



**JUNTA DE DECANOS DE  
COLEGIOS DE CONTADORES  
PÚBLICOS DEL PERÚ**

MIEMBROS  
DE:



*“Year of recovery and consolidation of the Peruvian economy”*

*Lima, Feb 28, 2025*

**LETTER N° 039-2025-JDCCPP/CD.**

**MR. IAN CARRUTHERS**

*Chairman,*

*International Public Sector Accounting Standards Board IPSASB,  
The International Federation of Accountants,  
277 Wellington Street West,  
Toronto, Ontario M5V 3H2 CANADA*

*Re: Comments on the ED 92 Tangible Natural Resources*

*Dear Ian Carruthers,*

*Receive a cordial greeting and thanks for the support of the IPSASB. We are pleased to provide comments on the “ED 92, Tangible Natural Resources” issued by the International Public Sector Accounting Standards Board (IPSASB) of the International Federation of Accountants (IFAC). Our comments on the aforementioned Exposure Draft are attached to this letter.*

*If you need any additional clarification, do not hesitate to contact us through the email [juan.aranibar1@unmsm.edu.pe](mailto:juan.aranibar1@unmsm.edu.pe) with Prof. Juan Francisco Aranibar Romero, Chair of the Government Accounting and International Public Sector Accounting Standards National Technical Committee of our represented Board of Deans of Colleges of Public Accountants of Peru.*

*Thanking you,*

*Yours sincerely,*



**Wendy July Allauca Castillo**  
*Chair*

*Board of Deans of Colleges of  
Public Accountants of Peru*



**Julio Raúl Mena Preciado**  
*Secretary*

*Board of Deans of Colleges of  
Public Accountants of Peru*

[www.jdccpp.org.pe](http://www.jdccpp.org.pe)

Jr. Emilio Althaus N° 374 Lince, Lima – Perú  
T: (51) 949 349 015 – E-mail: [juntadecanos@jdccpp.org.pe](mailto:juntadecanos@jdccpp.org.pe)



## ***Comments on the ED 92 Tangible Natural Resources***

### ***Specific Matter for Comment 1: Scope (paragraphs 3-5):***

*This Exposure Draft is broadly applicable to all tangible natural resources which are not within the scope of any other existing IPSAS. (See paragraphs 3-4, BC8, and BC34.) Do you agree with the proposed scope? If not, what alternative scoping approach would you propose and why?*

*As a result of the proposed scope, tangible natural resources held for conservation are one common example of items which could fall within the scope of this Exposure Draft. What other items would you anticipate being accounted for through this Exposure Draft?*

### ***Opinion:***

*We agree with the proposed scope of the Exposure Draft, as it ensures that tangible natural resources not covered by existing IPSAS are appropriately recognized and measured. This approach enhances consistency and transparency in financial reporting for public sector entities managing such resources.*

### ***Considerations:***

- The proposed scope appropriately captures tangible natural resources that are not already addressed by other IPSAS, thereby filling a critical gap in public sector financial reporting.*
- By including tangible natural resources held for conservation, the standard acknowledges the economic and service potential of these assets, even if they are not directly generating financial returns.*
- The scope should clearly delineate boundaries to avoid overlap or inconsistencies with existing standards, such as Inventories and Property, Plant, and Equipment.*
- Additional guidance may be needed for cases where tangible natural resources serve both conservation and economic purposes, requiring careful classification.*

### ***Conclusion:***

*The proposed scope is appropriate but may benefit from further refinement to ensure clarity in application, particularly in cases where tangible natural resources have mixed-use characteristics.*



**Recommendations:**

- *The IPSASB should provide explicit guidance on how to differentiate between tangible natural resources and other asset categories covered by existing IPSAS.*
- *Further clarification is needed on whether assets such as land with mixed conservation and economic purposes should be fully or partially accounted for under this standard.*
- *Additional examples of tangible natural resources that would fall within the scope of this Exposure Draft include:*
  - ✓ *Protected forests and wetlands with potential ecosystem service value.*
  - ✓ *Mineral reserves controlled by governments but not yet actively exploited.*
  - ✓ *Water resources, including lakes or reservoirs, used for both conservation and regulated extraction.*
  - ✓ *Geothermal fields with potential future economic utility.*

**Specific Matter for Comment 2: Definitions (paragraph 6):**

*This Exposure Draft defines a natural resource as an item which is naturally occurring and embodies service potential, the capability to generate economic benefits, or both, and a tangible natural resource as a natural resource with physical substance.*

*Do you agree with the proposed definitions? If not, why not?*

**Opinion:**

*We agree with the proposed amendments. The broad applicability of this Exposure Draft ensures that all tangible natural resources not covered by existing IPSAS are appropriately recognized and measured, enhancing the consistency and comparability of public sector financial reporting.*

