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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 – PRESENTATION OF ITEMS OF OTHER
COMPREHENSIVE INCOME (PROPOSED AMENDMENTS TO IAS 1)**

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 May 2010.

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

Question 1

The Board proposes to change the title of the statement of comprehensive income to ‘Statement of profit or loss and other comprehensive income’ when referred to in IFRSs and its other publications. Do you agree? Why or why not? What alternative do you propose?

We agree with the proposed change in title.

Question 2

The proposals would require entities to present a statement of profit or loss and other comprehensive income with two sections—profit or loss and items of other comprehensive income. The Board believes this will provide more consistency in presentation and make financial statements more comparable. Do you agree? Why or why not? What alternative do you propose?

We agree with the proposal for entities to present a statement of profit or loss and other comprehensive income with two sections.

Question 3

The exposure draft proposes to require entities to present items of other comprehensive income (OCI) that will be reclassified to profit or loss (recycled) in subsequent periods upon derecognition separately from items of OCI that will not be reclassified to profit or loss. Do you support this approach? Why or why not? What alternative do you propose, and why?

Based on the current standards, there are specific requirements for items in the other comprehensive income that do and do not get recycled back to profit or loss. As such, we are of the view that the separate presentation of items that get recycled back to profit or loss from the items that do not get recycled to profit or loss will provide readers a clearer view of the statement.

Question 4

The exposure draft also proposes to require that income tax on items presented in OCI should be allocated between items that might be subsequently reclassified to profit or loss and those that will not be reclassified subsequently to profit or loss, if the items in OCI are presented before tax. Do you support this proposal? Why or why not? What alternative do you propose and why?

We agree that income tax on items presented in the OCI should be allocated between items that might be subsequently reclassified to profit or loss and those that will not be reclassified subsequently to profit or loss.

Question 5

In the Board's assessment:

(a) the main benefits of the proposals are:

- i. presenting all non-owner changes in equity in the same statement;
 - ii. improving comparability by eliminating options currently in IAS 1;
 - iii. maintaining a clear distinction between profit or loss and items of other comprehensive income;
 - iv. improving clarity of items presented in OCI by requiring them to be classified into items that might be reclassified subsequently to profit or loss and items that will not be reclassified subsequently to profit or loss.
- (b) the costs of the proposals should be minimal because in applying the existing version of IAS 1, entities must have all the information required to apply the proposed amendments.

Do you agree with the Board's assessment? Why or why not?

We agree with the Board's assessment on the benefits and costs of the proposal. We are also of the view that it is important for the conceptual framework of OCI to be properly set out in order to fully appreciate the benefits of the proposed changes.

Question 6

Do you have any other comments on the proposals?

For the illustrative financial statement structure in the ED, the intent is to have one statement for both sections. We noted that the double line, which usually signifies the end of a statement, exists on two lines in the statement- "profit for the year" and "total comprehensive income for the year". We understand that the two double lines are for distinction of the two sections: profit and loss and other comprehensive income and intentionally emphasises "profit for the year", which is an important number in computing the earnings per share. In our view, the "profit for the year" should be bold, rather than double line.

We have also noted that the illustrative financial statement structure is not compliant with IFRS 9 as "available-for-sale financial assets" is not an applicable term in IFRS 9.

Lastly, the illustrative financial statement structure includes “share of other comprehensive income of associates” in items that may be reclassified subsequently to profit or loss. The current IAS 28 *Investments in Associates* has no requirement for associates to split their results between recyclable and non-recyclable components. For consistency with the proposed revisions in IAS 1, IAS 28 would have to be updated.

Should you require any further clarification, please feel free to contact Ms Grace Chua, Technical Manager, from ICPAS via email at grace.chua@icpas.org.sg.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Janet Tan', with a horizontal line underneath.

Janet Tan
Executive Director