

**Office No. MEF-FOCAL-2020-0001**

Quito, October 30, 2020

Subject: Submission of annexes 1 and 2 with the comments of FOCAL member countries to the IPSASB Exposure Drafts 70, 71 and 72

Mr.

Ian Carruthers

**CHAIRMAN OF THE INTERNATIONAL PUBLIC SECTOR ACCOUNTING
STANDARDS BOARD IPSASB**

Dear Mr. Carruthers:

In the months of May and June 2020, FOCAL in coordination with Ernst & Young and International Public Sector Accounting Standards Board IPSASB, conducted three videoconferences on Exposure Drafts 70 Revenue with Performance Obligations, 71 Revenue without performance obligations and 72 Transfer Expenses, where it was highlighted that each exposure draft included specific matters for comment on which the IPSASB is looking for country opinions.

Therefore, the Forum of Governmental Accounting of Latin America - FOCAL - is delivering a consolidated document containing responses to comments from 11 countries: Colombia, El Salvador, Ecuador, Brazil, Paraguay, Honduras, Peru, Mexico, Guatemala, Chile and Costa Rica. FOCAL's objective is to strengthen the joint work with the International standard-setting Body and to contribute with the experience of each country for the application of the Public Sector Accounting.

Yours sincerely,

Firmado electrónicamente por:
**MAGDALENA DEL
PILAR VICUNA
CEVALLOS**

Magdalena Vicuña Cevallos
Ecuador's Sub-secretary of Government Accounting
Ministry of Economy and Finance of Ecuador
FOCAL President

Annexes:

- Annex No. 1_Comments to Draft IPSASB Standards_FOCAL consolidated 29-10-2020
- Annex No. 2 Additional comments Standards 70_71_72 IPSASB Mexico

cc. FOCAL Countries

CONSOLIDATED DOCUMENT OF FOCAL MEMBER COUNTRIES

SPECIFIC MATTERS FOR COMMENTS

IPSASB EXPOSURE DRAFTS (ED) 72

| <u>IPSASB EXPOSURE DRAFT 72: TRANSFER EXPENSES</u> | |
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| <p>Specific matter for comment 1:</p> <p>The scope of this draft standard is limited to transfer expenses as defined in paragraph 8. The basis for this decision is set out in paragraphs BC4-BC15.</p> <p>Do you agree that the scope of this draft standard is clear? If not, what changes would you make to the scope or definition of transfer costs?</p> | <p>COLOMBIA</p> <p>It is considered that the scope of the standard requires greater precision, given that the term "transfer" should only have a direct analogy with the draft of IPSAS 71, Revenue without Performance Obligations, where explicit reference is made to this concept, from the perspective of the entity receiving the transfer. Therefore, it is suggested that the draft Standard does not refer to "transfers with performance obligations", since there is no performance obligation between the provider and the beneficiary of the transfer.</p> <p>EL SALVADOR</p> <p>Partially agreed</p> <p>No change is suggested in the scope of the project or in the definition of transfer expenses.</p> <p>ECUADOR</p> <p>According to this, the scope is focused on transfer expenses and clearly limits those that would not be under this concept. However, it should not be related to revenues from transactions with performance obligations.</p> <p>BRAZIL</p> <p>Yes, I agree.</p> <p>PARAGUAY</p> <p>We do not agree, we continue to insist that such "transfer expenses" must include or assimilate what happens with the consolidable items established in the Budget Law itself. These accounts are mirrors of the revenue accounts that affect the beneficiary entities, which is why it is essential to talk about the items assigned to budgets, since these are used at the time of consolidating the Public Sector Financial and Budgetary Statements and are required in the IMF Public Finance report and other reports for the purpose of providing information and accountability.</p> <p>HONDURAS</p> <p>It can be extended in the application guidance that a performance obligation corresponds to the trust contracts in which the obligations are contractually established.</p> |

