



24 March 2008

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

(By email: [iasb@iasb.org](mailto:iasb@iasb.org))

Dear Sir

**RESPONSE TO EXPOSURE DRAFT OF PROPOSED AMENDMENTS TO IFRS 2  
SHARE-BASED PAYMENT AND IFRIC 11 IFRS 2 – GROUP AND TREASURY  
SHARE TRANSACTIONS**  
**Group Cash-Settled Share-based Payment Transactions**

1. The Accounting Standards Council (ASC) appreciates the opportunity to comment on the exposure draft of amendments to IFRS 2 Share-based payment and IFRIC 11 IFRS 2 – Group and Treasury Share Transactions issued by the International Accounting Standards Board (IASB) in December 2007. Our comments are as follows:

**Question 1—Specifying how a subsidiary that receives goods or services from its suppliers (including employees) should account for cash-settled share-based payment arrangements described in new paragraph 3A of IFRIC 11.**

The proposed amendments specify that:

- (a) in the financial statements of a subsidiary that receives goods or services from its suppliers under the arrangements described in new paragraph 3A of IFRIC 11, the subsidiary should apply IFRS 2 to account for the transactions with its suppliers. In other words, in the financial statements of the subsidiary, such cash-settled share-based payments are within the scope of IFRS 2 (see new paragraph 3A of IFRS 2 and new paragraph 11A of IFRIC 11).
- (b) the subsidiary should measure the goods or services received from its suppliers in accordance with the requirements applicable to cash-settled share-based payment transactions, as set out in IFRS 2 (see new paragraph 11B of IFRIC 11).

Do you agree with the proposals? If not, why?

**We agree with the proposals.**

## **Question 2—Transition**

The proposed amendments to IFRS 2 and IFRIC 11 would be required to be applied retrospectively, subject to the transitional provisions of IFRS 2.

Do you agree with the proposal? If not, what do you propose and why?

**We agree with the proposal.**

2. Should you require any further clarification, please kindly contact me. Thank you.

Yours faithfully,

Dexter Tan  
Secretary, Accounting Standards Council