

Accounting Standard Committee -Thailand

Comments on ED 2 Share-based Payment

Q 1 Scope

A 1 The scope is appropriate as long as the transactions are related to the prices of shares .

Q 2 Recognition

A 2 The recognition requirements are appropriate.

Q 3 - 7 Equity Settled Share-based Payment Transactions

A 3 - 7 We agree with the proposed standard that share-based payment measurement principle should be directly measured by the fair value of goods or services received. If the fair value of goods or services received is not available, it should be measured by the fair value of equity instrument granted.

We also agree with the measurement principle used to measure the transactions with parties other than employees and employees.

Q 8 Vesting Period

A 8 It is reasonable to presume that the goods or services are received during the vesting period. However, the recognition may differ in each period depending on the rendered goods or services.

Q 9 Units of Services

A 9 We agree with the process. However, we have some comments as follows:

1. How to measure the unit of services reasonably?
2. We suggest that the fair value of the equity instruments granted be used as a **proxy** measure, instead of a **surrogate** measure.

3. How to measure the fair value of goods and services or equity instruments granted reasonably?

4. We suggest the alternative measurement based on Human Resource Accounting.

Q 10 Subsequent Adjustment to Total Equity

A 10 It is appropriate. However, in case of new employees who received equity instrument, but they do not render services up to the end of vesting period, the subsequent adjustment to total equity should be reconsidered.

Q 11 Option Pricing Model

A 11 Using the option pricing model is appropriate but how well we can get the fair value depends on the reliability of the factors.

Q 12 Non Transferability Feature

A 12 The method is mainly agreeable. However, in some cases, using either expected life or contracted life should be considered for other vesting conditions.

Q 13 - 15 Common Features

A 13 - 15 All common features, reasonably estimated at grant date, should be included in determining the fair value of share-based payment.

Q 16 Option Pricing Model

A 16 It is reasonable that the IFRS does not contain prescriptive guidance on the estimation of the fair value of options. This will be flexible for future practices.

Q 17 Repricing Share Option

A 17

1. The Average method is suitable for repricing share option
2. More examples about reload option should be provided to clarify the meaning of reload option

Q 18 Subsequent adjustment for Share Options Cancellations / Forfeiture

A 18 If no future legal obligation occurs, the subsequent transactions should be reversed.

Q 19 Cash-settled share-based payment

A 19 The proposed standard is appropriate.

Q 20 Share-based Payment Transactions with Cash Alternatives

A 20 This is reasonable.

Q 21 Disclosures

A 21 The information required to be disclosed in ED 2 is appropriate.

Q 22 Transition period

A 22 Only those new share-based payment arrangement issued after the effective date of the standard should be applied.

However, previous share-based payment arrangement may be encouraged to follow the standard

Q 23 Deferred Income Tax

A 23 This is reasonable

Q 24 Comparing with U.S. GAAP

A 24

- a) paragraph 1 & 2 we agree with IFRS practices
paragraph 3 IFRS should revise the practical guidance for the unlisted entities.
- b) paragraph 1 & 2. The procedure depends on the reliability in estimation of the forfeiture.
- C) we agree with SFAS 123
- d) we agree with IFRS
- e) we agree with IFRS

f) we agree with IFRS

Q 25 **Other Comments**

A 25 No