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| | <p>PERU</p> <p>A transfer expense is defined as "(...) an expense arising from a transaction, other than tax, in which one entity provides a good, service or other asset to another entity (which may be an individual) without directly receiving any good, service or other asset in return".</p> <p>When the definition makes the precision "without directly receiving any goods, services or other assets in return", it could be understood as including those goods, services or other assets that are received indirectly from the recipient of the transfer (perhaps through third parties). In the latter case, we would be facing a transfer expense.</p> <p>MEXICO</p> <p>In this regard, the "definition" of transference expenses in the standard specifies that taxes are not considered, and therefore it is recommended to add in the "scope" that taxes that are outside the scope of this standard.</p> <p>GUATEMALA</p> <p>We agree with the scope of the draft standard.</p> <p>CHILE</p> <p>Yes, it is an adequate scope. Matters outside the scope can be accounted for based on the conceptual framework or by applying similarly standardized accounting policies. It is considered beneficial to use the same definition of transfers as in the IMF Fiscal Statistics Manual.</p> <p>COSTA RICA</p> <p>The concept of transfers with performance obligations must be analyzed, because this relationship is not necessarily possible.</p> <p>The examples of performance indicators are important, considering different approaches to transfers and considering that most of them are what is known today as non-exchange.</p> |
| <p>Specific matter for comment 2:</p> <p>Do you agree with this draft standard's proposal to distinguish between transfer costs with performance obligations and transfer costs without performance obligations, reflecting the distinction for revenue transactions proposed in draft standard 70, Revenue with Performance Obligations, and draft standard 71, Revenue without Performance Obligations? If you disagree, what distinction would you make if there were one?</p> | <p>COLOMBIA</p> <p>In line with the second commentary on the draft IPSAS 70, the classification proposed in the draft IPSAS 72 is not considered appropriate, given that when a transfer is involved, the transferring entity does not expect to receive, from the entity receiving the transfer, a good or service in return; that is, there is no performance obligation on the part of the latter entity. The performance obligation must be met by the entity selling the goods or services to the entity making the transfer. Therefore, we consider that it is not appropriate to include under the same term two different transactions: one with a performance obligation (transaction with consideration between the buyer and the seller of the goods or services) and one without a performance obligation (transaction without consideration between the entity that transfers the goods or services and the entity that benefits from them).</p> <p>Instead of the classification proposed in the draft IPSAS 72, it is suggested transfer expenses to be distinguished between those that are conditional</p> |

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| | <p>and those that are not; that is, a classification that distinguishes between transfers subject to repayment due to the failure of the transfer recipient to comply with certain conditions and transfers that have a particular destination without being subject to repayment of the resources to the transfer provider.</p> <p>EL SALVADOR I totally agree.</p> <p>ECUADOR We agree with the relationship established in the standard for revenues from non - performance obligation transactions; however, we do not agree with the obligations of performance obligations transactions, since the transfer expenses are without consideration.</p> <p>BRAZIL Yes, I agree.</p> <p>PARAGUAY The concept of transference recognized by our country is those contributions between Entities and Organisms of the State, destined to finance current or capital expenses. They constitute reimbursable or non-reimbursable resources and without consideration of goods and services. This terminology clarifies very well that they may or may not be reimbursable, but effectively non-exchange, although in practice the Entity that receives the funds from the central administration or the Public Treasury may acquire goods or services, specifically the glass of milk for the children in the schools. It is important to clarify this concept also in this standard.</p> <p>HONDURAS Yes.</p> <p>PERU We agree with the approach; however, in aspects such as the one developed in 28.g): "A transfer recipient that builds, manufactures or develops an asset on behalf of a third party beneficiary (for example, a residential development built for a housing association)", it should be specified that the goods, services or other assets received from the transfer provider, also intend to meet the objectives of the transfer recipient and therefore, satisfy the definition of assets. The current wording proposes that the transfer recipient is a service provider.</p> <p>MEXICO Yes, we agree with the distinction of these expenses since with the information contained in the Draft Standard, it is possible to distinguish between transfer expenses with performance obligations and transfer expenses without performance obligations.</p> |
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| | <p>GUATEMALA Yes, we agree.</p> <p>CHILE Yes, the approach is considered appropriate. There must be consistency with the other standards.</p> <p>COSTA RICA We agree.</p> <p>Yes, it is good to distinguish the objective of the transfer; however, in our legislation there are limitations to comply as proposed, for example, with the monitoring and recording of transfers with performance obligation. In Costa Rica, resources must be transferred through collections based on a percentage and not on purchase prices. In addition, transfers are made to meet general objectives associated with the creation of the institution rather than specific activities, and when transfers are made to the private sector, they have a social objective.</p> |
| <p>Specific matter for comment 3:</p> <p>Do you agree with this draft standard's proposal that unless a transfer provider monitors the transferee's compliance with performance obligations throughout the binding agreement, the transaction should be accounted for as a transfer expense without performance obligations?</p> | <p>COLOMBIA It is important to clarify this concept also in this standard.</p> <p>EL SALVADOR Yes, we agree that the standard states this; however, it is recommended that we consider the costs that will be incurred in monitoring.</p> <p>ECUADOR Partially in agreement, no binding arrangements apply in the country, as the transfer is delivered directly to the recipient. In addition, the recipients of transfers and their movements are monitored.</p> <p>BRAZIL Yes, I agree.</p> <p>PARAGUAY We agree.</p> <p>HONDURAS No comment is issued.</p> <p>PERU We agree with this approach; however, under certain circumstances, there may be mismatches between the times when the suppliers and recipients of the transfers account for the expenses and revenue, respectively, arising from the transaction. For example, on date "x" the recipient of the transfer informs the supplier that the performance obligation has been satisfied from his (the recipient's) point of view, but not necessarily, the transaction could be satisfied on the same date from the supplier's point of view. This would result in differences in the consolidated statements.</p> |

