

4 April 2016

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

Dear Sirs,

RESPONSE TO EXPOSURE DRAFT (ED) – ANNUAL IMPROVEMENTS TO IFRSs 2014-2016 CYCLE

ISCA sought views from its members on the above ED through a one-month public consultation and from the ISCA Financial Reporting Committee which includes experienced technical accounting professionals from large accounting firms.

We agree with the proposed amendments and transition provisions in the ED. We have also suggested some improvements in the drafting of the proposed amendment in IFRS 12.

Our detailed comments for respective amendments are as follows.

Question 1 - Proposed amendment

Do you agree with the IASB's proposal to amend the Standards as described in the Exposure Draft?

If not, why and what alternative do you propose?

Question 2 - Transition provisions

Do you agree with the proposed transition provisions as described in the Exposure Draft?

If not, why and what alternative do you propose?

IFRS 1 *First-time Adoption of International Financial Reporting Standards*

Deletion of short-term exemptions for first-time adopters

We agree with the proposed deletions in IFRS 1 as they have served their intended purpose as short-term exemptions.

We noted that short-term exemptions are usually created during the issuance of new or revised standards and would have to be removed through the full due process for standard

setting. We recommend the introduction of expiry or sunset clauses for such exemptions so that they can be removed as editorial amendments rather than going through the usual due process. This would be more efficient and also provide clarity to users.

IFRS 12 *Disclosure of Interest in Other Entities*

Clarification of the scope of the disclosure requirements

We agree with the proposed clarifications to IFRS 12. However, we noted some inconsistencies in the wordings of proposed paragraph 5A, amendments to paragraph B17 in IFRS 12 and paragraph BC2 of the ED's Basis for Conclusion. Paragraph 5A is intended to include an entity's interests that are classified as held for sale, as distribution to owners in their capacity as owners or as discontinued operations. Paragraph B17 does not include the exemption of disclosures for interests in other entities that are classified as discontinued operations. On the other hand, the reference made to paragraph B17 in the ED's Basis for Conclusions paragraph BC2 indicates disclosures for interests in other entities that are classified as held for sale or discontinued operations but not disclosures for interests classified as held for distribution to owners.

From the reading of paragraph BC3 of the ED, IASB does not intend to exempt an entity from all the disclosure requirements in IFRS 12 with respect to interests in other entities that are classified as held for sale, as held for distribution to owners or as discontinued operations in accordance with IFRS 5. Hence, the drafting of paragraph B17 would need to be more complete by adding in "discontinued operations".

IAS 28 *Investments in Associates and Joint Ventures*

Measuring investees at fair value through profit or loss on an investment-by-investment basis

We agree with proposed clarification that an entity can elect to measure investments in associates and joint ventures on an investment-by-investment basis.

Should you require any further clarification, please feel free to contact Ms Lim Ju May, Deputy Director, Technical Advisory and Professional Standards, or Ms Jezz Chew, Manager, Technical Advisory and Professional Standards, from ISCA via email at jumay.lim@isca.org.sg or jezz.chew@isca.org.sg respectively.

Yours faithfully,



Titus Kuan
Director
Technical Advisory and Professional Standards