



LEMBAGA PIAWAIAN PERAKAUNAN MALAYSIA  
MALAYSIAN ACCOUNTING STANDARDS BOARD

CL 46

30 March 2006

31 MAR 2006

Mr. Robert Garnett  
The Chairman  
International Financial Reporting Interpretation Committee  
30 Cannon Street  
LONDON EC4M 6XH  
UNITED KINGDOM

Dear Mr. Garnett,

### **IFRIC Draft Interpretation D18 Interim Financial Reporting and Impairment**

The Malaysian Accounting Standards Board (MASB) appreciates the opportunity to offer its views on IFRIC Draft Interpretation D18 Interim Financial Reporting and Impairment.

We recognise the efforts of IFRIC to provide clarification on the interaction between IAS 34 Interim Financial Reporting and IAS 36 Impairment of Assets and IAS 39 Financial Instruments: Recognition and Measurement, and the effect of that interaction on subsequent interim and annual financial statements.

Having reviewed D18 and feedback received from the Malaysian constituents, we have no objection to the proposal laid out in D18.

However, we believe the IASB should amend IAS 34 to address the conflicts between IAS 34 and IAS 36/ IAS 39 rather than having the IFRIC to issue an interpretation on the matter. It is our understanding that IFRIC Interpretations do not amend the Standards, and therefore, should not be used to resolve conflicts between Standards. IFRIC's role is to provide guidance on newly identified financial reporting issues not specifically addressed in IFRSs or issues where unsatisfactory or conflicting interpretations have developed, or seem likely to develop.

CL 46

We believe it is more appropriate to amend the Standards itself to eliminate any conflicts between them. In this regard, we recommend paragraph 28 of IAS 34 to be amended as follows (as per underlined):

*... However, the frequency of an entity's reporting (annual, half-yearly, or quarterly) shall not affect the measurement of its annual results, except where the entity recognises impairment losses in an interim period on goodwill or an investment in an equity instrument or a financial asset carried at cost, shall not be reversed as prescribed in accordance with IAS 36 or IAS 39.*

Should you require further information, please contact Dr. Nordin Mohd Zain, the Executive Director of MASB, via e-mail at [nordin@masb.org.my](mailto:nordin@masb.org.my).

Yours sincerely,



**Dato' Zainal Abidin Putih**  
Chairman