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28th February 2014

**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 Exposure Draft 51, Joint Arrangements.

The Zambia Institute of Chartered Accountants welcomes the opportunity to comment on the Exposure Draft 51, Joint Arrangements; issued by the International Public Sector Accounting Standards Board (IPSASB), in October 2013.

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

Question 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?

Comment

Yes, we do agree with the proposed classification of joint arrangement as either joint ventures or joint operations and classification should be based on whether an entity has (i) rights to assets and obligations for liabilities, or (ii) rights to net assets.

The proposed definition will bring harmonization with IFRS 11 Joint arrangements.

Question 2

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

Comment

Yes, joint ventures should be accounted for in consolidated financial statements using the equity method, as required by an equivalent IFRS (Revised IAS 28 Investment in Associate and Joint ventures).

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

Yours faithfully

Modest Hamalabbi
Technical and Standards Manager