



20 October 2011

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

(By online submission)

Dear Sirs

RESPONSE TO EXPOSURE DRAFT ON IMPROVEMENTS TO IFRSs

The Singapore Accounting Standards Council appreciates the opportunity to comment on the Exposure Draft on *Improvements to IFRSs* (the ED) issued by the International Accounting Standards Board (the Board) in June 2011.

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

Question 1

Do you agree with the Board's proposal to amend the IFRS as described in the exposure draft? If not, why and what alternative do you propose?

We agree with the Board's proposals in the ED.

However, with respect to the proposed amendment on repeated application of IFRS 1, we suggest that an entity that applies IFRS 1 more than once be required to disclose this fact and the reasons for the repeat application in the financial statements so as to mitigate any potential abuse of the exemptions and/or exceptions provided in the standard.

In addition, with respect to the proposed revised paragraph 8 in IAS 16¹, we note that the first sentence refers to "spare parts" and "servicing equipment", whilst the second sentence refers to "major spare parts", "stand-by equipment" and "servicing equipment". To avoid confusion in applying the standard, we recommend that these apparent inconsistencies be addressed by the Board.

¹ Proposed revised paragraph 8 in IAS 16: "Spare parts and servicing equipment are often carried as inventory and recognised in profit and loss as consumed. However, major spare parts, and stand-by equipment and servicing equipment qualify as property, plant and equipment when an entity expects to use them during more than one period."

Question 2

Do you agree with the proposed transitional provisions and effective date for the issue as described in the exposure draft? If not, why and what alternative do you propose?

We agree with the proposed transitional provisions and effective date except that the ED is silent on the effective date for the proposed amendment to IAS 1 relating to consistency with the updated *Conceptual Framework*. We suggest that the Board incorporate it in the final amendment.

We hope that our comments will contribute to the Board's deliberation on the ED. Should you require any further clarification, please contact the project manager Chia Chia CHIONH at chionh_chia_chia@acra.gov.sg.

Yours faithfully

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Secretary
Singapore Accounting Standards Council