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**Our Ref:**

**Your Ref:**

**Date: October 22, 2018.**

Dear Sir,

## **RESPONSE TO THE EXPOSURE DRAFT 66 – LONG-TERM INTERESTS IN ASSOCIATES AND JOINT VENTURES (AMENDMENTS TO IPSAS 36) AND PREPAYMENTS FEATURES WITH NEGATIVE COMPENSATION (AMENDMENTS TO IPSAS 41)**

The Association of National Accountants of Nigeria is pleased to comment on the Exposure Draft 65 – Long-term Interests in Associates and Joint Ventures (Amendments to IPSAS 36) and Prepayments Features with Negative Compensation (Amendments to IPSAS 41).

**Our comments are set out below:**

**Amendment: Part 1**

**Amendments to IPSAS 36, Investments in Associates and Joint Ventures**

**Equity Method**

The Association of National Accountants of Nigeria (ANAN) agrees with the inclusion of paragraph 20A as an amendment to IPSAS 36 because investments in associates and joint ventures are in most cases carried out through financial instruments that may be later represented in form of fixed assets in a joint ventures.

**Impairment Losses**

ANAN is in support of the proposed changes because as long as interest does not constitute part of the net investment that suffers among others on impairment loss, it therefore stands to reason that such entity should not apply impairment loss required in IPSAS 41 in IPSAS 36.

**Effective Date and Transition**

We agreed with the date and transition period of January 1, 2022 as contained in paragraphs 51F – 51I to enable affected entities to key in to the amendments but we are not so comfortable with the retrospective application of the amendments for the following reasons:

- a. The intricacies of retrospective restatement of figures are such that could lead to figures been adulterated and not indicative of the reality on ground.
- b. The danger for the auditors who will adjust the figures to suite their purpose.
- c. The danger inherent in the quest to reinstate figures to suit a particular purpose that may be injurious to some stakeholders.

## **Part 11**

### **Prepayment Features with Negative Compensation (Amendments to IPSAS 41)**

ANAN agrees with the proposed changes but disagree with lines 4 – 5 of paragraph 156A and wish to suggest an amendment as follows: “An entity shall apply these amendments for annual periods beginning on or after January, 2022 **but not later than January 1, 2024**”.

## **ABOUT ANAN**

The Association of National Accountants of Nigeria (ANAN) is a statutorily recognized Professional Accountancy body in Nigeria. The body is charged among others, with the responsibility of advancing the science of accountancy.

The Association was founded on 1<sup>st</sup> January, 1979 and operates under the ANAN Act 76 of 1993(Cap A26 LFN 2004), working in the public interest. The Association regulates its practising and non-practising members, and is overseen by the Financial Reporting Council of Nigeria.

Active ANAN members are 19,838, who are either FCNA or CNA and are found in Business, Practice, Academic and Public Sector in all the States of Nigeria and Overseas. The members provide professional services to various users of accountancy services.

ANAN is a member of the International Federation of Accountants (IFAC), International Association for Accounting Education & Research (IAAER), The Pan African Federation of Accountants (PAFA), and Associate of Accountancy Bodies in West Africa (ABWA).

Yours faithfully,

***ASSOCIATION OF NATIONAL ACCOUNTANTS OF NIGERIA***



**DR. Nuruddeen Abba Abdullahi, mni, FCNA**  
Registrar/Chief Executive

