



Ms. Stephenie Fox
Technical Director
International Public Sector Accounting Standards Board
International Federation of Accountants
277 Wellington Street, 4th Floor
Toronto, ONTARIO
M5V 3H2

Dear Ms. Fox:

**SUBJECT: The Applicability of IPSASs to Government Business
Enterprises and Other Public Sector Entities**

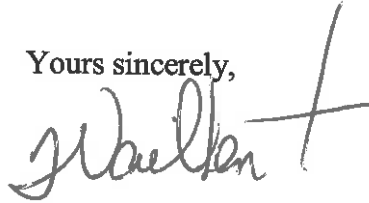
Thank you for the opportunity to comment on the Consultation Paper – *The Applicability of IPSASs to Government Business Enterprises and Other Public Sector Entities* that was issued in August 2014.

The Government of Canada bases its accounting policies on the accounting standards issued by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants (CICA). Our government is not required to follow the International Public Sector Accounting Standards (IPSAS), however, IPSAS are regarded as an important secondary source of GAAP.

We agree with Approach 1a provided in the Consultation Paper, describing the characteristics of public sector entities for which IPSASs are intended. This approach is principles-based, is supported by the conceptual framework, and avoids the difficulties associated with the definition of Government Business Enterprises which may be applied differently in the diverse jurisdictions that have adopted IPSAS. This approach places importance on positive identification of those entities for which IPSAS are intended. However, we believe that the characteristics in paragraph 6.8 may need some revision, as not all public sector entities provide services directly to the public as indicated in 6.8(a), e.g. they may provide services to other public sector entities.

We thank you again for providing the opportunity to comment on this Consultation Paper. If you have any further questions related to these comments, please do not hesitate to contact either Ms. Leona Melamed at leona.melamed@tbs-sct.gc.ca (613-946-7538) or myself at michel.vaillant@tbs-sct.gc.ca (613-952-0886).

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Michel Vaillant', with a long horizontal stroke extending to the right.

Michel Vaillant
Acting Executive Director,
Government Accounting Policy and
Reporting

c.c.: Bill Matthews, Comptroller General of Canada