**Considerations:**

- *The proposed scope appropriately includes tangible natural resources that are not currently addressed by other IPSAS, reducing ambiguity in financial reporting.*
- *By encompassing tangible natural resources held for conservation, the Exposure Draft recognizes their service potential, which aligns with the public sector's objective of sustainability and intergenerational equity.*
- *The criteria for recognition, control, and measurement provide a structured approach to assessing whether a tangible natural resource qualifies as an asset.*





- *Other potential items that could be accounted for through this Exposure Draft include:*
  - ✓ *Protected ecosystems (e.g., wetlands, marine reserves) that provide long-term ecological benefits.*
  - ✓ *Geothermal energy sources that, while naturally occurring, may not yet be within the scope of existing IPSAS.*
  - ✓ *Undeveloped land owned by the government but not classified under investment property or infrastructure assets.*
  - ✓ *Mineral reserves held for conservation rather than extraction.*

**Conclusion:**

*The proposed scope effectively addresses a gap in IPSAS by ensuring that tangible natural resources are properly accounted for when they provide service potential or economic benefits. The approach is comprehensive and aligns with public sector financial management objectives.*

**Recommendations:**

- *Consider providing additional guidance on assessing the service potential of natural resources to support consistent application across jurisdictions.*
- *Clarify the treatment of tangible natural resources that transition from conservation to economic use (e.g., a protected forest later designated for controlled logging).*
- *Expand the illustrative examples to include a wider range of tangible natural resources that could fall within the scope of the Exposure Draft.*

**Specific Matter for Comment 3: Depreciation (paragraph 23):**

*This Exposure Draft includes a rebuttable presumption that the tangible natural resources recognized within the scope of this [draft] Standard have indefinite useful lives on the basis that they are generally not used or consumed in the same manner as tangible assets within the scope of other IPSAS. Therefore, these tangible natural resources are not depreciated.*

*Do you agree with the proposed rebuttable presumption that tangible natural resources should not be depreciated? If not, why not?*

**Opinion:**

*We agree with the proposed rebuttable presumption that tangible natural resources should not be depreciated, as their nature and usage differ from other tangible assets covered by existing IPSAS.*



**Considerations:**

- *Tangible natural resources generally have indefinite useful lives because they are not consumed or depleted through ordinary use in the same way as other tangible assets.*
- *The recognition of service potential rather than direct economic benefits aligns with the public sector's stewardship responsibilities, reinforcing the argument against systematic depreciation.*
- *The rebuttable presumption provides flexibility, allowing entities to assess whether specific tangible natural resources have a finite useful life due to legal, environmental, or operational factors.*
- *There are cases where tangible natural resources might degrade over time due to environmental changes, human activities, or regulatory decisions (e.g., controlled extraction, pollution impacts). In such cases, allowing the presumption to be rebutted ensures a more accurate reflection of asset valuation.*

**Conclusion:**

*The approach taken in the Exposure Draft is appropriate, as it recognizes the unique characteristics of tangible natural resources while maintaining flexibility through the rebuttable presumption. This allows for consistency in financial reporting while ensuring relevant and faithful representation of assets.*

**Recommendations:**

- *Provide clearer guidance on the circumstances under which the presumption may be rebutted, such as significant environmental degradation or legislative restrictions that affect the asset's service potential.*
- *Include illustrative examples of when an entity might determine that a tangible natural resource has a finite useful life.*
- *Consider additional disclosure requirements to ensure transparency when the presumption is rebutted, including the basis for determining a finite useful life and the chosen amortization method.*

**Specific Matter for Comment 4: Exemption from Certain Disclosures (paragraph 51):**

*As explained in paragraph BC31, this Exposure Draft exempts an entity from disclosing certain information which may lead to further degradation of tangible natural resources which are rare or endangered.*

*Do you agree with the proposed disclosure exemption? If not, why not?*



**Opinion:**

*We agree with the proposed disclosure exemption, as it helps prevent potential harm to rare or endangered tangible natural resources by limiting the risk of further degradation.*

**Considerations:**

- *The exemption aligns with the public sector's responsibility to protect and conserve natural resources, particularly those that are rare or endangered.*
- *Public disclosure of specific details about such resources could lead to unintended negative consequences, including illegal exploitation, environmental damage, or geopolitical conflicts over resource access.*
- *The exemption balances financial transparency with sustainability and conservation efforts, ensuring that reporting requirements do not inadvertently contribute to the depletion of critical resources.*
- *There is a need to maintain accountability while safeguarding sensitive information, which requires a clear framework for determining when the exemption applies.*

**Conclusion:**

*The exemption is necessary to mitigate risks associated with disclosing sensitive information about rare or endangered tangible natural resources. It ensures that financial reporting does not compromise conservation efforts while maintaining overall accountability.*

