



14 December 2008

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

*(By online submission)*

Dear Sir

**RESPONSE TO EXPOSURE DRAFT ON IMPROVING DISCLOSURES ABOUT FINANCIAL INSTRUMENTS (PROPOSED AMENDMENTS TO IFRS 7)**

The Accounting Standards Council (ASC) appreciates the opportunity to comment on the exposure draft on *Improving Disclosures About Financial Instruments* (Proposed Amendments to IFRS 7) issued by the International Accounting Standards Board (IASB) in October 2008.

2. We applaud the swift and timely action taken by the IASB to release this proposal to enhance the disclosures of fair value measurements and liquidity risk of financial instruments. We believe that these proposals would serve to raise the quality of corporate disclosures and that the clarification of the disclosure requirements of liquidity risk would be especially useful to the users of the financial statements in the current economic situation.

3. We are agreeable with all of the questions and provide our responses to the specific questions below:

**Question 4**

**Do you agree with the proposal in paragraph 39(a) to require entities to disclose a maturity analysis for derivative financial liabilities based on how the entity manages the liquidity risk associated with such instruments? If not, why? What would you propose instead, and why?**

4. We are of the view that a maturity analysis for derivative financial liabilities based on the entity's view would present considerable subjectivity in practice as it relies on management's view of the maturity dates of the financial instruments which can change from time to time. The question is how useful is this information to the users of financial statements given the subjectivity involved. In comparison maturity analysis based on contractual dates would be more objective and therefore disclosure of this information may be more useful.

## Question 8

**Are the transition requirements appropriate? If not, why? What would you propose instead, and why?**

5. We are of the view that it would be useful to provide more implementation and illustrative examples on the presentation requirements of paragraph 39(a) & (b) on maturity analysis for derivative and non-derivative financial liabilities.
6. Should you require any further clarification, please contact me. Thank you.

Yours faithfully,

Dexter Tan  
Secretary, Accounting Standards Council