



Office No. UCG-FOCAL-2021-0002

Mexico City, October 22, 2021.

**Subject: Comments from FOCAL member countries to IPSASB Exposure Draft 76, 77, 78 y 79.**

**Mr.**

**Ian Carruthers**

Chairman of the International Public Sector Accounting Standards Board (IPSASB)

Dear Mr. Carruthers:

Receive a cordial greeting and thanks for the support of the IPSASB, especially Dr. Kamira Sanchez, who has collaborated with FOCAL to present in technical sessions the Draft Standards ED 76, 77, 78 and 79, which has served as a basis for the formulation of comments by the member countries of the Forum.

In this regard, FOCAL delivered four consolidated documents containing comments from 12 Latin American countries: Colombia, Chile, Ecuador, El Salvador, Guatemala, Panama, Peru, Uruguay, Dominican Republic, Brazil, Costa Rica and Mexico, for their consideration. With these actions, FOCAL continues to strengthen the joint work with the IPSASB, contributing the experience of each country in the application of standards in Public Sector Accounting.

Yours sincerely,

**Juan Torres García**

Head of the Government Accounting Unit of Mexico  
Secretariat of Finance and Public Credit of Mexico  
FOCAL President

Annexes:

- Annex No. 1 - Comments to Exposure Draft 76 IPSASB Standards\_FOCAL consolidated
- Annex No. 2 - Comments to Exposure Draft 77 IPSASB Standards\_FOCAL consolidated
- Annex No. 3 - Comments to Exposure Draft 78 IPSASB Standards\_FOCAL consolidated
- Annex No. 4 - Comments to Exposure Draft 79 IPSASB Standards\_FOCAL consolidated

cc. FOCAL Countries



Annex\_4

Comments to Exposure Draft 79 IPSASB Standards, FOCAL Consolidated

CONSOLIDATED DOCUMENT OF THE MEMBER COUNTRIES OF FOCAL

IPSASB EXPOSURE DRAFT 79, Non-current Assets Held for Sale and Discontinued Operations SPECIFIC MATTERS		
SPECIFIC MATTER- ASUNTO ESPECÍFICO	COMENTARIOS	COMMENTS
<p><b>Specific Matter for Comment</b></p> <ul style="list-style-type: none"> <li>➤ The IPSASB decided that there was no public sector specific reason to depart from the measurement requirements of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. However, the IPSASB considers that, where materially different, disclosures of the fair value of non-current assets classified as held for sale measured at a lower carrying amount would provide useful information to users of financial statements for accountability purposes.</li> <li>➤ The additional proposed disclosure is shown at paragraph 52 of this ED. Do you agree with this disclosure proposal? If not, why not?</li> </ul> <p><b>Tema específico para comentario 1</b></p> <ul style="list-style-type: none"> <li>➤ El IPSASB decidió que no existe ninguna razón específica del sector público para apartarse de los requerimientos de medición de la NIIF 5, Activos no corrientes mantenidos para la venta y operaciones discontinuadas. Sin embargo, el IPSASB considera que, cuando el valor</li> </ul>	<p><b>COLOMBIA</b></p> <p>Estamos de acuerdo con la revelación referida al párrafo 52 <i>“Una entidad revelará en las notas, el valor razonable del activo no corriente (o grupo de disposición) clasificado como mantenido para la venta cuando ese activo no corriente (o grupo de disposición) se mida a un valor en libros significativamente menor que el valor razonable”</i>.</p> <p>Lo anterior, dado que revelar en las notas el valor razonable de los activos no corrientes (o grupo de disposición) clasificados como mantenidos para la venta, cuando el valor en libros es significativamente menor, proporciona información útil a los usuarios porque brinda una mayor confiabilidad y transparencia en la rendición de cuentas, dado que los usuarios tienen la posibilidad de comparar el valor razonable frente al valor en libros por la venta o disposición del activo (o grupo de activos) para evaluar los posibles flujos de efectivo por dicha venta y la gestión realizada por la entidad.</p> <p><b>CHILE</b></p> <p>Se está de acuerdo con el criterio. Queda la inquietud porque clasificar un mantenido para la venta a un valor inferior al razonable, o cual es el impedimento (se entendería que, para un bien como un terreno, antes de su venta sería un requisito saber su valor razonable. En ejemplos como vehículos o bienes</p>	<p><b>COLOMBIA</b></p> <p>We agree with the disclosure referred to in paragraph 52 <i>“An entity shall disclose in the notes the fair value of a non-current asset (or disposal group) classified as held for sale when that non-current asset (or disposal group) is measured at a carrying amount significantly lower than fair value”</i>.</p> <p>The above, given that disclosing in the notes the fair value of non-current assets (or disposal group) classified as held for sale, when the carrying amount is significantly lower, provides useful information to users because it provides greater reliability and transparency in accountability, since users have the possibility of comparing the fair value versus the carrying amount for the sale or disposal of the asset (or group of assets) to evaluate the possible cash flows from such sale and the management performed by the entity.</p> <p><b>CHILE</b></p> <p>We agree with the criterion. The question remains as to why classify an asset held for sale at a value lower than its fair value, or what is the impediment (it would be understood that, for an asset such as land, before its sale it would be a requirement to know its fair value. In examples such as vehicles or minor assets there would be a broad market for the sale of non-current assets).</p>