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| | <p>MEXICO</p> <p>We do not agree that a transfer provider would monitor compliance with the performance obligations of another entity, as the Federal Government of Mexico (transfer provider) would be unable to monitor compliance with performance obligations by sub-national governments, and these in turn would be unable to monitor compliance with another level of government.</p> <p>This is due to the fact that in Mexico there are three levels of government (federal, state and municipal) where each one has autonomy to exercise resources and must adhere to the annual closings of the year. On the other hand, there is an oversight body that has the power to monitor the use of public resources, in order to prevent irregular practices and contribute to good governance, including verification of the application of resources and compliance with contracts.</p> <p>GUATEMALA</p> <p>It is recommended that the content of the draft standard be expanded.</p> <p>CHILE</p> <p>Yes, it is important to monitor compliance with a performance obligation, at least through the review of periodic reports, otherwise it would not be possible to request a possible return of the funds.</p> <p>COSTA RICA</p> <p>It is important to induce a classification in the transfer expense considering the case that a refund is given, or those that do not require a refund.</p> <p>It is very complicated and complex to monitor compliance with performance obligations for all transfers made by the central government, and if this is not possible, there is no reason to classify the transfers.</p> |
| <p>Specific matter for comment 4:</p> <p>This draft standard proposes the following recognition and measurement requirements for transfer costs with performance obligations:</p> | <p>COLOMBIA</p> <p>Considering the suggestion not to refer to transfer expenses with performance obligations, the recognition of the expense by the transfer provider should be subject to the existence of conditions and their compliance by the beneficiary entity.</p> <p>Consequently, requirements related to the recognition and measurement of transfers with performance obligations should not be addressed in this standard.</p> <p>EL SALVADOR</p> <p>As stated before, we partially agree.</p> <p>The following concerns should be addressed:</p> <p>What is the ultimate purpose of assessing the devaluation of expenditure and valuation of income?</p> <p>How to measure the devaluation and valorization of revenue?</p> <p>What legal backing would support such a move?</p> <p>Why define expense book value?</p> |

