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International Public Sector Accounting Standards Board

By email

19 October 2021

Dear Sirs

Measurement Exposure Drafts ED 76 -78

We have pleasure in attaching our comments on the above Exposure Drafts. We have no comments on ED79, Non-Current Assets Held for Sale.

By way of background, Valuology is a business formed by Marianne Tissier and Chris Thorne, two former directors of the International Valuation Standards Council. It provides support and advice to valuation firms, government bodies and professional organisations on valuation standards, compliance with best practice and risk management.

We have a particular interest in the work of the IPSASB on this subject given our experience of trying to develop an international consensus and best practice guidance of public sector valuations while at the IVSC. We discovered then that there was insufficient commonality between different countries on what public assets could or should be measured at all, let alone valued, for there to be any useful guidance that would be relevant internationally. Hopefully the Conceptual Framework and the proposed measurement standard will assist in harmonisation.

Chris Thorne also had considerable dialogue with both the FASB and IASB during the development of their respective Fair Value standards, including being a member of the FASB's Valuation Resource Group and providing "Education Sessions" to the IASB on valuation issues.

The principal concern we have across all three of the Exposure Drafts on which we have commented is with some of the commentary around the proposed Current Operational Value.

We agree that Fair Value as defined and applied in IFRS 13 cannot be applied to public sector assets which are primarily held for delivery of a public service or benefit, or if it is it gives a figure that is neither useful nor relevant. While one solution would be to only permit measurement of such assets at historic cost less depreciation, this too will rarely be a fair reflection of the value of the remaining service potential of that asset. Neither does it allow for benchmarking of performance between different entities as each will have different historic costs and depreciation profiles. There is, therefore, a need for a modified version of Fair Value that can be used for such assets.

We are therefore supportive of the principal of Current Operational Value. However, while much of the material in Appendix B of ED 77 on how it should be measured is sound and based on principles found in International Valuation Standards, this is totally undermined by the pronouncements that this is an "entity specific" measurement and illustrations that suggest that the cost of acquisition is relevant. The objection to the use of the income approach for estimating Current Operational Value

in the Alternative Opinion also arises from the proposition that this is an entity specific measurement. As drafted the purpose of the proposed basis is therefore unclear. A measurement option that is entity specific and that reflects the acquisition cost is available elsewhere in the proposed standard, Historic Cost.

For Current Operational Value to be useful it should be based on the fundamental principles of IFRS 13 Fair Value, with only those modifications that are necessary to allow application to assets that are held for provision of a public service or benefit rather than for cash generation. The modifications needed are mainly around the principle of highest and best use as defined in IFRS 13, 31-33.

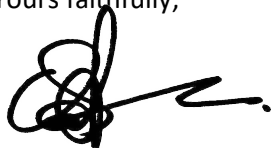
It is unclear from EDs 76 and 77 whether the IPSASB intends Current Operational Value to be

- a valuation measurement based on what a hypothetical service provider would pay for the remaining service potential, or
- an entity specific cost measurement with adjustments using valuation techniques.

Because we cannot understand what the objective is we have not suggested specific modifications to the proposed text but urge the Board to undertake further targeted consultation so that it can clarify what it wishes this alternative measurement to represent before redrafting the detailed text. We are aware that RICS is planning to set up a working group to advise on updated implementation guidance for the basis of Existing Use Value, which is the measurement basis mandated by public sector accounting standards in the UK for property held for service delivery. We suggest that both parties would gain much from collaboration as they are addressing very similar issues.

Please do not hesitate to contact us if you would like to discuss any aspect of our response.

Yours faithfully,



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Comments on ED 76

Specific Matter for Comment 1: ED 76 proposes a measurement hierarchy. Do you agree with the three-tier hierarchy? If not, why not? How would you modify it?

We disagree with the hierarchy as proposed. The reason for this is that it uses the words “model” and “basis” in a way which is inconsistent with the way in which they are used in the International Valuation Standards (IVS) and other valuation literature. This has the potential to cause confusion where the appropriate measurement is current value. Those providing the estimate of current value will often be professional valuers operating in accordance with the IVS.

In the IVS a “Valuation Basis” is a definition of what the reported value represents and the assumptions inherent in its estimation. It is the type of value provided. “Market Value”, “Fair Value”, “Existing Use” and “Long Term Value” are all examples of valuation bases specified for different valuation purposes.

