



International Public Sector Accounting Standards Board  
Exposure Draft 75

*LEASES*

**Response from the Public Accountants  
and Auditors Board (PAAB), Zimbabwe**

24 May 2021

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Further information about PAAB can be obtained at [www.paab.org.zw](http://www.paab.org.zw)

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**ED 75, Leases**

PAAB is pleased to present its comments on this Exposure Draft, which have been reviewed by PAAB's Public Sector Accounting Standards Committee (PSASC).

Detailed comments on the Specific Matters for Comment are provided in the attached **Annex**.

We hope this is a helpful contribution to IPSASB's work in this area.

**Admire Ndurunduru**

**Secretary, PAAB**

**Honest Murindagomo**

**Manager – Standards and  
Research, PAAB**

ED 75: LEASES.

**Specific Matter for Comment 1:**

The IPSASB decided to propose an IFRS 16-aligned Standard in ED 75 (see paragraphs BC21 - BC36).

Do you agree with how the IPSASB has modified IFRS 16 for the public sector (see paragraphs BC37 - BC60)? If not, please explain your reasons. If you agree, please provide any additional reasons not already discussed in the Basis for Conclusions.

PAAB agrees with how the IPSASB has modified IFRS 16 for the public sector.

**Specific Matter for Comment 2:**

The IPSASB decided to propose the retention of the fair value definition from IFRS 16 and IPSAS 13, *Leases*, which differs from the definition proposed in ED 77, *Measurement* (see paragraphs BC43 - BC45).

Do you agree with the IPSASB's decision? If not, please explain your reasons. If you agree, please provide any additional reasons not already discussed in the Basis for Conclusions.

PAAB agrees with the IPSASB's decision to propose the retention of the fair value definition from IFRS 16 and IPSAS 13, *Leases*, which differs from the definition proposed in ED 77, *Measurement*.

**Specific Matter for Comment 3:**

The IPSASB decided to propose to refer to both "economic benefits" and "service potential", where appropriate, in the application guidance section of ED 75 on identifying a lease (see paragraphs BC46 - BC48).

Do you agree with the IPSASB's decision? If not, please explain your reasons. If you agree, please provide any additional reasons not already discussed in the Basis for Conclusions.

PAAB agrees with the IPSASB's decision to propose to refer to both "economic benefits" and "service potential", where appropriate, in the application guidance section of ED 75 on identifying a lease.