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| | <p>Is the nature of the sector, which in El Salvador's case consists of providing services to the population, being overlooked? Will more convincing arguments and benefits be needed for the implementation of this standard?</p> <p>It lacks the impact it could have on the consolidation of financial statements at the end of the accounting period, given that in the consolidation process reciprocal operations (transfer expenses) are subject to elimination and this case would be special, in the public sector of El Salvador it would be appropriate to analyze what impact it could have on the process of consolidating financial statements.</p> <p>ECUADOR According to the answers given above, this standard should not include requirements related to the recognition and measurement of transfers with performance obligations.</p> <p>BRAZIL I partially agree. This concept must be complemented with definitions of assets in the conceptual structure, that is, whether there are effectively controlled resources capable of generating economic benefits in each specific case.</p> <p>PARAGUAY We do not agree, we would be directly recognizing it as an expense at the time of accrual and subsequent payment.</p> <p>HONDURAS No comment is issued.</p> <p>PERU In this regard, we believe that the following text from paragraph BC28 should be clarified "(...) IPSASB concluded that, since the goods or services being transferred will enable the transfer <u>provider</u> to meet <u>its objectives</u>, the right to have the goods or services transferred to the specified third parties will satisfy the definition of a resource, since that right will be an element with service potential".</p> <p>The above leads to establish that the recipient of the transfer acts on behalf of the provider of that transfer (despite the fact that in AG22 it is clarified that the recipient of the transfer is not an agent of the provider) and to fulfill the objectives of that provider; that is, under that point of view and if it is not clarified that the goods, services or other assets also serve the objectives of the recipient, these would not qualify as assets of that transfer recipient (since they do not contribute to its objectives), which, must be consistent with the Conceptual Framework.</p> <p>MEXICO In this regard, it is mentioned that the Federal Government of Mexico (transfer provider) does not have the capacity to monitor compliance with the transfer of goods and services to third party beneficiaries.</p> |
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| | <p>Therefore, it is suggested that transfer expenses with either a performance obligation or a current obligation be recognized at the time they are transferred.</p> <p>GUATEMALA No comment</p> <p>CHILE It is considered correct. In fact, this is the approach that is currently dealt with in Chilean accounting regulations, mainly, since it reflects what the transfer provider of the resources accounts for. However, it is considered that the wording of letter b) should be improved or complemented, with the objective of understanding that the expense is recognized as the transfer provider, through monitoring (accountability) sees the fulfillment of the performance obligation.</p> <p>COSTA RICA Considering that in Costa Rica public resources are administered in accordance with contracts, laws or other regulations, it would not make sense to consider this issue in the law, since it depends on a negotiation between the parties and could be outdated.</p> |
| <p>Specific matter for comment 5:</p> <p>If you believe that there will be practical difficulties with the application of recognition and measurement of transfer costs with performance obligations, please provide details of the anticipated difficulties, and any suggestions you have for addressing these difficulties.</p> <p>Considering the suggestion not to refer to transfer expenses with performance obligations, the recognition of the expense by the transfer provider should be subject to the existence of conditions and their compliance by the beneficiary entity.</p> | <p>COLOMBIA Considering the suggestion not to refer to transfer expenses with performance obligations, the recognition of the expense by the transfer provider should be subject to the existence of conditions and their compliance by the beneficiary entity.</p> <p>EL SALVADOR What will be the standard unit of measurement for recognition, and how will it be applied for accounting purposes, which will be the basis for measuring the obligation and what will it, contribute and to whom?</p> <p>ECUADOR According to the legal regulations in force, in the country transfer expenses are made without consideration, therefore, these would be subject to the existence of conditions and compliance of the transfer recipient.</p> <p>BRAZIL The difficulty lies in monitoring the performance of performance obligations in another entity by resource transferors. Therefore, this draft standard's proposal that unless a transferor provider monitors the transferee's compliance with performance obligations throughout the binding agreement, the transaction should be accounted for as a transfer expense without performance obligations, is correct.</p> <p>PARAGUAY Definitely there will be many difficulties fundamentally because all these operations are carried out with integrated system parameterizable and specially integrated to the Budget, so it will be impossible to comply with</p> |

