR)	Comprises PBE Standards with disclosure concessions for Tier 2 public benefit entities.	PBE IPSAS 1.7 PBE FRS 46.9 PBE FRS 47.9
public sector public benefit entities (public sector PBEs)	Are public benefit entities that are public benefit entities as defined in the Public Audit Act 2001, and all Offices of Parliament.	XRB A1
purchased or originated credit-impaired financial asset	A purchased or originated credit-impaired financial asset is credit-impaired on initial recognition.	PBE IPSAS 41.9

Term	Definition	Location
puttable instrument	A financial instrument that gives the holder the right to put the instrument back to the issuer for cash or another financial asset or is automatically put back to the issuer on the occurrence of an uncertain future event or the death or retirement of the instrument holder.	PBE IPSAS 28.9
qualifying asset	An asset that necessarily takes a substantial period of time to get ready for its intended use or sale.	PBE IPSAS 5.5
qualifying insurance policy	An insurance policy[1] issued by an insurer that is not a related party (as defined in PBE IPSAS 20) of the reporting entity, if the proceeds of the policy: (a) Can be used only to pay or fund employee benefits under a defined benefit plan; and (b) Are not available to the reporting entity's own creditors (even in bankruptcy) and cannot be paid to the reporting entity, unless either: (i) The proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or (ii) The proceeds are returned to the reporting entity to reimburse it for employee benefits already paid.	PBE IPSAS 39.8
reclassification adjustments	Amounts reclassified to surplus or deficit in the current period that were recognised in other comprehensive revenue and expense in the current or previous periods.	PBE IPSAS 1.7
reclassification date	The first day of the first reporting period following the change in management model that results in an entity reclassifying financial assets.	PBE IPSAS 41.9
recoverable amount (of an asset or a cash-generating unit)	The higher of an asset's or a cash-generating unit's fair value less costs to sell and its value in use.	PBE IPSAS 26.13 (PBE IFRS 5.5B.1)
recoverable amount (of property, plant, and equipment)	The higher of a cash-generating asset's fair value less costs to sell and its value in use.	PBE IPSAS 17.13
recoverable service amount	The higher of a non-cash-generating asset's fair value less costs to sell and its value in use.	PBE IPSAS 21.14
regular way purchase or sale	A purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.	PBE IPSAS 29.10 PBE IPSAS 41.9
reinsurance assets	A cedant's net contractual rights under a reinsurance contract.	PBE IFRS 4.12.1
reinsurance contract	An insurance contract issued by one insurer (the reinsurer) to compensate another insurer (the cedant) for losses on one or more contracts issued by the cedant.	PBE IFRS 4.12.1
reinsurance contract	An insurance contract issued by one entity (the reinsurer) to compensate another entity for claims arising from one or more insurance contracts issued by that other entity (underlying contracts).	PBE IFRS 17.13.1

[1] A qualifying insurance policy is not necessarily an insurance contract (see PBE IFRS 4 *Insurance Contracts*).

Term	Definition	Location
related party	Parties are considered to be related if one party has the ability to (a) control the other party, or (b) exercise significant influence over the other party in making financial and operating decisions, or if the related party entity and another entity are subject to common control. Related parties include: (a) Entities that directly, or indirectly through one or more intermediaries, control, or are controlled by, the reporting entity; (b) Associates (see PBE IPSAS 36 *Investments in Associates and Joint Ventures*); (c) Individuals owning, directly or indirectly, an interest in the reporting entity that gives them significant influence over the entity, and close members of the family of any such individual; (d) Key management personnel, and close members of the family of key management personnel; (e) Entities, or any member of an economic entity of which such entities are a part, which provide key management personnel services to the reporting entity or to the controlling entity of the reporting entity; and (f) Entities in which a substantial ownership interest is held, directly or indirectly, by any person described in (c) or (d), or over which such a person is able to exercise significant influence.	PBE IPSAS 20.4
related party transaction	A transfer of resources or obligations between related parties, regardless of whether a price is charged. Related party transactions exclude transactions with any other entity that is a related party solely because of its economic dependence on the reporting entity or the government of which it forms part.	PBE IPSAS 20.4
relevant activities (for consolidated financial statements)	Activities of the potentially controlled entity that significantly affect the nature or amount of the benefits that an entity receives from its involvement with that other entity	PBE IPSAS 35.14
remeasurements of the net defined benefit liability (asset)	Comprise: (a) Actuarial gains and losses; (b) The return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and (c) Any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).	PBE IPSAS 39.8
removal rights	Rights to deprive the decision maker of its decision-making authority.	PBE IPSAS 35.14
remuneration of key management personnel	Any consideration or benefit derived directly or indirectly by key management personnel from the reporting entity for services provided in their capacity as members of the governing body, or otherwise as employees of the reporting entity.	PBE IPSAS 20.4

