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ED 43 Service Concession Arrangements: Grantor

Far, the Institute for the Accountancy Profession in Sweden, is responding to your invitation to comment on the exposure draft *ED 43 Service Concession Arrangements: Grantor*.

General Comments on the exposure draft

Far is pleased to see that the International Public Sector Accounting Standards Board is developing guidance on this issue. Service Concession Arrangements are significant in many European jurisdictions and the development of IFRIC 12 and its exclusive focus on private sector financial reporting only serves to highlight the need for public sector guidance.

In Far's view ED 43 covers the issues that grantors need to address when accounting for service concession arrangements, in particular:

1. Scope of accounting for service concession arrangements
2. Asset recognition and measurement
3. Liability recognition and measurement
4. Recognition and measurement of related expenses and revenues
5. Presentation and disclosure

Specific Matter for Comment

This exposure draft addresses service concession arrangements from the grantor's perspective. It mirrors the principles set out in IFRIC 12 for accounting by the operator. Do you agree with this approach?

As IFRIC 12 is being used by the private sector and given the more general alignment of IPSASs with IFRS, there is a strong case for adopting a consistent approach even though this is not a pure conversion project. However, the guidance is a mirror of IFRIC 12 and will therefore probably lead to a consistent accounting between the private and public sector. Far therefore agrees with the approach adopted in the exposure draft.

Far

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