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| | <p>disaggregate these operations analyzing one by one for registration and transfer. Therefore, we continue to recommend that the three norms mentioned be included and clarify the links to the budget systems because they are established by annual law for the transfer to the different Entities, NGOs, International Organizations and their use, destination or reimbursement depends on special laws for this purpose.</p> <p>HONDURAS No comment is issued.</p> <p>PERU No comment to make; however, we are concerned that the treatments could lead to disparities between providers and recipients of the transfers (comment 3).</p> <p>MEXICO The Federal Government of Mexico (transfer provider) does not have the capacity to monitor by the transfer recipient when goods and services are transferred to third party beneficiaries due to the large amount of income transfers it makes, so it would be impossible to monitor them.</p> <p>Likewise, it is noted that the regulatory framework considers that the revenue is recognized by the recipient of the transfer and the expense is recognized by the provider of the transfer at the time the resource is accrued and transferred.</p> <p>GUATEMALA No comment is issued.</p> <p>CHILE It is noted that the requirements for the recognition of transfers with performance obligations are demanding, which, from the outset, limits the scope of this issue. The need to monitor compliance with the performance obligation is complex from a practical point of view, but at least in Chile, there is a solid accountability framework for transfers, with monthly reports from those who execute the resources, which should satisfy the monitoring obligation.</p> <p>COSTA RICA The Public Sector in most transactions is not directly linked to a performance obligation indicator. Only for accountability, and established procedures that are assessed by auditing bodies. This issue requires a long transition period, which allows the generation of a culture on the line of performance, which must also be considered in binding arrangements, or laws establishing resource transfer.</p> |
| <p>Specific matter for comment 6:</p> | <p>COLOMBIA Since it is not considered appropriate to classify transfer expenses between those who have performance obligations and those who do not,</p> |

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| <p>This draft standard proposes the following recognition and measurement requirements for the transfer of expenses without performance obligations:</p> <p>(a) A transferor must recognize transfer expenses without performance obligations at the time the transferor has a current obligation to provide resources or has lost control of those resources, whichever is earlier (this proposal is based on IPSASB's view that any future benefits expected by the transferor as a result of the transaction do not meet the definition of an asset); and</p> <p>b) A transfer provider must measure transfer costs without performance obligations at the book value of the resources delivered.</p> <p>Do you agree with the recognition and measurement requirements for transfer costs without performance obligations? If not, how would you recognize and measure transfer costs without performance obligations?</p> | <p>recognition of the expense by the transfer provider should be subject to the existence of conditions and their compliance by the beneficiary entity. If the transfer is unconditional, the transferor should recognize an expense and if the transfer is conditional, the transferor should recognize, initially, an asset and, subsequently, an expense, to the extent that the beneficiary entity complies with the conditions stipulated in the agreement.</p> <p>Furthermore, in relation to measurement requirements, the criteria set out in the draft IPSAS 72 for transfer costs without performance obligations are shared.</p> <p>EL SALVADOR Partially agreed. It is necessary to deepen in the analysis and in the costs benefits of what it requires to control or to regulate.</p> <p>ECUADOR We agree with the statement of the standard that the transfer without consideration will be recognized as an expense and would be subject to the existence of conditions and compliance with the receiving entity, precisely because it does not meet the requirements for it to be recognized as an asset and subsequently as an expense. In the country, transfers are made in accordance with the current budget and the planning established in the National Plan for Good Living, therefore, they have a direct relationship with the budget and there is no change in the carrying amount.</p> <p>BRAZIL Yes, I agree.</p> <p>PARAGUAY It would be interesting to insist on including cases for obligations established in special laws, annual budget law and their financial allocation by the Entities.</p> <p>HONDURAS No comment is issued.</p> <p>PERU In general, we agree with the criteria of recognition and measurement, but we would appreciate the following comment: Paragraph 92 provides, "In order for there to be a present obligation, the transfer recipient must be able to enforce the transfer of resources by the provider of the transfer, that is, <u>there must be a binding arrangement imposing present obligations on the transfer recipient.</u>" We believe that this paragraph should specify that the binding arrangement establishes, in principle, present obligations for the provider of the transfer, and that these obligations must be such that it is not sufficient for them to be established in the agreement, but that they must be enforceable (substance over form), so that the recipient controls the execution of these obligations.</p> |
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| | <p>MEXICO No comment is issued.</p> <p>GUATEMALA As mentioned in comment 3, it is recommended to expand the content in the draft standard.</p> <p>CHILE Yes, it is considered appropriate. Currently in Chile the transfer expense is generally accounted for at the second moment (unless it is a transfer with conditions), that is, when control of the resources is lost.</p> <p>COSTA RICA We agree to transfer expenses without performance obligations. It is important that the rule also addresses the timing of the accrual, because of the particularity and paradigms of the public sector from a budgetary point of view.</p> |
| <p>Specific matter for comment 7:</p> <p>As explained in the Specific matter for comment 6, this draft standard proposes that a transfer provider recognize transfer costs without performance obligations at the time the transfer provider has a current obligation to provide resources or has lost control of those resources (whichever occurs first). Draft regulation 71: Revenue without performance obligations proposes that when a transferee has current obligations other than performance obligations, it recognizes the revenue as it meets those current obligations. Accordingly, a transfer provider may recognize an expense before a transferee recognizes income.</p> <p>Do you agree that this lack of symmetry is appropriate? If not, why not?</p> | <p>COLOMBIA Asymmetry is not considered appropriate, since the transfer provider, similarly to the transferee, should recognize an asset until the recipient meets its current obligations, as it retains rights to the resources it has transferred. Achieving symmetry in the recognition of transfers from both the provider's and the recipient's point of view would allow for an adequate reflection of the reciprocal operations between government entities and, consequently, facilitate the consolidation of financial information.</p> <p>EL SALVADOR We don't agree. It is considered that in order to recognize financial expenses and revenue that are in accordance with the country's legislation, there would be an increase in the budget deficit and financially the operating result could decrease.</p> <p>ECUADOR We agree, the transferring entity could recognize the expense before the receiving entity recognizes the revenue.</p> <p>BRAZIL Yes, I agree.</p> <p>PARAGUAY We do not agree, this as we had mentioned before will cause serious problems at the time of Consolidation, all these operations must be asymmetrical.</p> <p>HONDURAS No comment is issued.</p> |

