

Financial Reporting Advisory Board Paper

Secretariat paper

Proposed Interpretation for Public Benefit Entities of the Statement of Principles for Financial Reporting

Issue:	The Board's response to the Accounting Standards Board's Invitation to Comment on the Exposure Draft of the proposed Interpretation for public benefit entities of the Statement of Principles for Financial Reporting
Impact on guidance:	No impact on the FReM.
UK GAAP adaptation?	N/A
IAS/IFRS compliant?	N/A
IPSAS compliant?	N/A
Impact on budgetary regime?	N/A
Recommendation:	That the Board approve the draft response.
Timing:	Immediate. The response needs to reach the Accounting Standards Board by 30 November 2005.

DETAIL

Background

1. The Board took a paper in June (FRAB (74) 05), which looked at the potential impact of the proposals that were likely to be included in the Exposure Draft of the proposed Interpretation for public benefit entities of the Statement of Principles for Financial Reporting. The Exposure Draft was published in August, and the Treasury has since consulted in the areas approved by the Board at its June meeting. The Board will take other papers relating to the consultation prior to this paper, and will have a chance to comment on the responses that the Treasury has received.

2. This paper introduces a draft response for the Chairman to sign following the discussions at the meeting. The response is in two parts: the annex to the letter gives brief responses to the specific questions raised in the Invitation to Comment, and the covering letter discusses certain issues in more depth. The issues covered in the letter follow the order of the Invitation to Comment where the issues coincide, and then adds some additional topics. You will note that the response is supportive of the idea to have an Interpretation, but questions whether some of the ideas are sufficiently developed yet for the Interpretation to be ready for publication.
3. This paper does not set out any detail of the proposals contained in the Exposure Draft, to a copy of which all Board members have access. The draft response quotes paragraph numbers to guide Board members to the appropriate part of the text to aid your consideration.
4. I propose that, unless Board members indicate otherwise, we will go through the response paragraph by paragraph at the meeting.

Summary and recommendation

5. The attached draft response to the proposed Interpretation needs to be debated, and a final version approved on 28th November so that we can submit it to the Accounting Standards Board.

David Watkins
Secretary
3 November 2005