



COUNCIL ON CORPORATE  
DISCLOSURE & GOVERNANCE

5 November, 2002

Dear Sirs,

## **RESPONSE TO EXPOSURE DRAFT ED 1 FIRST-TIME APPLICATION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS**

The Council on Corporate Disclosure and Governance (CCDG) appreciates the opportunity to comment on the Exposure Draft ED 1 *First-time Application of International Financial Reporting Standards* published by the International Accounting Standards Board (IASB) in July 2002. Our comments are divided into General Comments and Responses to Specific Questions set out in the "Invitation to Comment" section. Our comments are given in the context of the IASB's Framework for the Preparation and Presentation of Financial Statements considering, *inter alia*, the recognition and measurement criteria therein, whether alternatives are permitted and the adequacy of requirements or guidance.

### **General Comments**

2. We strongly support the work of the IASB in its leadership efforts to provide high-quality global accounting standards that can be the basis for convergence with national standard setters and regulators around the world. We generally agree with the IASB's objectives in the proposal to ensure that an entity's first IFRS financial statements contain high quality information that is transparent, comparable, cost-effective and provides a suitable starting point for IFRS accounting.

### **Responses to Specific Questions**

#### Question 1

The proposed IFRS would apply when an entity first adopts International Financial Reporting Standards (IFRSs) as its new basis of accounting, by an explicit and unreserved statement of compliance with all IFRSs (paragraphs 1-5). Is this an appropriate description of the circumstances when this proposed IFRS should apply? If not, what changes would you suggest, and why?

**Ans: The CCDG agrees that an entity should make an explicit and unreserved statement of compliance for the reasons as enunciated in the Basis for Conclusions.**

## Question 2

The proposed IFRS proposes a requirement that an entity shall prepare its opening IFRS balance sheet using accounting policies that comply with each IFRS effective at the reporting date for its first IFRS financial statements. Paragraphs 13-24 propose limited exemptions from this requirement. Are all of these exemptions appropriate? Should the Board amend any of these exemptions or create any further exemptions? If so, why?

**Ans: The CCDG is of the view that these exemptions are appropriate.**

## Question 3

Paragraphs 28-37 of the proposed IFRS deal with presentation and disclosure requirements. Are all of these disclosures appropriate? Should the Board require any further disclosures or eliminate or amend any of the proposed disclosure requirements? If so, why?

**Ans: The CCDG is of the view that the presentation and disclosure requirements are appropriate and sufficient.**

## Question 4

Do you have any other comments on the Exposure Draft?

**Ans: No.**

3. We shall be pleased to discuss our comments and views with the Board or its staff. Please contact Mr Ramchand Jagtiani, Deputy Director, at the Institute of Certified Public Accountants of Singapore should you require further information. His email is: [jagtiani@icpas.org.sg](mailto:jagtiani@icpas.org.sg). Thank you.

Yours sincerely,

Chee Hong Tat  
Secretary, CCDG