



November 24, 2015

John Stanford
Deputy Director, IPSASB
International Public Sector Accounting Standards Board
277 Wellington Street West
Toronto, ON M5V 3H2

Re: PSAB Staff Comments on Exposure Draft 56 on “The Applicability of IPSASs”

Thank you for the opportunity to provide input on the Exposure Draft, The Applicability of IPSASs. The views provided in this comment letter represent the views of the PSAB staff and not those of the Public Sector Accounting Board (PSAB).

PSAB staff supports the proposal to remove all references to Government Business Enterprises (GBEs) from the IPSASB’s pronouncements so that the *Preface to the international Public Sector Accounting Standards* can provide guidance on the applicability of IPSASs and RPGs. This principles based approach will allow for exercise of professional judgement and addresses the interpretation and lack of flexibility issues that lead to the start of this project.

The CPA Canada Public Sector Accounting (PSA) Handbook defines the term government business enterprises. However, in Canada, a clear definition of GBEs is critical as the consolidation rules applicable to GBEs are different from those applicable to other governmental units. Currently IPSASB does not face this challenge and hence the approach proposed in the Exposure Draft should work well.

Thank you again for the opportunity to provide you with input on this Exposure Draft. We hope that you find our comments helpful.

Sincerely,

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