

Quito, May 2024

R-02-05-IPSAS

Mr. Ian Carruthers  
Chairman International Public Sector Accounting Standards Board,  
International Federation of Accountants,  
277 Wellington Street West,  
Toronto, Ontario M5V 3H2 CANADA

Dear Ian Carruthers,

**Subject: Comment letter on Exposure Draft 87, " Proposed Stripping Costs in the Production Phase of an Open Pit Mine (Amendments to IPSAS 12)".**

For the College of Public Accountants of Ecuador, we are pleased to provide comments on Draft Standard 87, " Proposed Stripping Costs in the Open Pit Mine Production Phase (Amendments to IPSAS 12)", issued by the International Public Sector Accounting Standards Board (IPSASB) of the International Federation of Accountants (IFAC). Our comments on Exposure Draft 87 are:

**Specific topic for comment 1:**

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

If not, explain your reasons, clearly stating what additional modifications are needed and why.

**Specific topic for comment 2:**

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

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

**Answer comment 1:**

Yes, we agree with the IFRIC 20 aligned guidance in Exposure Draft 87, which for the public sector are limited to IPSASB specific terminology and formatting and consistency modifications.

**Answer comment 2:**

Yes, we agree with the IFRIC 20 aligned guidance in Draft Standard 87 as an amendment to IPSAS 12, Inventories, including the guidance as an Appendix 1. It is recommended to clarify that this guide does not address oil and natural gas extraction, including the question of whether oil sands extraction is an open-pit mining activity.

Please feel free to contact us in case any further clarification in this regard is required.

Regards,

Dr. Alexei Estrella Morales  
Vice President of the College of Public Accountants of Ecuador  
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