



MALAYSIAN INSTITUTE  
OF ACCOUNTANTS

14 July 2025

Mr Ross Smith  
Program and Technical Director  
International Public Sector Accounting Standards Board  
International Federation of Accountants  
277 Wellington Street West  
Toronto, Ontario M5V 3H2  
CANADA

Dear Mr Smith

**EXPOSURE DRAFT (ED) 93, *DEFINITION OF MATERIAL* (AMENDMENTS TO IPSAS 1, IPSAS 3, AND THE CONCEPTUAL FRAMEWORK) Definition of Material (Amendments to IPSAS 1, IPSAS 3 and the Conceptual Framework)**

The Malaysian Institute of Accountants (“MIA”) is pleased to provide comments on the International Public Sector Accounting Standards Board (“IPSASB”) Exposure Draft 93, *Definition of Material* (Amendments to IPSAS 1, IPSAS 3, and the Conceptual Framework) as attached in Appendix 1 to this letter.

We hope our comments would contribute to the IPSASB’s deliberation in finalising the matter. If you have any queries or require clarification of this submission, please contact Rasmimi Ramli, Executive Director of Sustainability, Digital Economy, and Reporting at +603 2722 9277 or by email at [rasmimi@mia.org.my](mailto:rasmimi@mia.org.my).

Yours sincerely,

**MALAYSIAN INSTITUTE OF ACCOUNTANTS**

**G SHANMUGAM**

Chief Executive Officer

**Primary users**

We note that the IPSASB's proposal to define material information is based on its potential influence on the decisions of "primary users". Paragraph 2.4 of the IPSASB Conceptual Framework states that "for the purposes of the Conceptual Framework, the primary users of GPFRs are service recipients and their representatives and resource providers and their representatives...".

While we understand the intent of such proposal is to align with the IASB's definition of materiality in the public sector context, identifying "primary users" is inherently complex due to the wide range of such users who may rely on GPFRs for different purposes.

Public sector entities often serve multiple and diverse service recipients, each with distinct expectations and information needs. For instance, in our jurisdiction, the government have an agency which provides services across various sectors such as education, entrepreneurship and development support. Thus, the agency has numerous service recipients such as students who receive sponsorship or educational loans, entrepreneurs or businesses that receives grants or below-market loans as well as educational institutions that are being funded by the agency. In this case, we seek clarification on whether the primary users of the agency are all of its service recipients or only certain service recipients. If it is the latter, what factors should be considered in determining the selected service recipients.

**Obscuring information**

Due to confidentiality and/or public sensitivity, a government entity may choose not to provide detailed or in-depth disclosures on certain information. For example, disclosing details on military assets could potentially endanger national security. In this case, would this be considered as obscuring information?

**Paragraph 12A of Amendments to IPSAS 1, *Presentation of Financial Statements***

Paragraph 12A of Amendments to IPSAS 1 states that "the materiality depends on the nature and amount of the item judged in the particular circumstance of each entity". We wish to seek clarification from the IPSASB on how the nature of a particular item is considered in determining materiality of information.

**Illustrative examples**

We propose that the IPSASB consider providing illustrative examples to assist public sector entities in assessing materiality in Phase 2 of the project, similar to the approach adopted in IFRS Practice Statement 2 *Making Materiality Judgements*.