

30 November 2011

Mr Hans Hoogervorst
Chairman
International Accounting Standards Board (IASB)
30 Cannon Street
London ED 4M 6 XH
United Kingdom

Dear Mr Hoogervorst

IASB REQUEST FOR VIEWS – AGENDA CONSULTATION 2011

The Malaysian Accounting Standards Board (MASB) welcomes the opportunity to provide comments on the IASB Request for Views – Agenda Consultation 2011.

We support the IASB's initiative to gather public input on the strategic direction and overall balance of its work plan as well as on the priority of individual projects or agendas over the next three years. Overall, we agree with the two categories and the five strategic areas within them as identified by the IASB. Further, the MASB, a member of the Asian-Oceanian Standard-Setters Group (AOSSG), supports the views expressed in the AOSSG's letter on the Agenda Consultation 2011.

In addition, the MASB would like to emphasise that in the short-term, the IASB should make every effort to complete the four existing significant projects (financial instruments, revenue, leases and insurance), and also as equally important, to allocate some resources to undertake projects to respond to urgent implementation needs of existing IFRSs, instead of developing new IFRSs.

The following are two areas which we believe require immediate attention of the IASB.

(1) *IAS 41 Agriculture*

One urgent project that we urge the IASB to consider is "Agriculture, particularly bearer biological assets" as noted in the Agenda Consultation 2011.

We noted that the AOSSG's comment letter to IASB on the Agenda Consultation 2011 has also identified the limited amendment to IAS 41 as one of the top three priority projects. Further, as explained in the AOSSG's letter to the IASB on 20 November 2011, improvement to IAS 41 in the short term is very important to AOSSG in view that a number of the AOSSG members are agricultural-based countries. An improved IAS 41 will facilitate and encourage AOSSG members to take a step forward in converging with IFRS.

In addition, as you are aware, we have presented an Issues Paper on IAS 41 in Rome, Italy in September 2010 and a refined Issues Paper in New York, the USA, in March in 2011 at the NSS meetings. We have also discussed about the proposal for a limited amendment to IAS 41 at the recent AOSSG 3rd Annual Meeting in November 2011 in Melbourne, Australia. In all the three meetings, as you are aware, there was good support and generally the meetings agreed the case for improvement to IAS 41, specifically on bearer biological assets, as presented by MASB was persuasive.

We appreciate that our concerns and effort have gained a worthy attention by the IASB and we believe that the issues raised can be resolved within a reasonably quick time frame.

For your information, entities in Malaysia will converge with IFRS in 2012. Given that a growing number of agriculture based jurisdictions in this region are planning to join the IFRS community, it is vital the IASB considers the Issues Paper which provides a conceptual basis on how IASB can proceed to address the bearer biological assets issues.

(2) *Islamic Finance*

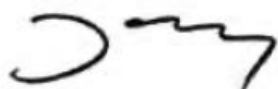
We support the recommendation of the AOSSG Working Group – *Financial Reporting relating to Islamic Finance* that the IASB to set up an advisory group to deal with Islamic finance products. We observed that Islamic financing is growing significantly and gaining greater prominence in a number of jurisdictions.

While we are convinced IFRS requirements can be applied to Islamic finance transactions, the establishment of an advisory group would facilitate a formal structure for experts in the field of Islamic finance to provide their recommendations to the IASB with regards to the applicability of existing and proposed IFRS requirements to Islamic finance transactions that are evolving and when additional disclosure requirements for Islamic finance transactions may be required to provide useful and relevant information to users.

If you need further clarification or have any queries regarding this letter, 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