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| | <p>PERU</p> <p>This asymmetry in recognizing expenses by the transfer provider, rather than revenue by the transfer recipient, is not appropriate for us for purposes of a consolidated position and is related to the previous commentary, in which we hold that the expense and liability for the former must arise from the right acquired by the latter to exercise that right (and of course from the effective possibility of exercising it).</p> <p>In addition, it should be taken into account that this expense gives rise to a liability and exists as opposed to the income and assets of the transferee. That is, the liabilities of the transfer provider only have one perfectly identified destination (the recipient) and not several destinations (or unidentified destinations) as is the case with provisions.</p> <p>A treatment of this type, causes asymmetries, in addition, on the side of the information for the purposes of fiscal statistics.</p> <p>MEXICO</p> <p>No comment is issued.</p> <p>GUATEMALA</p> <p>As mentioned in comment 3, it is recommended that the content of the derived draft standard be expanded because there is no clarity.</p> <p>CHILE</p> <p>It is proposed to make a distinction between two cases. If the breach of the present obligation means that the resources must be returned to the transfer provider, the transfer provider should recognize an asset when it delivers the transfer and only recognize the expense when the present obligation is fulfilled. However, if the breach of the obligation has other consequences, such as fines or administrative penalties, the treatment indicated in the draft, i.e., recognizing the expense when the transfer is delivered, is considered appropriate.</p> <p>COSTA RICA</p> <p>Where greater symmetry is required in the issue of recognition of the actors from whom the asset is transferred until the recipient meets its present obligations. This relationship in the real register is not so simple, and the focus should be on the timing of the accrual.</p> |
| <p>Specific matter for comment 8:</p> <p>This draft standard proposes that, when a binding agreement is subject to budget allocation authorization, the transfer provider must consider whether it has a current obligation to transfer resources, and therefore must recognize a liability, before the budget allocation is authorized.</p> | <p>COLOMBIA</p> <p>In the Colombian context, it is not possible to recognize a transfer obligation that is not contained in the Budget Law or that has been authorized in the budget. Therefore, the alternative proposed in the draft ED 72 would not be applicable.</p> <p>EL SALVADOR</p> <p>We don't agree.</p> |

