



MALAYSIAN INSTITUTE
OF ACCOUNTANTS

31 May 2024

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

Dear Ross,

EXPOSURE DRAFT 86, *EXPLORATION FOR AND EVALUATION OF MINERAL RESOURCES*

The Malaysian Institute of Accountants (“MIA”) is pleased to provide comments on the International Public Sector Accounting Standards Board (“IPSASB”) Exposure Draft 86, *Exploration for and Evaluation of Mineral Resources* as attached in Appendix 1 to this letter.

We hope our comments would contribute to the IPSASB’s deliberation in finalising the matter. If you have any queries or require clarification of this submission, please contact Rasmimi Ramli, Executive Director of Sustainability, Digital Economy, and Reporting at +603 2722 9277 or by email at rasmimi@mia.org.my.

Yours sincerely,

MALAYSIAN INSTITUTE OF ACCOUNTANTS

DR WAN AHMAD RUDIRMAN WAN RAZAK
Chief Executive Officer

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 IPSASB's proposal.

Paragraph 18 of ED 86 states that "an exploration and evaluation asset shall no longer be classified as such when the technical feasibility and commercial viability of extracting a mineral resource are demonstrable". We propose that the IPSASB include example(s) to illustrate when the reclassification would occur. Accordingly, we propose the underlined sentence below is added to paragraph 18 as follows:

"An exploration and evaluation asset shall no longer be classified as such when the technical feasibility and commercial viability of extracting a mineral resource are demonstrable. For example, the vehicles and drilling rigs classified as exploration and evaluation assets are reclassified to property, plant and equipment upon the technical feasibility and commercial viability of extracting a mineral resource are demonstrable. Exploration and evaluation assets shall be assessed for impairment, and any impairment loss recognized, before reclassification."

We also wish to request clarification on whether reversal of impairment is possible when there are changes in circumstances i.e. when the technical feasibility and commercial viability are now demonstrable.