

April 25, 2008

International Accounting Standards Board
30 Cannon Street
London EC4M 6XH

Subject: Comments on *IFRIC Draft Interpretation D23 Distributions of Non-Cash Assets to Owners*

Dear Sirs:

Consejo Mexicano para la Investigacion y Desarrollo de Normas de Informacion Financiera (CINIF) the accounting Standards setter body in México, appreciates the opportunity to submit our comments on the *IFRIC Draft Interpretation D23 Distributions of Non-Cash Assets to Owner*, (the **Draft**)

Following are our comments and responses to your Questions 1, 2 and 3:

Question 1 Specifying how an entity should measure a liability for a dividend payable (dividend payable)

A dividend payable is a liability as defined by IAS 37 and should be measured in accordance with its rules. Therefore, we concur with your conclusion that all dividends payable, regardless of the types of assets to be distributed, should be addressed by a single standard. We believe that having more than one standard covering this subject would only make the understanding of the rules unnecessarily more complicated and difficult. Thus, we agree with your decision in paragraph BC16 of the **Draft** "...to apply the principles in IAS 37 to all dividends payable (regardless of the types of assets to be distributed."

Question 2 Specifying how any difference between the carrying amount of the assets distributed and the carrying amount of the dividend payable should be accounted for when an entity settles the dividend payable

We concur with paragraph 12 of the **Draft** stating that, "When an entity settles the dividend payable, it shall recognize the difference, if any, between the carrying amount of the assets distributed and the carrying amount of the dividend payable in profit or loss."

We also fully concur with your conclusion in paragraph BC43 stating that: "The proposed treatment would give rise to the same accounting results regardless of whether an entity distributes non-cash items to its owners, or sells the non-cash assets first and distributes the cash received to its owners." We consider that this assumption is the basis for paragraph 12.

Being the distribution of assets to an entity shareholders similar to the disposition of assets we believe that it is incorrect the alternative proposed in paragraph BC44 stating: "...that it might be more appropriate to recognize the credit balance directly in equity." Also, in our view if such alternative is approved then all rules regarding the recognition in profit and loss of the results of the disposition of assets would have to be reviewed.

Question 3 Whether an entity should apply the requirements in IFRS 5 to non-current assets held for distribution to owners

We agree that an entity should apply IFRS 5 to non-currents assets that are held for distribution to owners. If the distribution on non-cash items to owners is similar to a disposition of assets then IFRS 5 becomes fully applicable. An entity should apply IFRS 5 when dividends are declared and the shareholders approve that such dividends will be paid with non-cash items. Thus, it is essential the declaration of dividends by the shareholders and their approval to make the payment with non-cash items. Before dividends are declared the entity is not obligated to distribute non-cash items to its shareholders.

Should you require additional information on our comments listed above, please contact me at 00-52-55-55965633 or 00-52-55-55965634 or by mail at fperezcervantes@cinif.org.mx with copy to acampana@cinif.org.mx

Sincerely,

C.P.C. Felipe Perez Cervantes
President of the Mexican Accounting Standards Board
Consejo Mexicano para la Investigacion y Desarrollo
de Normas de Informacion Financiera