**Recommendations:**

- *Provide guidance on how entities should assess whether disclosure poses a risk to resource preservation.*
- *Consider requiring alternative forms of reporting (e.g., aggregated or qualitative disclosures) that maintain transparency without exposing specific details that could lead to resource degradation.*
- *Establish clear criteria for entities to justify the application of the exemption, ensuring consistency and preventing misuse.*





***Specific Matter for Comment 5: Cross-References to IPSAS 45, Property, Plant, and Equipment (paragraphs 15 and 54):***

*This Exposure Draft includes cross-references to the guidance in IPSAS 45 on the determination of cost in an exchange transaction and the disclosure requirements for current value. This guidance was incorporated by cross-reference as the acquisition of tangible natural resources is expected to be rare in the public sector, and there is familiarity with the principles on the determination of cost, which are consistent with those found in IPSAS 45.*

*Do you agree that these cross-references are sufficiently clear? If not, how should the above guidance be incorporated into the Final Standard?*

***Opinion:***

*We agree that the cross-references to IPSAS 45 are sufficiently clear and appropriate for determining the cost of tangible natural resources acquired through exchange transactions and for disclosing their current value.*

***Considerations:***

- IPSAS 45 provides well-established principles for cost determination, ensuring consistency in financial reporting across different asset categories.*
- Since the acquisition of tangible natural resources in exchange transactions is expected to be rare in the public sector, incorporating the guidance by cross-reference avoids unnecessary duplication and maintains alignment with existing IPSAS frameworks.*
- The use of familiar principles facilitates easier application and understanding by public sector entities, reducing complexity in implementation.*
- However, clarity on the applicability of IPSAS 45's principles to tangible natural resources may be necessary for cases where valuation challenges arise due to the unique characteristics of such assets.*

***Conclusion:***

*The cross-references to IPSAS 45 provide an efficient and coherent approach to cost determination and disclosure without adding unnecessary complexity. Maintaining consistency with IPSAS 45 enhances comparability and simplifies application for public sector entities.*



**Recommendations:**

- Consider including illustrative examples or additional guidance in the final standard to clarify how IPSAS 45 principles should be applied specifically to tangible natural resources.
- Include a statement confirming that if future developments in IPSAS 45 occur, they will automatically apply to this standard to maintain alignment.

**Specific Matter for Comment 6: Transition (paragraph 60):**

*This Exposure Draft allows the application of its requirements on a modified retrospective approach, by recognizing tangible natural resources which meet the recognition criteria on the date of initial application of the [draft] Standard at their deemed cost, or on a full retrospective basis in accordance with IPSAS 3, Accounting Policies, Changes in Accounting Estimates and Errors.*

*Do you agree that the option to apply the proposed guidance on a modified retrospective basis will result in useful information? If not, why not?*

**Opinion:**

*We agree that the option to apply the proposed guidance on a modified retrospective basis will result in useful information.*

**Considerations:**

- A modified retrospective approach provides a practical and cost-effective transition method, reducing the burden on entities that may face challenges in obtaining historical cost data for tangible natural resources.
- Recognizing tangible natural resources at deemed cost on the date of initial application allows entities to align with the new standard without the need for extensive historical restatements, which may be impractical or impossible in some cases.
- The alternative of a full retrospective approach ensures comparability for entities that have sufficient data and resources to apply it. Offering both options increases flexibility and accommodates diverse public sector contexts.
- This approach aligns with IPSAS 3, ensuring consistency with other accounting changes and facilitating smoother implementation.





**Conclusion:**

*Allowing the modified retrospective application balances the need for reliable and comparable financial information with the practical constraints faced by public sector entities. It enables the effective recognition of tangible natural resources without imposing undue administrative and financial burdens.*

**Recommendations:**

- *Provide additional guidance or illustrative examples on how to determine deemed cost for tangible natural resources under the modified retrospective approach.*
- *Clarify whether professional judgment or independent valuation is required to establish deemed cost, ensuring consistency in application across different jurisdictions.*

**Specific Matter for Comment 7: Amendment to the Description of ‘Heritage Asset’ in IPSAS 45, Property, Plant, and Equipment (Appendix B):**

*The IPSASB proposes to amend the description of ‘heritage asset’ in IPSAS 45 so that heritage assets which are also tangible natural resources are accounted for within the scope of this [draft] Standard.*

*Do you agree with the proposed amendment? If not, why not?*

**Opinion:**

*We agree with the proposed amendment to IPSAS 45, which modifies the description of “heritage asset” to ensure that heritage assets that are also tangible natural resources fall within the scope of the new standard on tangible natural resources. This amendment enhances consistency in financial reporting by ensuring that these assets are recognized, measured, and disclosed in alignment with their nature and purpose.*

