



LE PRÉSIDENT

5, place des vins de France
75573 PARIS Cedex 12
FRANCE
TELEPHONE: + 33 1 53 44 22 80
E-mail: michel.prada@finances.gouv.fr

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Mr John Stanford
Technical director
International Public Sector Accounting
Standards Board
International Federation of Accountants
277 Wellington Street, 4th floor
Toronto
Ontario M5V 3H2 CANADA

Re: Response to Exposure Draft ED56 - The Applicability of IPSASsTM

Dear Mr Stanford,

The French Public Sector Accounting Standards Council (CNOCP) welcomes the opportunity to comment on the Exposure Draft *The Applicability of IPSASsTM* published in July 2015.

We agree with the IPSASB's proposal to remove all references to "Government Business Enterprise" from the IPSASB's pronouncements. We believe that the proposal well reflects the comments made to the Consultation Paper **The Applicability of IPSASsTM to Government Business Enterprises and Other Public Sector Entities**.

We support the introduction of the characteristics of a public sector entity for which IPSASs are intended within the *Preface to International Public Sector Accounting Standards*. It clearly sets out the signal that such a characterisation is not a definition and is not part of IPSASs requirements. This is fully consistent with our view that it is up to the regulators and relevant authorities to decide what entities should apply IPSASs. In most instances, standard-setters have no authority over the matter; hence it seems more sensible to describe public sector entities for which IPSASs are intended in a non-authoritative pronouncement.

In addition, we are of the view that the proposed change would strengthen the process of identification of those specificities of the public sector that may entail departures from the private sector accounting standards.

Details of our response to the specific matter for comment are set out in the appendix.

Yours sincerely,

Michel Prada

APPENDIX

Specific matter for comment

The IPSASB proposes deleting the defined term “Government Business Enterprise” and removing all references to the term from the IPSASB’s pronouncements, so that the Preface to International Public Sector Accounting Standards will provide guidance on the applicability of IPSASs and RPGs.

In order to facilitate comments, a positive description of the characteristics of public sector entities for which IPSASs are intended is included in the Executive Summary of the ED. This description will be part of the Preface to International Public Sector Accounting Standards.

Do you agree with the changes to IPSASs and RPGs proposed in this ED? If not, please provide your reasons.

We fully agree with the IPSASB’s proposal to remove all references to “Government Business Enterprise” from the IPSASB’s pronouncements.

We reviewed the various consequential amendments to IPSASs and RPGs.

We note that the term ‘commercial entity/commercial public sector entity’ replaces the term ‘GBE’. However, the change from one term to another does not seem to be clearly stated.

Therefore, for the sake of clarity, we would recommend that the IPSASB should add a paragraph to the Basis for Conclusions in IPSAS 1 *Presentation of Financial Statements* to clarify that the change is from ‘GBE’ to ‘commercial entity/commercial public sector entity’.