Models, methods and techniques are all words used in the IVS and other valuation literature to describe how a value is estimated. There are very many different models, methods and techniques in use across different markets for different types of asset or liability. There is no recognised distinction between any of these terms. Their usage depends on custom within each market. However, the IVS do identify three basic “Valuation Approaches” into which any model, method or technique can be categorised

It is appreciated that Measurement in accounting is a term that includes both historic cost and valuation, but to describe these as alternative models will be confusing to anyone applying the valuation alternative, where a model is synonymous with methods or techniques. Better would be to refer to these two alternatives as “Measurement Options” or “Measurement Approaches”, although the latter also risks some confusion with meaning of “Approaches” in the IVS, see above.

We also consider it inappropriate to refer to the Measurement Models, Measurement Basis and Measurement Technique as different “levels” of measurement. This suggests that there is a hierarchy, much as the “level” is used in the Fair Value hierarchy in IFRS 13. Diagram 1 indicates that these are stages in the decision process that have to be followed in order to arrive at an appropriate measurement.

In 7.10, measurement bases are also described as specific approaches to measurement. For the reason given above, we feel this risks confusion when it applies to valuation, when an approach is something used to estimate a defined basis.

Specific Matter for Comment 2: Do you agree with the proposed inclusion of fair value as a measurement basis for assets and liabilities with the same definition as in IFRS 13, Fair Value Measurement, in the Conceptual Framework? If not, why not?

Yes, we agree. For income generating assets or surplus assets Fair Value / Market Value is the most appropriate measure. Its application to liabilities, other than those arising from financial instruments, is more problematic as such liabilities tend to be fulfilled rather than exchanged.

Specific Matter for Comment 3: Do you agree with the proposed inclusion of current operational value as a measurement basis for assets in the Conceptual Framework? If not, why not? The Exposure Draft includes an Alternative View on current operational value.

We agree that there is a need for an alternative basis of valuation measurement for public sector assets held for service delivery. Fair Value as defined in IFRS 13 is either difficult to apply or if applied gives an answer that is irrelevant to the continuing operations of the reporting entity. However, while the simple definition proposed for Current Operational Value (COV) suggests an appropriate target for such a measurement, we do have significant concerns over how this has been developed in ED 77. At the very least there seems to be confusion as to whether this is intended to be a value measurement or a cost measurement. The proposal that this is also an entity specific measure takes away one of the essential characteristics of a balance sheet measurement, comparability.

The illustration of COV involving the value of a vehicle illustrates the current lack of clarity around the concept and is neither helpful nor correct. It is an illustration of the effect the unit of account has on value. The cost of an individual vehicle will normally be less if it is acquired as part of a fleet but the measurement that should be captured by current operational value is the value it provides towards meeting the entity's service delivery objectives. If a fleet is required to deliver the service, then that is the unit of account and the measurement should be of the whole. If the service can be delivered by an individual vehicle, then the measurement should be of that vehicle. If the vehicle(s) is/are of the age and specification that can provide the required service the most efficiently and at the least cost the value would be what it would cost to replace the vehicle/fleet with similar. Furthermore, since most vehicles are exchanged in an active market the operational value will normally be the same as the fair value unless it is one with very specific and expensive adaptations. It would be better to use an example of an asset that can only be used for providing a specific public service and for which there is no active market. This might be a fire station built in a city centre, where if it were not for the public obligation to provide fire protection to the city centre the property could theoretically be used for a far more valuable purpose.

See also our comments on COV in ED 77.

Specific Matter for Comment 4: It is proposed to substitute a general description of value in use (VIU) in both cash-generating and noncash-generating contexts, for the previous broader discussion of VIU. This is because the applicability of VIU is limited to impairments. Do you agree with this proposed change? If not, why not? How would you approach VIU instead and why?

Yes, we agree. Considerable confusion has arisen previously over the use of VIU to describe a value for the current use rather than value specifically required for impairment testing under accounting standards.

Specific Matter for Comment 5: Noting that ED 77, Measurement, proposes the use of the cost approach and the market approach as measurement techniques, do you agree with the proposed deletion of the following measurement bases from the Conceptual Framework:

- **Market value—for assets and liabilities; and**
- **Replacement cost—for assets?**

If not, which would you retain and why?

Yes, we agree.

