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The International Public Sector Accounting Standards Board

70 York Street, Suite 710

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Submission via website

30 June 2026

Dear Ross

COMMENT ON THE EXPOSURE DRAFT ON *IMPROVEMENTS TO IPSAS ACCOUNTING STANDARDS – VOLUME 10* (ED 95)

We thank you for the opportunity to comment on ED 95.

The views in this comment letter are those of the Secretariat of the ASB and not the Board. The comments were formulated after consultation with our stakeholders, which included preparers, auditors, technical experts, consultants and users.

In general, we support the inclusion of the proposals in ED 95 to align IPSAS Accounting Standards with the latest IASB improvements and other narrow-scope projects that amended IFRS® Accounting Standards.

Our response to the specific matter for comment is outlined below.

Should you have any questions regarding the comment outlined in this letter, please feel free to contact me.

Yours sincerely

Elizna van der Westhuizen

Head of Technical

Board Members: Mr A van der Burgh (Chair), Mr A Hardien, Ms W de Jager,
Mr D Dlamini, Mr I Engelmohr, Mr S Gcwabe, Mr S Khan, Ms A Muller
Chief Executive Officer: Mrs J Poggiolini

SPECIFIC MATTER FOR COMMENT

Specific Matter for Comment 1 – Prevalence of Proposed Amendments to Supplier Finance Arrangements: **Part 1 of this Exposure Draft proposes additional disclosures for supplier finance arrangements, which are characterised by one or more finance providers offering to pay amounts an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, suppliers are paid.** **In your experience, are supplier finance arrangements sufficiently prevalent in your jurisdiction to warrant the proposed disclosure?**

Our stakeholders noted that supplier finance arrangements are not prevalent in the public sector.

Entities in our jurisdiction do not commonly enter into supplier finance arrangements.

<u>Appropriateness of disclosures</u>

Even though supplier finance arrangements are not prevalent in our public sector, our stakeholders indicated that, should entities enter into these arrangements in future (e.g. following a decline in their financial position), the proposed disclosures will provide useful information to users. These disclosures will enable users to understand, among other things, how extended payment terms or the acceleration of payments to suppliers will affect an entity's liabilities, cash flows and its exposure to liquidity risk. We therefore support these disclosures in principle.