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<p>razonable sea materialmente diferente del importe en libros de los activos no corrientes clasificados como mantenidos para la venta, la revelación del valor razonable proporcionaría información útil a los usuarios de los estados financieros para propósitos de rendición de cuentas.</p> <p>➤ La revelación adicional propuesta se muestra en el párrafo 52 de este ED. ¿Está de acuerdo con esta propuesta de revelación? ¿Si no, por qué no?</p>	<p>de menor existiría un mercado amplio para la venta de activos no corrientes).</p> <p><b>ECUADOR</b> Estamos de acuerdo con que se realice la revelación de los activos mantenidos para la venta cuando el valor razonable sea materialmente diferente del valor en libros.</p> <p><b>EL SALVADOR</b> Sí. Sin embargo, es de considerar que la información a revelar adicional propuesta en el párrafo 52 supondría la aplicación y adaptabilidad de un método de cuantificación (valor razonable) que incurriría en costos de transacción para determinar la comparabilidad de dichas cifras. Es decir, la comparación entre los dos métodos no presenta un beneficio en términos de eficiencia económica y de gestión para las entidades del sector público salvadoreño, las cuales, además, están enmarcadas en campos regulatorios jurisdiccionales que explicitan los procesos de venta en base al valor en libros.</p> <p><b>GUATEMALA</b> Sí.</p> <p><b>PANAMÁ</b> En el numeral 22 y 23, es claro que la medición de los activos no corrientes se mide al menor valor entre en valor en libros y su valor razonable.</p> <p>Las notas de los estados financieros van a depender de la importancia y la información cualitativa que se desea informar para utilidad de los interesados. La revelación del valor razonable puede ser de intereses a los posibles inversionistas (terceros – posibles compradores). Más, al ser contabilizada al valor menor entre ambos valores (valor en libros y valor razonable); la primera no genera ninguna otra revelación, la segunda podría generar una ganancia o pérdida por deterioro que debe ser computada (registrada) y la cual sería objeto también de revelación.</p>	<p><b>ECUADOR</b> We agree with the disclosure of assets held for sale when the fair value is materially different from the carrying value.</p> <p><b>EL SALVADOR</b> Yes. However, it should be considered that the additional disclosures proposed in paragraph 52 would imply the application and adaptability of a quantification method (fair value) that would incur transaction costs to determine the comparability of such figures. In other words, the comparison between the two methods does not present a benefit in terms of economic and management efficiency for Salvadoran public sector entities, which, in addition, are framed in jurisdictional regulatory fields that make explicit the sale processes based on book value.</p> <p><b>GUATEMALA</b> Yes</p> <p><b>PANAMA</b> In paragraphs 22 and 23, it is clear that the measurement of non-current assets is measured at the lower of carrying amount and fair value.</p> <p>The notes to the financial statements will depend on the materiality and qualitative information to be reported for the benefit of stakeholders. Disclosure of fair value may be of interest to potential investors (third parties - potential buyers). Moreover, being accounted at the lower of both values (book value and fair value); the former does not generate any other disclosure, the latter could generate an impairment gain or loss that must be computed (recorded) and which would also be subject to disclosure.</p> <p>It would be a matter of analysis, given that when accounting at fair value (in this case if applicable being lower). The latter could still be a disclosure requirement.</p>
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	<p>Sería un tema de análisis, dado que al contabilizarse en su valor razonable (en este caso si aplica siendo menor). Este último podría igual ser requerimiento de revelación.</p> <p><b>PERÚ</b> Sí, estamos de acuerdo: Somos de la opinión que el requerimiento del párrafo 52 del ED79, que requiere revelar el valor razonable del activo no corriente (o grupo de disposición) clasificado como mantenido para la venta, cuando se mida a un valor en libros significativamente menor que el valor razonable; <b>ya que permitiría que los usuarios de la información puedan identificar que la fuente de procedencia de la ganancia es atribuible a la valorización del activo y que la misma está siendo reconocida con la venta.