



**INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
OF UGANDA**

Our Ref: STA/001

30 May 2024

The International Public Sector Accounting Standards Board (IPSASB),
277 Wellington St. West,
Toronto, ON,
M5V 3H2.

Submitted via the IPSASB website

Dear Sir/Madam,

**ICPAU COMMENTS ON IPSASB'S EXPOSURE DRAFT (ED) 88, ARRANGEMENTS
CONVEYING RIGHTS OVER ASSETS**

The Institute of Certified Public Accountants of Uganda (ICPAU) appreciates the opportunity to comment on the IPSASB's Exposure Draft (ED) 88, *Arrangements Conveying Rights over Assets* (Amendments to IPSAS 47 and IPSAS 48).

We note that the objective of the ED is to propose guidance for the concession in concessionary leases and other arrangements that convey rights over assets. Our comments are set out in the appendix to this letter.

We hope you will find these comments helpful.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Charles Lutimba', with a circular stamp or mark to the right.

CPA Charles Lutimba
DIRECTOR, STANDARDS AND REGULATION

Appendix: Comments to the Exposure Draft (ED) 88, Arrangements Conveying Rights over Assets.

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APPENDIX: ICPAU COMMENTS ON IPSASB'S EXPOSURE DRAFT (ED) 88, ARRANGEMENTS CONVEYING RIGHTS OVER ASSETS

Specific Matter for Comment 1 - Accounting guidance for the concession in concessionary leases for lessees and right-of-use assets in-kind in IPSAS 47

The IPSASB decided to carry over the proposals in ED 84 in IPSAS 23, Revenue from Non-Exchange Transactions (Taxes and Transfers) related to the concession in concessionary leases to IPSAS 47 (see paragraphs IPSAS 47.BC141-BC145). Do you agree with the proposed amendments to IPSAS 47? If not, please explain your reasons. If you agree, please provide any additional reasons not already included in the Basis for Conclusions.

Our Comment:

We agree with the proposed amendments to IPSAS 47.

Specific Matter for Comment 2 - Non-authoritative guidance for other arrangements conveying rights over assets in IPSAS 47

The IPSASB decided to propose non-authoritative guidance for arrangements conveying rights over assets in IPSAS 47 (see paragraphs IPSAS 47.BC146-BC150). Do you agree with the proposed non-authoritative amendments to IPSAS 47? If not, please explain your reasons. If you agree, please provide any additional reasons not already discussed in the Basis for Conclusions.

Our Comment:

Yes, we agree that the guidance is necessary.

We would also suggest that the IPSASB communicate clearly how the arrangements would be accounted for under IPSAS 47. This implies more details could be included. The detail could consist of an analysis of the different scenarios and the attendant journal entries like the examples provided in 54A and 59 as appropriate.

Specific Matter for Comment 3 - Non-authoritative guidance for other arrangements conveying rights over assets without consideration in IPSAS 48

The IPSASB decided to propose non-authoritative guidance for arrangements conveying rights over assets without consideration in IPSAS 48 (see paragraphs IPSAS 48.BC41-BC44). Do you agree with the proposed non-authoritative amendments to IPSAS 48? If not, please explain your reasons. If you agree, please provide any additional reasons not already discussed in the Basis for Conclusions.

Our Comment:

We agree that the proposed illustrative examples to be added to IPSAS 48 are necessary.

We note that emphasis has been placed on identifying which arrangements would be covered under IPSAS 48. The Board suggests a certain accounting approach in the ED, but the examples do not detail the desired accounting treatment sufficiently. We believe that the lack of practical detail in the examples could lead to varied interpretations and inconsistent application across entities.

To help entities fully understand how IPSAS 48 applies to arrangements conveying rights over assets without consideration, we suggest that the Board provide further guidance covering the recognition, measurement, and disclosure requirements and, where applicable, illustrations of journal entries.