

**Exposure Draft (ED) 92, Tangible Natural Resources**

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**Region/Country:** Indonesia

**Exposure Draft Group:** Individual and Others

### **Specific Matter for Comment 1: Scope (paragraphs 3-5):**

This Exposure Draft is broadly applicable to all tangible natural resources which are not within the scope of any other existing IPSAS. (See paragraphs 3-4, BC8, and BC34.) Do you agree with the proposed scope?

Agree with alternative view of Ms. Patricia Varela and Mr. Andrew van der Burgh

- a. Based on the definition of natural resources as an item which is naturally occurring, they are unable to identify tangible natural resources other than those held for conservation that could be within the scope of ED 92;
- b. Requirements and guidance in ED 92 that are not specific to tangible natural resources held for conservation may lead to inappropriate financial reporting for those resources held for conservation; and
- c. Should ED 92 be applied to resources other than tangible natural resources held for conservation, the requirements and guidance may lead to inappropriate financial reporting.

If not, what alternative scoping approach would you propose and why?

Tangible natural resources held for conservation may regulated in existing statements i.e. Inventory, Property, Plant, and Equipment or Agriculture. Conservation may come from past event.

As a result of the proposed scope, tangible natural resources held for conservation are one common example of items which could fall within the scope of this Exposure Draft. What other items would you anticipate being accounted for through this Exposure Draft?

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This Exposure Draft includes an [Alternative View](#) regarding its scope and the definition of tangible natural resources.

### **Specific Matter for Comment 2: Definitions (paragraph 6):**

This Exposure Draft defines a natural resource as an item which is naturally occurring and embodies service potential, the capability to generate economic benefits, or both, and a tangible natural resource as a natural resource with physical substance.

Do you agree with the proposed definitions? If not, why not?

- a. Based on definitions in paragraph 6, natural resources is item which:
  - i. Is naturally occurring; and
  - ii. Embodies service potential, or the capability to generate economic benefits, or bothIs “naturally occurring” in line with “result of past events” in paragraph 8?
- b.
  - i. ..
- c. Agree with alternative view of Ms. Patricia Varela and Mr. Andrew van der Burgh:
  - i. Based on the definition of natural resources as an item which is naturally occurring, they are unable to identify tangible natural resources other than those held for conservation that could be within the scope of ED 92;
  - ii. Requirements and guidance in ED 92 that are not specific to tangible natural resources held for conservation may lead to inappropriate financial reporting for those resources held for conservation;
  - iii. Should ED 92 be applied to resources other than tangible natural resources held for conservation, the requirements and guidance may lead to inappropriate financial reporting; and
  - iv. Is “naturally occurring” in line with “result of past events”

This Exposure Draft includes an [Alternative View](#) regarding its scope and the definition of tangible natural

**Specific Matter for Comment 3: Depreciation (paragraph 23):**

This Exposure Draft includes a rebuttable presumption that the tangible natural resources recognized within the scope of this [draft] Standard have indefinite useful lives on the basis that they are generally not used or consumed in the same manner as tangible assets within the scope of other IPSAS. Therefore, these tangible natural resources are not depreciated.

Do you agree with the proposed rebuttable presumption that tangible natural resources should not be depreciated? If not, why not?

→ [Agree](#)

**Specific Matter for Comment 4: Exemption from Certain Disclosures (paragraph 51):**

As explained in paragraph BC31, this Exposure Draft exempts an entity from disclosing certain information which may lead to further degradation of tangible natural resources which are rare or endangered.

Do you agree with the proposed disclosure exemption? If not, why not?

→ [Agree](#)

**Specific Matter for Comment 5: Cross-References to IPSAS 45, Property, Plant, and Equipment**

(paragraphs 15 and 54):

This Exposure Draft includes cross-references to the guidance in IPSAS 45 on the determination of cost in an exchange transaction and the disclosure requirements for current value. This guidance was incorporated by cross-reference as the acquisition of tangible natural resources is expected to be rare in the public sector, and there is familiarity with the principles on the determination of cost, which are consistent with those found in IPSAS 45.

Do you agree that these cross-references are sufficiently clear? If not, how should the above guidance be incorporated into the Final Standard?

→ [Agree](#)

**Specific Matter for Comment 6: Transition (paragraph 60):**

This Exposure Draft allows the application of its requirements on a modified retrospective approach, by recognizing tangible natural resources which meet the recognition criteria on the date of initial application of the [draft] Standard at their deemed cost, or on a full retrospective basis in accordance with IPSAS 3, Accounting Policies, Changes in Accounting Estimates and Errors.

Do you agree that the option to apply the proposed guidance on a modified retrospective basis will result in useful information? If not, why not?

→ [Agree](#)

Specific Matter for Comment 7: Amendment to the Description of 'Heritage Asset' in IPSAS 45, Property, Plant, and Equipment (Appendix B):

The IPSASB proposes to amend the description of 'heritage asset' in IPSAS 45 so that heritage assets which are also tangible natural resources are accounted for within the scope of this [draft] Standard.

Do you agree with the proposed amendment? If not, why not?

→ [Agree](#)

Specific Matter for Comment 8: Sufficiency of Proposed Implementation Guidance and Illustrative

Examples:

The non-authoritative guidance in this [draft] Standard was developed for topics that are potentially complex and difficult to apply in practice, are areas of concern for constituents, or where additional non-authoritative guidance could be useful.

Do you agree that the proposed implementation guidance and illustrative examples are sufficient? If not, what other topics would be helpful and why?

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