

21 March 2012

International Accounting Standards Board
1st Floor 30 Cannon Street
London EC4M 6XH
United Kingdom

(By email: CommentLetters@iasb.org)

Dear Sirs,

RESPONSE TO EXPOSURE DRAFT – TRANSITION GUIDANCE (PROPOSED AMENDMENTS TO IFRS 10)

The Institute of Certified Public Accountants of Singapore (ICPAS) appreciates the opportunity to comment on the above exposure draft (ED) issued by the International Accounting Standards Board (IASB) in December 2011.

Our comments on the specific questions in the ED are as follows:

Question 1:

The Board proposes to clarify the ‘date of initial application’ in IFRS 10. The date of initial application for IFRS 10 would be ‘the beginning of the annual reporting period in which IFRS 10 is applied for the first time’.

The Board also proposes to make editorial amendments to paragraphs C4 and C5 of IFRS 10 to clarify how an investor shall adjust comparative period(s) retrospectively if the consolidation conclusion reached at the date of initial application is different under IAS 27/SIC-12 and IFRS 10.

Do you agree with the amendments proposed? Why or why not? If not, what alternative do you propose?

We agree to the proposal to clarify the ‘date of initial application’ to be “the beginning of the annual reporting period in which IFRS 10 is applied for the first time”. This would reduce inconsistencies amongst preparers of financial statements in determining which date the ‘date of initial application’ refers to.

It is also noted that the editorial amendments to paragraphs C4 and C5 serves to clarify the transition guidance and does not change the accounting treatment when the consolidation conclusion reached at the date of initial application is different under IAS 27/SIC-12 and IFRS 10. Hence we agree to the amendments to paragraphs C4 and C5.

Question 2:

The Board proposes to amend paragraph C3 of IFRS 10 to clarify that an entity is not required to make adjustments to the previous accounting for its involvement with entities if the consolidation conclusion reached at the date of initial application is the same under IAS 27/SIC-12 and IFRS 10.

As a result, the Board confirms that relief from retrospective application of IFRS 10 would apply to an investor's interests in investees that were disposed of during a comparative period such that consolidation would not occur under either IAS 27/SIC-12 or IFRS 10 at the date of initial application.

Do you agree with the amendments proposed? Why or why not? If not, what alternative do you propose?

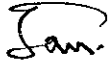
Similar to our comments to Question 1, the proposed amendments in paragraph C3 are not significant and do not change the accounting treatment. Hence we agree with the amendments to paragraph C3.

We also agree with the relief provided when an investor's interests in investees were disposed of during a comparative period. Paragraph C3 of the ED could be interpreted as already providing relief in such situations, since consolidation would not occur at the date of initial application under IAS 27/SIC-12 or IFRS 10 given that the interests had already been disposed of during the comparative period. Also if relief is not granted in this situation, the investor would be required to temporarily consolidate the investee at the beginning of the comparative period then deconsolidate it subsequently. Users of financial statements might not find such information beneficial to their needs and it is likely that the costs to preparers could outweigh its benefits to users.

Apart from our comments to the specific questions above, we would like to highlight that there might be concerns on how the transition guidance interacts with IFRS 11 *Joint Arrangements* as the transition relief is only applicable under the evaluation of control under IFRS 10, although both IFRS 10 and IFRS 11 adopts the same concept of control.

Should you require any further clarification, please feel free to contact Ms Chia Shini, Technical Assistant Manager, from ICPAS via email at shini.chia@icpas.org.sg.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Janet".

Janet Tan
Executive Director (Corporate Services)