
EXPOSURE DRAFT 87

STRIPPING COST IN THE PRODUCTION PHASE OF A SURFACE MINE (AMENDMENTS TO IPSAS 12)

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Brasília, Brazil
May 29, 2024

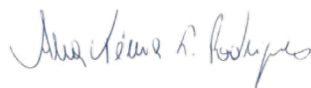
Dear Mr. Ross Smith,

The *Conselho Federal de Contabilidade* (CFC) of Brazil welcomes the opportunity to collaborate with the consultation on IPSASB, *Exposure Draft (ED) 87, Stripping Cost in the Production Phase of a Surface Mine (Amendments to IPSAS 12)*. CFC, alongside with its regional arms - *Conselhos Regionais de Contabilidade* (CRCs), is the Professional Accountancy Organization that carries out regulatory activities for overseeing the accountancy profession throughout the country.

Our points of view and comments can be found on the Appendix of this document that was prepared by the Permanent Committee for Public Sector Accounting Standards linked to Conselho Federal de Contabilidade (CP CASP – acronym in Portuguese).

Should you have any questions or require clarification of any matters in this submission, please contact: tecnica@cfc.org.br.

Best regards,



Ana Tércia Lopes Rodrigues
Technical Vice-President
Conselho Federal de Contabilidade

CONTEXT AND GENERAL COMMENTS

The Brazilian Federation is composed by 26 states, the Federal District and 5,569 municipalities governments. These levels of governments are responsible for formulating, implementing, and evaluating public policies in cooperative and/or competitive arrangements.

APPENDIX

Specific Matter for Comment 1:

The IPSASB decided to propose IFRIC 20-aligned guidance in ED 87 (see paragraph [BC9](#)). Do you agree that amendments to IFRIC 20, for the public sector, are limited to terminology and other IPSASB-specific formatting and consistency amendments (see paragraph [BC10](#))?

If not, please explain your reasons, stating clearly what further amendments are necessary and why.

Specific Matter for Comment 2:

The IPSASB decided to propose the IFRIC 20-aligned guidance in ED 87 as an amendment to IPSAS 12, *Inventories*, by including the guidance as an Appendix (see paragraph [BC11](#)). Do you agree with the IPSASB's decision?

If not, please explain your reasons, stating clearly where the guidance should be included and why.

Answer:

CP CASP/CFC partially agrees with the amendments to IFRS 6 for the public sector, which are limited to terminology and other formatting and consistency changes specific to the IPSASB.

However, it is suggested that the future standard contain general explanations on criteria for granting licenses to public sector entities, which sometimes already have authorizations guaranteed by law for the exploitation of mineral resources.

It is also suggested that the future standard contain application and implementation guides and illustrative examples, to demonstrate the practical application of the standard, such as cases of impairment and expressions such as 'exploration and evaluation assets', 'exploration for and evaluation of mineral resources', etc.