

## Exposure Draft 60, Public Sector Combinations

A public consultation issued by International Public Sector Accounting Standards Board® (IPSASB®)  
Comments from ACCA to IPSASB  
30<sup>th</sup> June 2016

Ref: TECH CR ED 60 Public Sector Combinations

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The expertise of our senior members and in-house technical experts allows ACCA to provide informed opinion on a range of financial, regulatory, public sector and business areas, including: taxation (business and personal); small business; pensions; education; and corporate governance and corporate social responsibility. [www.accaglobal.com](http://www.accaglobal.com)

Further information about ACCA's comments on the matters discussed here can be requested from:

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ACCA welcomes the opportunity to comment on the proposals issued by IPSASB. The ACCA Global Forum for Public Sector has considered the matters raised and their views are represented in the following:

## SUMMARY

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We agree with the proposed amendments set out in Exposure Draft 60 relating to public sector combinations.

## AREAS FOR SPECIFIC COMMENT:

### SPECIFIC MATTER FOR COMMENT 1:

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Do you agree with the scope of the Exposure Draft? If not, what changes to the scope would you make?

We agree with the proposed amendments for the reasons given in the Basis for Conclusions

### SPECIFIC MATTER FOR COMMENT 2:

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Do you agree with the approach to classifying public sector combinations adopted in this Exposure Draft (see paragraphs **Error! Reference source not found.–Error! Reference source not found.** and **Error! Reference source not found.–Error! Reference source not found.**)? If not, how would you change the approach to classifying public sector combinations?

We agree with the proposed amendments for the reasons given in the Basis for Conclusions

### SPECIFIC MATTER FOR COMMENT 3:

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Do you agree that the modified pooling of interests method of accounting should be used in accounting for amalgamations? If not, what method of accounting should be used?

We agree with the proposed amendments for the reasons given in the Basis for Conclusions

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## SPECIFIC MATTER FOR COMMENT 4:

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Do you agree to adjustments being made to the residual amount rather than other components of net assets/equity, for example the revaluation surplus? If not, where should adjustments be recognized?

Do you agree that the residual amount arising from an amalgamation should be recognized:

- (a) In the case of an amalgamation under common control, as an ownership contribution or ownership distribution; and
- (b) In the case of an amalgamation not under common control, directly in net assets/equity?

If not, where should the residual amount be recognized?

We agree with the proposed amendments for the reasons given in the Basis for Conclusions

## SPECIFIC MATTER FOR COMMENT 5:

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Do you agree that the acquisition method of accounting (as set out in IFRS 3, *Business Combinations*) should be used in accounting for acquisitions? If not, what method of accounting should be used?

We agree with the proposed amendments for the reasons given in the Basis for Conclusions

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