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**28<sup>th</sup> February 2014**

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

Dear Stephenie,

**Comments on Exposure Draft 48, Separate Financial Statements.**

The Zambia Institute of Chartered Accountants welcomes the opportunity to comment on the Exposure Draft 48, Separate Financial Statements; issued by the International Public Sector Accounting Standards Board (IPSASB), in October 2013.

The Institute deliberated the ED and our response to your specific question is as follows:

**Question 1**

Do you agree generally with the proposals for separate financial statements? In particular, do you agree with the proposal to permit the use of the equity method, in addition to cost or fair value, for investments in other entities?

**Comment**

Generally, we do agree with the proposed accounting and disclosure requirements for investments in controlled entities, joint ventures and associates when an entity prepares separate financial statements.

Further, we do agree with the proposal to permit the use of the equity method, in addition to cost or fair value, for investments in other entities. The proposed amendments would promote harmonization with some local regulations which may require the use of the equity method to account for investments in subsidiaries, joint ventures and associates.

The International Accounting Standards Board (IASB) has also proposed to amend IAS 27 in order to restore the option to use the equity method to account for investments in subsidiaries, joint ventures and associates in the entity's separate financial statements.

Therefore, the proposed approach is the way to go.

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

Yours faithfully

Modest Hamalabbi  
**Technical and Standards Manager**