</b></p> <p>Sin embargo: En consistencia con la transparencia de la información financiera, consideramos que el caso inverso; si el valor razonable fuera significativamente menor que el valor en libros, lo cual llevaría a reconocer pérdidas por deterioro (en aplicación del criterio de prudencia de la característica cualitativa de representación fiel del Marco Conceptual), también debería requerir una revelación similar, no obstante que corresponda a una pérdida imputada en la reclasificación del activo no corriente (o grupo de disposición).</p> <p>Esto llevaría a la información financiera de una entidad, a revelar el origen, tanto de las ganancias actuales (párrafo “Si estamos de acuerdo”), como de las pérdidas pasadas (párrafo “Sin embargo”) producidas en transacciones similares, con relación a importes referenciados en el valor razonable.</p> <p><b>REPÚBLICA DOMINICANA</b> Sí, estamos de acuerdo con la propuesta de divulgación.</p> <p><b>URUGUAY</b> Sí, estamos de acuerdo con los 4 ítems solicitados como información adicional a divulgar en las notas.</p> <p><b>MÉXICO</b></p>	<p><b>PERU</b> <b>Yes, we agree:</b> We are of the view that the requirement in paragraph 52 of ED79, which requires disclosure of the fair value of the non-current asset (or disposal group) classified as held for sale, when measured at a carrying amount significantly less than fair value; <b>as it would enable users of the information to identify that the source of the gain is attributable to the valuation of the asset and that the gain is being recognized with the sale.</b></p> <p>However: Consistent with transparency of financial reporting, we consider that the reverse case; if the fair value is significantly lower than the carrying amount, which would lead to recognition of impairment losses (in application of the prudence criterion of the qualitative faithful representation feature of the Conceptual Framework), should also require similar disclosure, notwithstanding that it corresponds to an imputed loss on reclassification of the non-current asset (or disposal group).</p> <p>This would lead an entity's financial reporting to disclose the origin of both current gains (paragraph "If we agree") and past losses (paragraph "However") incurred in similar transactions in relation to fair value amounts.</p> <p><b>DOMINICAN REPUBLIC</b> Yes, we agree with the disclosure proposal</p> <p><b>URUGUAY</b> Yes, we agree with the 4 items requested as additional information to be disclosed in the notes.</p> <p><b>MEXICO</b> Partially agree, since there is currently no Governmental Accounting Standard in Mexico for the sale of assets, but there are standards for the income that could be obtained from the sale of an asset or a group of assets, without the general approach indicated in the Draft Standard.</p>
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	<p>Parcialmente de acuerdo, ya que actualmente no existe una Norma en la Contabilidad Gubernamental en México para la venta de activos, pero si se encuentran normados los ingresos que se pudieran obtener de la venta de un activo o un grupo de activos, sin que se le dé el enfoque general que indica el Proyecto de Norma.</p> <p>Se considera que la implementación, desarrollo y revelación de información tal como lo propone el ED 79, involucraría un análisis y vinculación con otras normas contables vigentes y con los propios manuales de contabilidad, que beneficiaría en la transparencia de las transacciones y su correcta presentación y revelación en la información financiera.</p> <p>En el caso de México, habría que considerar que existen disposiciones legales y normativas para el tratamiento de los activos determinados para su venta, así como los decomisados o recibidos en dación en pago, además, existe un organismo público descentralizado (ente público) encargado de llevar a cabo todas las operaciones relacionadas con la venta de los bienes, estas operaciones están reguladas por la “Ley Federal para la Administración y Enajenación de Bienes del Sector Público”, así como por diversas disposiciones normativas en materia de baja de bienes considerados como desecho, que entrarían en contradicción con lo establecido en la propuesta de norma.</p> <p>Por lo anterior, no sería posible cumplir de manera puntual con las disposiciones del Proyecto de Norma, ya que son diferentes entes públicos los que intervienen en la operación de venta, y el destino de los recursos obtenidos por la venta son determinados por la autoridad o en su caso depositados a la Tesorería de la Federación como un ingreso de Ley.</p> <p>Un activo mantenido para la venta en una entidad se tendrá que traspasar a un rubro en el estado financiero de activos para su venta con el <b>valor menor</b> que resulte entre el valor en libros y el valor de mercado, esto implica que si una entidad que reclasifica activos en grandes cantidades como ejemplo, equipos de transporte, equipos de cómputo, oficinas, etc. Y que</p>	<p>It is considered that the implementation, development and disclosure of information as proposed in ED 79 would involve an analysis and linkage with other accounting standards in force and with the accounting manuals themselves, which would benefit the transparency of transactions and their correct presentation and disclosure in the financial information.