



Ms Stephenie Fox
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IPSASB
IFAC

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20 February 2014

Ref.: PSC/AKI/PGI

Dear Ms Fox,

IPSASB ED 51 Joint Arrangements

- (1) FEE (the Federation of European Accountants, www.fee.be) is pleased to submit its views on this proposed International Public Sector Accounting Standard.

General Comments on the Exposure Draft

- (2) We strongly support IPSASB's programme which helpfully combines IFRS converged IPSASs on matters which are common to both private and public sectors, public sector specific IPSASs on matters which are unique to the sector, and conceptual work which will inform the development of standards in future, seeking to achieve the optimum balance between maintaining comparability and addressing sector specific issues.
- (3) We have reviewed the changes in terminology between this Exposure Draft and its donor standard, IFRS 11, and agree that the revised terminology better represents the position of public sector bodies. We also agree with the inclusion of additional commentary in the Exposure Draft to clarify the applicability of the proposed Standard to accounting by public sector entities.

Specific Matters for Comments

- (4) FEE's views are set out below on the Specific Matters on which the IPSASB would particularly value comments.

Specific Matter for Comment 1

Do you agree that joint arrangements should be classified as joint ventures or joint operations based on whether an entity has (i) rights to assets and obligations for liabilities, or (ii) rights to net assets?

- (5) We agree that joint arrangements should be classified as joint ventures where the parties that have joint control have rights to the net assets of the arrangement. We also agree that joint arrangements should be classified as joint operations where the parties that have joint control have rights to the assets, and obligations for the liabilities, of the arrangement. We believe that these two classifications adequately represent the types of arrangements undertaken by bodies in the public sector.

Specific Matter for Comment 2

Do you agree that joint ventures should be accounted for in consolidated financial statements using the equity method?

- (6) Due to the lack of overall control inherent in joint ventures and the fact that they are usually created for short-term or one-off projects, we agree with the use of equity accounting rather than proportional consolidation to account for such vehicles. Additionally, we support the removal of options in the accounting treatment that may be applied as we believe that this will improve comparability between financial statements.

For further information on this letter, please contact Paul Gisby, Project Manager from the FEE Team, on +32 2 285 40 70 or via e-mail at paul.gisby@fee.be.

Yours sincerely,



André Killesse
President



Olivier Boutellis-Taft
Chief Executive