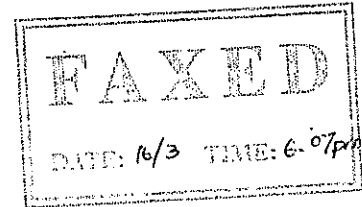


13 March 2009

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 RELATIONSHIP WITH THE STATE— PROPOSED AMENDMENTS TO IAS 24

The Malaysian Accounting Standards Board welcomes the opportunity to provide comments to the IASB on Exposure Draft Relationship with the State - Proposed Amendments to IAS 24.

We are supportive of the proposals contained in the Exposure Draft as we believe the proposals would significantly reduce the work of state-controlled entities (SCEs) in meeting the requirements of IAS 24 which the cost of compliance may not outweigh its benefits.

The option provided in Paragraph 17B(b) where disclosures about significant transactions with the state or other SCEs can be in either a qualitative or quantitative format will provide much needed relief to SCEs.

A qualitative disclosure in the form of a *narrative statement* - such as the example below - will avoid obscuring the financial statements with too much information about transactions with SCEs especially when the related party transactions are carried out on arms length basis:

The Group and the Company engage in a variety of transactions with related corporations in the normal course of business on terms similar to those available to other customers. These related party transactions are carried out on normal trade terms. Other than those transactions conducted in the normal course of business, other significant transactions with the related corporations are as follows ...

Consequential amendment to IFRS 8

With the proposed revised exemption in IAS 24 with regard to SCEs, we believe the IASB should also consider providing similar exemption in IFRS 8 paragraph 34. As mentioned in our letter to you on 7 June 2007, the requirement in IFRS 8.34 would

result in similar implementation difficulties as the IAS 24 which the Board acknowledged.

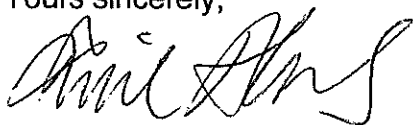
The tentative decision by the Board in September 2008 that an entity should use its judgement to determine whether it should regard entities controlled by the same state as a single customer would not resolve the implementation difficulties of IFRS 8.34. A reporting entity under IFRS 8.34 may not have the information about the relationship between a state and entities under the control of that state, more so if it is transacting with entities from a different country. We see no reason why no exemption is provided in IFRS 8.34 when transactions between SCEs themselves will now be provided certain level of exemption.

We believe the tentative proposal to include the exercise of judgement in the application of IFRS 8.34 will be counter-productive to the proposed exemptions of IAS 24 where SCEs are now given the choice to disclose significant transactions with the state or other SCEs using either the qualitative or quantitative format.

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

Thank you.

Yours sincerely,



Dato' Zainal Abidin Putih
Chairman