Paris, March 6, 2020

Mr John Stanford
Technical director
International Public Sector Accounting Standards Board
International Federation of Accountants
277 Wellington Street, 4th floor
Toronto
Ontario M5V 3H2 CANADA

Re: Response to Exposure Draft Public Sector Specific Financial Instruments: Amendments to IPSAS 41, Financial Instruments

Dear Mr Stanford,

The French Public Sector Accounting Standards Council (CNoCP) welcomes the opportunity to comment on the Exposure Draft Public Sector Specific Financial Instruments: Amendments to IPSAS 41, Financial Instruments published in August 2019 (ED69).

Given the characteristics of the Eurosystem, we appreciate that the proposed guidance take the form of non-authoritative guidance. This is essentially what we were looking forward to when providing comments to the Consultation Paper in January 2017.

Responses to the detailed questions set out in the ED are presented in the appendix.

Yours sincerely,

Michel Prada
Specific Matter for Comment 1

Do you agree with the proposed amendments to IPSAS 41, Financial Instruments?

If not, what changes would you make to the proposals?

We appreciate the effort put in developing additional guidance. We do have two minor suggestions that we believe would help users and preparers in dealing with those public sector specific instruments.

Firstly, with respect to monetary gold, we would suggest adding to paragraph B.1.1 some of the common characteristics that monetary gold shares with financial instruments, though it does not strictly meet the definition of financial instruments. Illustrating in what monetary gold “has many of the characteristics of a financial asset” would help preparers. For instance, it could be useful to move some of the sub items in BC18A to B.1.1.

Secondly, with respect to IMF quota subscriptions, we wonder why they are not listed in paragraph B.1.1 with a question as to whether they meet the definition of financial instruments. We understand that Illustrative Example IE211 deals with those subscription rights, still we would recommend for ease of reference that B.1.1 also address IMF quota subscriptions. We believe this would enhance completeness of Implementation Guidance on the topic.

Eventually, we think that it could be useful to not only assess the nature of the instruments, but also to add how they could be measured, as it was a specific area of discussion within the Consultation Paper. Else, we believe that it could be mentioned in the Bases for Conclusions why the Board did not wish to proceed with guidance on measurement.