



Exposure Draft 88: Arrangements Conveying Rights over Assets
(Amendments to IPSAS 47 and IPSAS 48)

**Response from the Public Accountants
and Auditors Board (PAAB), Zimbabwe**

31 May 2024

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31 May 2024

PAAB ZIMBABWE COMMENT LETTER TO THE IPSASB's ED 88 - ARRANGEMENTS CONVEYING RIGHTS OVER ASSETS (AMENDMENTS TO IPSAS 47 AND IPSAS 48)

Dear Chairman,

We are writing on behalf of the Public Accountants and Auditors Board Zimbabwe to comment on the IPSASB's ED88 - Arrangements conveying rights over assets (amendments to IPSAS 47 and IPSAS 48). PAAB is pleased to present its comments on this consultation. In coming up with these comments the PAAB consulted various stakeholders from auditors, preparers, academia, and professional accountancy organisations.

General Comment on the Consultation paper

The PAAB followed a due process in coming up with this comment letter. Under the due process the PAAB technical staff conducted research, consulted key stakeholders, and drafted this comment letter. In our view there is need for additional guidance for the concession in concessionary leases and for other arrangements that convey rights over assets as outlined in the proposed amendments

Response to Specific Matters for Comment

Detailed comments on the Specific Matters for Comment are provided in the attached Annex.

Donald Mangenje

Secretariat, PAAB

Nicholas Mudhima

Standards, PAAB

- 1. 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.B C141–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 discussed in the Basis for Conclusions.**

We agree with the decision by the Board to include guidance on the remaining arrangements

- (i) Concessionary Leases,
- (ii) Leases for Zero or Nominal Consideration,
- (iii) Access Rights (or Rights of Access to Property and/or Land),
- (iv) Arrangements Allowing Right-of- Use,
- (v) Social Housing Rental Arrangements, and
- (vi) Shared Properties with or without a Lease-Arrangement in Place

We believe the nature of these arrangements are almost similar as they all include the use of a benefit for no consideration. As such it better clarifies the guidance already included in IPSAS 24 and IPSAS 47.

We expect the carryover to ensure uniformity in practise and ensure consistency in application.

- 2. 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.**

We agree with the proposed non-authoritative guidance

The non-authoritative guidance is expected to help entities apply the standards while giving them room for exercising judgement where applicable. The benefit is that entities will be guided by core principles in IPSAS 47 while applying the thought process suggested by the non -authoritative guidance.

- 3. 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.**

We agree with the proposed non-authoritative guidance

We believe the non-authoritative guidance may help clarify issues which are not very clear in the IPSASB core guidance.