



International Public Sector Accounting Standards Board
Exposure Draft 74

IPSAS 5, Borrowing Costs – Non-Authoritative Guidance

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

01 March 2021

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Further information about PAAB can be obtained at www.paab.org.zw

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ED 74: IPSAS 5, Borrowing Costs – Non-Authoritative Guidance

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.

Signed electronically

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ED 74: IPSAS 5, *Borrowing Costs* – *Non-Authoritative Guidance*.

Specific Matter for Comment 1

Do you agree with the proposed additional implementation guidance and illustrative examples? If not, what changes would you make?

PAAB supports the IPSASB's decision to retain the accounting policy choice to capitalise borrowing costs as part of the cost of the asset when those costs can be directly attributed to the acquisition, construction, or production of a qualifying asset.

PAAB welcomes, and agrees with, the additional Implementation Guidance and Illustrative Examples in IPSAS 5, *Borrowing Costs*.