



MALAYSIAN INSTITUTE
OF ACCOUNTANTS

17 June 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 Mr Smith

EXPOSURE DRAFT 89, AMENDMENTS TO CONSIDER IFRIC INTERPRETATIONS

The Malaysian Institute of Accountants (“MIA”) is pleased to provide comments on the International Public Sector Accounting Standards Board (“IPSASB”) Exposure Draft 89, *Amendments to Consider IFRIC Interpretations* 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 proposes amendments to IPSAS based on five IFRIC Interpretations developed by the IFRS Interpretations Committee, as presented in Table 1, because the guidance is applicable to the public sector (see Basis for Conclusions paragraphs in the respective IPSAS). Do you agree with the proposed amendments? If not, please explain your reasons.

Table 1: Amendments to IPSAS to Consider IFRIC Interpretations

IFRIC Interpretation	Proposed Amendments to IPSAS [Note 1]		Summary of Proposed Amendments
IFRIC 1, <i>Changes in Existing Decommissioning, Restoration and Similar Liabilities</i>	IPSAS 19, <i>Provisions, Contingent Liabilities and Contingent Assets</i>	Appendix B and Illustrative Examples	To clarify how an entity should account for specific changes in estimates of existing liabilities to dismantle, remove and restore a property, plant, and equipment asset in the scope of IPSAS 45, or right-of-use asset in the scope of IPSAS 43. (See Part 1)
	IPSAS 43, <i>Leases</i>	Reference to IPSAS 19, Appendix B	
	IPSAS 45, <i>Property, Plant, and Equipment</i>	Reference to IPSAS 19, Appendix B	
IFRIC 5, <i>Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds</i>	IPSAS 19	Appendix C	To clarify how an entity that is a contributor to a decommissioning fund should account for its obligation to pay decommissioning costs and its related interest in that fund. (See Part 2)
IFRIC 7, <i>Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies</i>	IPSAS 10, <i>Financial Reporting in Hyperinflationary Economies</i>	Appendix A	To clarify how an entity identifies the existence of hyperinflation in the economy of its functional currency when the economy was not hyperinflationary in the prior period. (See Part 3)
IFRIC 14, <i>IAS 19—The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction</i>	IPSAS 39, <i>Employee Benefits</i>	Appendix AA and Illustrative Examples	To clarify how an entity should consider limits on the defined benefit asset and minimum funding requirements when accounting for its post-employment defined benefits or other long-term employee defined benefits. (See Part 4)
IFRIC 21, <i>Levies</i>	IPSAS 19	Appendix D and Illustrative Examples	To clarify how an entity should account for an obligation to pay levies imposed by a government. (See Part 5)

[Note 1]: Parts 1, 2, and 5 all propose amendments to IPSAS 19. The IPSASB has proposed a single paragraph for the transitional provision (paragraph 110B), effective date (paragraph 111P), and Basis for Conclusion (paragraph BC27) in each respective Part, to reflect the proposed amendments. These paragraphs have been repeated in Parts 1, 2 and 5 in this ED, but will not be repeated in the final Pronouncement.

IFRIC 1 *Changes in Existing Decommissioning, Restoration and Similar Liabilities* and IFRIC 5 *Rights to Interests arising from Decommissioning, Restoration and Similar Liabilities*

We agree with the proposal. However, we propose that the IPSASB explains the relationship between IFRIC 1 *Changes in Existing Decommissioning, Restoration and Similar Liabilities*, IFRIC 5 *Rights to Interests arising from Decommissioning, Restoration, and Environmental Rehabilitation Funds* and IPSAS 45, *Property, Plant and Equipment* as cost of dismantling and restoration is one of the elements of cost at the initial measurement of property, plant and equipment (PPE) as stated in paragraph 14 of IPSAS 45. Referring to paragraph C1, we also propose that the IPSASB provides other examples of “decommissioning plant”.

IFRIC 7 *Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies*

We agree with the proposal.

IFRIC 14 *IAS 19 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction*

We agree with the proposal. However, we wish to seek clarification on the calculation of Illustrative Example (IE) 17, specifically whether the present value of the economic benefit available as a future contribution reduction of CU56 is correct.

IFRIC 21 *Levies*

We wish to enquire whether the issues mentioned in IFRIC 21 *Levies* are prominent to public sector entities given that the public sector is the party that imposes the levy. We also wish to request the IPSASB to provide illustrative examples that could enhance the understanding of the preparers.

Specific Matter for Comment 2:

The IPSASB decided to propose amendments to IPSAS based on two interpretations, as presented in Table 2, for the rationale listed below. Do you agree with the IPSASB’s decision not to propose amendments to IPSAS for these two interpretations? If not, please explain your reasons, and indicate where the guidance should be included, and why.

Table 2: IFRIC and SIC Interpretations *not proposed for inclusion in IPSAS*

IFRIC or SIC Interpretation	Summary of IFRIC or SIC Interpretation	IPSASB's Rationale for not Incorporating into IPSAS
IFRIC 6, <i>Liabilities Arising from Participating in a Specific Market—Waste Electrical and Electronic Equipment</i>	To clarify when an entity that produces electrical and electronic equipment for household use and is required under legislation to pay e-waste management costs should recognize a provision for waste management costs.	The IPSASB noted that there are rare circumstances where a public sector entity applying IPSAS would be a producer of electrical and electronic equipment for household use. Thus, the IPSASB decided that the guidance in IFRIC 6 is not applicable or useful for the public sector.
SIC-7, <i>Introduction of the Euro</i>	To clarify how an entity in a country participating in the Economic and Monetary Union (EMU) should account for the change from its national currency to the euro.	The IPSASB noted that there is limited applicability of the guidance for the international public sector, as-is. Further work is required to consider other challenges in applying IPSAS 4, <i>The Effects of Changes in Foreign Exchange Rates</i> in the international public sector, including dollarization and other current or prospective monetary unions. Thus, the IPSASB decided to further consider the application of IPSAS 4 in its future work program.

IFRIC 6 *Liabilities Arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment*

We agree with the proposal. However, we wish to enquire that if a jurisdiction is not obliged to comply with the EU directive but encounter similar circumstances, whether there is any guidance available in IPSASs .

SIC-7, *Introduction of the EURO*

We agree with the proposal.