

1 March 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 – MANAGEMENT COMMENTARY

The Malaysian Accounting Standards Board welcomes the opportunity to provide comments on the IASB Exposure Draft – Management Commentary (ED). We appreciate the IASB's commitment to develop this ED to improve the quality of management commentary reporting by outlining the preparation and presentation of information in explaining an entity's financial performance relative to its expectation and strategies.

Generally we support the proposed management commentary framework for greater comparability and to reduce diverse practices among jurisdictions.

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 – Status of the final work product

Do you agree with Board's decision to develop a guidance document for the preparation and presentation of management commentary instead of an IFRS? If not, why?

We support the IASB's decision to develop a guidance document for management commentary instead of an IFRS. We believe the decision on which entities are required to publish management commentary should rest with the legislative and regulatory authorities in individual jurisdictions, therefore it will be counter-productive to some jurisdictions, if management commentary is made mandatory within the IFRS framework.

Alternatively, the IASB may wish to consider similar approach adopted in IAS 34 *Interim Financial Reporting* that provides for voluntary compliance with the Standard. In other words, when an entity prepares management commentary, it should comply with the management commentary requirements.

Question 2 – Content elements of a decision-useful MC

Do you agree that the content element described in paragraphs 24 – 39 are necessary for the preparation of a decision-useful management commentary? If not, how should those content elements be changed to provide decision-useful information to users of financial reports?

We agree with the proposed content elements in the ED as they are necessary for the preparation of a decision-useful management commentary.

Question 3 – Application guidance and illustrative examples

Do you agree with the Board's decision not to include detailed application guidance and illustrative examples in the final management commentary guidance document? If not, what specific guidance would you include and why?

We agree with IASB's decision not to include detailed application guidance and illustrative examples in the final management commentary guidance document as excessive prescriptive guidance may cause the rigidity of disclosures or omission of some disclosures unique to respective industries and businesses.

In addition, we believe the management commentary guidance should remain dynamic and not static given the peculiarity of each country and industry.