Specific Matter for Comment 6: The IPSASB considers that the retention of certain measurement bases that were in the 2014 Conceptual Framework is unnecessary. Do you agree with the proposed deletion of the following measurement bases from the Conceptual Framework? • Net selling price—for assets • Cost of release—for liabilities • Assumption price—for liabilities. If not, which would you retain and why?

Yes, we agree.

Specific Matter for Comment 7: Are there any other issues relating to Chapter 7: Measurement of Asset and Liabilities in Financial Statements of the Conceptual Framework that you would like to highlight?

No.

COMMENTS ON EXPOSURE DRAFT 77, MEASUREMENT

Additional Comment - Definitions: - We do not agree with the definition proposed of the Cost Approach. Although not specifically defined in the Glossary of the International Valuation Standards (IVS), it is explained in IVS 105 60.1 as:

The cost approach provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction, unless undue time, inconvenience, risk or other factors are involved. The approach provides an indication of value by calculating the current replacement or reproduction cost of an asset and making deductions for physical deterioration and all other relevant forms of obsolescence.

This explanation is very similar to the discussion of the Cost Approach in paragraph 44 of the ED. While arguably the reference in the proposed IPSAS definition to replacing the service capacity of the asset embraces the need to reflect obsolescence, in our experience this is the aspect of the approach which is least understood. We therefore recommend that it is made it clear in the definition that the approach does not merely involve estimating the cost of replacing the asset but takes into account any obsolescence that affects the subject asset. We also do not feel it necessary to refer to the alternative term of “current replacement cost” in the concise definition as this has the potential to distract from the intended meaning unless this too is explained. A suitable alternative might be:

The Cost approach is a measurement technique that reflects the amount that would be required currently to replace the remaining service capacity of an asset taking into account its age and obsolescence.

Specific Matter for Comment 1—(paragraphs 7–16): Do you agree an item that qualifies for recognition shall be initially measured at its transaction price, unless:

- **That transaction price does not faithfully present relevant information of the entity in a manner that is useful in holding the entity to account, and for decision-making purposes;**
or
- **Otherwise required or permitted by another IPSAS?**

If not, please provide your reasons, stating clearly what principles are more appropriate, and why.

Yes, we agree.

Specific Matter for Comment 2—(paragraph 17): - Do you agree after initial measurement, unless otherwise required by the relevant IPSAS, an accounting policy choice is made to measure the item at historical cost or at its current value? This accounting policy choice is reflected through the selection of the measurement model. If not, please provide your reasons, stating clearly what principles are more appropriate, and why.

Fundamentally we agree, but see our comments on ED 76 regarding the use of the words “basis” and “model” in this context due to the potential for confusion with how these terms are used in valuation standards and other literature.

Additional Comment: - (paragraphs 23-25): We do not agree that Current Operational Value (COV) should be described as an entity specific value. To do so implies that only the economic position of the current owner can be taken into account. This does not provide an objective measurement and would be subject to political and other considerations. Public sector assets used for service delivery will have a value for any entity charged with responsibility for delivering that service. The measurement of value should be the price that would be bid by any hypothetical entity based on its service potential, not the circumstances of the current owner. The example of discounts for buying vehicles in bulk is as inappropriate here as it is in ED76. It does not illustrate the operational value of the vehicle(s) only the cost of replacement so it is looking at the question from the wrong side. Neither does it illustrate the economic position of the entity rather than the position prevailing in a hypothetical market. Bulk buying discounts would be available to any hypothetical entity looking to provide the public service in question.

Additional Comment (paragraph 36): - We do not agree with the use of the words “basis “ and “model” in the proposed Measurement Hierarchy, see our comments on ED 76.

Specific Matter for Comment 3—Appendix A (paragraphs A1–A6): In response to constituents’ comment letters on the Consultation Paper, Measurement, guidance on historical cost has been developed that is generic in nature (Appendix A: Historical Cost). Do you agree the guidance is appropriate for application by public sector entities? If not, please provide your reasons, stating what guidance should be added or removed, and why.

No comment.

Specific Matter for Comment 4—Appendix A (paragraphs A1–A6): Do you agree no measurement techniques are required when applying the historical cost measurement basis in subsequent measurement? If not, please provide your reasons, stating which measurement techniques are applicable to the subsequent measurement of an asset or liability measured at historical cost, and why.

No comment.