</p> <p>In the case of Mexico, it should be considered that there are legal and regulatory provisions for the treatment of assets determined for sale, as well as those confiscated or received in lieu of payment, in addition, there is a decentralized public body (public entity) in charge of carrying out all operations related to the sale of assets, these operations are regulated by the "Federal Law for the Administration and Disposal of Public Sector Assets", as well as by various regulatory provisions on the disposal of assets considered as waste, which would contradict the provisions of the proposed standard.</p> <p>Therefore, it would not be possible to comply in a timely manner with the provisions of the Draft Rule, since different public entities are involved in the sale operation, and the destination of the resources obtained from the sale are determined by the authority or, if applicable, deposited to the Treasury of the Federation as a legal income</p> <p>. An asset held for sale in an entity will have to be transferred to a line item in the financial statement of assets held for sale with the <b>lower value</b> resulting between the book value and the market value, this implies that if an entity reclassifies assets in large quantities such as transportation equipment, computer equipment, offices, etc., for example. And the lower amount turns out to be the fair value, then the <b>impairment losses</b> will be reflected broadly.</p> <p>Although the draft standard ED 79 mentions that the reasons for such losses should be provided, putting it into practice is more noticeable because the financial statements will show such losses within one year, which is the time the asset has to be sold.</p>
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	<p>el monto menor resulte ser el valor razonable, entonces se verán reflejadas <b>las pérdidas por deterioro del valor</b> a grandes rasgos.</p> <p>Si bien el proyecto de norma ED 79, menciona que se deben de proporcionar las razones por las cuales se manifiestan dichas pérdidas, el llevarlo a la práctica resulta ser más notorio, porque en los estados financieros aparecerán dichas pérdidas en el lapso de un año, que es el tiempo que se tiene para poder vender dicho activo.</p> <p>Los encargados de preparar los estados financieros, deberán apegarse a normas o lineamientos que les permitan ser coherentes con la información financiera, estas normas, lineamientos o reglas que deberán seguir las entidades, deben ser homologadas y mostrarse en las notas a los estados financieros de manera oportuna, para poder explicar o revelar la veracidad de las diferencias que hay entre valor en libros y valor de mercado, las cuales, consideramos que el proyecto ED 79 podría implantar como una guía y así las entidades poder tomar como base para la emisión en las notas.</p> <p>Como ejemplo: que técnicas se tomaron en cuenta para el cálculo del valor en libro y valor razonable, los costos que deben ser descontados específicamente en el valor razonable, el método de depreciación, las características del activo que se reclasifico para su venta, todo esto especificado en el proyecto de norma ED 79 para que se lleve un orden y se pueda presentar una explicación en las notas a los estados financieros.</p>	<p>Those in charge of preparing the financial statements must adhere to standards or guidelines that allow them to be consistent with the financial information. These standards, guidelines or rules to be followed by the entities must be standardized and shown in the notes to the financial statements in a timely manner, in order to explain or reveal the truthfulness of the differences between book value and market value, which we consider that the ED 79 project could be implemented as a guide and thus the entities could take as a basis for the issuance of the notes.</p> <p>As an example: which techniques were taken into account for the calculation of the book value and fair value, the costs that must be discounted specifically in the fair value, the depreciation method, the characteristics of the asset that was reclassified for sale, all of this specified in the ED 79 draft standard so that an order can be maintained and an explanation can be presented in the notes to the financial statements.</p>
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**COMENTARIO ADICIONAL DE MÉXICO AL PROYECTO DE NORMA ED-79**

