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26 September 2012

IFRS Foundation
1st Floor 30 Cannon Street
London EC4M 6XH
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(By email: ifric@org.sg)

Dear Sirs,

RESPONSE TO DRAFT IFRIC INTERPRETATION – PUT OPTIONS WRITTEN ON NON-CONTROLLING INTERESTS

The Institute of Certified Public Accountants of Singapore (ICPAS) appreciates the opportunity to comment on the above draft IFRIC Interpretation issued by the IFRS Interpretations Committee (the Committee) in May 2012.

Our comments on the specific questions in the draft Interpretation are as follows:

Question 1 - Scope:

The draft Interpretation would apply, in the parent's consolidated financial statements, to put options that oblige the parent to purchase shares of its subsidiary that are held by a non-controlling-interest shareholder for cash or another financial asset (NCI puts). However, the draft Interpretation would not apply to NCI puts that were accounted for as contingent consideration in accordance with IFRS 3 Business Combinations (2004) because IFRS 3 (2008) provides the relevant measurement requirements for those contracts.

Do you agree with the proposed scope? If not, what do you propose and why?

We are generally agreeable to the scope proposed in the draft Interpretation.

Question 2 – Consensus:
The consensus in the draft Interpretation (paragraphs 7 and 8) provides guidance on the accounting for the subsequent measurement of the financial liability that is recognised for an NCI put. Changes in the measurement of that financial liability would be required to be recognised in profit or loss in accordance with IAS 39 Financial Instruments: Recognition and Measurement and IFRS 9 Financial Instruments.

Do you agree with the consensus proposed in the draft Interpretation? If not, why and what alternative do you propose?

The guidance proposed in the draft Interpretation are in line with IAS 39 *Financial Instruments: Recognition and Measurements* and IFRS 9 *Financial Instruments*. Therefore, we are agreeable with the proposed consensus in the draft Interpretation.

Question 3 - Transition:
Entities would be required to apply the draft Interpretation retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

Do you agree with the proposed transition requirements? If not, what do you propose and why?

Applying the draft Interpretation retrospectively would allow information to be prepared on the same basis and support the comparability of information between prior and current periods. Hence, we are agreeable with the proposed transition requirements.

Should you require any further clarification, please feel free to contact Ms Jezz Chew, Technical Manager, from ICPAS via email at jezz.chew@icpas.org.sg.

Yours faithfully,

Ms Lim Ai Leen
Executive Director
Technical Knowledge Centre and Quality Assurance