Specific Matter for Comment 5—(paragraph 6): Do you agree current operational value is the value of an asset used to achieve the entity’s service delivery objectives at the measurement date? If not, please provide your reasons, stating clearly what principles more appropriate for the public sector, and why. The Exposure Draft includes an Alternative View on current operational value.

See aggregated response with SMC 6 below.

Specific Matter for Comment 6—Appendix B (paragraphs B1–B41): Do you agree the proposed definition of current operational value and the accompanying guidance is appropriate for public sector entities (Appendix B: Current Operational Value)? If not, please provide your reasons, stating clearly what definition and guidance is more appropriate, and why.

There is a need for an alternative basis of measuring the current value of an asset held by a public sector entity to Fair Value. The reason for this is nothing to do with “exit” or “entry” values which are used in accounting literature to define what the reporting entity is deemed to be doing with the asset but which have no relevance to the actual valuation which is deemed to be between willing

sellers and buyers in a hypothetical transaction. One of those parties is deemed to be entering and one exiting so the same value represents either action.

The reason why an alternative to Fair Value is appropriate for public sector assets held for service delivery (as opposed to administration or investment) stems from the problem of highest and best use (HABU). HABU is embedded in the concept of Fair Value as it is deemed that both buyer and seller are knowledgeable of the assets and market in which they transact and will negotiate the price most favourable to their respective positions. Clearly if the HABU is incompatible with the use of the asset for delivering a public service that creates a problem.

A concept based on the value for the use for which the asset is currently required and which ignores or modifies the HABU assumption is one that we believe is valid for public sector accounting. Indeed, the need to step back from simply considering what the HABU of a specific asset without considering the context in which it is used by the entity is reflected in IFRS 13 paragraph 31.

We support the proposed definition for Current Operational Value (COV) as it clearly states the objective of the measurement. However, if it is to be accepted as a useful and relevant measurement option it needs to be well explained and backed with strong guidance on its application.

A lesson can be learnt from Existing Use Value (EUV). This was used by the national accounting standard setter in the UK and a few other countries for the financial reporting of any owner occupied property used for operational purposes. It was developed through dialogue between the accounting standard setters and valuation profession and was widely used and applied. However, fifteen or more years ago the countries in question adopted IFRS for private sector reporting. Although UK still uses EUV for public sector property used for service delivery, alongside IFRS Fair Value for most other public assets, because its use is now much less widespread the body of knowledge around it has diminished, and we have seen examples of where it is misapplied, misunderstood and misrepresented, both among practitioners and academics.

Unfortunately the ED itself fails to clearly articulate the underlying concept of COV. We have already commented on the inappropriate illustration of vehicle purchases which has nothing to do with the operational value of vehicles already owned by the entity.

Another example is the indication that COV is entity specific. We have already commented on paragraphs 23-25 earlier in this response. If it really is intended that COV be entity specific it will lose usefulness and relevance to users of public financial statements. Entity specific valuations are useful only for internal performance measures or supporting buy or sell decisions. It is an unnecessary restriction and fails to make a distinction between the usefulness of the asset for delivery of the service and the entity providing the service. Surely the objective is to measure the asset not the entity.

Confusion is also evident from Appendix B sometimes referring to the entity and at others to an entity. If wishing to describe an objective measurement the references should be to an entity to emphasise that it is not a measurement of the value to only the current owner.

Specific Matter for Comment 7—Appendix B (paragraphs B6–B7): Do you agree the asset’s current operational value should assume that the notional replacement will be situated in the same location as the existing asset is situated or used? If not, please provide your reasons, stating clearly why the asset should be measured at a different value.

No, we disagree. The ED suggests it is necessary to assume that the entity will continue to meet its service delivery objectives from the same location in which the asset is currently situated. The focus should be on the location to which the service is provided. If the same service can be provided to the same locality from an alternative site which would be available for a lower cost in the market than the existing site, that is where the hypothetical alternative service provider would locate. It would not pay more for a site that gave no operational advantage over the cheaper alternative just because it had potential for a more valuable alternative use that was irrelevant to its needs.

Specific Matter for Comment 8—(paragraphs B38–B39): Do you agree the income approach is applicable to estimate the value of an asset measured using the current operational value measurement basis? If not, please provide your reasons, stating clearly why the income approach is not applicable for measuring current operational value. The Exposure Draft includes an Alternative View on current operational value.

