



Introducing INPAS

The First Global Standard for Non-Profit Financial Reporting

Emerging Economies Group meeting
June 2026

Agenda reference: 8

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The NPO sector is vital

THE SCALE OF THE NPO SECTOR IN EEG COUNTRIES



India

3.3M

NPOs / NGOs¹



Brazil

781K

NPOs²



South Africa

260K+

Registered NPOs³



Malaysia

250K+

Registered societies
& organisations⁴



Turkey

120K+

Active associations
& thousands of
foundations⁵



South Korea

12K+

Registered publicly
benefit corporations⁶



POSITIVE SOCIAL IMPACT

Delivering essential services, empowering communities and driving inclusive development.



SIGNIFICANT ECONOMIC CONTRIBUTION

Creates jobs, attracts investment and strengthens local economies.



STRATEGIC PRIORITY

India's Social Stock Exchange and Saudi Arabia's Vision 2030 aim to increase the nonprofit sector's contribution to GDP **from less than 1% to 5%**.



RISKS OF POOR OVERSIGHT

FATF Recommendation 8 highlights the risk of money laundering and terrorist financing if NPOs are under-regulated.

Sources: 1. NITI Aayog (2019) 2. IBGE (2022) 3. South Africa Dept. of Social Development (2024) 4. Registrar of Societies Malaysia (2023) 5. Ministry of Interior, Turkey (2023) 6. Ministry of Economy and Finance, Korea (2023)

Importance of financial statements



Strong regulation and high-quality financial reporting build trust,
unlock growth and maximise the NPO sector's potential.

Framework maze for NPOs



Countries	Framework
South Africa, Brazil, Malaysia, Saudi Arabia, Argentina, Indonesia	Permit or require IFRS / IFRS for SMEs (or local equivalent) for some NPOs
Turkey, China	National NPO standard
Mexico, South Korea, India	Other

Also	Framework
INGOs	Framework in HQ (eg UK, USA etc)
Grant reporting	Various donor requirements

Problems with current solutions



IFRS for SMEs

- Not designed to address NPO specific issues – eg restrictions, grant recognition, donations in-kind
- **Inconsistent** application

National Frameworks

- Relevant to national context only
- **Inconsistency** between countries

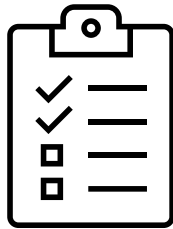
Donor focus

- Donor reports not linked to whole-of-entity accounts
- **Inconsistent** formats and rules



The Impact

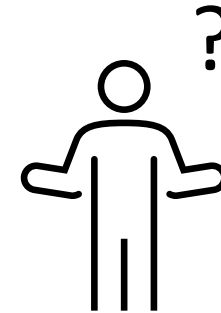
In the absence of an international standard:



Donors require detailed financial reports, each differing by grant



Regulators in different countries impose inconsistent reporting rules



Non-profits juggle multiple frameworks, struggling to tell a coherent financial story

The Result? A lack of trust and operational inefficiencies that undermine the sector's ability to focus on what matters most - its social good mission.



The Solution

International Non-Profit Accounting Standard (INPAS)

The world's first internationally applicable financial reporting standard **designed by non-profits, for non-profits.**

By adopting INPAS, the sector will:



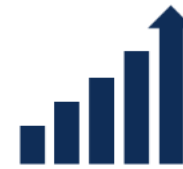
Streamline Operations

Eliminate redundant reporting formats



Enhance Credibility

Improve financial report quality and assurance



Increase Funding

Support fundraising and grant-making due diligence



Improve Transparency

Clear reporting on unrestricted funds and support costs

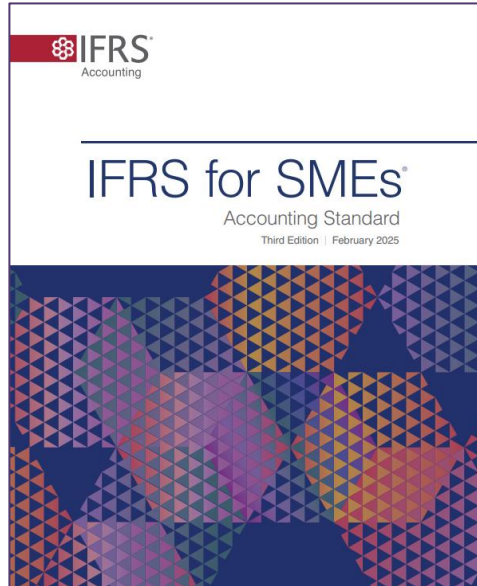
A global initiative a decade in the making



*[CCAB study](#)



A credible standard



Sections:

- ✓ Modified,
- ✓ Aligned,
- ✓ Newly developed
- ✓ Removed

Drawing on IFRS, IPSAS, &
national standards
Rigorous due process
overseen by TAG and CIPFA



Under licences from



Completing the suite

For-profit
IFRS

Public Sector
IPSAS

Non-Profit
INPAS

INPAS – the package



- **INPAS:** Authoritative guidance for accounting treatments and financial reporting requirements.
- **Implementation Guidance:** Additional non-authoritative guidance and illustrative examples.
 - **Illustrative financial statements:** Annex to the IG – shows what a set of financial statements could look like.
- **Basis for conclusions:** Explains the rationale for key accounting treatments and financial reporting requirements, summarises the main considerations.
- **Practice Guide 1:** Harmonised Grant reporting



