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28th April 2013

**The Technical Director
International Public Sector Accounting Standards Board
International Federation of Accountants
277 Wellington Street West, 6th Floor
Toronto, Ontario M5V 3H2
CANADA**

Dear Stephenie,

Comments on Conceptual Framework Exposure Draft Three (3) – Measurement of Assets and Liabilities in Financial Statements.

The Zambia Institute of Chartered Accountants welcomes the opportunity to comment on the Exposure Draft three (3) - Measurement of Assets and Liabilities in Financial Statements; issued by the International Public Sector Accounting Standards Board (IPSASB), in November 2012.

We strongly support the IPASB's project which is being undertaken, as it will provide a framework for the consistent and comparable preparation and presentation of financial statement in public sector entities' financial statements.

The Institute deliberated the ED and our responses to specific questions are as follows:

Question 1

Do you agree that the selection of a measurement basis should be based on the extent to which a particular measurement basis meets the objectives of financial reporting? If you think that there should be a measurement objective please indicate what this measurement objective should be and give your reasons.

Comment

Yes we do agree that the selection of a measurement basis should be based on the extent to which a particular measurement basis meets the objectives of financial reporting rather than a principal measurement method. The proposed measurement bases would enhance comparability, clarity and consistency.

Question 2

Do you agree with the current value measurement bases for assets that have been identified in Section 3? If not, please indicate which additional measurement bases should be included or which measurement bases should not be included in the Framework?

Comment

The Institute agrees with the four proposed current value measurement bases.

Question 3

Do you agree with the approaches proposed in Section 4 for application of:

- (a) The fair value measurement model to estimate the price at which a transaction to sell an asset would take place in an active, open and orderly market at the measurement date under current market conditions. If not, please give your reasons; and
- (b) The deprival value model to select or confirm the use of a current measurement basis for operational assets. If not please give your reasons.

Comment

We have no comment here.

Question 4

Do you agree with the proposed measurement bases for liabilities in Section 5? If not, please indicate which additional measurement bases should be included or which measurement bases should not be included in the Framework?

Comment

We do agree with the proposed measurement bases for liabilities as outlined in Section 5, we have no divergent views.

The Institute will be ready to respond to any matters arising from the above comments.

Yours faithfully

Modest Hamalabbi
Technical and Standards Manager