

5 September 2012

IFRS Foundation
1st Floor 30 Cannon Street
London EC4M 6XH
United Kingdom

(By email: CommentLetters@iasb.org)

Dear Sirs,

RESPONSE TO DRAFT IFRIC INTERPRETATION – LEVIES CHARGED BY PUBLIC AUTHORITIES ON ENTITIES THAT OPERATE IN A SPECIFIC MARKET

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:

The draft Interpretation addresses the accounting for levies that are recognised in accordance with the definition of a liability provided in IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. Levies that are within the scope of the draft Interpretation are described in paragraphs 3–5.

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

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

Question 2:

The consensus in the draft Interpretation (paragraphs 7–12) provides guidance on the recognition of a liability to pay a levy.

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

The principles adopted in the draft Interpretation are in line with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. Therefore, we are agreeable to the principles adopted in the draft Interpretation to arrive at the proposed consensus.

Question 3:

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