



**The Japanese Institute of
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Ms. Stephenie Fox

Technical Director

International Public Sector Accounting Standards Board

International Federation of Accountants

277 Wellington Street West

Toronto, Ontario, Canada M5V 3H2

***Comments on Exposure Draft 52
“Disclosure of Interests in Other Entities”***

Dear Ms. Fox,

The Japanese Institute of Certified Public Accountants (JICPA) is pleased to comment on Exposure Draft 52 (ED 52) “Disclosure of Interests in Other Entities” as follows.

I. Comments on specific matters

Specific Matter for Comment 1:

Do you agree the proposed disclosures in this draft Standard? If not, why? Are there any additional disclosures that would be useful for users of financial statements?

We believe that consideration should be given to the following:

The International Public Sector Accounting Standards (IPSASs) do not contain an accounting standard for “discontinued operations” (a standard equivalent to the

International Financial Reporting Standard (IFRS) 5, *Non-current Assets Held for Sale and Discontinued Operations*). When IPSASs are applied to joint ventures or other entities individually material to a reporting entity, they may be unable to determine “pre-tax gain or loss recognized on the disposal of assets or settlement of liabilities attributable to discontinued operations” as required by paragraphs AG12 (b)(vii) and AG16 (c). We suggest that the IPSASB develops accounting and disclosure requirements equivalent to IFRS 5.

In addition, paragraphs AG12 and AG16 do not refer to expenses and deferred items as summarized financial information in relation to joint ventures, etc., in spite of their importance in the public sector. We think expenses or deferred items should be included in the provisions requiring the disclosure of summarized financial information for joint ventures and associates that are material to the reporting entity (AG12) and the disclosure of the total amount equivalent to the reporting entity’s interests in joint ventures and associates that are individually immaterial (AG16).

Specific Matter for Comment 2:

Do you agree with the proposal that entities for which administrative arrangements or statutory provisions are dominant factors in determining control of the entity are not structured entities? If not, please explain why and explain how you would identify entities in respect of which the structured entity disclosures would be appropriate.

We believe, as stated in BC5, that administrative arrangements and statutory provisions commonly determine control of many public sector entities. We therefore agree with the proposal in ED 52.

Yours sincerely,

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