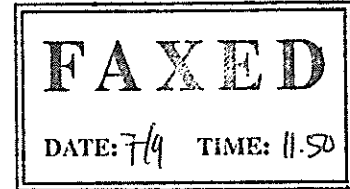


7 September 2009

Sir David Tweedie  
Chairman  
International Accounting Standards Board (IASB)  
30 Cannon Street  
London ED 4M 6 XH  
United Kingdom



Dear Sir David

**IASB EXPOSURE DRAFT – CLASSIFICATION OF RIGHTS ISSUES**

The Malaysian Accounting Standards Board welcomes the opportunity to provide comments on the IASB Exposure Draft – Classification of Rights Issues.

We commend the IASB's effort in responding promptly to clarify the accounting treatment when rights issues are denominated in a currency other than the functional currency of the issuer.

Having reviewed the proposed amendments to IAS 32, we agree with the IASB's proposal to require that if such rights are issued pro rata to an entity's existing shareholders for a fixed amount of currency, they should be classified as equity regardless of the currency in which the exercise price is denominated.

Our detail comments are attached in the Appendix.

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

Thank you.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Faiz".

Mohammad Faiz Azmi  
Chairman

Question 1 – Specifying the characteristics of the rights issue

The proposed amendment applies to instruments (rights) to be offered pro rata to all existing owners of the same class of equity instruments and the exercise price to be a fixed amount of cash in any currency.

Do you agree with the proposal to limit the amendment to instruments with these characteristics? If not, why? Are there any other instruments that should be included and why?

**We agree with the proposal to limit the amendment to instrument with these characteristics.**

Question 2 – Specifying the currency of the exercise price

The proposed amendment specifies that the fixed amount of cash the entity will receive can be denominated in any currency. If that currency is not the entity's functional or reporting currency, the proceeds it receives from the issue of its shares will vary depending on foreign exchange rates.

Do you agree with the proposal to permit an entity to classify rights with the characteristics set out above as equity instruments even when the exercise price is not fixed in its functional or reporting currency? If not, why?

**We agree with the proposal that rights with such characteristics should be classified as equity instrument. Currently, such rights are classified differently from rights issued in the functional currency of the entity. We believe a difference in the currency used should not result in different classification as both types of rights are in substance the same.**

Question 3 – Transition

The proposed change would be required to be applied retrospectively with early adoption permitted. Is the requirement to apply the proposed change retrospectively appropriate? If not, what do you propose and why?

**We agree with the proposal to apply the changes retrospectively as we are of the view the cost and effort involved should not be significant.**