Se considera adecuado que se emita una norma relativa a Disposición de activos no corrientes mantenidos para la venta. Sin embargo, el proyecto de norma propone que la medición de los activos no corrientes mantenidos para la venta y operaciones discontinuadas deben medirse al valor menor entre el valor en libros y el valor razonable menos los costos de distribución, lo cual, una vez enajenados (vendidos)

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puede generar un superávit elevado debido a que se está reconociendo contablemente un valor menor y, por otro lado, se están enajenando los bienes al mayor precio ofertado. Por lo que, se sugiere analizar la pertinencia de considerar en la medición, el valor menor de estos bienes, debido a que se debe tomar en cuenta que para el caso de los bienes dispuestos para la enajenación que han sido “recibidos” (embargados, asegurados, decomisados, abandonados, recibidos en dación en pago para cubrir toda clase de créditos a favor del gobierno, etc.) con la finalidad de resarcir los daños que se han generado en el patrimonio público, no se busca generar ganancias por la enajenación de estos bienes.

Además, se sugiere que en este proyecto de norma se considere que muchos de los bienes que se ponen a venta mediante subasta o en algunos casos para su rifa, probablemente no cumplan con todos los criterios para ser “clasificados como activos no corrientes conservados para la venta” pues los entes públicos no tienen asegurado que la venta sea altamente probable (párrafo 12 y 13), sin embargo, los deberán seguir considerando para su venta, debido a que son activos o bienes de los cuales, la entidad gubernamental no tiene autorizado legalmente hacer uso de ellos (por ejemplo: joyas, obras de arte, vehículos de lujo, yates, etc.)

Por tanto, se debe considerar que los gobiernos adquieren o reciben diferentes tipos de activos, los cuales deben definir para su venta dado que la adquisición de estos activos se debe a diferentes motivos (embargados, asegurados, decomisados, etc.) y el mecanismo para ofrecer estos bienes ya sea por subastas, adjudicación, etc.

**ADDITIONAL COMMENT BY MEXICO ON EXPOSURE DRAFT ED-79**

It is considered appropriate to issue a standard on Disposal of non-current assets held for sale. However, the draft standard proposes that the measurement of non-current assets held for sale and discontinued operations should be measured at the lower of carrying amount and fair value less distribution costs, which, once disposed of (sold) may generate a high surplus because a lower value is being recognized for accounting purposes and, on the other hand, the assets are being disposed of at the higher bid price. Therefore, it is suggested to analyze the relevance of considering the lower value of these assets in the measurement, since it should be taken into account that in the case of assets available for disposal that have been "received" (seized, insured, confiscated, abandoned, received in lieu of payment to cover all kinds of credits in favor of the government, etc.) for the purpose of compensating the damages that have been generated in the public patrimony, the purpose is not to generate profits from the disposal of these assets.

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In addition, it is suggested that this draft standard should consider that many of the assets that are offered for sale by auction or in some cases for raffle, probably do not meet all the criteria to be "classified as non-current assets held for sale" because the public entities are not assured that the sale is highly probable (paragraph 12 and 13), however, they should continue to be considered for sale, because they are assets or goods of which the government entity is not legally authorized to make use of them (for example: jewelry, works of art, luxury vehicles, yachts, etc.).

Therefore, it should be considered that governments acquire or receive different types of assets, which should be defined for sale given that the acquisition of these assets is due to different reasons (seized, insured, confiscated, etc.) and the mechanism for offering these goods either by auction, adjudication, etc.



