

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

San Juan, Puerto Rico, December 31st, 2014

Members of the Group

**THE INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS BOARD**

REF: Public Consultation: The Applicability of IPSASs to Government Business Enterprises and Other Public Sector Entities.

Dear Members of the Group,

The Inter-American Accounting Association (AIC – in Spanish), welcomes the opportunity to comment on the **Consultation Paper “The Applicability of IPSASs to Government Business Enterprises and Other Public Sector Entities.”**

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

**Due process:**

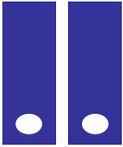
The Draft was submitted to the different AIC member, the Inter-American Technical Commissions (ITC) and the Sponsor Organizations (SO), hence all members had the opportunity to participate in the discussion of the Draft.

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,

Gustavo Gil Gil  
**PRESIDENT**



**ASOCIACION INTERAMERICANA DE CONTABILIDAD  
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**Comment Letter of the Interamerican Accounting Association- IAA on the document for public discussion referred to “The Applicability of IPSASs to Government Business Enterprises and Other Public Sector Entities”**

We have answered the two questions of the document in accordance with the provided instructions. Please see our answers and related comments below.

<p><b>Question 1.-</b> Describing the characteristic of public sector entities for which IPSASs are intended. Under this approach GBEs would not be defined. There are two options within this approach:</p> <p>1a) Using IPSASB’s current and developing terminology; or</p> <p>2b) Using Government Finance Statistics (GFS) reporting guidelines and explanatory guidance;</p>
<p><b>Answer:</b></p> <p>We agree with 1a) this option since the IPSASB's in essence maintain the accounting treatment and the original text of the NICs, international standard adopted by 130 jurisdictions approximately, therefore the IPSASB's increase both the quality and comparability of financial information submitted by public sector entities in several countries around the world. Furthermore, due to the use of IPSASB's is more flexible than the NICs since his adoption is not impose; in case of the existence of national governing accounting regulations practices and the presentation of the financial statements, IPSASB's not overlap with these criteria, but promotes harmony between these and the internal regulations of each country to contribute to greater comparability.</p>

<p><b>Question 2.-</b> Modifying the current definition of a GBE in IPSAS 1, in order to resolve problems in its application. This could be done in two ways:</p> <p>2a) Clarifying the current definition of a GBE; and/or</p> <p>2b) Narrowing the existing definition of a GBE</p>
<p><b>Answer:</b></p> <p>Currently We understand that "Public Sector" concerns central or federal governments, regional governments (eg state or departments, provinces, districts), local governments (eg municipalities, governors and councils) and public entities (eg public bodies boards, commissions and public companies), therefore we agree with 2a) this option since we believe a clear concept of “public sector” is needed, so that this definition covers the reality of all countries that adopted or are in process of adoption of these international standards.</p>