San Juan, Puerto Rico, December 30th, 2017

Members of the Group
THE INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS BOARD GOVERNANCE REVIEW GROUP

REF: Public Sector, Exposure Draft 62 Financial Instruments

Dear Members of the Group,

The Inter-American Accounting Association (IAA) (AIC – in Spanish), welcomes the opportunity to comment on the This Consultation Paper, Exposure Draft 62 Financial Instruments, was developed and approved by the International Public Sector Accounting Standards Board® (IPSASB®).

This reply summarizes the views of different member countries of the IAA, according to the following due process:

Due process:
The Draft was submitted to the different IAA member, the Inter-American Technical Commissions (ITC) and the Sponsor Organizations (SO), hence all members had the opportunity to participate in the discussion of the Draft.

All comments received from the ITC and SO, were compared and discussed, before preparing a reply which has been approved upon by all members.

If you have any questions about our comments, please do not hesitate to contact us.

Sincerely,

Cornelio Porras Cuellar
PRESIDENT
Comment Letter of the Interamerican Accounting Association - IAA on the document for public discussion referred to, “International Public Sector Accounting Standards Board® (IPSASB®) Exposure Draft 62 Financial Instruments, was developed and approved by the International Public Sector Accounting Standards Board®”

Specific Matter for Comment 1:
Consistent with the relief provided in IFRS 9, the IPSASB has agreed in [draft] IPSAS [X] (ED 62) to allow an option for entities to continue to apply the IPSAS 29 hedging requirements. Do you agree with the IPSASB’s proposal?

A. The draft is consistent with the relief provided in IFRS 9, which has as its main objective, establish the principles for financial information on financial assets and liabilities, so that useful and relevant information for users of the states is presented financial statements for the evaluation of the important ones, timing and uncertainty of the future flows of the entity.

Specific Matter for Comment 2:
The IPSASB recognizes that transition to the new standard [draft] IPSAS [X] (ED 62) may present implementation challenges as a result of the number of significant changes proposed. Therefore, the IPSASB intends to provide a 3 year implementation period until [draft] IPSAS [X] (ED 62) is effective (early adoption will be permitted). Do you agree with the proposed 3-year implementation period before [draft] IPSAS [X] (ED 62) becomes mandatory? Please explain.

A. Yes, the period of 3 years of transition, before establishing the mandatory application of this standard, is reasonable and will even allow its early application.

Specific Matter for Comment 3:
Do you agree with the proposed transition requirements in paragraphs 153-180, consistent with those provided in IFRS 9? If not, what specific changes do you recommend and why?

A. Yes, We are agree with the provisions of paragraphs 153 to 180 of the draft standard, as they are consistent with what is stated in IFRS 9.