

The Technical Director
International Public Sector Accounting Standards Board
International Federation of Accountants
277 Wellington Street West
Toronto, Ontario M5V 3H2 CANADA

Dear Stephanie,

ED 50 Investments in Associates and Joint Ventures

The Accounting and Auditing Standards Desk of the Abu Dhabi Accountability Authority (ADAA) is pleased to provide a response to the International Public Sector Accounting Standards Board (IPSASB) request for comments on ED 50. We are fully supportive of the IPSASB's objectives to enhance the quality and consistency of financial reporting of Public Sector Entities (PSEs) and improve the transparency and accountability of government reporting.

Our comments on the specific question asked by the IPSASB are as follows:

Specific Matter for Comment 1

Do you generally agree with the proposals in the Exposure Draft? If not, please provide reasons.

Yes we generally agree with the proposals in ED 50.

Specific Matter for Comment 2

Do you agree with the proposal that the scope of the Exposure Draft be restricted to situations where there is a quantifiable ownership interest?

We agree with the proposal that the scope of the Exposure Draft be restricted to situations where there is a quantifiable ownership interest. Investments can take many forms, including arrangements without formal equity structures.

Specific Matter for Comment 3

Do you agree with the proposal to require the use of the equity method to account for investments in joint ventures? If not, please provide reasons and indicate your preferred treatment.

We agree with the proposal to require the use of the equity method to account for investments in joint ventures, except where that investment is held by an investment entity. We suggest that the language in paragraph 24 and 25 is conformed with the investment entity language in ED 49 paragraph 52.

Yours faithfully

Steven Ralls BA, FCA
Head of Accounting and Auditing Standards Desk
Financial Audit and Examination, Abu Dhabi Accountability Authority