Term	Definition	Location
reporting date	The date of the last day of the reporting period to which the financial statements relate.	PBE IPSAS 2.8
research	Original and planned investigation undertaken with the prospect of gaining new scientific or technical knowledge and understanding.	PBE IPSAS 31.16
residual value (of property, plant, and equipment or an intangible asset)	The estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.	PBE IPSAS 17.13
restrictions on transferred assets	Stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.	PBE IPSAS 23.7
restructuring	A program that is planned and controlled by management, and materially changes either: (a) The scope of an entity's activities; or (b) The manner in which those activities are carried out.	PBE IPSAS 19.18
resulting entity	The entity that is the result of two or more operations combining in an amalgamation.	PBE IPSAS 40
retrospective application	Applying a new accounting policy to transactions, other events, and conditions as if that policy had always been applied.	PBE IPSAS 3.7
retrospective restatement	Correcting the recognition, measurement and disclosure of amounts of elements of financial statements as if a prior period error had never occurred.	PBE IPSAS 3.7
return on plan assets	The interest, dividends or similar distributions and other revenue derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less: (a) Any costs of managing the plan assets; and (b) Any tax payable by the plan itself, other than tax included in the actuarial assumptions used to measure the present value of the defined benefit obligation.	PBE IPSAS 39.8
revenue	The gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets/equity, other than increases relating to contributions from owners.	PBE IPSAS 1.7
revenue from a structured entity (for interests in other entities)	Includes, but is not limited to, recurring and non-recurring fees, interest, dividends or similar distributions, gains or losses on the remeasurement or derecognition of interests in structured entities and gains or losses from the transfer of assets and liabilities to the structured entity.	PBE IPSAS 38.7
risk adjustment for non-financial risk	The compensation an entity requires for bearing the uncertainty about the amount and timing of the cash flows that arises from non-financial risk as the entity fulfils insurance contracts.	PBE IFRS 17.13.1
separate financial statements	Those financial statements presented by an entity, in which the entity could elect, subject to the requirements in PBE IPSAS 34, to account for its investments in controlled entities, joint ventures and associates either at cost, in	PBE IPSAS 34.6

Term	Definition	Location
	accordance with PBE IPSAS 29 *Financial Instruments: Recognition and Measurement* or using the equity method as described in PBE IPSAS 36 *Investments in Associates and Joint Ventures.*	
separate vehicle	A separately identifiable financial structure, including separate legal entities or entities recognised by statute, regardless of whether those entities have a legal personality.	PBE IPSAS 37.7
service concession arrangement	A binding arrangement between a grantor and an operator in which: (a) The operator uses the service concession asset to provide a public service on behalf of the grantor for a specified period of time; and (b) The operator is compensated for its services over the period of the service concession arrangement.	PBE IPSAS 32.8 PBE FRS 45.8.1
service concession asset	An asset used to provide public services in a service concession arrangement that: (a) Is provided by the operator which: (i) The operator constructs, develops, or acquires from a third party; or (ii) Is an existing asset of the operatory; or (b) Is provided by the grantor which: (ii) Is an existing asset of the grantor; or (iii) Is an upgrade to an existing asset of the grantor.	PBE IPSAS 32.8 PBE FRS 45.8.1
service cost	Comprises: (a) Current service cost; (b) Past service cost; and (c) Any gain or loss on settlement.	PBE IPSAS 39.8
settlement (of employee benefit obligations)	A transaction that eliminates all further legal or constructive obligations for part or all of the benefits provided under a defined benefit plan, other than a payment of benefits to, or on behalf of, employees that is set out in the terms of the plan and included in the actuarial assumptions.	PBE IPSAS 39.8
short-term employee benefits	Employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service	PBE IPSAS 39.8
significant influence (relating to investments in associates and joint ventures)	The power to participate in the financial and operating policy decisions of another entity but not is control or joint control of those policies.	PBE IPSAS 36.8.
significant influence (relating to related party transactions)	The power to participate in the financial and operating policy decisions of an entity, but not control those policies. Significant influence may be exercised in several ways, usually by representation on the board of directors or equivalent governing body but also by, for example, participation in (a) the policy making process, (b) material transactions between entities within an economic entity,	PBE IPSAS 20.4

