



**ASOCIACION INTERAMERICANA DE CONTABILIDAD
INTERAMERICAN ACCOUNTING ASSOCIATION
ASSOCIAÇÃO INTERAMERICANA DE CONTABILIDADE**

San Juan, Puerto Rico, January 14th, 2016

Members of the Group

**THE INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS BOARD
GOVERNANCE REVIEW GROUP**

REF: Exposure Draft 57, Impairment of Revalued Assets of the International Public Sector Accounting Standards Board (IPSASB)

Dear Members of the Group,

The Inter-American Accounting Association (IAA) (AIC – in Spanish), welcomes the opportunity to comment on the **Consultation Paper “Exposure Draft 57, Impairment of Revalued Assets of 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,

Antonio Gómez Espiñeira
PRESIDENT



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Comment Letter of the Interamerican Accounting Association- IAA on the document for public discussion referred to ““Consultation Paper “Exposure Draft 57, Impairment of Revalued Assets of the International Public Sector Accounting Standards Board (IPSASB)””

We have the following comments:

Exposure Draft 57

Impairment of Revalued Assets

Matters

Amendments to IPSAS 21, Impairment of Non-Cash-Generating Assets

Recognizing and Measuring an Impairment Loss

1. We propose the following reaction:

54A An impairment loss on a non-revalued asset is recognized in surplus or deficit. However, an impairment loss on a revalued asset is recognized in revaluation surplus, diminishing to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of assets.

Justification of our proposal:

By adding the word "diminishing" the coherence of the wording would remain with paragraph 69A that uses the word "increases" when referring to the recognition of a reversal of an impairment loss of a revalued asset. We propose to eliminate this paragraph: Such an impairment loss on a revalued asset reduces the revaluation surplus for that class of assets.

.Effective Date

2. Added Paragraphs: 54A, 69A, 81A and 81 C, therefore, understand that latter corresponds add number 81C between additions.



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Amendments to IPSAS 26, *Impairment of Cash-Generating Assets*

Recognizing and Measuring an Impairment Loss

We propose the following reaction:

73A. An impairment loss on a non-revalued asset is recognized in profit. However, an impairment loss of a revalued asset is recognized in the revaluation surplus, diminishing, to the extent that the impairment loss does not exceed the amount of the revaluation surplus for that asset class.

Justification of our proposal:

By adding the word "diminishing" the coherence of the wording would remain with paragraph 108 that uses the word "increases" when referring to the recognition of the reversal of an impairment loss of a revalued asset. We further propose the additional paragraph is removed such an impairment loss on a revalued asset reduces the revaluation surplus for that class of assets.

In other respects we are agree with the proposal of the Board of International Accounting Standards Public Sector (AIPSASB), because we understand that responds to a need for adjustments to adapt, especially to the proposed amendments and the adaptation that current time requires.