Yes, we agree. Suggestions that the basis, or definition, of value dictates the method of valuation that can be used are wrong. The basis defines the criteria for the value measurement, e.g. value in a market exchange, value in an off market exchange between defined parties, value to a specific entity, etc. Which is the most appropriate approach or method used to estimate that value will depend on the nature of the asset and how the hypothetical parties would establish that value. If the asset is one that produces separately identifiable cash flows the income approach is an appropriate method to use. If it is a type of asset for which there is an active market, or where there is a closely analogous active market, the market approach is appropriate. If it is a specialised asset from which there is no separately identifiable income and there is no proxy for which there is an active market, the cost approach is appropriate. Sometimes more than one approach is possible and where this is the case judgement is required to determine which should be given the most weight.

In the Alternative Opinion it is argued that the income approach should not be allowed because of the risk that assets will be measured at inappropriately low amounts where the service produces limited cash flows or where there are funding constraints on the reporting entity. In response to the first point, if the cash flows are restricted, e.g. because policy requires them to be delivered free of charge or at costs which are capped, the income approach is clearly inappropriate. However, there will be other types of public asset where either market prices can be charged for the service or a proxy for those services can be determined for which the income approach will be the most reliable method.

With regard to the second point, the income approach involves estimating the cash flows that any competent and informed market participant would generate from the asset. If there are cash flows generated by a current owner, then this will be a starting point but these must always be tested against market norms. Suggesting that the use of the income approach will produce an inappropriate value because it will reflect the specific financial circumstances of the current owner shows a misunderstanding of how the method is applied in many different markets around the world. This also illustrates another problem caused by suggesting COV should be developed as an entity specific basis of valuation.

Additional Comment – Appendix B: As indicated in our response to ED76 we believe there is a need for an alternative to IFRS Fair Value for public sector assets held for service delivery. However, this is best achieved by starting with Fair Value and making just those modifications that are necessary to reconcile the concept with the specific characteristics of assets held for the delivery of a public service rather than for cash generation.

The proposed requirements for COV in Appendix B contain many sound valuation concepts that are consistent with the International Valuation Standards. However, many of these conflict with the proposal in B5 that COV is an entity specific value. When taken overall the result is the Appendix fails to clearly explain the overall purpose of COV or how it is to be delivered.

We strongly recommend that the whole concept of COV is made the subject of separate targeted consultation. We make a specific suggestion in our covering letter.

Specific Matter for Comment 9—Appendix C (paragraphs C1–C89): In response to constituents’ comment letters on the Consultation Paper, Measurement, guidance on fair value has been aligned with IFRS 13, Fair Value Measurement (Appendix C: Fair Value). Do you agree the guidance is appropriate for application by public sector entities? If not, please provide your reasons, stating what guidance should be added or removed, and why.

Yes, we agree. IFRS Fair Value is an appropriate measure for all assets held by public sector entities except for those that are held for the delivery of a specific public service.

Specific Matter for Comment 10—Appendix D (paragraphs D1–D48): In response to constituents’ comment letters on the Consultation Paper, Measurement, guidance on cost of fulfilment has been aligned with existing principles in the Conceptual Framework and throughout IPSAS (Appendix D: Cost of Fulfilment). Do you agree the guidance is appropriate for application by public sector entities? If not, please provide your reasons, stating what guidance should be added or removed, and why.

No comment.

Specific Matter for Comment 11: Do you agree measurement disclosure requirements should be included in the IPSAS to which the asset or liability pertains and not in ED 77? If not, please provide your reasons, stating clearly where the measurement disclosure requirements should be included, and why.

Yes, we agree.

Specific Matter for Comment 12: Are there any measurement disclosure requirements that apply across IPSAS that should be included in ED 77, Measurement? If yes, please provide your reasons, stating clearly what the disclosures are, and why.

None that we can identify.

Specific Matter for Comment 13: Do you agree current value model disclosure requirements should be applied consistently across IPSAS? For example, the same disclosure requirements should apply to inventory and property, plant, and equipment when measured at fair value. If not, please provide your reasons, stating clearly which IPSAS require more or fewer measurement disclosures, and why.

Yes, as long as disclosure requirements are proportionate to the significance of the asset to the entity's overall operations.

Specific Matter for Comment 14: Do you agree with the proposal disclosure requirements for items remeasured under the current value model at each reporting date should be more detailed as compared to disclosure requirements for items measured using the current value model at acquisition as proposed in Appendix E: Amendments to Other IPSAS. If not, please provide your reasons, stating clearly why disclosure requirements should be consistent for recurring items and non-recurring items measured using the current value model.