Term	Definition	Location
	(c) interchange of managerial personnel, or (d) dependence on technical information. Significant influence may be gained by an ownership interest, statute, or agreement. With regard to an ownership interest, significant influence is presumed in accordance with the definition contained in PBE IPSAS 36.	
spot exchange rate	The exchange rate for immediate delivery.	PBE IPSAS 4.10
state plans	Plans established by legislation that operate as if they are multi-employer plans for all entities in economic categories laid down in legislation.	PBE IPSAS 39.8
stipulations on transferred assets	Terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting entity.	PBE IPSAS 23.7
structured entity	Is: (a) In the case of entities where administrative arrangements or legislation are normally the dominant factors in deciding who has control of an entity, an entity that has been designed so that administrative arrangements or legislation are not the dominant factors in deciding who controls the entity, such as when binding arrangements are significant to determining control of the entity and relevant activities are directed by means of binding arrangements; or (b) In the case of entities where voting or similar rights are normally the dominant factor in deciding who has control of an entity, an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of binding arrangements.	PBE IPSAS 38.7
summary financial statements	Financial statements covering an annual reporting period that: (a) Are prepared for the users of the general purpose financial statements of an entity; and (b) Present a summary of the information contained in the full financial statements for the same period.	PBE FRS 43.8.1
surplus or deficit	The total of revenue less expenses, excluding the components of other comprehensive income.	PBE IPSAS 1.7
tax base	The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes.	PBE IAS 12.5
tax expenditures	Preferential provisions of the tax law that provide certain taxpayers with concessions that are not available to others.	PBE IPSAS 23.7
tax expense (tax income)	The aggregate amount included in the determination of surplus or deficit for the period in respect of current tax and deferred tax.	PBE IAS 12.5
taxable event	The event that the government, legislature, or other authority has determined will be subject to taxation.	PBE IPSAS 23.7

Term	Definition	Location
taxable profit (tax loss)	The profit (loss) for a period, determined in accordance with the rules established by the taxation authorities, upon which income taxes are payable (recoverable).	PBE IAS 12.5
taxable temporary differences	Temporary differences that will result in taxable amounts in determining taxable profit (tax loss) of future periods when the carrying amount of the asset or liability is recovered or settled	PBE IAS 12.5
taxes	Economic benefits or service potential compulsorily paid or payable to public sector entities, in accordance with laws and/or regulations, established to provide revenue to the government. Taxes do not include fines or other penalties imposed for breaches of the law.	PBE IPSAS 23.7
temporary differences	Differences between the carrying amount of an asset or liability in the statement of financial position and its tax base. Temporary differences may be either: (a) Taxable temporary differences; or (b) Deductible temporary differences.	PBE IAS 12.5
termination benefits	Employee benefits provided in exchange for the termination of an employee's employment as a result of either: (a) An entity's decision to terminate an employee's employment before the normal retirement date; or (b) An employee's decision to accept an offer of benefits in exchange for the termination of employment	PBE IPSAS 39.8
total comprehensive revenue and expense	The change in net assets/equity during a period resulting from transactions and other events, other than those changes resulting from transactions with owners in their capacity as owners.	PBE IPSAS 1.7
transaction costs	Incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability (see [PBE IPSAS 29] Appendix A paragraph AG26). An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.	PBE IPSAS 29.10
transaction costs (financial instruments)	Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability (see paragraph AG163 of PBE IPSAS 41). An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.	PBE IPSAS 41.9
transfers	Inflows of future economic benefits or service potential from non-exchange transactions, other than taxes. Transfers include grants, forgiveness of debts, fines, bequests, gifts, donations, fundraising proceeds, volunteer labour, goods and services in-kind.	PBE IPSAS 23.7
unbundle	To account for the components of a contract as if they were separate contracts.	PBE IFRS4.12.1

Term	Definition	Location
underlying items	Items that determine some of the amounts payable to a policyholder. Underlying items can comprise any items; for example, a reference portfolio of assets, the net assets of the entity, or a specified subset of the net assets of the entity.	PBE IFRS 17.13.1
unearned finance revenue	The difference between: (a) The gross investment in the lease; and (b) The net investment in the lease.	PBE IPSAS 13.8
unguaranteed residual value	That portion of the residual value of the leased asset, the realisation of which by the lessor is not assured or is guaranteed solely by a party related to the lessor.	PBE IPSAS 13.8
useful life (of a lease)	The estimated remaining period, from the commencement of the lease term, without limitation by the lease term, over which the economic benefits or service potential embodied in the asset are expected to be consumed by the entity.	PBE IPSAS 13.8
useful life (of a non-cash-generating asset)	Either: (a) The period of time over which an asset is expected to be used by the entity; or (b) The number of production or similar units expected to be obtained from the asset by the entity.	PBE IPSAS 21.14
useful life (of property, plant, and equipment or an intangible asset)	Either: (a) The period over which an asset is expected to be available for use by an entity; or (b) The number of production or similar units expected to be obtained from the asset by an entity.	PBE IPSAS 17.13
value in use of a cash-generating asset	The present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.	PBE IPSAS 26.13
value in use of a cash-generating asset	The net present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.	PBE IFRS 5.5B.1
value in use of a non-cash-generating asset	The present value of the asset's remaining service potential.	PBE IPSAS 21.14
value in use of a non-cash-generating asset	The net present value of the asset's remaining service potential.	PBE IFRS 5.5B.1
weather derivative	A contract that requires payment based on climatic, geological or other physical variables.	PBE IFRS 4.12.1