

30 September 2010

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

Dear Sir David

**IASB EXPOSURE DRAFT –
PRESENTATION OF ITEMS OF OTHER COMPREHENSIVE INCOME (PROPOSED
AMENDMENTS TO IAS 1)**

The Malaysian Accounting Standards Board welcomes the opportunity to provide comments on the IASB Exposure Draft – Presentation of Items of Other Comprehensive Income.

Generally we support the proposed amendment to improve the presentation of the other comprehensive income in enhancing the quality of the financial information presentation whilst preserving the importance of profit or loss.

Our detailed responses are enclosed in the Appendix of this letter.

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,



Mohammad Faiz Azmi
Chairman

Question 1

The Board proposes to change the title of the statement of comprehensive income to 'Statement of profit or loss and other comprehensive income' when referred to in IFRSs and its other publications. Do you agree? Why and why not? What alternative do you propose?

We agree with the proposal to change the title of the statement of comprehensive income to 'Statement of profit or loss and other comprehensive income' which is functional and encapsulates a list of items of this statement, whilst preserving the notion of profit or loss.

We note that the ED retains the option to use other titles for the statements other than those used in the Standard. In this respect, we would like to suggest the Board to mandate the use of specific titles for the financial statements in the interest of consistency. Using different titles to describe the same statement could confuse users.

Question 2

The proposals would require entities to present a statement of profit or loss and other comprehensive income with two sections—profit or loss and items of other comprehensive income. The Board believes this will provide more consistency in presentation and make financial statements more comparable. Do you agree? Why or why not? What alternative do you propose?

With the proposed elimination of the presentation option currently available under IAS 1, we agree that combining two separate statements into one would provide more consistency in presentation and make presentation more comparable.

However we believe it would be ideal that the amendments are made in a more holistic manner ie parallel with the conceptual framework relating to performance reporting being developed by the Board. This approach may prevent the risk of the Board having to overturn its current decision subsequently as a result of possible conflict that may arise between the conceptual issues relating to performance reporting vis-à-vis the proposal prescribed in the ED.

Question 3

The exposure draft proposes to require entities to present items of other comprehensive income (OCI) that will be reclassified to profit or loss (recycled) in subsequent periods upon derecognition separately from items of OCI that will not be reclassified to profit or loss. Do you support this approach? Why or why not? What alternative do you propose?

We believe a clear distinction between OCI items will enhance the quality of the financial information and provide better decision useful information to users of financial statements. Therefore, we support the Board's proposal.

Question 4

The exposure draft also proposes to require that income tax on items presented in OCI should be allocated between items that might be subsequently reclassified to profit or loss and those that will not be reclassified subsequently to profit or loss, if the items in OCI are presented before tax. Do you support this approach? Why or why not? What alternative do you propose?

We support the Board's proposal. It is consistent with the current IAS 1 requirements.

Question 5

In the Board's assessment:

(a) The main benefits of the proposals are:

- (i) presenting all non-owner changes in equity in the same statement
- (ii) improving comparability by eliminating options currently in IAS 1
- (iii) maintaining a clear distinction between profit or loss and items of other comprehensive income
- (iv) improving clarity of items presented in OCI by requiring them to be classified into items that might be reclassified subsequently to profit or loss

(b) The costs of the proposals should be minimal because in applying the existing version of IAS 1, entities must have all the information required to apply the proposed amendments.

Do you agree with the Board's assessment? Why or why not?

We generally agree with the Board's assessment. However, we note that with ongoing changes to IFRS (e.g. IFRS 9 and IAS 19), the classification between items that are and are not recyclable is likely to change over time, and this could limit the effectiveness and usefulness of the distinction.

Question 6

Do you have any other comments on the proposals?

We do not have any other comment.