

30 January 2014

Mr. Hans Hoogervorst
Chairman
International Accounting Standards Board
30 Cannon Street
London, EC4M 6XH
United Kingdom

Dear Mr. Hoogervorst

EXPOSURE DRAFT ED/2013/10 — EQUITY METHOD IN SEPARATE FINANCIAL STATEMENTS (PROPOSED AMENDMENTS TO IAS 27)

The Malaysian Accounting Standards Board (MASB) welcomes the opportunity to provide comments on the IASB Exposure Draft on Equity Method in Separate Financial Statements (ED/2013/10).

We appreciate the IASB's efforts to amend IAS 27 *Separate Financial Statements* to restore the option to use the equity method to account for investments in subsidiaries, joint ventures and associates in the entity's separate financial statements.

However, we do not support the proposal as the IASB has not made clear the objective and purpose of separate financial statements in the context of the *Conceptual Framework for Financial Reporting*. In our view, the IASB should assess:

- (a) who the users of the separate financial statements are; and
- (b) whether by allowing the parent or investor to measure its investments in subsidiary, associate or joint venture using the equity method will provide more relevant information to users.

Without such clarification we are concern the proposal will blur the distinction between the objectives of separate financial statements and that of consolidated financial statements, that is, whether the focus of the separate financial statements is to report the performance of the 'pure' entity level being the parent or investor's net assets and profit or loss or otherwise.

In addition, the proposal will result in diversity in reporting and reduces comparability of separate financial statements information.

If you need further clarification, please contact Ms. Tan Bee Leng at +603 2240 9200 or by email at beeleng@masb.org.my.

Thank you.

Yours sincerely,



DATO' MOHAMMAD FAIZ AZMI
Chairman