**Considerations:**

- *The IPSASB’s decision to remove references to environmental and natural features from the definition of heritage assets in IPSAS 45 prevents overlap and potential inconsistencies in accounting treatment.*
- *The amendment ensures that tangible natural resources with heritage characteristics are subject to the same recognition and measurement criteria as other tangible natural resources, improving comparability in financial statements.*
- *Some heritage assets classified as tangible natural resources may require distinct accounting treatment due to their cultural or historical significance, which could be a concern if their unique characteristics are not properly addressed within the new standard.*



**Conclusion:**

*The proposed amendment provides greater clarity and ensures that tangible natural resources are accounted for consistently. However, consideration should be given to cases where heritage assets possess both cultural and environmental significance, to avoid unintended misclassification or loss of relevant financial information.*

**Recommendations:**

- *The IPSASB could provide additional guidance on how entities should assess whether an asset should be classified as a heritage asset under IPSAS 45 or as a tangible natural resource under the new standard.*
- *Further clarification could be included in the standard to ensure that assets with both heritage and environmental characteristics are not misclassified in a way that diminishes their financial or service potential representation.*

**Specific Matter for Comment 8: Sufficiency of Proposed Implementation Guidance and Illustrative Examples:**

*The non-authoritative guidance in this [draft] Standard was developed for topics that are potentially complex and difficult to apply in practice, are areas of concern for constituents, or where additional non-authoritative guidance could be useful.*

*Do you agree that the proposed implementation guidance and illustrative examples are sufficient? If not, what other topics would be helpful and why?*

**Opinion:**

*We generally agree that the proposed implementation guidance and illustrative examples provide useful support for applying the standard, particularly in areas that are complex or where constituents have expressed concerns. The inclusion of non-authoritative guidance enhances clarity and facilitates consistent application across public sector entities.*

**Considerations:**

- *The guidance helps operationalize key concepts such as recognition, measurement, and disclosure of tangible natural resources, which are inherently challenging due to valuation difficulties and control assessments.*
- *The illustrative examples are beneficial in demonstrating how the principles of the standard can be applied in real-world scenarios, aiding preparers in making informed judgments.*



## JUNTA DE DECANOS DE COLEGIOS DE CONTADORES PÚBLICOS DEL PERÚ

MIEMBROS  
DE:



- However, certain areas may require further elaboration, particularly regarding:
- The application of control criteria for tangible natural resources acquired through sovereign powers or non-exchange transactions.
- The determination of deemed cost in cases where reliable measurement is uncertain.
- Practical considerations for transitioning from heritage asset classification under IPSAS 45 to recognition as tangible natural resources under the new standard.

### **Conclusion:**

While the provided guidance is valuable, additional clarification on specific practical challenges could further enhance its applicability. Entities may still face difficulties in assessing control, determining fair values, and ensuring compliance with the transition requirements.

### **Recommendations:**

- The IPSASB could expand the guidance on assessing control of tangible natural resources, particularly in cases where legal frameworks or customary rights play a role.
- More examples on how to estimate deemed cost when observable market data is unavailable would be beneficial.
- A dedicated section on transitioning from IPSAS 45 heritage assets to the new standard could help entities navigate the reclassification process smoothly.

Finally, we request that the aforementioned considerations be evaluated in a way that aligns with the specific needs of the public sector.

Sincerely

**Juan Francisco Aranibar Romero**

Chair

Government Accounting and International Public Sector  
Accounting Standards National Technical Committee  
Board of Deans of Colleges of Public  
Accountants of Peru

[www.jdcccpe.org.pe](http://www.jdcccpe.org.pe)

Jr. Emilio Althaus N° 374 Lince, Lima – Perú  
T: (51) 949 349 015 – E-mail: [juntadecanos@jdcccpe.org.pe](mailto:juntadecanos@jdcccpe.org.pe)





## JUNTA DE DECANOS DE COLEGIOS DE CONTADORES PÚBLICOS DEL PERÚ

MIEMBROS  
DE:



### National Technical Committee

JUAN FRANCISCO MARTIN ARANIBAR ROMERO

ROSALIN SOLEDAD HUAMAN PORTAL

JHON MILNER GAMBOA LOPEZ

JUAN CARLOS CAMPOS ALBORNOZ

NELSON PRISCILO RAMIREZ URBINA

JOSE ALBERTO CHOCANO FIGUEROA

### Government Accounting and IPSAS Team

(Tacna)

Chair

(Pasco)

Vice-Chair

(Cajamarca)

Member

(Huánuco)

Member

(La Libertad)

Member

(Ucayali)

Member



[www.jdccpp.org.pe](http://www.jdccpp.org.pe)

Jr. Emilio Althaus N° 374 Lince, Lima – Perú  
T: (51) 949 349 015 – E-mail: [juntadecanos@jdccpp.org.pe](mailto:juntadecanos@jdccpp.org.pe)