**International Non-Profit
Accounting Standard**

The Standard

INPAS Key features



New content

Fund accounting
Grants and donations
Narrative report

Practice Guide:
Harmonised Grant Reporting

New terminology

Surplus (profit)
Net assets (equity)

New statements

Income and Expenses
Changes in Net Assets

Solving donor reporting



ENTITY LEVEL

Annual audited accounts



INPAS
The Standard

Countries & NPOs

✓ Can be used standalone

Designed to
work together

PROJECT LEVEL

Grant accountability reports



Practice Guide 1:
Harmonised Grant
Reporting

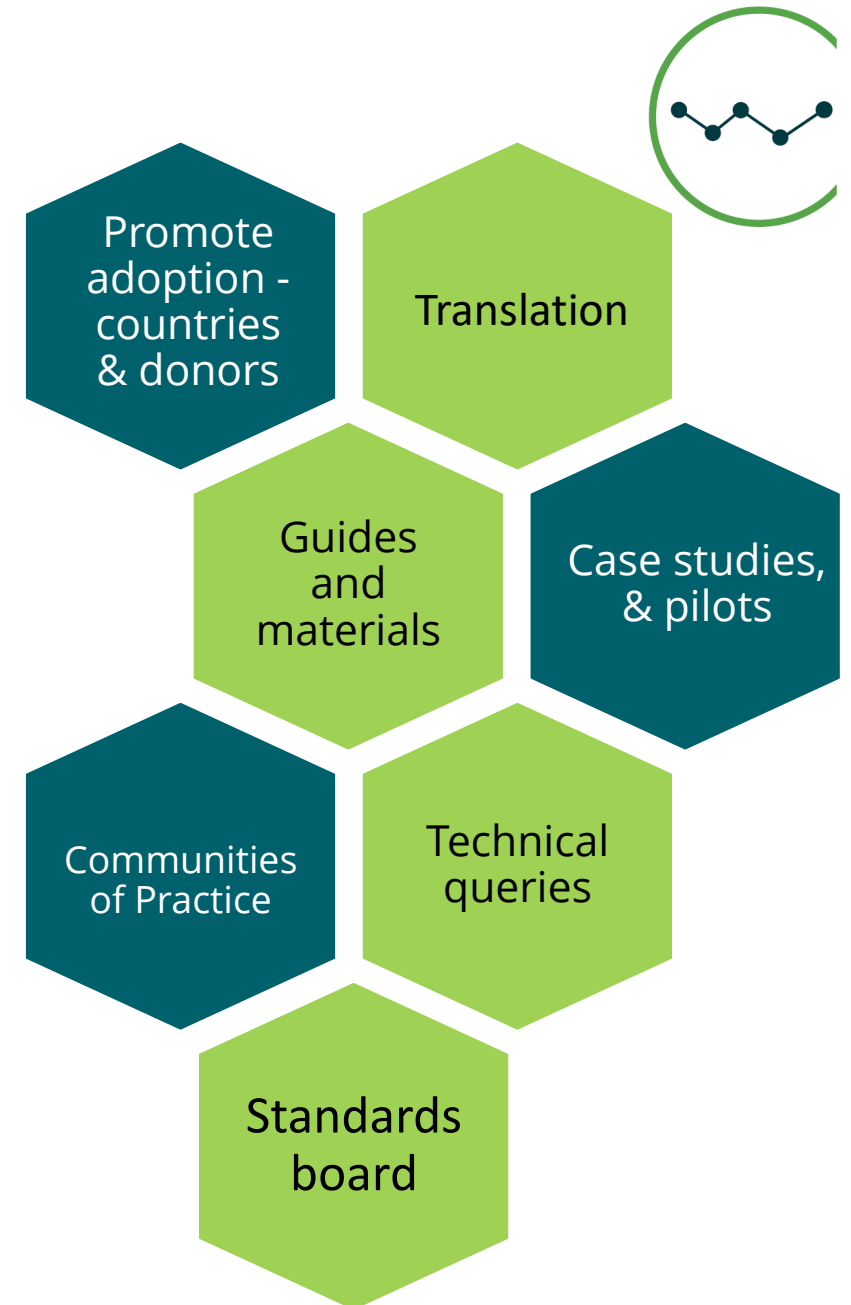
Grantors & Grantees

✓ Can be used standalone

Project to permanence



- Long term home for governance of INPAS
- Non-Profit, Public Interest Entity, USA 501c3
- Founder members Humentum & CIPFA (IFR4NPO Project Partners)
- 9 trustees spanning Argentina, Australia, China, Ethiopia, India, Italy, Switzerland, the Gambia, Uganda & the UK.



INPAS benefits - doing more with less



- **For NPOs:** Simplifies and standardises financial reporting, easier to measure and manage financial sustainability, comply with donor reporting requirements, attract quality funding.
- **For Funders:** Confidence in the financial integrity of NPOs, facilitates informed funding decisions, streamlined accountability for grants.
- **For regulators:** Strengthen civil society space and sector oversight
- **For Auditors:** A clear, consistent framework for auditing financial statements, reducing ambiguity and increasing audit quality.



INPAS Adoption

- INPAS is available and ready to use now

- INPAS may only be used for professional use and for private study and education. All other uses require a license from both the INPRF and the IFRS Foundation.

- Community of Practice for Regulators

- Further resources under development



Next steps

- [About INPAS](#) video
- [INPRF.org](#) website (including newsletter sign up)
- [Download](#) INPAS
- [Get involved](#) (includes links for Communities of Practice)
- [FAQ](#)
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