



September 30, 2021
Mr Ross Smith
Technical Director
International Public Sector Accounting Standards Board
International Federation of Accountants
277 Wellington Street, 4th floor
Toronto
Ontario M5V 3H2
CANADA

RE: Comments on ED 79, *Non-Current Assets Held for Sale and Discontinued Operations*

Dear Mr. Smith,

We welcome the opportunity to comment on ED 79, *Non-Current Assets Held for Sale and Discontinued Operations*. Our responses to the specific questions raised in the ED as well as other comments on the ED are set out in Appendix 1.

Should you have any queries concerning the matters in this submission, or wish to discuss them in further detail, please contact Mr. Abdullah Alhomaida via email at:

a.alhomaida.kfa@mof.gov.sa.

Yours sincerely,

Abdullah Al Mehthil
Head of the Public Sector Accrual Accounting Center
The Ministry of Finance
Riyadh, Saudi Arabia



Appendix 1 – Comments on ED 79, *Non-Current Assets Held for Sale and Discontinued Operations*

Specific Matter for Comment:

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?

We agree.

Other Comments:

1. Paragraph 35 refers to a direct reclassification from held for sale to held for distribution to owners and vice versa. A direct (which implies immediate) transfer from held for sale to held for distribution and vice versa may not be possible in some cases for legal or regulatory reasons, although the same result is ultimately achieved. We, therefore, suggest adding guidance to note that a direct reclassification is also one which is not immediate due to legal or regulatory reasons.
2. We strongly recommend adding implementation guidance and illustrative examples to support preparers in the application of the new standard. While we understand that private sector preparers have fairly long experience applying IFRS 5, public sector preparers coming from a cash basis background remain completely new to it.
3. We suggest reflecting the changes arising from ED 79 to the illustrative statement of financial position as part of the Amendments to IPSAS 1, *Presentation of Financial Statements*; that is, total assets classified as held for sale and assets included in disposal groups, and liabilities included in disposal groups classified as held for sale.