

27 August 2021

International Accounting Standards Board
7 Westferry Circus
Canary Wharf
London E14 4HD
United Kingdom

Dear Board Members,

RESPONSE TO EXPOSURE DRAFT – LACK OF EXCHANGEABILITY (“ED”)

ISCA sought views from its members on the above ED through an eight-week public consultation and from the ISCA Financial Reporting Committee which includes experienced technical accounting professionals from large accounting firms, preparers and other stakeholders.

Based on feedback received, we note that situations where entities in Singapore would experience a lack of exchangeability from one currency to another currency is very rare.

Nevertheless, we understand that a sustained period of lack of exchangeability may arise, for example, when an entity transacts or has operations in a hyper-inflationary economy and wants to exchange that currency into another currency at a measurement date.

We support the Board’s initiative in developing narrow-scope amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates* to address the issue of how entities should determine the exchange rate to apply when a currency is not exchangeable. We are also supportive of proposed amendments to IAS 21 in the ED.

Should you require any further clarification, please feel free to contact myself, Ms Jezz Chew or Mr Marcus Chan, TECHNICAL: Financial Reporting, from ISCA via email at jumay.lim@isca.org.sg, jezz.chew@isca.org.sg or marcus.chan@isca.org.sg.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Ju May', with a stylized flourish extending from the end.

Ms Ju May, LIM
Deputy Director
TECHNICAL: Financial & Corporate Reporting;
Ethics & Specialised Industries;
Audit & Assurance