

November 30, 2015

The Chairman  
International Public Sector Accounting Standards Board  
International Federation of Accountants  
529 Fifth Avenue, 6<sup>th</sup> Floor  
New York  
NY 10017 USA

Via online submission

Dear Mr Adreas Bergmann

**COMMENTS ON IPSASB EXPOSURE DRAFT 56,  
THE APPLICABILITY OF IPSASs**

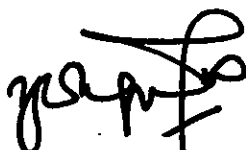
We refer to the IPSASB Exposure Draft 56, *The Applicability of IPSASs*, issued by the International Public Sector Accounting Standards Board ("IPSASB") of the International Federation of Accountants ("IFAC").

In this regard, we are pleased to attach the Institute's comments as set out in **Appendix I** for your consideration.

Please do not hesitate to contact the undersigned or the Institute's Senior Technical Manager, Ms Hoh Kim Hyan at +603-2698 9622 should you require any clarification.

Thank you.

Yours faithfully,



FOO YOKE PIN (Mr)  
Executive Director

**THE MALAYSIAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS**  
**(INSTITUT AKAUNTAN AWAM BERTAULIAH MALAYSIA)**

**International Public Sector Accounting Standards Board**

***The Applicability of IPSASs***

**Questionnaire**

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The IPSASB welcomes comments on all matters discussed in this Consultation Paper. Comments are most helpful when they refer to specific paragraphs, include the reasons for the comments, and, where appropriate, make specific suggestions for any proposed changes to wording. When a respondent agrees with proposals in this Consultation Paper, it will be helpful for the IPSASB to be made aware of this view.

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**Specific Matter for Comment**

The IPSASB proposes deleting the defined term “Government Business Enterprise” and removing all references to the term from the IPSASB’s pronouncements, so that the Preface to International Public Sector Accounting Standards will provide guidance on the applicability of IPSASs and RPGs.

In order to facilitate comments, a positive description of the characteristics of public sector entities for which IPSASs are intended is included in the Executive Summary of the ED. This description will be part of the Preface to International Public Sector Accounting Standards.

Do you agree with the changes to IPSASs and RPGs proposed in this ED? If not, please provide your reasons.

**MICPA’s Comments:**

In our earlier response to the 2014 Consultation Paper, *The Applicability of IPSASs to Government Business Enterprises and Other Public Sector Entities*, the Institute supported the option of removing the definition of “Government Business Enterprise” and replacing it with a principles-based approach that leaves regulators and other relevant authorities to decide on which organisations to which IPSASs are applicable. This is particularly useful as the application of accounting standards in the public sector varies from country to country.

Hence, the Institute agrees with the proposal to include in the Preface to International Public Sector Accounting Standards a high-level, principle-based description of organisations to which IPSASs are applicable.

Further, the Institute also agrees that the proposed description of the organisations to which IPSASs are applicable, emphasises on the characteristics of public sector entities based on their principal activities, funding structure and profit orientation.

In conclusion, MICPA agrees with the overall proposal as set out in the Exposure Draft.