The Institute of
Chartered Accountants
of Pakistan

HEAD OFFICE

International Accounting Standards Board, January 14, 2009
30 Cannon Street, London EC4M6XH,
United Kingdom

Subject: **COMMENTS ON EXPOSURE DRAFT OF 'INVESTMENTS IN DEBT INSTRUMENTS (PROPOSED AMENDMENTS TO IFRS 7)'**

Sir,

The Institute of Chartered Accountants of Pakistan welcomes the opportunity to offer comments on the above mentioned exposure draft.

Please find enclosed the comments of the relevant Committee of the Institute for your perusal.

If you require any further clarification, please do not hesitate to contact us.

Yours faithfully,

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COMMENTS ON EXPOSURE DRAFT OF 'INVESTMENTS IN DEBT INSTRUMENTS (PROPOSED AMENDMENTS TO IFRS 7)'

Question 1

The exposure draft proposes in paragraph 30A(a) to require entities to disclose the pre-tax profit or loss as though all investments in debt instruments (other than those classified as at fair value through profit or loss) had been (i) classified as at fair value through profit or loss and (ii) accounted for at amortised cost.

Do you agree with that proposal? If not, why? What would you propose instead, and why?

Answer:

Agreed

Question 2

The exposure draft proposes to require disclosing the pre-tax profit or loss amount that would have resulted under two alternative classification assumptions.

Should reconciliations be required between profit or loss and the profit or loss that would have resulted under the two scenarios? If so, why and what level of detail should be required for such reconciliations?

Answer:

The requirement of reconciliation with a minimum level of detail may be added.

Question 3

The exposure draft proposes in paragraph 30A(b) to require entities to disclose for all investments in debt instruments (other than those classified as at fair value through profit or loss) a summary of the different measurement bases of these instruments that sets out (i) the measurement as in the statement of financial position, (ii) fair value and (iii) amortised cost.

Do you agree with that proposal? If not, why? What would you propose instead, and why?

Answer:

Agreed

Question 4

The exposure draft proposes a scope that excludes investments in debt instruments classified as at fair value through profit or loss.

Do you agree with that proposal? If not, would you propose including investments in debt instruments designated as at fair value through profit or loss or those classified as held for trading or both, and if so, why?

Answer:

Agreed

Question 5

Do you agree with the proposed effective date? If not, why? What would you propose instead, and why?

Answer:

Agreed with justification in the ED for the proposed effective date of annual periods ending on or after December 15, 2008

Question 6

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

Answer:

Yes

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