

30 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 – DISCOUNT RATE FOR EMPLOYEE BENEFITS

The Malaysian Accounting Standards Board welcomes the opportunity to provide comments on the IASB Exposure Draft – Discount Rate for Employee Benefits.

We commend the IASB's effort in responding promptly to amend IAS 19 Employee Benefits to deal with the effect of the global crisis on pension obligations.

Having reviewed the proposed amendments to IAS 19, we have no objection to the IASB's proposal to eliminate the requirement to use government bond rates to determine the discount rate for employee benefit obligations when there is no deep market in high quality corporate bonds. We are agreeable that an entity refers to the guidance in IAS 39 *Financial Instruments: Recognition and Measurement* for determining fair value.

We support that an entity to apply the amendments prospectively from the beginning of the period in which it first applies the amendments and recognise the gains or losses arising from the change in the defined benefit liability (or asset) directly in retained earnings.

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