

(NBAA)



THE NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS
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Date: 19th April, 2021

Chief Executive Officer,
International Federation of Accountants,
International Public Sector Accounting Standard Board,
529 5th Avenue
New York, New York 10017.

Dear Sir/Madam

RE: COMMENTS ON EXPOSURE DRAFT 75 – LEASES

Refer to the heading above.

In principle, we are supportive with all of the proposals in ED 75, however, with the following issue entailed below additional help is expected to be brought about by the Board:

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.

Yes: We do agree with the proposals however, for paragraph BC57 we are of the view that the name should be changed to refer to any pandemic that might happen in the future instead of restricting the requirements to COVID-19 only, the heading should be rewritten to as "PANDEMIC Requirements".

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, *Measurement1* (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.

Yes: We do agree with the proposal because it is as well easier to modify ED 77 requirements if circumstances requires so than bearing the outcomes that shall be brought about by retaining the ED77 fair value definition.

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.

Yes: We do agree with the proposal because it covers public sector specific circumstances.

If you require any clarification on our comments, please contact the undersigned.

Thank you in advance for your cooperation.

Yours sincerely,



CPA Angyelile V. Tende

For: EXECUTIVE DIRECTOR



Member of International Federation of Accountants (IFAC) & Pan African Federation of Accountants (PAFA)



All communication to be addressed to the Executive Director NBAA

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