



MALAYSIAN INSTITUTE  
OF ACCOUNTANTS

17 May 2021

Mr John Stanford  
Technical Director  
International Public Sector Accounting Standards Board  
International Federation of Accountants  
277 Wellington Street West  
Toronto, Ontario M5V 3H2  
CANADA

Dear John,

**EXPOSURE DRAFT 75, LEASES**

The Malaysian Institute of Accountants ("MIA") is pleased to provide comments on the International Public Sector Accounting Standards Board ("IPSASB") Exposure Draft (ED) 75, *Leases* 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, Deputy Executive Director of Digital Economy, Reporting and Risk at +603 2722 9277 or by email at rasmimi@mia.org.my.

Yours sincerely,  
**MALAYSIAN INSTITUTE OF ACCOUNTANTS**

A handwritten signature in black ink, appearing to read "DR NURMAZILAH DATO' MAHZAN". To the left of the signature, there is a small, stylized mark that looks like a lowercase 'f' with a vertical line through it.

**DR NURMAZILAH DATO' MAHZAN**  
Chief Executive Officer

**Specific Matter for Comments**

**Specific Matter for Comment 1**

The IPSASB decided to propose an IFRS 16-aligned Standard in ED 75 (see paragraphs BC21–BC36). Do you agree with how the IPSASB has modified IFRS 16 for the public sector (see paragraphs BC37–BC60)? If not, please explain your reasons. If you agree, please provide any additional reasons not already discussed in the Basis for Conclusions.

We agree with how IPSASB has modified IFRS 16 for the public sector based on the reasons explained in the Basis of Conclusion.

We wish to highlight that there is a tripartite arrangement in Malaysia in relation to a lease arrangement. Details of such arrangement are included in our response to question 7 of our comment letter on Request for Information *Concessionary Leases and Other Arrangement Similar to Leases*. We propose that the IPSASB consider such arrangement in the Leases project and where relevant, to include guidance on such arrangement.

**Specific Matter for Comment 2**

The IPSASB decided to propose the retention of the fair value definition from IFRS 16 and IPSAS 13, *Leases*, which differs from the definition proposed in ED 77, *Measurement* (see paragraphs BC43– BC45). Do you agree with the IPSASB's decision? If not, please explain your reasons. If you agree, please provide any additional reasons not already discussed in the Basis for Conclusions.

We agree with the above proposal where such definition is used for the purpose of applying the lessor accounting requirements in ED 75. We note the difference in fair value definition between ED 75 and ED 77 and will look at the proposed fair value definition in ED77 as part of our review of the ED.

**Specific Matter for Comment 3**

The IPSASB decided to propose to refer to both “economic benefits” and “service potential”, where appropriate, in the application guidance section of ED 75 on identifying a lease (see paragraphs BC46–BC48). Do you agree with the IPSASB's decision? If not, please explain your reasons. If you agree, please provide any additional reasons not already discussed in the Basis for Conclusions.

We agree with the above proposal based on the reasons discussed in the Basis of Conclusion.