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| | <p>From the legal point of view, it may have future repercussions, because our Constitution of the Republic requires that each expense to be recorded in the accounts must have its budgetary allocation, and in this case, a liability would be recognized without having a budget allocated for that financial operation.</p> <p>ECUADOR In accordance with current legislation, liabilities are recognized on an economic basis and the accrual principle is applied. Therefore, the relationship between budget and accounting is simultaneous. It is proposed that the treatment for this appropriation be with an association between budget and accounting.</p> <p>BRAZIL Yes I agree.</p> <p>PARAGUAY We do not agree, we can only recognize expenses that are explicitly budgeted. Generally these transfers are not obligatory and the Entities are not obliged to make them except by a special law and the budget item established for this purpose.</p> <p>HONDURAS No comment is issued.</p> <p>PERU Although in the Public Sector, budget allocations are a series of transactions carried out by entities, we consider that the criterion adopted is the appropriate one; however, we recommend including a clarification that states that the provider of a transfer will account for a present obligation, unless the binding arrangement states that this (arrangement) loses its validity, is void or is not enforceable in the absence of the budget allocation to the provider.</p> <p>MEXICO No comment is issued.</p> <p>GUATEMALA It would not be possible because we are subject to budget laws.</p> <p>CHILE We agree with the substance, but propose another way of approaching the treatment. It is considered that the general rule is that an obligation cannot exist before the budget allocation is authorized, and that the existence of an earlier obligation is an exception that should be legally supported.</p> <p>COSTA RICA Costa Rica must consider the legal handle, at most the laws that consider resource transfers, and that sometimes depend on political situations. Without budget authorization there can be no movement. We are ruled by</p> |
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| | <p>the principle of legality, we cannot recognize expenses and obligations if they are not authorized and the availability of resources is confirmed.</p> |
| <p>Specific matter for comment 9:</p> <p>This draft standard proposes disclosure requirements that reflect the requirements of draft standard 70, Revenue with performance obligations, and draft standard 71, Revenue without performance obligations, as appropriate.</p> <p>Do you agree that the disclosure requirements in this draft standard are appropriate to provide users with sufficient, reliable and relevant information on transfer charges? In particular,</p> <p>(a) Do you think there are any additional disclosure requirements that should be included?</p> <p>(b) Are any of the proposed disclosure requirements unnecessary?</p> | <p>COLOMBIA</p> <p>Since it is not considered appropriate to classify transfer expenses between those who have performance obligations and those who do not, the requirements for disclosure of transfer expenses without performance obligations are considered appropriate. In addition, if the criterion of conditional and unconditional transfers is incorporated, disclosure requirements should be expanded to indicate the conditions related to the transfers and compliance with them.</p> <p>EL SALVADOR</p> <p>Yes, we agree.</p> <p>To provide users with sufficient, reliable and relevant information on transfer costs.</p> <p>It is important to consider the budgetary impact of transfer expenditures, considering that there could be differences between the executed budget and the accounting.</p> <p>ECUADOR</p> <p>We partially agree, since exchange transfers do not constitute a transfer concept. For non-exchange transfers, we agree with the proposed disclosures.</p> <p>BRAZIL</p> <p>Yes, I agree.</p> <p>PARAGUAY</p> <p>This is sufficient, but considering all the observations made above.</p> <p>HONDURAS</p> <p>No comment is issued.</p> <p>PERU</p> <p>No comments to make.</p> <p>MEXICO</p> <p>No comment is issued.</p> <p>GUATEMALA</p> <p>We agree with the disclosures made in this project.</p> <p>CHILE</p> <p>It is considered appropriate and important that it reflects the disclosures of ED 70 and 71.</p> |



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| | <p>COSTA RICA</p> <p>Greater emphasis should be placed on disclosure of conditional and unconditional transfers and conditions for compliance.</p> <p>Establish an application guidance with proposals for indicators or procedures to create them.</p> |
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FORO DE CONTADURÍAS GUBERNAMENTALES DE AMÉRICA LATINA FOCAL