

IPSASB ED-75: Leases

Specific Matters for Comment	Comments
<p>Specific Matter for Comment 1:</p> <p>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.</p>	<p>We agree with how the IPSASB has modified IFRS 16 for the public sector. Alignment would address the concern of ‘off-balance sheet’ leasing opportunities permitted by IPSAS 13, it would be less costly/challenging to implement, and would be consistent with the IPSASB’s strategic theme of maintaining IFRS alignment.</p>
<p>Specific Matter for Comment 2:</p> <p>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.</p>	<p>We agree with the IPSASB’s decision to retain the fair value definition from IFRS 16 and IPSAS 13, Leases. This would be keeping with the IFRS/IPSAS alignment strategy.</p>
<p>Specific Matter for Comment 3:</p> <p>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.</p>	<p>We agree with the IPSASB’s decision to refer to both “economic benefits” and “service potential”, where appropriate, in the application guidance section of ED 75 on identifying a lease. This is consistent with the <i>Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities</i> in referring to assets in terms of both economic benefits and service potential.</p>