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**International
Accounting Standards
Board**

This document is provided as a convenience to observers at IASB meetings, to assist them in following the Board's discussion. It does not represent an official position of the IASB. Board positions are set out in Standards.

These notes are based on the staff papers prepared for the IASB. Paragraph numbers correspond to paragraph numbers used in the IASB papers. However, because these notes are less detailed, some paragraph numbers are not used.

INFORMATION FOR OBSERVERS

Board Meeting: November 2008, London

Project: IFRIC

**Subject: Letter from Accounting Standards Council of Singapore
(Appendix B to Agenda paper 2)**



10 October 2008

Mr Robert Garnett
Chairman
International Financial Reporting Interpretations Committee
30 Cannon Street
London EC4M 6XH
United Kingdom

Dear Mr Garnett,

**EFFECTIVE DATE OF IFRIC INTERPRETATION 15 AGREEMENTS FOR THE
CONSTRUCTION OF REAL ESTATE ("IFRIC 15")**

We wish to raise with you the Singapore Accounting Standards Council's concerns regarding the effective date of IFRIC 15, which is "for annual periods beginning on or after *1 January 2009*" as well as paragraph 25 of IFRIC 15 stating that "changes in accounting policy shall be accounted for *retrospectively* in accordance with IAS 8".

2 The adoption of IFRIC 15 in Singapore is likely to impact the revenue recognition accounting policies of several major real estate developers in Singapore. For the companies that are affected, we are of the view that the effective date of 1 January 2009 would not give them sufficient time to make the necessary changes to their financial accounting systems. Hence, the Council would like to propose that the IASB consider delaying the effective date of IFRIC 15 from 1 January 2009 by at least 6 months so as to give the affected entities more reaction time. This would allow the Council to align the effective dates of the Singapore Financial Reporting Standards with the issued IFRIC.

3 We also shared the same sentiment of the other national accounting standards regulators who commented at the World Standard Setters Meeting in London that it is unduly onerous and costly for the affected entities to have to retrospectively restate the revenue recognition for agreements that are in progress as at the opening date of the earliest prior period presented and the other comparative amounts disclosed from each prior period presented. The Council would thus propose that IASB remove this requirement.

4 We look forward to receiving IASB's favourable response on this matter. Should you require any further clarification, please kindly contact Dexter Tan, ASC Secretary, at his number 6332 7145 or email at dexter_tan@mof.gov.sg. Thank you.

Yours faithfully,



Euleen Goh
Chairman, Accounting Standards Council

cc **Sir David Tweedie**
Chairman
International Accounting Standard Board