



**JUNTA DE DECANOS DE
COLEGIOS DE CONTADORES
PÚBLICOS DEL PERÚ**

MIEMBROS
DE:



Lima, May 30, 2024

LETTER N°467 -2024-JDCCPP/CD.

MR. IAN CARRUTHERS

Chairman,

*International Public Sector Accounting Standards Board IPSASB,
The International Federation of Accountants,
277 Wellington Street West,
Toronto, Ontario M5V 3H2 CANADA*

Re: Comments on the ED 86

Dear Ian Carruthers,

Receive a cordial greeting and thanks for the support of the IPSASB. We are pleased to provide comments on the “ED 86 Exploration for and Evaluation of Mineral Resources” issued by the International Public Sector Accounting Standards Board (IPSASB) of the International Federation of Accountants (IFAC). Our comments on the aforementioned Exposure Draft are attached to this letter.

If you need any additional clarification, do not hesitate to contact us through the email jaranibar@mef.gob.pe with Prof. Juan Francisco Martin Aranibar Romero, Chair of the National Public Sector Technical Committee of our represented Board of Deans of Colleges of Public Accountants of Peru.

Thanking you,

Yours sincerely,



CPC. Teodosio Paulino Ramírez Chávez
Chair
Board of Deans of Colleges of
Public Accountants of Peru



CPC. Helmer Gregorio Rivas Benites
Secretary
Board of Deans of Colleges of
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Comments on the ED 86 Exploration for and Evaluation of Mineral Resources

Specific Matter for Comment 1

The IPSASB decided to propose an IFRS 6 aligned Standard in ED 86 (see paragraphs BC2 - BC7). Do you agree that amendments to IFRS 6, for the public sector, are limited to terminology and other IPSASB-specific formatting and consistency amendments (see paragraph BC8)?

We agree with the proposed amendments aligned to IFRS 6, for the public sector, which introduce a clear distinction in asset recognition between expenditures associated with the exploration and evaluation stage of mineral resources and those related to their subsequent development. This differentiation reflects a fundamental accounting practice aimed at separating exploration and evaluation activities, oriented on identifying and assessing potential mineral resources, from development activities, centered on the preparation and effective extraction of these resources. Such distinction is essential for precise and transparent financial reporting, given that costs associated with each stage can vary significantly in terms of nature and function.

In this regard, IPSAS 31 provides additional guidance on asset recognition arising from research development, offering a robust framework to determine when and how resulting assets should be recognized and accounted for in financial statements, suggesting greater alignment with this standard.

Therefore, the proposed amendments to IFRS 6 not only address terminology and format but also focus on the recognition of assets and expenses related to the exploration and evaluation of mineral resources, ensuring the coherence and suitability of financial information in the context of the public sector.

Additionally, in our country, there exists an Organic Law on the Utilization of Natural Resources that regulates the sustainable utilization regime of natural resources as national heritage. This law establishes the conditions and modalities for granting rights over natural resources to individuals, while retaining state ownership over them and their ungranted fruits and products.

Under this law, the government grants concessions, in accordance with the General Mining Law, providing holders with the right to explore and exploit mineral resources within established limits. These concessions, regulated by special laws, enable the sustainable utilization of natural resources under conditions and limitations specified in the respective titles.



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Given the above, it is also suggested to address aspects related to the exploration and evaluation of Mineral Resources within the framework of IPSAS 32 Service Concession Arrangements: Grantor.

Sincerely

Juan Francisco Aranibar Romero
Chair
National Public Sector Technical Committee
Board of Deans of Colleges of
Public Accountants of Peru

Ismael Lavilla Latorre
Technical Secretary
National Public Sector Technical Committee
Board of Deans of Colleges of
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