

November 26, 2024

Mr. Ross Smith  
Program and Technical Director  
International Public Sector Accounting Standards Board  
International Federation of Accountants  
277 Wellington Street West  
Toronto, Ontario, Canada M5V 3H2

**Comments on Exposure Draft 91 “Limited-scope Updates to First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSAS) (Amendments to IPSAS 33)”**

Dear Mr. Smith,

The Japanese Institute of Certified Public Accountants (hereafter “JICPA”) highly respects the International Public Sector Accounting Standards Board (hereafter “IPSASB”) for its continuous effort to serve the public interest. We are also pleased to comment on Exposure Draft 91 “*Limited-scope Updates to First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSAS) (Amendments to IPSAS 33)*” (hereafter “ED”). Our comments to ED are as follows.

**Specific Matter for Comment 1**

The IPSASB agreed to undertake this limited scope project to address stakeholder concerns in the application of IPSAS 33, to improve its effectiveness and user-friendliness. In response, the IPSASB propose to amend IPSAS 33 as follows:

- (a) To revise authoritative text and Basis for Conclusions by rearranging the guidance by topic;
- (b) To revise guidance to improve understandability and reduce duplication;
- (c) To revise relevant guidance to encourage the first-time adopter to apply IPSAS incrementally and as soon as possible by emphasizing the choice to elect to apply or not apply the available exemptions;
- (d) To add non-authoritative guidance (particularly under implementation guidance) to support the understanding and application of IPSAS 33; and

(e) To add non-authoritative guidance on the pre-adoption planning and preparation phase of the transition to accrual basis IPSAS.

Do you agree with the proposed amendments? If not, please explain your reasons.

Comment:

Specific Matter for Comment 1(a)

We agree except for the following point: The words “Disclosures and” should be deleted from the topic title “Disclosures and Other Standards,” because the title may confuse users given that there also are other topics covering disclosure rules.

Specific Matter for Comment 1(b)

We agree except for the following point: Whereas paragraph AG91 of the ED refers to paragraphs 135 and 136 of IPSAS 41, the latter two paragraphs are not intended for first-time adopters. Accordingly, the clause “A first-time adopter shall not reflect in its opening statement of financial position a hedging relationship of a type that does not qualify for hedge accounting in accordance with IPSAS 41” at the beginning of paragraph 118 of IPSAS 33 should not be deleted.

Specific Matters for Comment 1(c) to 1(e)

We agree.

## **Specific Matter for Comment 2**

The definition of “deemed cost” was previously deleted from the IPSAS 33 as a consequential amendment through IPSAS 46, *Measurement*. The IPSASB agreed that the definition of “deemed cost” is important for the understanding of the exemptions in the Standard relating to the use of deemed cost, and therefore propose to include a copy of the IPSAS 46 definition of deemed cost in IPSAS 33.

Do you agree with the inclusion of the definition of “deemed cost”? If not, please explain your reasons.

Comment:

We agree except for the following point: To prevent users’ misunderstanding, the IPSASB should add the statement that the definition of “deemed cost” therein is the same as that given in IPSAS 46.

Yours sincerely,

Kaneko Yasushi

Executive Board Member - Public Sector Accounting and Audit Practice

The Japanese Institute of Certified Public Accountants