



**Federation of European Accountants**  
**Fédération des Experts comptables Européens**

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Ref.: PSC/HvD/TSI/SRO

Dear Ms Fox,

**Re: IPSASB ED 43 Service Concession Arrangements: Grantor**

- (1) FEE (the Federation of European Accountants) is pleased to submit its views on this proposed International Public Sector Accounting Standard.

**General Comments on the Exposure Draft**

- (2) We are pleased to see that the International Public Sector Accounting Standards Board is developing guidance on this issue. Service Concession Arrangements are significant in many European jurisdictions, and the development of IFRIC 12 and its exclusive focus on private sector financial reporting only serve to highlight the need for public sector guidance.
- (3) In our view, ED 43 covers the issues that grantors need to address when accounting for service concession arrangements, in particular:
- Scope of accounting for Service Concession Arrangements;
  - Asset recognition and measurement;
  - Liability recognition and measurement;
  - Recognition and measurement of related expenses and revenues;
  - Presentation and Disclosure.



### Specific Matter for Comment

This Exposure Draft addresses service concession arrangements from the grantor's perspective. It mirrors the principles set out in IFRIC 12 for accounting by the operator. Do you agree with this approach?

- (4) As IFRIC 12 is being used by the private sector and has been adopted by the European Union, and given the more general alignment of IPSASs with IFRS, there is a strong case for adopting a consistent approach. We therefore agree with the approach adopted in the Exposure Draft. We think it may also be useful if IPSASB would consider whether there are any taxation issues that need to be considered as part of the standard.

We would be pleased to discuss any aspect of this letter you may wish to raise with us.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Hans van Damme', is written over a circular stamp or seal. The signature is fluid and cursive.

Hans van Damme  
President