

Ref: PSASB 1/12 Vol. IV / (128)

Date: 30th May 2024

Ross Smith

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Dear *Ross Smith*

EXPOSURE DRAFT 88 ON ARRANGEMENTS CONVEYING RIGHTS OVER ASSETS (AMMENDMENTS TO IPSAS 47 AND 48).

The Public Sector Accounting Standards Board Kenya (PSASB) is mandated by section 194 of the Public Finance Management Act of Kenya, 2012, to prescribe frameworks and set generally accepted standards for the development and management of accounting and financial systems by all State organs and public entities. The Board mainstreams best practices for good governance, internal controls, and risk management.

We thank the IPSASB for publishing the proposal to amend IPSAS 47 (Revenue) and IPSAS 48 (Transfer Expenses) to factor in concessionary leases and right-of-use assets in kind.

PSASB's comments on the Exposure Draft are outlined in the appendix to this letter.

Yours *Sincerely*



CPA GEORGINA MUCHAI
AG. CHIEF EXECUTIVE OFFICER

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

This ED's objective is to propose additional guidance for concessions in concessionary leases and other arrangements that convey rights over assets.

Specific Matter for Comment 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. BC141-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.

PSASB Kenya agrees with the proposal because it will guide accounting for revenue arising from the concession component.

Specific Matter for Comment 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.

PSASB Kenya agrees with the proposed non-authoritative guidance for arrangements conveying rights over assets. BC 147 will provide more clarity and guidance for entities.

Specific Matter for Comment 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.

PSASB Kenya agrees with the proposal because the illustrative examples will enhance a better understanding of the standard.