See response to SMC 15 below.

Specific Matter for Comment 15: Do you agree fair value disclosure requirements should include requirements to disclose inputs to the fair value hierarchy? If not, please provide your reasons, stating clearly why disclosure requirements for inputs in the fair value hierarchy are unnecessary.

We believe that as far as possible there should be consistency with IFRS. To this end we consider that the IPSASB should not finalise its disclosure requirements for the fair value hierarchy pending the outcome of the IASB's current project "Disclosure Requirements in IFRS Standards—A Pilot Approach - Proposed amendments to IFRS 13 and IAS 19".

Comments on ED78 Property Plant and Equipment

Specific Matter for Comment 1: [Draft] IPSAS [X] (ED 78), Property, Plant, and Equipment proposes improvements to the existing requirements in IPSAS 17, Property, Plant, and Equipment by relocating generic measurement guidance to [draft] IPSAS [X] (ED 77), Measurement; relocating guidance that supports the core principles in this Exposure Draft to the application guidance; and adding guidance for accounting for heritage assets and infrastructure assets that are within the scope of the Exposure Draft.

Do you agree with the proposed restructuring of IPSAS 17 within [draft] IPSAS [X] (ED 78)? If not, what changes do you consider to be necessary and why?

Yes, we agree.

Specific Matter for Comment 2—(paragraphs 29-30): Do you agree that when an entity chooses the current value model as its accounting policy for a class of property, plant, and equipment, it should have the option of measuring that class of assets either at current operational value or fair value? If not, please provide your reasons, stating clearly which current value measurement basis would best address the needs of the users of the financial information, and why.

No. Assets which are held for general administration, investment or which are surplus should be valued to Fair Value as the prospective market for such assets comprises public and private entities, e.g. a public entity's main administrative offices will have been procured in competition with the private sector and if disposed of private sector entities would be among the potential buyers. Assets which are held for delivery of a public service and are only suitable for the delivery of that service should be valued at Current Operational Value or another suitable alternative to Fair Value, see our comments on ED 77.

Specific Matter for Comment 3—(paragraph AG3): Are there any additional characteristics of heritage assets (other than those noted in paragraph AG3) that present complexities when applying the principles of [draft] IPSAS [X] (ED 78) in practice? Please provide your reasons, stating clearly what further characteristics present complexities when accounting for heritage assets, and why.

Yes, we believe that a heritage asset can have additional distinguishing characteristics besides the three listed. These include:

- May not generate direct income (for example a monument or historic structure in a public space).
- May be expensive to repair or preserve.

We also believe it is important to make it clear that one or more of the characteristics identified may apply to a particular heritage asset and neither are they mutually exclusive.

Specific Matter for Comment 4—(paragraph AG5): Are there any additional characteristics of infrastructure assets (other than those noted in paragraph AG5) that present complexities when applying the principles of [draft] IPSAS [X] (ED 78) in practice? Please provide your reasons, stating clearly what further characteristics present complexities when accounting for infrastructure assets, and why.

None identified.

Specific Matter for Comment 5—(paragraphs 80-81 and AG44-AG45): This Exposure Draft proposes to require disclosures in respect of heritage property, plant, and equipment that is not recognized in the financial statements because, at initial measurement, its cost or current value cannot be measured reliably. Do you agree that such disclosure should be limited to heritage items? If not, please provide your reasons, stating clearly the most appropriate scope for the disclosure, and why.

No. There may be other items that cannot be reliably valued so flexibility is needed. Clearly there is a need to prevent this flexibility being used excessively for assets for which a value can be estimated with a reasonable degree of certainty. Section 80 requires the entity to disclose the reasons why an asset cannot be reliably valued which provides some control but further guidance or illustrative examples may be required.

Specific Matter for Comment 6—(paragraphs IG1-IG40): Do you agree with the Implementation Guidance developed as part of this Exposure Draft for heritage assets? If not, please provide your reasons, stating clearly what changes to the Implementation Guidance on heritage assets are required, and why.

Yes, we agree.

Specific Matter for Comment 7—(paragraphs IG1-IG40): Do you agree with the Implementation Guidance developed as part of this Exposure Draft for infrastructure assets? If not, please provide your reasons, stating clearly what changes to the Implementation Guidance on infrastructure assets are required, and why.

Yes, we agree.