

May 21, 2024

Ross Smith
Program & Technical Director
International Public Sector Accounting Standards Board
227 Wellington Street
West Toronto, ON M5V 3H2
Canada

Dear Sir/Madam,

RE: REQUEST FOR FEEDBACK COMMENTS ON INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS BOARD (IPSASB) ED 87 – STRIPPING COST IN THE PRODUCTION PHASE OF A SURFACE MINE (AMENDMENT TO IPSAS 12)

The Financial Reporting Council of Nigeria (FRC) is pleased to avail its input alongside its constituents in Nigeria on the IPSASB Exposure Draft 87 – Stripping Cost in the production Phase of a Surface Mine (Amendment to IPSAS 12).

In order to elicit comments from stakeholders, the Financial Reporting Council of Nigeria organised a webinar on May 16, 2024 where 822 registered while 216 attended. Therefore, it is the voice of the 216 participants at the webinar that is being submitted by the Financial Reporting Council of Nigeria. The Council, on behalf of the Nigerian Constituent wishes to comment on the Exposure Draft as hereunder:

SPECIFIC MATTER FOR COMMENT 1:

The IPSASB decided to propose IFRIC 20-aligned guidance in ED 87 (see paragraph BC9). Do you agree that amendments to IFRIC 20, for the public sector, are limited to terminology and other IPSASB-specific formatting and consistency amendments (see paragraph BC10)?

If not, please explain your reasons, stating clearly what further amendments are necessary and why.

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The Council's Response to Specific Matters for Comment 1

The Council agrees with the IFRIC 20-aligned guidance in ED 87 and the limitation to terminology and other IPSASB-specific formatting and consistency amendments. There is no need for further consideration from public sector perspective that should be brought into the Exposure Draft as public and private sector stripping activities are the same and aligned.

How should subsequent discovery of other assets/minerals in the space/mine be classified?

It will be of value to include specific disclosure requirements in the final standard such that users of the financial statements are able to understand what portion of the asset being capitalized or what portion of the inventory relates to stripping cost.

SPECIFIC MATTER FOR COMMENT 2:

The IPSASB decided to propose the IFRIC 20-aligned guidance in ED 87 as an amendment to IPSAS 12, Inventories, by including the guidance as an Appendix (see paragraph BC11). Do you agree with the IPSASB's decision?

If not, please explain your reasons, stating clearly where the guidance should be included and why.

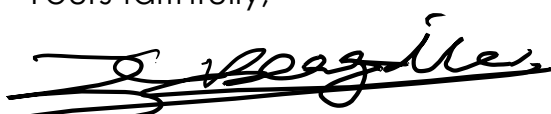
The Council's Response to Specific Matters for Comment 2

The Council agrees to the proposal that IFRIC 20-aligned guidance in ED 87 as an amendment to IPSAS 12, Inventories, by including the guidance as appendix.

It is the proper place to put it, reason being that it is an add-on and is appropriate as an appendix. There would not be any need to start adjusting the main standard.

If you require any further information or clarification, do not hesitate to contact the Head, Directorate of Accounting Standards (Public Sector) on: ioanyahara@frcnigeria.gov.ng

Yours faithfully,



Iheanyi O. Anyahara, PhD

**Coordinating Director, Directorates of Accounting Standards –
Public and Private Sectors
For: Executive Secretary/CEO**