**COMMENTS FROM BRAZIL ON EXPOSURE DRAFT ED-79**

**EXPOSURE DRAFT (79)  
NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS**

*The Technical Director  
International Public Sector Accounting Standards Board (IPSASB)  
International Federation of Accountants  
277 Wellington Street West, 6<sup>th</sup> floor  
Toronto, Ontario M5V 3H2 CANADA*

Brasília, Brazil  
October 25, 2021

Dear Mr. Ross Smith,

The Conselho Federal de Contabilidade (CFC) of Brazil welcomes the opportunity to collaborate with the consultation on Exposure Draft 79 - NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS. CFC, along with its regional arms - Regional Accounting Councils or Conselhos Regionais da Contabilidade (CRCs), is the Professional Accountancy Organization that carries out regulatory activities for overseeing the accountancy profession throughout the country.

Our points of view and comments can be found on the Appendix of this document that was prepared by the Advisory Board for Public Sector Accounting Standards (GA/NBC TSP) of the CFC. From November 1<sup>st</sup> 2021, the GA/NBC TSP will be replaced by the Permanent Committee for Public Sector Accounting Standards (CP CASP) representing an institutional strengthening of the Public Sector Standards setting process in Brazil.

If you have any questions or require clarification of any matters in this submission, please contact: [tecnica@cfc.org.br](mailto:tecnica@cfc.org.br).

Regards,

Idésio S. Coelho  
*Technical Vice-President*  
Conselho Federal de Contabilidade

## **APPENDIX**

### **1. Context and General Comments**

The Brazilian Federation is composed by central, 26 states, the Federal District and more than 5,500 municipalities. These levels of governments are responsible for formulating, implementing and evaluating public policies in cooperative and/or competitive arrangements.

In this document, we present the contributions for the Exposure Draft based on a practical approach applicable to our jurisdiction.

In general, we believe that most of the IPSASB propositions of the Measurement project are appropriated, however, there are some improvements proposed in this document. In the next section, we present our answers for the specific matters for comment of the Exposure Draft.

## 2. Responses to the Specific Matters for Comment and Preliminary Views

### 2.1 Specific Matter for Comment 1:

The IPSASB decided that there was no public sector specific reason to depart from the measurement requirements of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. However, the IPSASB considers that, where materially different, disclosures of the fair value of non-current assets classified as held for sale measured at a lower carrying amount would provide useful information to users of financial statements for accountability purposes.

The additional proposed disclosure is shown at paragraph 52 of this ED.

Do you agree with this disclosure proposal? If not, why not?

The CP CASP **only agrees** with the IPSASB's proposal that the fair value of non-current assets classified as held for sale should be disclosed when it materially differs from their carrying amount when such amount is based on the historical cost.

However, it is not clear if when the assets held for its service potential measured based on the current operational value is reclassified to Non-current Assets Held for Sale, the current value shall be modified to fair value. If this is not case, the asset will be continued to be measured based on a basis that do not represent an exit value in the market's participants perspective that does not seem to be aligned with EDs 76, 77 and 78.

### 2.2 Other Comments

The CP CASP **agrees** that there are no reasons for the public sector standard to depart from the measurement requirements of the equivalent private sector standard - IFRS 5, agreeing with the proposed measurement criteria and the disclosure of the fair value, when it is materially different from the carrying amount.

However, we noted that throughout the ED, there are mention of cash-generating units or a group of cash-generating units while assets were being held for use, for example, in item 40 of the ED. Such mentions make total sense for the private sector, considering that assets are used/maintained to generate cash. In the public sector, however, a large portion of the assets are held for their service potential and, therefore, we suggest that such characteristic should be addressed in the final version of the standard.



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One of the issues to note is whether assets held for their service potential when available for sale can be consider cash-generating units. For example, a government may use a building and equipment to provide education services free of charge, and so the assets, building and equipment are considered individually not creating a cash-generating unit. However, upon a decision to sell, the assets can be sold together for their perceived potential cash-generating by market participants. The standard is silent on whether assets that are initially not considered to be cash-generating unit items as are held for their service potential should be considered cash-generating units once the decision to sell.