Responses due by 28 April 2023

ACCOUNTING STANDARDS BOARD

INVITATION TO COMMENT ON PROPOSED INTERPRETATION OF THE STANDARD OF GENERALLY RECOGNISED ACCOUNTING PRACTICE ON

FOREIGN CURRENCY TRANSACTIONS AND ADVANCE CONSIDERATION

(ED XXX)

Issued by the
Accounting Standards Board

December 2022

Commenting on this Exposure Draft

The Accounting Standards Board (the Board) seeks comment on the Exposure Draft of the proposed Interpretation of the Standard of GRAP on *Foreign Currency Transactions and Advance Consideration*. The Board agreed to develop this Interpretation to converge with the International Financial Reporting Interpretations Committee's (IFRIC®) Interpretation on *Foreign Currency Transactions and Advance Consideration* (IFRIC 22).

The proposals in this Exposure Draft may be modified in the final document in the light of comment received. Comment should be submitted in writing so as to be received by **28 April 2023**. Email responses are preferred. Unless respondents to this Exposure Draft specifically request confidentiality, their comment is a matter of public record once the Standard of GRAP has been issued. Comment should be addressed to:

The Chief Executive Officer

Accounting Standards Board

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Background to this Exposure Draft

In monitoring convergence with the International Accounting Standards Board (IASB®), the Board agreed to develop an Interpretation to the Standard of GRAP on *Foreign Currency Transactions and Advance Consideration* based on IFRIC 22.

Developing this Exposure Draft

The purpose of this project is to develop guidance based on IFRIC 22, which would link to the Standard of GRAP on *The Effects of Changes in Foreign Exchange Rates* (GRAP 4). IFRIC 22 clarifies which exchange rate to use in transactions that involve advance consideration paid or received in a foreign currency. The guidance in IFRIC 22 was adapted for the local public sector environment in order to develop the Interpretation to the Standard of GRAP.

Due process and timetable

The Board invites comment on the proposals set out in this ED from preparers, users, auditors, standard-setters and other parties with an interest in public sector financial reporting.

Upon the closure of the comment period, the Board will consider the comment received on the ED.

Request for comment

Comment on this ED is invited by **28 April 2023**. The Board requests that respondents express an overall opinion on whether the ED, in general, is supported and to supplement this opinion with detailed comment, whether supportive or critical. Respondents are also invited to provide detailed comment identifying the specific paragraphs to which it relates, explaining the issue and suggesting alternative wording, with supporting reasoning, where appropriate. The basis for accepting or rejecting significant comment will be published on the website.

Specific matters for comment

There are no specific matters for comment.

General matters for comment

Comment on any matter contained in this ED would be welcomed. Comment is most helpful if reference is made to a specific paragraph or group of paragraphs.