



**The Japanese Institute of  
Certified Public Accountants**

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July 9, 2018

Mr. John Stanford  
Technical Director  
International Public Sector Accounting Standards Board  
International Federation of Accountants  
277 Wellington Street West  
Toronto, Ontario, Canada M5V 3H2

**Comments on Exposure Draft 65 “Improvements to IPSAS, 2018”**

Dear Mr. Stanford,

The Japanese Institute of Certified Public Accountants (hereafter the “JICPA”) highly respects the International Public Sector Accounting Standards Board (hereafter the “IPSASB”) for its continuous effort to serve the public interest. We are also pleased to comment on the Exposure Draft 65 “Improvements to IPSAS, 2018” (hereafter the “ED 65”).

The JICPA agrees with each amendment proposed in ED65 as a whole, though we see room for improvement on the following issues.

**1. Frequency of amendments**

A previous IPSASB improvement project took place in 2015 and three years passed until the current improvement project. We believe that improvement projects should take place annually rather than irregularly. This is because an improvement project is a significant process for ensuring alignment between the IFRSs and IPSASs. The IPSASB has recently allocated more resources to discuss issues specific to the public sector, and we expect this trend to continue going forward.

Under some circumstances where resources are constrained, an improvement project is an effective process ensuring efficient alignment with IFRSs. We propose that the improvement projects should actively focus on the catch-up amendments to IPSASs based on IFRSs requiring only minor amendments by expanding the scope of the current improvement projects, even though some issues relate to multiple IPSASs.

From a practical perspective, improvements at three-year intervals require reviews of significant

volumes of IASB literature and IPSAS standards. The workloads applicable to members, staff, and other stakeholders would therefore grow considerably compared to those on an annual basis. If improvement projects were to be carried out on an annual basis, the IPSASB could discuss issues in more detail and exposure drafts issued in relation to amendments could be expected to draw more substantive comments from respondents.

**2. Explanation of the revision of the IPSAS Standards as a result of the IFRIC Interpretations**

In IPSAS 4 *The Effects of Changes in Foreign Exchange Rates* at II-5a of ED 65 was expected to be amended by adding the requirements of IFRIC 22 *Foreign Currency Transactions and Advance Consideration*. Paragraph BC7 of the “Basis for the Conclusion of IPSAS 4” briefly explained the background circumstances leading up to the addition of the requirements.

We agree with those additions. In the process, however, Appendix A of IFRIC 22 is proposed to be the main text of IPSAS 4, and the main text of IFRIC 22 is proposed to be Appendix A of IPSAS 4. As ordinary thinking, we think the main text of IFRIC should be incorporated to the main text of IPSAS and the Appendix of IFRIC should go to the Appendix of IPSAS. We propose the IPSASB should explain why such amendments were made in terms of priority criteria for additions in the Basis for Conclusions of the IPSAS 4. We recommend that as similar additions have been made for the financial instrument standards, the IPSASB should also consider the relevant explanation to be provided for them.

**3. Improvement items requiring approval**

Parts I-2 and I-3a relate to the amendments attributable to missed amendments in the previous improvement project or relate to consequential amendments resulting from other IPSASs. We can expect little discussion to arise from them. We recommend that Part III or any Editorial List for items to be reported accompany the improvement project as an appendix. Such an approach could make it easier to approve the amendments.

**4. Insignificant issues we identified**

- (1) The term “profit or loss” remains in the second sentence of IE13 on p.36
- (2) The description date at IE18. p.37 appears in British style, which diverges from the style used elsewhere.

Yours sincerely,

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Executive Board Member - Public Sector Accounting and Audit Practice  
The Japanese Institute of Certified Public Accountants