24 November 2009

Sir David Tweedie
Chairman
International Accounting Standards Board
30 Cannon Street
London EC 4M 6XH
UNITED KINGDOM

Dear Sir David

ED2009/11 Improvements to IFRSs

The Group of 100 (G100) is an organization of chief financial officers from Australia's largest business enterprises with a purpose of advancing Australia's financial competitiveness. We are pleased to provide comments on the Improvements to IFRSs Exposure Draft. Except as indicated below, the G100 supports the proposed amendments.

Q1 *Do you agree with the Board's proposal to amend the IFRS as described in the ED? If not, why and what alternative do you propose?*

The G100 supports the IASB's annual improvements process. However, we believe that proposed amendments should be clarifications of existing requirements and should not be adding to/extending or changing the status of items as is proposed in respect of items in IAS 34 'Interim Financial Reports', para 15B.

The G100 is also concerned that proposed amendments to IFRS3 'Business Combinations' are inconsistent with the policy objective of achieving convergence with US GAAP. For example, although resolving a problem with the existing standard, the proposed amendments in respect of measuring a non-controlling interest (IFRS 3 para 19) would create another difference which would need to be addressed as a convergence item.

Q2 *Do you agree with the proposed transition provisions and effective date for the issues as described in the ED? If not, why and what alternative do you propose?*

The G100 believes that entities should be given adequate time to implement changes/improvements to IFRSs and their national equivalents. Accordingly, we believe that the proposed amendment to IFRS 5 'Non-Current Assets Held for Sale and Discontinued Operations' should be effective from 1 July 2010 and not 1 January 2010.

Q3 *The Board proposes changes to IAS 34 'Interim Financial Reporting' to emphasize its disclosure principles. It also adds to the guidance to illustrate better how to apply these principles. The Board published an ED Value Measurement in May 2009. In that ED, the Board proposes that all of the fair value measurement disclosures required in IFRS 7 'Financial Instruments: Disclosures' for annual financial statements should also be required for interim financial reports? If not, why? What would you propose instead and why?*

The G100 does not support this proposed amendment because we believe that requiring detailed disclosures in the interim financial report which do not improve the quality and usefulness of information is not justified on cost benefit grounds. We consider that the types of disclosures identified would be provided in accordance with the principles underlying IAS 34 if they were important to an understanding of the entity's activities.

Q4 *The Board proposes changes to IAS 34 'Interim Financial Reporting'. Do you agree that amending IAS 34 to require particular disclosures to be made in interim financial statements is a more effective way of ensuring that users of interim financial statements are provided with useful information? If not, why? What approach would you propose instead and why?*

The G100 believes that mandating such disclosures in interim financial reports would increase the reporting burden without improving the quality for the financial report. As indicated in response to Q3 such information would be reported if significant changes had occurred since the previous financial report.

In addition, the proposed amendments are elevating the status of the items referred to from examples of disclosures to being mandatory disclosures. We believe that new disclosure requirements should be subject to rigorous cost-benefit analysis before being mandated.

Q5 *The Board proposes to amend IAS 40 'Investment Property' to remove the requirement to transfer investment property carried at fair value to inventory when it will be developed for sale, to add a requirement for investment property held for sale to be displayed as a separate category in the statement of financial position and to require disclosures consistent with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Do you agree that the proposed amendment should be included within Improvements to IFRSs or should a separate project be undertaken to address this issue? If you believe a separate project should be undertaken, please explain why?*

The G100 believes that the proposed change should be the subject of a separate project which would enable the full implications of the proposal, including its interaction with IAS 17 'Leases' and IFRS 5, to be considered. As they stand the proposed changes are likely to add to the difficulties of applying IFRS 5.

Yours sincerely

AJReeves

Tony Reeves
National President