



PAFA

PAN AFRICAN FEDERATION
OF ACCOUNTANTS

BUILDING A BRIDGE TO A BRIGHTER AFRICA

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The International Public Sector Accounting Standards Board (IPSASB)

Website submission

PREFACE

The Pan-African Federation of Accountants (PAFA), is the continental body representing Africa's professional accountants. Our objective is to accelerate the development of the profession and strengthen the voice of the accountancy profession within Africa and worldwide.

In its unique regional capacity to facilitate PAOs and present a unified position of the profession, PAFA presents below its comments on Exposure Draft (ED) 70 issued by the International Public Sector Accounting Standards Board (IPSASB) titled *Revenue with Performance Obligations*. The responses provided relate to the Specific Matters for Comment as included in the ED.

Objective of the Exposure Draft

The objective of this Exposure Draft is to propose improvements to the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about revenue with performance obligations.

Specific Matter for Comment 1:

Do you agree that the scope of this Exposure Draft is clear? If not, what changes to the scope of the Exposure Draft or the definition of binding arrangements would you make?

PAFA's Response:

We are in agreement that the scope of this ED is clear. The principles and requirements when accounting for revenue arising from binding arrangements with performance obligations have been clearly established. It is also well clarified that the proposed standard does not address revenue arising from binding arrangements that do not include performance obligations. This is covered under ED 71.

Specific Matter for Comment 2:

Do you agree with the IPSASB's decision not to define "transfer revenue" or "transfer revenue with performance obligations"? If not, why not?

PAFA's Response:

We concur with the Board's decision not to define "transfer revenue" or "transfer revenue with performance obligations" in this ED. The justification for this is provided under BC21 and is sufficient.

Specific Matter for Comment 3:

Do you agree with the application guidance? If not, why not?

PAFA's Response:

We are in agreement with the application guidance provided.

Specific Matter for Comment 4:

Do you agree that the disclosure requirements should be aligned with those in IFRS 15, and that no disclosure requirements should be removed? If not, why not?

PAFA's Response:

Yes, we agree that the disclosure requirements should be aligned with those in IFRS 15. They are comprehensive enough and cover all key accounting principles.

Specific Matter for Comment 5:

Do you agree with the decision to add the disclosure requirement in paragraph 120 for disclosure of information on transactions which an entity is compelled to enter into by legislation or other governmental policy decisions? If not, why not?

PAFA's Response:

We are in agreement with the decision to add the disclosure requirement in paragraph 120. This is a uniquely public sector practice.