

Submitted via email to: accounting@xrb.govt.nz

Dear Board Members,

Feedback on Exposure Draft PBE IPSAS 47 Revenue (ED 47) and PBE IPSAS 48 Transfer expenses (ED 48)

Thank you for the opportunity to comment on the above exposure drafts, which propose new requirements for the recognition of revenue and transfer expenses by Public Benefit Entities.

We note that there are some complexities in the standards which would benefit from further guidance and examples for application in a New Zealand context. For example:

- **Enforceability:** We expect application questions will arise around the concept of enforceability, both in terms of how clear the rights and obligations need to be and the mechanisms to remedy for non-completion (ED 47:AG16 / ED 48:AG17).
 - In ED 47 it would be helpful to add an additional fact pattern in IE3:Example 1 where there is specific reporting to the Government, but no specified time period. Some examples in relation to AG22-23 with a New Zealand context would also be useful.
 - In ED 48 it would be helpful to include example 1 from ED 47 showing how the scenarios would apply from the perspective of the transfer provider and an example where there is an enforceable right but not an enforceable obligation.
- **Multi-year grants:** This is a complex area that has been challenging for entities to apply under PBE IPSAS 23. Examples covering several scenarios (across binding and non-binding agreements) from the perspective of the provider and the recipient would be useful.
- **Assets arising from transfers without a binding agreement:** This is referenced in PBE IPSAS 48:IE C.1 but not explained further so would benefit from inclusion of an example.

We also consider that disclosure of total funds committed to transfer binding arrangements (but not yet paid) would be useful information for users. ED 48:59 only requires this information for material transfer binding arrangements.

Please reach out to myself or Victoria Turner if you have any queries in relation to these recommendations.

Regards,

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