International Accounting Standards Board
30 Cannon Street
London
EC4M 6XH

Our Ref: TECH-CDR-893

23 November 2009

Dear Sirs

**Improvements to IFRS**

ACCA (Association of Chartered Certified Accountants) is pleased to have this opportunity to comment on the above exposure draft (ED) which was considered by ACCA's Financial Reporting Committee and I am writing to give you their views.

**Overall views**

We have some misgivings over the extent and frequency and changes to IFRS both because of the extra cost that any change imposes and also on the grounds of the greater complexity that this adds to the standards. We have therefore considered in particular the necessity for these improvements. We have noted below a number of instances where we consider no amendment is needed, either because the issue is too narrow or because we consider a reasonable reading of the existing text would lead to the meaning which is clarified by the improvement proposed.

**Responses to the specific improvements proposed**

*Changes in accounting during the transition to IFRS*

While we accept the clarified disclosures as the right ones to make, we consider that the existing requirements of IFRS would require that these should have been done and so query whether this amendment is needed.

*Use of revalued amounts as deemed cost during the first period*

While we agree with the proposed exemption, this treatment should have been possible under a reasonable reading of the standard.

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*IFRS3 choice of measurement basis for non-controlling interests*

While we agree with the proposed amendment, this treatment should have been possible under a reasonable reading of the standard.

*IFRS3 measurement of share based payments*

This seems a reasonable change to make.

*Assets held for sale*

This amendment and the 2010 application date seem reasonable.

*Disclosures about financial instruments*

Our responses:

- The addition of para 33A seems helpful in linking the qualitative and quantitive disclosures about risk.

- We do not agree with the amendment to para 34(b) because it replaces a specific reference to materiality with the assumption that material items will have been reported to key management personnel.

- The amendment to para 36(a) should designate the amount disclosed as the additional amount of credit risk beyond the carrying value.

- Para 36(b) we agree with this amendment.

- Paras 36(d) and 37(c) do seem rather unnecessary disclosures which we agree should be deleted.

- We support the slight clarification in para 38.

*Components of changes in equity in the statement or in the notes*

We support the flexibility to present items on either the face of the statement or in the notes and therefore support this clarifying amendment.

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*IAS8 Basis of selection of accounting policies*

This amendment imports the wording on the objectives of financial statements and on the qualitative characteristics which will be (but are not yet) in the revised conceptual framework. We did not support these matters (decision usefulness rather than accountability, faithful representation rather than reliability) as part of the framework revision and consider that these are controversial matters which should not be brought in via the improvements project. The amendments to accounting standards arising out of the framework changes should be done as a separate consultation when the framework as a whole is ready to be revised.

*Applying IAS39 impairment rules to subsidiaries, JVs and associates*

These seem reasonable amendments.

*Applying fair value on a partial basis to investments in associates*

While we agree that the treatment proposed is right we wonder whether an amendment of the standard is needed. Accounting standards should not try to cover every sort of instance and this might seem to be a rather particular and rarely occurring situation.

*Enhanced financial instruments disclosures in interim accounts*

While not changing the substance of IAS34 this amendment clearly points the way to the need for increasing disclosures of significant items in interim accounts. The financial crisis highlighted that many items were not adequately disclosed in interim accounts and the full picture only emerged when the annual accounts were published, at a time when events were moving very quickly and clarity was being urgently requested by investors.

It would seem to raise a general issue about the amount of information that should be provided on an annual and on an interim basis, when both forms of reporting seem of equal significance to investors.

We support these amendments, but consider that the IASB should review the requirements of IAS34 and see whether there are other significant matters that need to be addressed.

*Treatment of investment properties being redeveloped*

This amendment proposes changing the treatment of investment properties that are being redeveloped so that they are no longer to be treated as inventory.

They would therefore in future continue to be stated in most cases at fair value through P&L while being redeveloped.

While this looks in one way like a simplification for investment properties, we are concerned about the reliability of fair values of redevelopments in progress.

*Clarification of fair value of the customer loyalty schemes*

While we agree with the proposed amendment, this treatment should have been possible under a reasonable reading of the standard.

If there are any matters arising from the above please be in touch with me.

Yours sincerely

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