

From: A.B. Triharta [mailto:trihar_1@hotmail.com]
Sent: Wednesday, October 24, 2012 9:30 PM
To: Stephenie Fox
Cc: A Bergman
Subject: Financial Instruments Accounting Standard

Dear Stephenie in Toronto, and
IPSAS Board Members;

I can still feel the nice memory when the IPSASB meeting was held in Alila Hotel Jakarta some time in Nov 2010. I hope the weather is fine in Toronto and in every country of the board member.

This time I write an e-mail to IPSASB to seek some clarification on public sector standards relating to the central bank accounting, the issue of which I encounter as follows:

On October 18, 2012 I represented KSAP (Indonesian Governmental Accounting Standards Committee) in the discussion held by the Indonesian Central Bank (BI) commenting her exposure draft (EP) on Indonesian central bank accounting "standards" or she called it the basic principles. The EP was prepared by a team of central bank staff and other noted experts mostly from the Indonesian accountants association. The speaker of the team explained that the content of the EP is referred to the IFRS standards and amended or suited to the BI need. The speaker also explained that every country has his own peculiarity in the central bank structure, and there are no international accounting standards for central bank. Consequently, the EP team has to find or create the standards from various sources, mostly from commercial sector/IFRS, to suit best the financial instruments peculiarity as needed by the central bank.

During the discussion I commented that the standards reference to IFRS would divert the central bank accounting from public entity as stated in the GFSM, that in my opinion the bank accounting standards should seek reference to IPSAS. The adoption of IFRS, though with some substantial amendments, will complicate the interrelation of the central bank with the the government and the integration of GFS report with that of the government.

After the meeting I try to search the IPSAS publication and or standards to find if there are already standards on financial instruments as needed by central banks, but so far I find none.

Hereby I would ask whether there is some plan in IPSASB agenda to discuss or create the financial instruments accounting standard as needed by public sector entity which is functionally entrusted to manage this central banking matters.

Jakarta, 25 October 2012

Best regards;

Tri Harta

Vice Chairman of KSAP

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